TOWN OF PETERBOROUGH, NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

TOWN OF PETERBOROUGH, NEW HAMPSHIRE
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R&G

Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen
Town of Peterborough
Peterborough, New Hampshire

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Peterborough as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Peterborough as of June 30, 2025, and the respective changes in financial position thereof, and where applicable, cash flows, and the budgetary comparison for the 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, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Peterborough, 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

As discussed in Note I.B.5. to the financial statements, during fiscal year 2025 the Town adopted new accounting guidance as described in Governmental Accounting Standards Board Statement No. 101, *Compensated Absences.* Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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'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.

PO Box 463 ▪ Keene, NH 03431
(603) 856-8005
info@roberts-greene.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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'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, any significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the pension and OPEB related schedules on pages 4 – 8 and 50 – 53, respectively, be presented to supplement the basic financial statements. Such 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 and economic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining nonmajor and individual general fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor and individual general fund schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2026, on our consideration of the Town of Peterborough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the results of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Peterborough's internal control over financial reporting and compliance.

March 4, 2026

Roberts & Greene, PLLC

TOWN OF PETERBOROUGH'S MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis is intended to provide supplementary information in addition to the basic financial statements by the audit firm.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances.

The statement of net position presents information on all the Town's assets, liabilities, deferred outflows of resources and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other governmental units, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town are divided into two categories: governmental funds and fiduciary funds.

Governmental funds: Governmental fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains ten individual governmental funds and seven capital project funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general fund which includes the expendable trust funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with the budget.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside of Town, including the capital reserve accounts for the school. Fiduciary funds and performance surety deposits held in escrow are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the Town's own programs.

Exhibit 1 covers assets and liabilities

Current assets include cash, investments, taxes receivable and other receivables. Capital assets are buildings, building improvements, infrastructure and improvements, vehicles and equipment all net of depreciation. Land is included, yet not depreciated.

Long-term liabilities are bonds, notes and capital leases due in more than one year. The Town currently has 13 bonds that have payment schedules as far out as fiscal year 2052 totaling $37,479,412.

In addition to borrowing, long-term liabilities include OPEB (Other Post- Employment Benefits) liabilities and the compensated absences which are not expected to be paid within a year. Compensated absences are accumulated vacation and sick time which would be paid to employees upon separation from the Town. The Town does not contribute to retirees' health insurance cost but, since active employees and retirees are rated together the rates for active employees are higher. This creates an implicit rate subsidy on health insurance premiums. The other OPEB liability is the net pension liability, which is the reporting of the Town's proportionate share of the NH Retirement System's OPEB liability.

Also included in long-term liabilities are the accrued landfill post-closure care costs totaling $1,920,000.

Net investment in capital assets are capital assets less accumulated depreciation and the debt outstanding on these assets. The restricted net position are the trust funds for perpetual care of cemetery plots, public library, and grant funds.

The change in net position is made up partially of changes in capital assets. This year infrastructure increased because the Town of Peterborough continues to perform scheduled road work. This past year road improvements were made to Old Dublin Road, East Mountain Road, General Miller Road, Bogle Road, Condy Road, Wilder Street, Pheasant Road, Water Street, Birch Road, Casalis Road, and Mountain View Drive.

Peterborough, as the Local Public Agency, also finished all work with the NH State DoT repairing the Main Street Bridge and the Route 202 Retaining Wall, which is alongside the bridge work. That work was predicted be completed in the Fall of 2022, but the DoT had identified a few items that require correction. The work finally completed in May 2025. The NH State DoT completed the finalizing of this project with the Federal Highway folks and their required reporting and issued Peterborough our final reimbursement for both projects in December 2025.

