

**TOWN OF ALEXANDRIA,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023**

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

TABLE OF CONTENTS

	<u>PAGES</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
 BASIC FINANCIAL STATEMENTS 	
Government-wide Financial Statements	
A Statement of Net Position	4
B Statement of Activities	5
Fund Financial Statements	
<i>Governmental Funds</i>	
C-1 Balance Sheet	6
C-2 Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position.....	7
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balances.....	8
C-4 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	9
<i>Budgetary Comparison Information</i>	
D Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	10
<i>Fiduciary Funds</i>	
E-1 Statement of Fiduciary Net Position.....	11
E-2 Statement of Changes in Fiduciary Net Position	12
NOTES TO THE BASIC FINANCIAL STATEMENTS	13 - 35
 REQUIRED SUPPLEMENTARY INFORMATION 	
F Schedule of the Town's Proportionate Share of Net Pension Liability	36
G Schedule of Town Contributions – Pensions	37
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY	38
H Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability	39
I Schedule of Town Contributions – Other Postemployment Benefits	40
J Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios.....	41
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS LIABILITY	42
 COMBINING AND INDIVIDUAL FUND SCHEDULES 	
Governmental Funds	
<i>Major General Fund</i>	
1 Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis).....	43
2 Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)	44 - 45
3 Schedule of Changes in Unassigned Fund Balance.....	46
<i>Nonmajor Governmental Funds</i>	
4 Combining Balance Sheet	47
5 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	48
Fiduciary Funds	
<i>Custodial Funds</i>	
6 Combining Schedule of Fiduciary Net Position	49
7 Combining Schedule of Changes in Fiduciary Net Position	50
INDEPENDENT AUDITOR'S COMMUNICATION OF SIGNIFICANT DEFICIENCY	51



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX 603-224-1380

INDEPENDENT AUDITOR'S REPORT

To the Members of the Select Board
Town of Alexandria
Town of Alexandria, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the Town of Alexandria, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Alexandria's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major governmental fund, and the aggregate remaining fund information of the Town of Alexandria, as of December 31, 2023, and the respective changes in financial position, and the respective budgetary comparison for the major general fund 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Alexandria 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2-C to the financial statements, in the year ending December 31, 2023, the Town adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Town of Alexandria's 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 Town of Alexandria's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Town of Alexandria
Independent Auditor's Report***

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 Town of Alexandria'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 Town of Alexandria'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 following be presented to supplement the basic financial statements:

- Schedule of the Town's Proportionate Share of Net Pension Liability,
- Schedule of Town Contributions – Pensions,
- Schedule of the Town's Proportionate Share of Net Other Postemployment Benefits Liability,
- Schedule of Town Contributions – Other Postemployment Benefits,
- Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios, and
- Notes to the Required Supplementary Information

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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

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

*Town of Alexandria
Independent Auditor's Report*

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

June 6, 2024
Concord, New Hampshire

*Plodzik & Sanderson
Professional Association*

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Statement of Net Position
December 31, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,177,767
Investments	838,219
Taxes receivables (net)	450,755
Account receivables	4,871
Tax deeded property, subject to resale	19,459
Land	331,961
Other capital assets, net of depreciation	4,358,415
Total assets	9,181,447
DEFERRED OUTFLOWS OF RESOURCES	
Amounts related to pensions	176,225
Amounts related to other postemployment benefits	22,062
Total deferred outflows of resources	198,287
LIABILITIES	
Accounts payable	87,510
Accrued interest payable	13,148
Intergovernmental payable	1,624,643
Long-term liabilities:	
Due within one year	124,405
Due in more than one year	1,782,808
Total liabilities	3,632,514
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - grants	227,420
Amounts related to pensions	44,900
Total deferred inflows of resources	272,320
NET POSITION	
Net investment in capital assets	4,278,786
Restricted	1,325,076
Unrestricted	(128,962)
Total net position	\$ 5,474,900

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT B
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2023

	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
General government	\$ 511,772	\$ 5,173	\$ -	\$ (506,599)
Public safety	480,211	8,525	-	(471,686)
Highways and streets	1,353,553	2,766	242,543	(1,108,244)
Sanitation	199,730	31,941	-	(167,789)
Health	20,182	-	-	(20,182)
Welfare	13,936	-	-	(13,936)
Culture and recreation	32,978	-	-	(32,978)
Conservation	6,144	-	-	(6,144)
Interest on long-term debt	9,223	-	-	(9,223)
Total governmental activities	<u>\$ 2,627,729</u>	<u>\$ 48,405</u>	<u>\$ 242,543</u>	<u>(2,336,781)</u>
General revenues:				
Taxes:				
Property				1,726,871
Other				73,662
Motor vehicle permit fees				381,192
Licenses and other fees				19,213
Grants and contributions not restricted to specific programs				168,721
Unrestricted investment earnings				156,081
Miscellaneous				10,240
Total general revenues				<u>2,535,980</u>
Change in net position				199,199
Net position, beginning (as restated see Note 16)				5,275,701
Net position, ending				<u>\$ 5,474,900</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-1
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2023

	General	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,924,627	\$ 30,110	\$ 79,499	\$ 3,034,236
Investments	39,238	798,981	-	838,219
Receivables:				
Taxes	510,755	-	-	510,755
Accounts	4,626	-	245	4,871
Interfund receivable	5,650	-	1,438	7,088
Tax deeded property, subject to resale	19,459	-	-	19,459
Restricted assets:				
Cash and cash equivalents	143,531	-	-	143,531
Total assets	<u>\$ 3,647,886</u>	<u>\$ 829,091</u>	<u>\$ 81,182</u>	<u>\$ 4,558,159</u>
LIABILITIES				
Accounts payable	\$ 87,510	\$ -	\$ -	\$ 87,510
Intergovernmental payable	1,624,643	-	-	1,624,643
Interfund payable	1,438	5,650	-	7,088
Total liabilities	<u>1,713,591</u>	<u>5,650</u>	<u>-</u>	<u>1,719,241</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	102,105	-	-	102,105
Unavailable revenue - grants	227,420	-	-	227,420
Total deferred inflows of resources	<u>329,525</u>	<u>-</u>	<u>-</u>	<u>329,525</u>
FUND BALANCES				
Nonspendable	19,459	745,755	-	765,214
Restricted	501,635	77,686	-	579,321
Committed	143,531	-	81,182	224,713
Unassigned	940,145	-	-	940,145
Total fund balances	<u>1,604,770</u>	<u>823,441</u>	<u>81,182</u>	<u>2,509,393</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,647,886</u>	<u>\$ 829,091</u>	<u>\$ 81,182</u>	<u>\$ 4,558,159</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-2
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:			
Total fund balances of governmental funds (Exhibit C-1)			\$ 2,509,393
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.			
Cost	\$ 8,366,122		
Less accumulated depreciation	<u>(3,675,746)</u>		
			4,690,376
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.			
Deferred outflows of resources related to pensions	\$ 176,225		
Deferred inflows of resources related to pensions	(44,900)		
Deferred outflows of resources related to OPEB	<u>22,062</u>		
			153,387
Interfund receivables and payables between governmental funds are eliminated on the Statement of Net Position.			
Receivables	\$ (7,088)		
Payables	<u>7,088</u>		
			-
Property taxes not collected within 60 days of fiscal year-end are not available to pay for current period expenditures, and therefore are deferred in the governmental funds.			
Deferred property taxes	\$ 102,105		
Allowance for uncollectible taxes	<u>(60,000)</u>		
			42,105
Interest on long-term debt is not accrued in governmental funds.			
Accrued interest payable			(13,148)
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.			
Bond payable	\$ 400,000		
Notes payable	411,590		
Compensated absences	33,565		
Net pension liability	711,890		
Other postemployment benefits	<u>350,168</u>		
			<u>(1,907,213)</u>
Net position of governmental activities (Exhibit A)			<u>\$ 5,474,900</u>