Exhibit 2 covers statement of activities

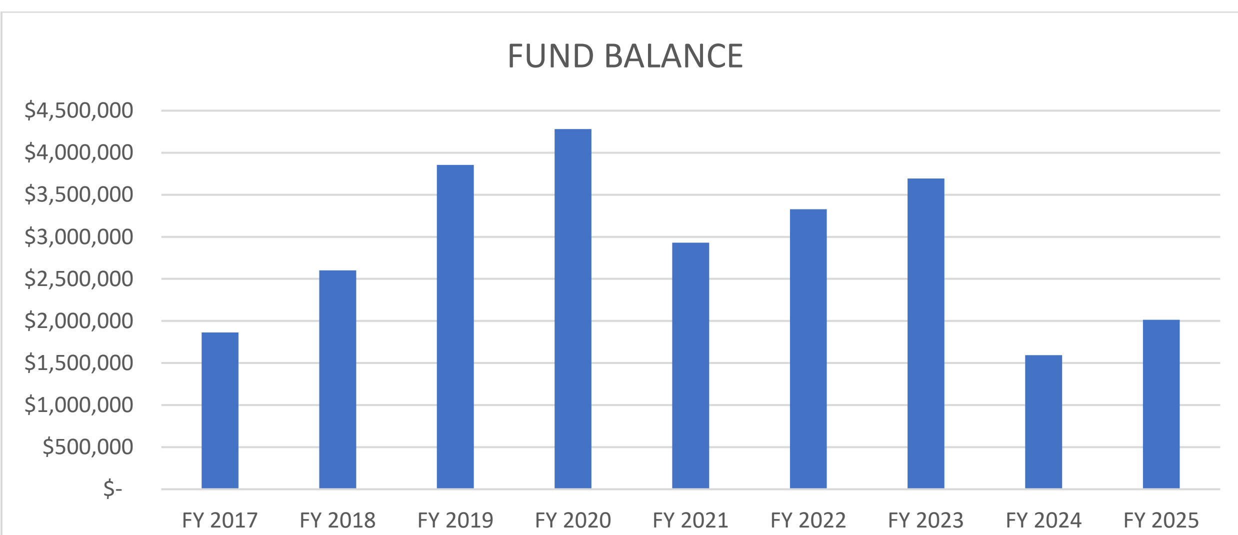
The first section of the Statement of Activities shows the relationship between expenses and offsetting revenues for various areas of Town government. The highway block grant is included in the operating budget's revenues. The fees charged by various departments for services are included in the charges for services. The lower section shows the categories of general revenues.

Taxes and motor vehicle registrations are just that. The largest components of licenses and other fees are building permits.

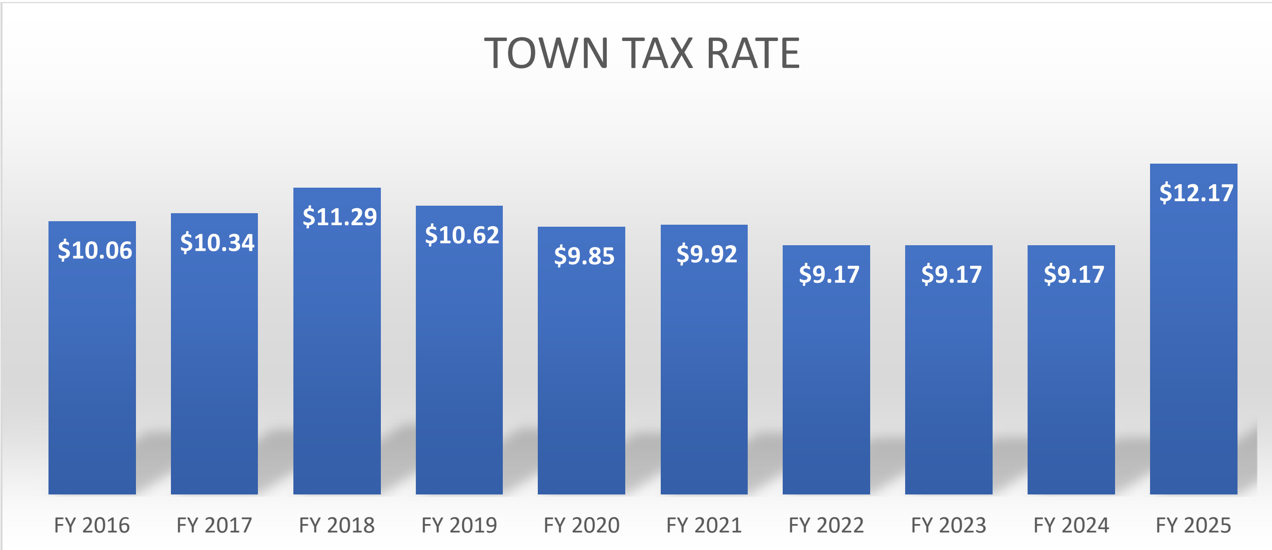
Fiscal year 2025 ended with an unassigned fund balance (non-GAAP budgetary basis) in the General Fund of $2,014,051. The unassigned fund balance for the prior year was $1,594,506. Fiscal year 2025 revenues exceeded estimates by $503,027. The total unexpended in FY25 was $931,966. Additionally, $29,035 was pre-paid in FY25 for FY26 expenditures, which affected Fund Balance negatively. This amount will be returned to Fund Balance in FY26.

Additionally, the Selectmen voted to encumber the following unexpended budgets into FY26: $35,000 for sidewalk rebuilding and $24,891 for a new Police investigations database. For 2024 Tax Rate setting, $1,200,000 in Fund Balance was used to reduce taxes.

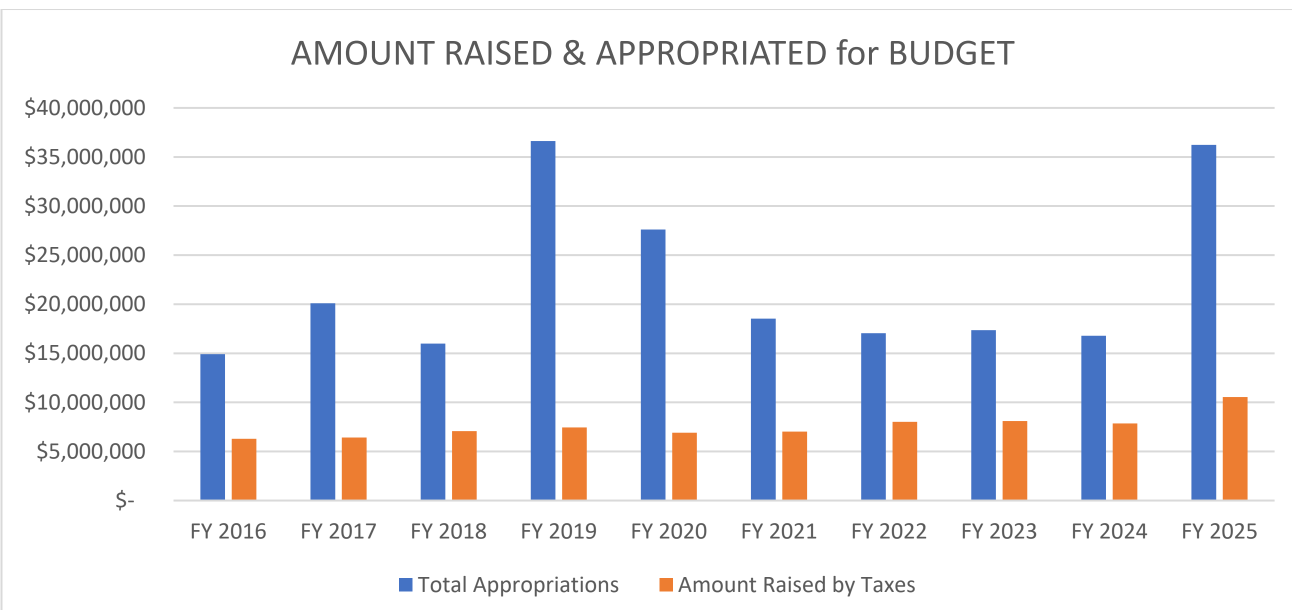
The Department of Revenue Administration and the Government Finance Officers Association recommend a retained fund balance of between 5% and 17% of the total of the town's appropriation, plus state and local education taxes, and county taxes. This total for tax year 2024 was $27,931,270. Therefore, the recommended amount to be retained is between $1,396,564 and $4,748,316. The Town's retained fund balance of $2,014,051 is 7%. The following chart shows the change in unassigned fund balance over the past nine years.