EXHIBIT C-3
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2023

	General	Permanent	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,820,794	\$ -	\$ 1,638	\$ 1,822,432
Licenses and permits	400,405	-	-	400,405
Intergovernmental	411,264	-	-	411,264
Charges for services	30,543	-	17,862	48,405
Miscellaneous	55,930	110,345	46	166,321
Total revenues	<u>2,718,936</u>	<u>110,345</u>	<u>19,546</u>	<u>2,848,827</u>
EXPENDITURES				
Current:				
General government	467,061	10,215	-	477,276
Public safety	469,547	-	7,169	476,716
Highways and streets	1,267,019	-	-	1,267,019
Sanitation	198,581	-	-	198,581
Health	20,182	-	-	20,182
Welfare	13,936	-	-	13,936
Culture and recreation	32,978	-	-	32,978
Conservation	644	-	5,500	6,144
Capital outlay	434,862	-	-	434,862
Total expenditures	<u>2,904,810</u>	<u>10,215</u>	<u>12,669</u>	<u>2,927,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(185,874)</u>	<u>100,130</u>	<u>6,877</u>	<u>(78,867)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,650	-	-	5,650
Transfers out	-	(5,650)	-	(5,650)
Bond proceeds	400,000	-	-	400,000
Note proceeds	192,977	-	-	192,977
Total other financing sources (uses)	<u>598,627</u>	<u>(5,650)</u>	<u>-</u>	<u>592,977</u>
Net change in fund balances	412,753	94,480	6,877	514,110
Fund balances, beginning	1,192,017	728,961	74,305	1,995,283
Fund balances, ending	<u>\$ 1,604,770</u>	<u>\$ 823,441</u>	<u>\$ 81,182</u>	<u>\$ 2,509,393</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-4
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances of governmental funds (Exhibit C-3)	\$	514,110
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year as follows:		
Capitalized capital outlay	\$ 550,470	
Depreciation expense	<u>(294,771)</u>	255,699
Transfers in and out between governmental funds are eliminated on the Statement of Activities.		
Transfers in	\$ (5,650)	
Transfers out	<u>5,650</u>	-
Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenue in the governmental funds.		
Change in deferred tax revenue		(21,899)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.		
Proceeds of a bond	\$ (400,000)	
Inception of a notes payable	(192,977)	
Repayment of notes payable	<u>106,801</u>	(486,176)
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.		
Increase in accrued interest expense	\$ (9,222)	
Increase in compensated absences payable	(8,195)	
Net change in net pension liability, and deferred outflows and inflows of resources related to pensions	(26,788)	
Net change in net other postemployment benefits liability and deferred outflows and inflows of resources related to other postemployment benefits	<u>(18,330)</u>	(62,535)
Change in net position of governmental activities (Exhibit B)	\$	<u><u>199,199</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT D
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 1,794,715	\$ 1,794,715	\$ 1,798,895	\$ 4,180
Licenses and permits	382,300	382,300	400,405	18,105
Intergovernmental	369,911	369,911	411,264	41,353
Charges for services	-	-	30,543	30,543
Miscellaneous	71,600	71,600	54,297	(17,303)
Total revenues	<u>2,618,526</u>	<u>2,618,526</u>	<u>2,695,404</u>	<u>76,878</u>
EXPENDITURES				
Current:				
General government	491,200	521,200	467,061	54,139
Public safety	515,173	515,173	469,547	45,626
Highways and streets	996,543	1,056,543	946,061	110,482
Sanitation	224,165	224,165	198,581	25,584
Health	22,302	22,302	20,182	2,120
Welfare	15,300	15,300	13,936	1,364
Culture and recreation	35,675	35,675	32,978	2,697
Conservation	1,701	1,701	644	1,057
Debt service:				
Interest	40,500	40,500	-	40,500
Capital outlay	810,967	810,967	934,862	(123,895)
Total expenditures	<u>3,153,526</u>	<u>3,243,526</u>	<u>3,083,852</u>	<u>159,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(535,000)</u>	<u>(625,000)</u>	<u>(388,448)</u>	<u>236,552</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	400,000	400,000	400,000	-
Transfers in	5,000	95,000	95,650	650
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	<u>375,000</u>	<u>465,000</u>	<u>465,650</u>	<u>650</u>
Net change in fund balances	<u>\$ (160,000)</u>	<u>\$ (160,000)</u>	77,202	<u>\$ 237,202</u>
Unassigned fund balance, beginning, as restated (see Note 16)			905,048	
Unassigned fund balance, ending			<u>\$ 982,250</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT E-1
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2023

	Private Purpose Trust Funds	All Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 31,322	\$ 4,877
Investments	831,145	-
Intergovernmental receivable	-	1,623,670
Total assets	862,467	1,628,547
LIABILITIES		
Intergovernmental payables:		
School	-	1,623,670
NET POSITION		
Restricted	\$ 862,467	\$ 4,877

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT E-2
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2023

	Private Purpose Trust Funds	All Custodial Funds
ADDITIONS		
Investment earnings	\$ 25,367	\$ 2
Change in fair market value	83,126	-
Tax collections for other governments	-	3,751,810
Other	-	157,074
Total additions	108,493	3,908,886
DEDUCTIONS		
Scholarships	5,862	-
Administrative expenses	5,206	-
Payments of taxes to other governments	-	3,751,810
Payments of motor vehicle fees to State	-	157,074
Total deductions	11,068	3,908,884
Net increase in fiduciary net position	97,425	2
Net position, beginning	765,042	4,875
Net position, ending	\$ 862,467	\$ 4,877

The Notes to the Basic Financial Statements are an integral part of this statement.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

	<u>NOTE</u>
Summary of Significant Accounting Policies	1
Reporting Entity	1-A
Basis of Accounting and Measurement Focus	1-B
Cash and Cash Equivalents	1-C
Restricted Assets	1-D
Investments	1-E
Receivables	1-F
Capital Assets	1-G
Interfund Activities	1-H
Property Taxes	1-I
Accounts Payable	1-J
Deferred Outflows/Inflows of Resources	1-K
Compensated Absences	1-L
Long-term Obligations	1-M
Defined Benefit Pension Plan	1-N
Postemployment Benefits Other Than Pensions (OPEB)	1-O
Net Position/Fund Balances	1-P
Use of Estimates	1-Q
 Stewardship, Compliance, and Accountability	 2
Budgetary Information	2-A
Budgetary Reconciliation to GAAP Basis	2-B
Accounting Change	2-C

DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents	3
Restricted Assets	4
Investments	5
Taxes Receivable	6
Capital Assets	7
Interfund Balances and Transfers	8
Intergovernmental Payables	9
Deferred Outflows/Inflows of Resources	10
Long-term Liabilities	11
Defined Benefit Pension Plan	12
Postemployment Benefits Other Than Pensions (OPEB)	13
New Hampshire Retirement System (NHRS)	13-A
Town of Alexandria Retiree Health Benefit Program	13-B
Governmental Activities and Fiduciary Funds Net Position	14
Governmental Fund Balances	15
Prior Period Adjustments	16
Risk Management	17
Tax Abatements	18
Contingent Liabilities	19
Subsequent Events	20

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Alexandria, New Hampshire (the Town), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The more significant of the Town's accounting policies are described below.

1-A Reporting Entity

The Town of Alexandria is a municipal corporation governed by an elected 3-member Select Board. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB Statement No. 14, *The Financial Reporting Entity* (as amended). The Town has no component units to include in its reporting entity.

1-B Basis of Accounting and Measurement Focus

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements – The Town's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Town. Fiduciary activities of the Town are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the Town are reported in two categories: 1) charges for services and 2) operating grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Governmental Fund Financial Statements – Include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. Accompanying statements are presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The Town has presented all major funds that met those qualifications.