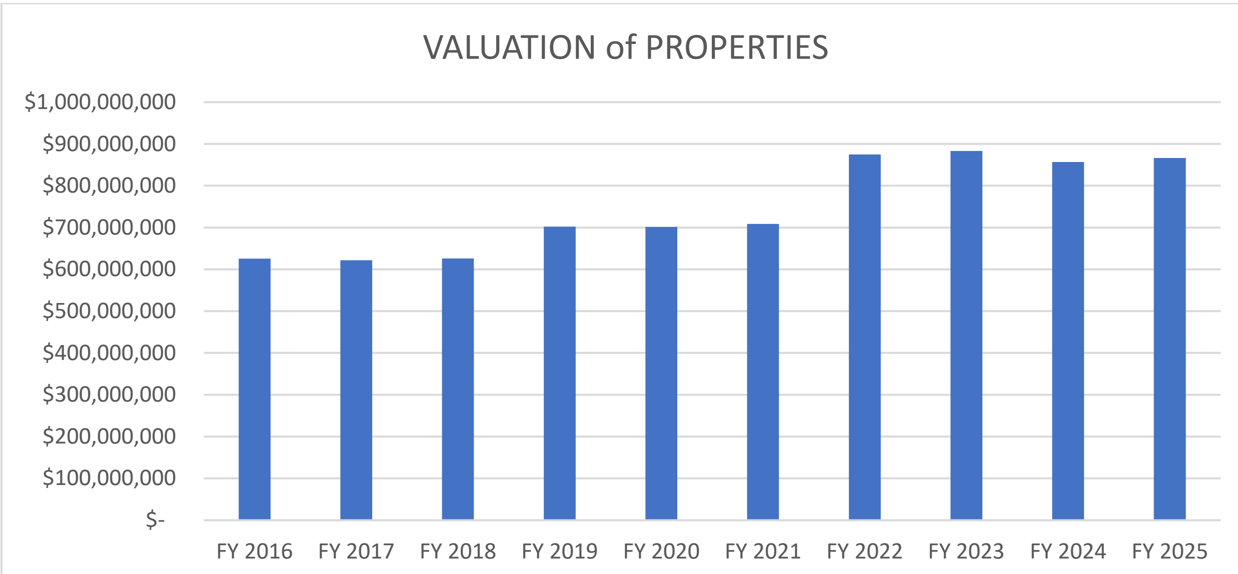
The following chart shows the Municipal tax rate set from 2015 to 2024.



For the same period the relationship between total budgeted appropriations and the amount to be raised by taxes is shown in the chart below.



In the past 9 years the total net assessed value of the Town of Peterborough has increased 39% from $625,546,951 to $866,477,673. The increase in value of the Town has an impact on stabilizing the tax rate each year. A revaluation was begun in FY25 and will be completed for 2025 Tax Rate setting in the Fall. The 10 years of value is shown in the chart below.



For further information, please contact Lilli D. Gilligan, Finance Director, at 603-924-8000 x114.