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 Town generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

General Fund – is the Town’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, debt service, and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* guidance, the expendable trust funds are consolidated in the general fund.

Permanent Fund – is used to record activity of legal trusts for which the interest on the corpus provides funds for the permanent funds including the Town’s cemetery operations for use by the Town.

Additionally, the Town reports the following fund types:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The Town reports three nonmajor governmental funds.

Fiduciary Fund Financial Statements – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are private purpose trust and custodial funds, which are custodial in nature and do not involve measurement of results of operations. These funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting.

The Town reports the following fiduciary funds:

Private Purpose Trust Fund – are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

Custodial Fund – are custodial in nature and do not involve the measurement of operating results. A custodial fund is used to account for assets held on behalf of outside parties, including other governments.

1-C Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits, and savings accounts.

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-D Restricted Assets

Certain Town assets are classified as restricted assets because their use is restricted by statutory limitation, or they are earmarked for a specific purpose.

1-E Investments

State statutes place certain limitations on the nature of deposits and investments available as follows:

- New Hampshire law authorizes the Town to invest in the following type of obligations:
- Obligations of the United States government,
 - The public deposit investment pool established pursuant to RSA 383:22,

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

- Savings bank deposits,
- Certificates of deposit and repurchase agreements of banks incorporated under the laws of the State of New Hampshire or in banks recognized by the State treasurer.

Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the Town. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

Fair Value Measurements of Investments – In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for investments measured using net asset value (NAV) as a practical expedient to estimate fair value, the Town categorizes the fair value measurements of its investments within the fair value hierarchy established by US GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 – Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets. A quoted price for an identical asset or liability in an active market (e.g. an equity security traded on a major exchange) provides the most reliable fair value measurement and, if available, should be used to measure the fair value in that particular market.

Level 2 – The categorization of an asset/liability as Level 1 requires that it is traded in an active market. If an instrument is not traded in an active market, it may fall to Level 2. Level 2 inputs are inputs that are observable, either directly or indirectly, but do not qualify as Level 1.

Level 3 – Reporting entities may use unobservable inputs to measure fair value if relevant observable inputs are not available, thereby allowing for situations in which there is little, if any market activity for the asset or liability at the measurement date. These unobservable inputs are considered Level 3.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, is the level in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Investments are reported at fair value. If an investment is held directly by the Town and an active market with quoted prices exists, such as for domestic equity securities, the market price of an identical security is used to report fair value and is classified in Level 1. Corporate fixed income securities and certain governmental securities utilize pricing that may involve estimation using similar securities or trade dates and are classified in Level 2. Fair values for shares in registered mutual funds and exchange-traded funds are based on published share prices and classified in Level 1.

In determining fair value, the Town utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Investments in Certain External Investment Pools – In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Town held investments with the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP measures all of its investments at amortized cost. There are no redemption restrictions and shares may be redeemed by the Town in accordance with the NHPDIP's Information Statement.

1-F Receivables

Receivables recorded in the financial statements represent amounts due to the Town at December 31. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

1-G Capital Assets

Capital assets are reported in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year for capitalization of depreciable assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. When purchased, such assets are recorded as expenditures in a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated (except for land and construction on progress which are not depreciated) using the straight-line method over the following estimated useful lives:

Capital Asset Classes:	<u>Years</u>
Land improvements	30
Buildings and building improvements	50-126
Machinery, equipment, and vehicles	8-30
Infrastructure	50

1-H Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

Interfund Transfers – Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-I Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year. Warrants for the year were issued on May 16, 2023 and November 15, 2023 and due on July 6, 2023 and December 1, 2023. For any regular property taxes issued, the interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable taxes at year-end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Newfound Area School District, and Grafton County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2023 utilized in the setting of the tax rate was as follows:

For the New Hampshire education tax	\$ 282,637,820
For all other taxes	\$ 298,228,820

The tax rates and amounts assessed for the year ended December 31, 2023 were as follows:

	Per \$1,000 of Assessed Valuation	Property Taxes Assessed
Municipal portion	\$5.99	\$ 1,787,394
School portion:		
State of New Hampshire	\$1.46	412,113
Local	\$9.90	2,951,386
County portion	\$1.30	388,311
Total	\$18.65	\$ 5,539,204

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

1-J Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2023.

1-K Deferred Outflows/Inflows of Resources

Deferred outflows of resources, a separate financial statement element, represents a consumption of net position or fund balance that applies to a future period(s) and thus will not be recognized as an outflow of resources (expenses) until then. The Town has two items that qualify for reporting in this category. Deferred outflows related to pensions and deferred outflows related to OPEB are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. The Town has three types of items which qualify for reporting in this category. Deferred inflows of resources related to pensions are reported in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years. Property taxes not collected within 60-days of the fiscal year end are reported as deferred inflows of resources. In addition, unavailable revenues from grants arises when the related eligible expenditures will not be made until the subsequent period.

1-L Compensated Absences

General leave for the Town includes vacation pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon retirement or termination, employees are paid full value for any accrued general leave earned as set forth by the Town's personnel policy.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

1-M Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, Statement of Net Position.

In accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the Town utilizes the following classifications to categorize the financial transaction(s):

Direct Borrowings – financial transactions for a note or a loan where the Town negotiates certain terms with a single lender and are not offered for public sale.

Direct Placements – financial transactions for the sale of bonds where the Town engages with a single buyer or limited number of buyers without a public offering.

1-N Defined Benefit Pension Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* and GASB Statement No. 82 *Pension Issues – an amendment of GASB Statement No. 67, No. 68 and No.73* requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, and schedules have been prepared to provide employers with their calculated proportionate share of these amounts. The collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions from employers are recognized when legally due, based on statutory requirements.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

The schedules prepared by New Hampshire Retirement System, and audited by the plan's independent auditors, require management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.

1-O Postemployment Benefits Other Than Pensions (OPEB)

The Town maintains two separate other postemployment benefit plans, as follows:

New Hampshire Retirement System Plan – For the purposes of measuring the total other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Hampshire Retirement System OPEB Plan (the plan) and additions to/deductions from the plan's fiduciary net position has been determined on the same basis as they are reported by the New Hampshire Retirement System. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Single Employer Plan – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the Town's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

1-P Net Position/Fund Balances

Government-wide Statements – Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bond and notes that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted net position – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted net position – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extent of the constraints placed on a government's fund balances are more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable – Amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items, inventory or tax deeded property subject to resale); or (b) are legally or contractually required to be maintained intact.

Restricted – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Select Board through the budgetary process.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Unassigned – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When multiple net position/fund balance classifications are available for use, it is the government's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

In the general fund, the Town strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 5-10% of the general fund annual operating budget and the property tax commitment for the school (both local and state) and the county.

1-Q Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include assessing the collectability of accounts receivable, and the useful lives and impairment of tangible and intangible capital assets, net pension liability, other postemployment benefit liability, and deferred outflows and inflows of resources related to both pension and other postemployment benefits, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. At its annual meeting, the Town adopts a budget for the current year for the general fund. Except as reconciled below, the budget was adopted on a basis consistent with US generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2023, \$60,000 of the beginning general fund unassigned fund balance was applied for this purpose and \$100,000 was voted from unassigned fund balance as a transfer to the capital reserve funds.

2-B Budgetary Reconciliation to GAAP Basis

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for the major governmental fund which had a budget.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues and other financing sources:	
Per Exhibit D (budgetary basis)	\$ 2,791,054
Adjustments:	
Basis differences:	
Inception of finance purchase proceeds	192,977
Inception of bond proceeds	400,000
GASB Statement No. 54:	
To record miscellaneous income of the blended funds	1,633
To eliminate transfers between blended funds	(90,000)
Change in deferred tax revenue relating to 60-day revenue recognition recognized as revenue on the GAAP basis, but not on the budgetary basis	21,899
Per Exhibit C-3 (GAAP basis)	<u>\$ 3,317,563</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 3,113,852
Adjustments:	
Basis differences:	
Inception note proceeds	192,977
GASB Statement No. 54:	
To eliminate transfers between general and blended expendable trust funds	(30,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 2,904,810</u>

2-C Accounting Change

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented during fiscal year 2023. The objective of this Statement is to better meet information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirement for subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription assets (an intangible asset), and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards of SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. The Town has assessed all potential agreements that may be applicable for reporting under GASB Statement No. 96 and have determined that none of the agreements have met the requirements of the pronouncement.

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the Town's agent in the Town's name. The FDIC currently insures the first \$250,000 of the Town's deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town's deposits was \$3,213,966 and the bank balances totaled \$3,438,468. Petty cash totaled \$650.

Cash and cash equivalent reconciliation:

Cash per Statement of Net Position (Exhibit A)	\$ 3,177,767
Cash per Statement of Fiduciary Net Position (Exhibit E-1)	36,199
Total cash and cash equivalents	<u>\$ 3,213,966</u>

Custodial Credit Risk – The Town's repurchase agreements are all with banking institutions; therefore, are subject to custodial credit risk. The custodial credit risk is the risk that in the event of bank failure, the Town's deposits may not be recovered.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Interest Rate Risk – The term repurchase agreements are also subject to interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of the Town’s investments.

NOTE 4 – RESTRICTED ASSETS

Cash is classified as restricted in the general fund for the capital reserve funds totaling \$143,531.

NOTE 5 – INVESTMENTS

Note 1-E describes statutory requirements covering the investment of the Town funds. The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of December 31, 2023:

	Valuation Measurement Method	Reported Balance
Investments type:		
Domestic equity mutual funds	Level 1	\$ 782,426
International equity mutual funds	Level 1	75,868
Fixed income mutual funds	Level 1	771,832
New Hampshire Public Deposit Investment Pool	Level 2	39,238
	Total investments	\$ 1,669,364

Interest Rate Risk – This 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 Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – This is the risk that in the event of the failure of the counterparty (e.g., broker/dealer) to honor a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All the Town’s investments are held by third parties in the Town’s name. The Town does not have custodial credit risk policies for investments.

Investment reconciliation:

Investments per Statement of Net Position (Exhibit A)	\$ 838,219
Investments per Statement of Fiduciary Net Position (Exhibit E-1)	831,145
Total investments	\$ 1,669,364

NOTE 6 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2023. The amount has been reduced by an allowance for an estimated uncollectible amount of \$60,000. Taxes receivable by year are as follows:

	As reported on:	
	Exhibit A	Exhibit C-1
Property:		
Levy of 2023	\$ 382,498	\$ 382,498
Unredeemed (under tax lien):		
Levy of 2022	70,589	70,589
Levy of 2021	49,767	49,767
Levies of 2020 and prior	5,946	5,946
		(Continued)

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Taxes receivable continued:

	As reported on:	
	Exhibit A	Exhibit C-1
Land use change	755	755
Yield	1,200	1,200
Less: allowance for estimated uncollectible taxes	(60,000) *	-
Net taxes receivable	\$ 450,755	\$ 510,755

*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting (Exhibit C-1 and C-3) due to the 60-day rule as explained in Note 1-B. However, the allowance is recognized under the full accrual basis of accounting (Exhibits A and B).

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 is as follows:

	Balance, beginning (as restated)	Additions	Deletions	Balance, ending
At cost:				
Not being depreciated:				
Land	\$ 331,961	\$ -	\$ -	\$ 331,961
Construction in progress	90,731	-	(90,731)	-
Total capital assets not being depreciated	422,692	-	(90,731)	331,961
Being depreciated:				
Land improvements	14,000	50,000	-	64,000
Buildings and building improvements	1,634,713	-	-	1,634,713
Machinery, equipment, and vehicles	2,592,008	216,977	-	2,808,985
Infrastructure	3,152,239	374,224	-	3,526,463
Total capital assets being depreciated	7,392,960	641,201	-	8,034,161
Total all capital assets	7,815,652	641,201	(90,731)	8,366,122
Less accumulated depreciation:				
Land improvements	(13,285)	(3,524)	-	(16,809)
Buildings and building improvements	(526,558)	(25,356)	-	(551,914)
Machinery, equipment, and vehicles	(1,441,781)	(158,235)	-	(1,600,016)
Infrastructure	(1,399,351)	(107,656)	-	(1,507,007)
Total accumulated depreciation	(3,380,975)	(294,771)	-	(3,675,746)
Net book value, capital assets being depreciated	4,011,985	346,430	-	4,358,415
Net book value, all governmental activities capital assets	\$ 4,434,677	\$ 346,430	\$ (90,731)	\$ 4,690,376

Depreciation expense was charged to functions of the Town based on their usage of the related assets. The amounts allocated to each function are as follows:

General government	\$ 22,653
Public safety	43,157
Highways and streets	228,410
Sanitation	551
Total depreciation expense	\$ 294,771

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

NOTE 8 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances - The composition of interfund balances as of December 31, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General	Permanent	\$ 5,650
General	Nonmajor	1,438
Total		\$ 7,088

The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers - The composition of interfund transfers for the year ended December 31, 2023 is as follows:

		Transfers In:
		General Fund
Transfers out:		
Permanent fund		\$ 5,650

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

NOTE 9 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments at December 31, 2023 consist of:

	General Fund	Fiduciary Funds
Balance due to the State of New Hampshire for miscellaneous fees	\$ 973	\$ -
Property taxes due to the custodial funds	1,623,670 ¹	-
Property taxes due to the Newfound Area School District	-	1,623,670 ²
Total intergovernmental payables due	\$ 1,624,643	\$ 1,623,670

1. Property taxes due to the custodial funds represent amounts collected by the Town on behalf of Newfound Area School District and are reported as a component of general fund cash at year-end.
2. Property taxes due to the Newfound Area School District represent amounts collected by the Town that will be paid to the School District in incremental payments based upon an agreed schedule in the next calendar year.

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources are as follows:

	Governmental Activities
Amounts related to pensions, see Note 12	\$ 176,225
Amounts related to OPEB, see Note 13	22,062
Total deferred outflow of resources	\$ 198,287

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Deferred inflows of resources are as follows:

	Governmental Activities	General Fund
Deferred property taxes not collected within 60 days of fiscal year-end	\$ -	\$ 102,105
Amounts related to pensions, see Note 12	44,900	-
Unavailable revenue - ARPA funds	169,388	169,388
Unavailable revenue - Highway block grant	24,509	24,509
Unavailable revenue - State bridge aid	33,523	33,523
Total deferred inflows of resources	<u>\$ 272,320</u>	<u>\$ 329,525</u>

NOTE 11 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities consisted of the following for the year ended December 31, 2023:

	Balance January 1, 2023 (as restated)	Additions	Reductions	Balance December 31, 2023	Due Within One Year	Due In More Than One Year
Bond payable - direct placement	\$ -	\$ 400,000	\$ -	\$ 400,000	\$ 17,769	\$ 382,231
Notes payable - direct borrowings	325,414	192,977	(106,801)	411,590	106,636	304,954
Total bond/notes payable	325,414	592,977	(106,801)	811,590	124,405	687,185
Compensated absences	25,370	8,195	-	33,565	-	33,565
Net pension liability	687,248	24,642	-	711,890	-	711,890
Net other postemployment benefits	312,181	37,987	-	350,168	-	350,168
Total long-term liabilities	<u>\$ 1,350,213</u>	<u>\$ 663,801</u>	<u>\$ (106,801)</u>	<u>\$ 1,907,213</u>	<u>\$ 124,405</u>	<u>\$ 1,782,808</u>

Long-term bond/notes are comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2023	Current Portion
Bond Payable - direct placement:						
Transfer station	\$ 400,000	2023	2038	5.55%	<u>\$ 400,000</u>	<u>\$ 17,769</u>
Notes payable - direct borrowings:						
Backhoe loader	\$ 92,735	2019	2024	3.99%	\$ 20,025	\$ 20,025
International dump truck	\$ 120,000	2020	2025	2.51%	41,282	20,372
Grader	\$ 255,000	2022	2031	4.98%	204,578	21,439
Backhoe loader	\$ 137,275	2023	2027	6.90%	109,820	27,455
Chevy Tahoe	\$ 55,702	2023	2025	6.89%	35,885	17,345
Total direct borrowings					<u>\$ 411,590</u>	<u>\$ 106,636</u>

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

The annual requirements to amortize all general obligation bond/notes outstanding as of December 31, 2023, including interest payments, are as follows:

Fiscal Year Ending December 31,	Bond-Direct Placement			Notes-Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 17,769	\$ 22,214	\$ 39,983	\$ 106,636	\$ 32,406	\$ 139,042
2025	18,783	21,200	39,983	89,412	29,457	118,869
2025	19,812	20,171	39,983	51,083	27,158	78,240
2026	20,911	19,072	39,983	52,259	26,630	78,890
2027	22,060	17,923	39,983	26,040	26,040	52,079
2029-2033	130,161	69,755	199,916	86,161	86,161	172,321
2034-2038	170,504	29,411	199,915	-	-	-
Totals	\$ 400,000	\$ 199,746	\$ 599,746	\$ 411,590	\$ 227,851	\$ 639,441

All debt is general obligation debt of the Town, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

NOTE 12 – DEFINED BENEFIT PENSION PLAN

Plan Description – The New Hampshire Retirement System (NHRS or the System) is a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers with in the State are eligible and required to participate in the Pension Plan. The System issues a publicly available financial report that may be obtained by writing the New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301.

Benefits Provided – Benefit formulas and eligibility requirements for the Pension Plan are set by state law (RSA 100-A). The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II.

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 benefit multiplier depending on vesting status as of 1/1/12. The maximum retirement allowance for Group II members vested by 1/1/12 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by 1/1/12 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 1/1/12	Minimum Age	Minimum Service	Benefit Multiplier
At least 8 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances, subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Contributions – The System is financed by contributions from both the employees and the Town. Member contribution rates are established and may be amended by the State legislature while employer contribution rates are set by the System trustees based on an actuarial valuation. Group I members are required to contribute 7% of earnable compensation and group II members (police and fire) are required to contribute 11.55% and 11.80% respectively. For the period of January 1, 2023 to June 30, 2023, the Town contributed 30.67% for police, 29.78% for fire and 13.75% for other employees. For the period of July 1, 2023 to December 31, 2023, the Town contributed 28.68% for police, 27.75% for fire and 13.27% for other employees. The contribution requirement for the fiscal year 2023 was \$72,278, which was paid in full.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At December 31, 2023 the Town reported a liability of \$711,890 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2023, the Town’s proportion was 0.01% which was the same as its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized pension expense of \$102,754. At December 31, 2023 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 84,741	\$ 44,614
Changes in assumptions	18,737	-
Net difference between projected and actual investment earnings on pension plan investments	10,295	-
Differences between expected and actual experience	18,190	286
Contributions subsequent to the measurement date	44,262	-
Total	\$ 176,225	\$ 44,900

The \$44,262 reported as deferred outflows of resources related to pensions results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31,	
2024	\$ 32,927
2025	(9,857)
2026	59,425
2027	4,568
Thereafter	-
Totals	\$ 87,063

Actuarial Assumptions – The collective total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions which, accordingly apply to 2023 measurements:

Inflation:	2.0%
Salary increases:	5.4% average, including inflation
Wage inflation:	2.75% (2.25% for teachers)
Investment rate of return:	6.75% net of pension plan investment expense, including inflation

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

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

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

Long-term Rates of Return – The long-term expected rate of return on pension plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2023:

Asset Class	Target Allocation	30 Year Return
Broad US Equity (1)	30.00%	5.40%
Global Ex-US Equity (2)	20.00%	5.65%
Total public equity	50.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	5.00%	5.05%
Core U.S. Fixed Income (3)	25.00%	2.15%
Total	100.00%	

Discount Rate – The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan’s actuarial funding policy 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 investment was applied to all periods of projected benefit payments to determine the collective total pension liability.

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2023	\$ 965,949	\$ 711,890	\$ 494,813

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit Pension Plan financial report.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

13-A New Hampshire Retirement System (NHRS)

Plan Description – The New Hampshire Retirement System (NHRS or the System) administers a cost-sharing multiple-employer other postemployment benefit plan medical subsidy healthcare plan (OPEB Plan). For additional system information, please refer to the 2022 Comprehensive Annual Financial Report, which can be found on the system’s website at www.nhrs.org.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Benefits Provided - Benefit amounts and eligibility requirements for the OPEB Plan are set by state law (RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b), and members are designated in statute by type. The four membership types are Group II, Police Officers and Firefighters; Group I, Teachers; Group I, Political Subdivision Employees; and Group I, State Employees. The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical insurance subsidy is a payment made by NHRS to the former employer or its insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certified dependent children with a disability who are living in the household and being cared for by the retiree. If the health insurance premium amount is less than the medical subsidy amount, then only the health insurance premium amount will be paid. If the health insurance premium amount exceeds the medical subsidy amount, then the retiree or other qualified person is responsible for paying any portion that the employer does not pay.

Group I benefits are based on creditable service, age and retirement date. Group II benefits are based on hire date, age and creditable service. The OPEB plan is closed to new entrants.

Maximum medical subsidy rates paid during fiscal year 2023 were as follows:

For qualified retirees not eligible for Medicare, the amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan.

For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan.

Contributions – The OPEB Plan is funded by allocating to the 401(h) subtrust the lesser of: 25% of all employer contributions made in accordance with RSA 100-A:16 or the percentage of employer contributions determined by the actuary to be the minimum rate necessary to maintain the benefits provided under RSA 100-A:53-b, RSA 100-A:53-c, and RSA 100-A:53-d. For fiscal year 2023, the minimum rates determined by the actuary to maintain benefits were the lesser of the two options and were used to determine the employer contributions due to the 401(h) subtrust. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the OPEB Plan. Administrative costs are allocated to the OPEB Plan based on fund balances. For the period of January 1, 2023 to June 30, 2023, the Town contributed 3.21% for police and fire, and 0.31% for other employees. For the period of July 1, 2023 to December 31, 2023, the Town contributed 2.60% for police and fire, and 0.26% for other employees. The contribution requirement for the fiscal year 2023 was \$3,939 which was paid in full.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources, Related to OPEB – At December 31, 2023, the Town reported a liability of \$38,615 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town’s proportion of the net OPEB liability was based on a projection of the Town’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating towns and school districts, actuarially determined. At June 30, 2023, the Town’s proportion was 0.01% which was the same as its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Town recognized OPEB expense of \$2,984. At December 31, 2023, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 44	\$ -
Contributions subsequent to the measurement date	2,619	-
Total	\$ 2,663	\$ -

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

The \$2,619 reported as deferred outflows of resources related to OPEB results from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	
2024	\$ (7)
2025	(56)
2026	120
2027	(13)
Thereafter	-
Totals	<u>\$ 44</u>

Actuarial Assumptions – The total OPEB liability in this report is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Price inflation:	2.0% per year
Wage inflation:	2.75% (2.25% for teachers)
Salary increases:	5.4% average, including inflation
Investment rate of return:	6.75% net of OPEB plan investment expense, including inflation

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

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

Long-term Rates of Return – The long-term expected rate of return on OPEB plan investment was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2023:

Asset Class	Target Allocation	30 Year Geometric Return
Broad US Equity (1)	30.00%	5.40%
Global Ex-US Equity (2)	20.00%	5.65%
Total public equity	50.00%	
Real Estate Equity	10.00%	4.00%
Private Equity	10.00%	6.65%
Total private market equity	20.00%	
Private Debt	5.00%	5.05%
Core U.S. Fixed Income (3)	25.00%	2.15%
Total	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2023 was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made under the current statute RSA 100-A:16 and that plan member contributions will be made under RSA 100-A:16. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Sensitivity of the Town's Proportionate Share of the OPEB Liability to Changes in the Discount Rate – The following table presents the Town's proportionate share of the OPEB liability calculated using the discount rate of 6.75% as well as what the Town's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

Actuarial Valuation Date	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
June 30, 2023	\$ 39,992	\$ 36,822	\$ 34,056

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued New Hampshire Retirement System Cost-Sharing Multiple Employer Defined Benefit OPEB Plan financial report.

13-B Town of Alexandria Retiree Health Benefit Program

Plan Description – GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

Benefits Provided – The Town provides postemployment healthcare benefits for certain eligible retirees. The Town provides medical benefits to its eligible retirees.

Employees Covered by Benefit Terms – At January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	8
Total participants covered by OPEB plan	9

Total OPEB Liability – The Town's total OPEB liability of \$313,346 was measured as of December 31, 2023, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.26%
Healthcare Cost Trend Rates:	
Current Year Trend	7.50%
Decrement	1.03%
Ultimate Trend	4.54%
Year Ultimate Trend is Reached	2090
Salary Increases:	3.50%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of January 1, 2023.

Mortality rates were based Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Changes in the Total OPEB Liability

	December 31,	
	2022	2023
OPEB liability beginning of year	\$ 261,384	\$ 273,566
Changes for the year:		
Service cost	3,091	3,968
Interest	9,825	9,905
Assumption changes and difference between actual and expected experience	-	26,665
Benefit payments	(734)	(758)
OPEB liability end of year	\$ 273,566	\$ 313,346

Sensitivity of the Town's OPEB Liability to Changes in the Discount Rate – The January 1, 2022 actuarial valuation was prepared using a discount rate of 3.26%. If the discount rate were 1% higher than what was used the OPEB liability would decrease to \$282,907 or by 9.71%. If the discount rate were 1% lower than what was used the OPEB liability would increase to \$347,841 or by 11.01%.

	Discount Rate		
	1% Decrease	Baseline 3.26%	1% Increase
Total OPEB Liability	\$ 347,841	\$ 313,346	\$ 282,907

Sensitivity of the Town's OPEB Liability to Changes in the Healthcare Cost Trend Rates – The January 1, 2022 actuarial valuation was prepared using an initial trend rate of 7.00%. If the trend rate were 1% higher than what was used the OPEB liability would increase to \$352,987 or by 11.16%. If the trend rate were 1% lower than what was used the OPEB liability would decrease to \$278,384 or by 12.65%.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 7.00%	1% Increase
Total OPEB Liability	\$ 278,384	\$ 313,346	\$ 352,987

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2023, the Town recognized OPEB expense of \$21,139. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred
	Outflows of
	Resources
Changes in assumptions	\$ 19,399

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

Fiscal Year Ending December 31,	
2024	\$ 7,266
2025	7,266
2026	4,867
2027	-
2028	-
Thereafter	-
Totals	\$ 19,399

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

NOTE 14 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Governmental activities and fiduciary fund net position reported on the Statements of Net Position at December 31, 2023 include the following:

	Government-wide Financial Statements	
	Governmental Activities	Fiduciary Funds
Net investment in capital assets:		
Net book value, all capital assets	\$ 4,690,376	\$ -
Less:		
Notes payable	(411,590)	-
Total net investment in capital assets	<u>4,278,786</u>	<u>-</u>
Restricted net position:		
Transfer Station	500,000	-
Donations	1,635	-
Perpetual care - nonexpendable	745,755	-
Perpetual care - expendable	77,686	-
Other	-	867,344
Total restricted net position	<u>1,325,076</u>	<u>867,344</u>
Unrestricted	(128,962)	-
Total net position	<u>\$ 5,474,900</u>	<u>\$ 867,344</u>

NOTE 15 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2023 include the following:

	General Fund	Permanent Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Tax deeded property	\$ 19,459	\$ -	\$ -	\$ 19,459
Permanent fund - principal balance	-	745,755	-	745,755
Total nonspendable fund balance	<u>19,459</u>	<u>745,755</u>	<u>-</u>	<u>765,214</u>
Restricted:				
Permanent - income balance	-	77,686	-	77,686
Donations	1,635	-	-	1,635
Transfer station project (see Schedule 2)	500,000	-	-	500,000
Total restricted fund balance	<u>501,635</u>	<u>77,686</u>	<u>-</u>	<u>579,321</u>
Committed:				
Expendable trusts	143,531	-	-	143,531
Conservation commission	-	-	23,192	23,192
Police detail	-	-	4,817	4,817
Transfer station	-	-	53,173	53,173
Total committed fund balance	<u>143,531</u>	<u>-</u>	<u>81,182</u>	<u>224,713</u>
Unassigned	<u>940,145</u>	<u>-</u>	<u>-</u>	<u>940,145</u>
Total governmental fund balances	<u>\$ 1,604,770</u>	<u>\$ 823,441</u>	<u>\$ 81,182</u>	<u>\$ 2,509,393</u>

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

NOTE 16 – PRIOR PERIOD ADJUSTMENTS

Net position/fund balance at January 1, 2023 was restated to give retroactive effect to the following prior period adjustments:

	Government-wide Statements	Budgetary Basis General Fund (Unassigned)
To record the opening balance for the local employer other postemployment benefits liability in accordance with GASB Statement No. 75	\$ (273,566)	\$ -
To record construction in progress that was previously not recorded in fiscal year 2022	90,731	-
To restate for encumbrances not previously recorded	-	(127,981)
Net position/fund balance, as previously reported	5,458,536	1,033,029
Net position/fund balance, as restated	<u>\$ 5,275,701</u>	<u>\$ 905,048</u>

NOTE 17 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2023, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2023 to December 31, 2023 by Primex³, which retained \$2,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and for each property loss it is based upon the Town's property schedule on file with Primex³. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In fiscal year 2023 the Town paid \$22,404 and \$11,198 respectively, to Primex for property, liability and worker's compensation. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 18 – TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

As of December 31, 2023 The Town has no such programs.

NOTE 19 – CONTINGENT LIABILITIES

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

NOTE 20 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date but arose after the date. Management has evaluated subsequent events through June 6, 2024, the date the December 31, 2023 financial statements were available to be issued, and the following events occurred that requires recognition or disclosure:

At the March 12, 2024, Annual Town Meeting, the residents of the Town of Alexandria approved Warrant Article No. 8 to appropriate \$60,000 to the Emergency Expendable Trust Fund, with said funds to come from unassigned fund balance available on December 31, 2023. The residents also approved Warrant Article No. 12 which was to authorize the Select Board to accept the land, building, books, and other property related to the Haynes Library in order to establish a public library. In addition, as part of the establishment and operation of the library, \$5,000 was appropriated for the operation of the library which is to come from taxation.

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT F
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of Net Pension Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2023
Unaudited

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Town's:											
Proportion of the net pension liability	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Proportionate share of the net pension liability	\$ 494,440	\$ 441,376	\$ 418,383	\$ 630,248	\$ 576,611	\$ 538,725	\$ 563,669	\$ 808,859	\$ 462,431	\$ 687,248	\$ 711,890
Covered payroll (as of the measurement date)	\$ 421,950	\$ 354,051	\$ 282,069	\$ 292,288	\$ 301,651	\$ 312,581	\$ 334,442	\$ 382,309	\$ 348,906	\$ 360,624	\$ 393,639
Proportionate share of the net pension liability as a percentage of its covered payroll	117.18%	124.66%	148.33%	215.63%	191.15%	172.35%	168.54%	211.57%	132.54%	190.57%	180.85%
Plan fiduciary net position as a percentage of the total pension liability	59.81%	66.32%	65.47%	58.30%	62.66%	64.73%	65.59%	58.72%	72.22%	65.12%	67.18%

EXHIBIT G
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Schedule of Town Contributions - Pensions
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2023
Unaudited

Fiscal year-end	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Contractually required contribution	\$ 28,567	\$ 38,148	\$ 35,431	\$ 42,440	\$ 42,952	\$ 47,287	\$ 50,980	\$ 56,179	\$ 54,178	\$ 73,270	\$ 72,277
Contributions in relation to the contractually required contributions	(28,567)	(38,148)	(35,431)	(42,440)	(42,952)	(47,287)	(50,980)	(56,179)	(54,178)	(73,270)	(72,277)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 85,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll (as of the fiscal year)	\$ 421,950	\$ 354,051	\$ 282,069	\$ 292,288	\$ 301,651	\$ 312,581	\$ 334,442	\$ 382,309	\$ 339,675	\$ 381,329	\$ 388,077
Contributions as a percentage of covered payroll	6.77%	10.77%	12.56%	14.52%	14.24%	15.13%	15.24%	14.69%	15.95%	19.21%	18.36%

The Note to the Required Supplementary Information – Pension Liability is an integral part of this schedule.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

***Schedule of the Town’s Proportionate Share of Net Pension Liability and
Schedule of Town Contributions - Pensions***

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 68, and as amended by GASB Statement No. 71, Exhibits F and G represent the actuarial determined costs associated with the Town’s pension plan at December 31, 2023. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EXHIBIT H
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefits Liability
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2023
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Town's proportion of the net OPEB liability	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Town's proportionate share of the net OPEB liability (asset)	\$ 31,583	\$ 46,361	\$ 45,276	\$ 43,802	\$ 28,600	\$ 38,615	\$ 36,822
Town's covered payroll (as of the measurement date)	\$ 301,651	\$ 312,581	\$ 334,442	\$ 382,309	\$ 348,906	\$ 360,624	\$ 393,639
Town's proportionate share if the net OPEB Liability (asset) as a percentage of its covered payroll	10.47%	14.83%	13.54%	11.46%	8.20%	10.71%	9.35%
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.53%	7.75%	7.74%	11.06%	10.64%	12.80%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

EXHIBIT I
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Schedule of Town Contributions - Other Postemployment Benefits
New Hampshire Retirement System Cost Sharing Multiple Employer Defined Benefit Plan
For the Fiscal Year Ended December 31, 2023
Unaudited

Fiscal year-end	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Contractually required contribution	\$ 4,094	\$ 4,479	\$ 4,713	\$ 4,645	\$ 3,543	\$ 4,571	\$ 3,939
Contributions in relation to the contractually required contribution	<u>(4,094)</u>	<u>(4,479)</u>	<u>(4,713)</u>	<u>(4,645)</u>	<u>(3,543)</u>	<u>(4,571)</u>	<u>(3,939)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll (as of the fiscal year)	<u>\$ 301,651</u>	<u>\$ 312,581</u>	<u>\$ 334,442</u>	<u>\$ 382,309</u>	<u>\$ 339,675</u>	<u>\$ 381,329</u>	<u>\$ 388,077</u>
Contributions as a percentage of covered payroll	1.36%	1.43%	1.41%	1.21%	1.04%	1.20%	1.02%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

EXHIBIT K
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Schedule of Changes in the Town's Total Other Postemployment Benefits Liability and Related Ratios
Retiree Health Benefit Program
For the Fiscal Year Ended December 31, 2023
Unaudited

	December 31,	
	2022	2023
OPEB liability, beginning of year	\$ 261,384	\$ 273,566
Changes for the year:		
Service cost	3,091	3,968
Interest	9,825	9,905
Assumption changes and difference between actual and expected experience	-	26,665
Benefit payments	(734)	(758)
OPEB liability, end of year	<u>\$ 273,566</u>	<u>\$ 313,346</u>
Covered payroll	<u>\$ 391,321</u>	<u>\$ 399,720</u>
Total OPEB liability as a percentage of covered payroll	69.91%	78.39%

The Notes to the Required Supplementary Information – Other Postemployment Benefit Liability is an integral part of this schedule.

TOWN OF ALEXANDRIA, NEW HAMPSHIRE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
OTHER POSTEMPLOYMENT BENEFIT LIABILITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Schedule of the Town’s Proportionate Share of Net Other Postemployment Benefits Liability and Schedule of Town Contributions – Other Postemployment Benefits

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

Methods and Assumptions Used to Determine Contribution Rates – A full list of the methods and assumptions used to determine the contribution rates can be found in the most recent actuarial valuation report. This report can be located at www.nhrs.org.

As required by GASB Statement No. 75, Exhibits H and I represent the actuarial determined costs associated with the Town’s other postemployment benefits at December 31, 2023. These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Schedule of Changes in Town’s Total Other Postemployment Benefits Liability and Related Ratios

Changes in Benefit Terms – There were no changes in benefit terms for the current period.

Changes in Assumptions – There were no changes in assumptions for the current period.

As required by GASB Statement No. 75, Exhibit J represents the actuarial determined costs associated with the Town’s other postemployment benefits at December 31, 2023. The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2023

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 1,722,115	\$ 1,726,871	\$ 4,756
Land use change	3,000	2,392	(608)
Yield	30,000	29,927	(73)
Payment in lieu of taxes	4,600	4,626	26
Interest and penalties on taxes	35,000	35,079	79
Total from taxes	<u>1,794,715</u>	<u>1,798,895</u>	<u>4,180</u>
Licenses, permits, and fees:			
Motor vehicle permit fees	365,000	381,192	16,192
Other	17,300	19,213	1,913
Total from licenses, permits, and fees	<u>382,300</u>	<u>400,405</u>	<u>18,105</u>
Intergovernmental:			
State:			
Meals and rooms distribution	168,040	168,040	-
Highway block grant	86,571	86,571	-
State and federal forest land reimbursement	681	681	-
State bridge aid	114,619	114,619	-
Federal:			
FEMA	-	41,353	41,353
Total from intergovernmental	<u>369,911</u>	<u>411,264</u>	<u>41,353</u>
Charges for services:			
Income from departments	-	30,543	30,543
Miscellaneous:			
Sale of municipal property	3,900	4,127	227
Interest on investments	65,000	47,306	(17,694)
Other	2,700	2,864	164
Total from miscellaneous	<u>71,600</u>	<u>54,297</u>	<u>(17,303)</u>
Other financing sources:			
Transfers in	95,000	95,650	650
Bond proceeds	400,000	400,000	-
Total other financing sources	<u>495,000</u>	<u>495,650</u>	<u>650</u>
Total revenues and other financing sources	3,113,526	<u>\$ 3,191,054</u>	<u>\$ 77,528</u>
Unassigned fund balance used to reduce tax rate	60,000		
Amounts voted from fund balance	100,000		
Total revenues, other financing sources, and use of fund balance	<u>\$ 3,273,526</u>		

See Independent Auditor's Report.

SCHEDULE 2
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2023

	Encumbered from Prior Year (as restated)	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	\$ -	\$ 152,667	\$ 134,958	\$ -	\$ 17,709
Election and registration	-	8,685	12,977	-	(4,292)
Financial administration	-	131,016	120,107	-	10,909
Revaluation of property	-	39,656	30,271	-	9,385
Legal	-	23,350	17,828	-	5,522
Planning and zoning	-	7,981	6,927	-	1,054
General government buildings	-	56,810	49,561	-	7,249
Cemeteries	-	16,557	5,654	-	10,903
Insurance, not otherwise allocated	-	23,369	23,369	-	-
Advertising and regional associations	-	25,609	25,609	-	-
Other	-	35,500	39,800	-	(4,300)
Total general government	-	521,200	467,061	-	54,139
Public safety:					
Police	-	333,299	308,605	-	24,694
Ambulance	-	99,318	99,317	-	1
Fire	-	72,056	57,000	-	15,056
Emergency management	-	10,500	4,625	-	5,875
Total public safety	-	515,173	469,547	-	45,626
Highways and streets:					
Administration	-	774,733	852,809	-	(78,076)
Highways and streets	127,981	252,450	199,400	-	181,031
Bridges	-	26,000	18,480	-	7,520
Street lighting	-	3,360	3,353	-	7
Total highways and streets	127,981	1,056,543	1,074,042	-	110,482
Sanitation:					
Solid waste disposal	-	224,165	198,581	-	25,584
Health:					
Administration	-	3,850	1,730	-	2,120
Health agencies	-	18,452	18,452	-	-
Total health	-	22,302	20,182	-	2,120
Welfare:					
Administration and direct assistance	-	15,300	13,936	-	1,364
Culture and recreation:					
Parks and recreation	-	35,075	32,567	-	2,508
Patriotic purposes	-	600	411	-	189
Total culture and recreation	-	35,675	32,978	-	2,697
Conservation	-	1,701	644	-	1,057
Debt service:					
Interest on long-term debt	-	40,000	-	-	40,000
Interest on tax anticipation notes	-	500	-	-	500
Total debt service	-	40,500	-	-	40,500

(Continued)

See Independent Auditor's Report.

SCHEDULE 2 (Continued)
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations and Expenditures (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2023

	Encumbered from Prior Year (as restated)	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Capital outlay	-	810,967	434,862	500,000	(123,895)
Other financing uses:					
Transfers out	-	30,000	30,000	-	-
Total appropriations, expenditures, and other financing uses	<u>\$ 127,981</u>	<u>\$ 3,273,526</u>	<u>\$ 2,741,833</u>	<u>\$ 500,000</u>	<u>\$ 159,674</u>

See Independent Auditor's Report.

SCHEDULE 3
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2023

Unassigned fund balance, beginning (Non-GAAP Budgetary Basis), as restated (see Note 16)		\$ 905,048
Changes:		
Unassigned fund balance used to reduce 2023 tax rate		(60,000)
Amounts voted from fund balance		(100,000)
2023 Budget summary:		
Revenue surplus (Schedule 1)	\$ 77,528	
Unexpended balance of appropriations (Schedule 2)	<u>159,674</u>	
2023 Budget surplus		<u>237,202</u>
Unassigned fund balance, ending (Non-GAAP Budgetary Basis)		982,250
Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis		
To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis		(102,105)
Elimination of the allowance for uncollectible taxes		<u>60,000</u>
Unassigned fund balance, ending, GAAP basis (Exhibit C-1)		<u><u>\$ 940,145</u></u>

See Independent Auditor's Report.

SCHEDULE 4
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2023

	Special Revenue Funds			Total
	Conservation Commission	Police Details	Transfer Station	
ASSETS				
Cash and cash equivalents	\$ 23,039	\$ 3,287	\$ 53,173	\$ 79,499
Accounts receivable	-	245	-	245
Interfund receivable	153	1,285	-	1,438
Total assets	<u>\$ 23,192</u>	<u>\$ 4,817</u>	<u>\$ 53,173</u>	<u>\$ 81,182</u>
FUND BALANCES				
Committed	<u>\$ 23,192</u>	<u>\$ 4,817</u>	<u>\$ 53,173</u>	<u>\$ 81,182</u>

See Independent Auditor's Report.

SCHEDULE 5
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2023

	Special Revenue Funds			Total
	Conservation Commission	Police Details	Transfer Station	
Revenues:				
Taxes	\$ 1,638	\$ -	\$ -	\$ 1,638
Charges for services	-	8,330	9,532	17,862
Miscellaneous	16	1	29	46
Total revenues	<u>1,654</u>	<u>8,331</u>	<u>9,561</u>	<u>19,546</u>
Expenditures:				
Current:				
Public safety	-	7,169	-	7,169
Conservation	5,500	-	-	5,500
Total expenditures	<u>5,500</u>	<u>7,169</u>	<u>-</u>	<u>12,669</u>
Net change in fund balances	(3,846)	1,162	9,561	6,877
Fund balances, beginning	27,038	3,655	43,612	74,305
Fund balances, ending	<u>\$ 23,192</u>	<u>\$ 4,817</u>	<u>\$ 53,173</u>	<u>\$ 81,182</u>

See Independent Auditor's Report.

SCHEDULE 6
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Combining Schedule of Custodial Funds Fiduciary Net Position
December 31, 2023

	Custodial Funds			Total
	Taxes	Planning Board Escrows	State MV Fees	
ASSETS				
Cash and cash equivalents	\$ -	\$ 4,877	\$ -	\$ 4,877
Intergovernmental receivables	1,623,670	-	-	1,623,670
Total assets	<u>1,623,670</u>	<u>4,877</u>	<u>-</u>	<u>1,628,547</u>
LIABILITIES				
Intergovernmental payables:				
School	1,623,670	-	-	1,623,670
NET POSITION				
Restricted	<u>\$ -</u>	<u>\$ 4,877</u>	<u>\$ -</u>	<u>\$ 4,877</u>

See Independent Auditor's Report.

SCHEDULE 7
TOWN OF ALEXANDRIA, NEW HAMPSHIRE
Combining Schedule of Custodial Funds Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2023

	Custodial Funds			Total
	Taxes	Planning Board Escrows	State MV Fees	
Additions:				
Investment earnings	\$ -	\$ 2	\$ -	\$ 2
Tax collections for other governments	3,751,810	-	-	3,751,810
Other	-	-	157,074	157,074
Total additions	<u>3,751,810</u>	<u>2</u>	<u>157,074</u>	<u>3,908,886</u>
Deductions:				
Payments of taxes to other governments	3,751,810	-	-	3,751,810
Payments of motor vehicle fees to State	-	-	157,074	157,074
Total deductions	<u>3,751,810</u>	<u>-</u>	<u>157,074</u>	<u>3,908,884</u>
Net increase in fiduciary net position	-	2	-	2
Net position, beginning	-	4,875	-	4,875
Net position, ending	<u>\$ -</u>	<u>\$ 4,877</u>	<u>\$ -</u>	<u>\$ 4,877</u>

See Independent Auditor's Report.



PLODZIK & SANDERSON

Professional Association/Certified Public Accountants

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX- 603-224-1380

COMMUNICATION TO ENTITY WITH SIGNIFICANT DEFICIENCY

To the Members of the Select Board
Town of Alexandria
Alexandria, New Hampshire

In planning and performing our audit of the basic financial statements of the Town of Alexandria as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Alexandria'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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Alexandria's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified one deficiency in internal control that we consider to be a *significant deficiency*.

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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Probable. The future event or events are likely to occur.

The identified significant deficiency is not considered to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Town's internal control to be a significant deficiency:

Transfer Station Cash Receipts (Repeat Comment)

During our review of the internal controls over the Transfer Station receipts, it was noted that cash receipts were not kept in a secure location prior to deposit. The Transfer Station attendants will take funds home with them to avoid leaving funds at the Transfer Station. This practice opens the Town up to the threat of a loss or theft of cash while it is in the attendant's possession. We strongly recommend that all receipts be kept in a secure location (at Town Hall or secured at the Transfer Station) prior to deposit to the Town's bank account.

This communication is intended solely for the information and use of management, the Select Board, and others within the Town of Alexandria, and is not intended to be, and should not be, used by anyone other than these specified parties.

June 6, 2024
Concord, New Hampshire

*Plodzik & Sanderson
Professional Association*