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 36,764,471	$ 5,749,738	$ 42,514,209
Investments	10,726,052	-	10,726,052
Intergovernmental receivable	592,231	2,488,993	3,081,224
Other receivables, net of allowance for uncollectibles	3,805,691	702,677	4,508,368
Inventory	4,759	-	4,759
Prepaid items	29,035	2,033	31,068
Tax deeded property held for resale	11,640	-	11,640
Capital assets, not being depreciated:			
Land	2,944,447	173,385	3,117,832
Construction in progress	13,393,915	9,634,845	23,028,760
Capital assets, net of accumulated depreciation:			
Land improvements	561,986	10,125	572,111
Buildings and building improvements	8,353,848	6,654,541	15,008,389
Machinery, vehicles and equipment	1,967,499	459,499	2,426,998
Infrastructure	13,605,981	5,878,447	19,484,428
Total assets	92,761,555	31,754,283	124,515,838
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	1,759,659	148,291	1,907,950
Deferred amounts related to OPEB	187,342	18,696	206,038
Total deferred outflows of resources	1,947,001	166,987	2,113,988
LIABILITIES			
Accounts payable	1,088,563	249,373	1,337,936
Accrued payroll and benefits	334,266	18,405	352,671
Contract payable	1,123,552	-	1,123,552
Accrued interest payable	302,871	79,297	382,168
Intergovernmental payable	9,207,451	-	9,207,451
Retainage payable	105,746	399,336	505,082
Noncurrent obligations:			
Due within one year:			
Bonds and notes payable	1,312,128	346,700	1,658,828
Unamortized bond premium	122,235	41,072	163,307
Compensated absences payable	84,648	-	84,648
Accrued landfill postclosure care costs	64,000	-	64,000
Due in more than one year:			
Bonds and notes payable	16,178,810	8,822,769	25,001,579
Unamortized bond premium	1,800,937	449,380	2,250,317
Compensated absences payable	997,701	65,090	1,062,791
Accrued landfill postclosure care costs	1,856,000	-	1,856,000
Net pension liability	7,413,395	624,748	8,038,143
Total OPEB liability	670,706	66,934	737,640
Total liabilities	42,663,009	11,163,104	53,826,113

(continued)

EXHIBIT 1 (continued)
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	6,856,362	54,629	6,910,991
Deferred amounts related to pensions	216,727	18,265	234,992
Deferred amounts related to OPEB	162,290	16,196	178,486
Total deferred inflows of resources	7,235,379	89,090	7,324,469
NET POSITION			
Net investment in capital assets	31,041,916	13,150,920	44,192,836
Restricted for:			
Endowments:			
Nonexpendable	4,082,060	-	4,082,060
Expendable	586,808	-	586,808
Other purposes	4,723,751	-	4,723,751
Unrestricted	4,375,633	7,518,156	11,893,789
Total net position	$ 44,810,168	$ 20,669,076	$ 65,479,244

The notes to the financial statements are an integral part of this statement.

EXHIBIT 2
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 5,502,828	$ 1,511,610	$ 1,005,619	$ -	$ (2,985,599)	$ -	$ (2,985,599)
Public safety	5,797,169	925,598	869,912	-	(4,001,659)	-	(4,001,659)
Highways and streets	2,654,085	37,784	-	314,542	(2,301,759)	-	(2,301,759)
Sanitation	281,364	263,813	-	434,141	416,590	-	416,590
Welfare	123,985	-	-	-	(123,985)	-	(123,985)
Culture and recreation	1,984,780	254,450	2,565	-	(1,727,765)	-	(1,727,765)
Conservation	7,410	-	333	-	(7,077)	-	(7,077)
Economic development	12,080	-	-	-	(12,080)	-	(12,080)
Interest on long-term debt	599,334	-	-	-	(599,334)	-	(599,334)
Capital outlay	54,018	-	-	844,312	790,294	-	790,294
Total governmental activities	17,017,053	2,993,255	1,878,429	1,592,995	(10,552,374)	-	(10,552,374)
Business-type activities:							
Water department	939,907	1,284,223	-	1,481,822	-	1,826,138	1,826,138
Sewer department	1,938,792	1,656,510	-	44,947	-	(237,335)	(237,335)
Total business-type activities	2,878,699	2,940,733	-	1,526,769	-	1,588,803	1,588,803
Total primary government	$ 19,895,752	$ 5,933,988	$ 1,878,429	$ 3,119,764	(10,552,374)	1,588,803	(8,963,571)
General revenues:							
Property taxes					12,958,188	-	12,958,188
Other taxes					327,675	-	327,675
Grants and contributions not restricted to specific programs					666,599	-	666,599
Miscellaneous					1,771,248	16,678	1,787,926
Transfers					116,502	(116,502)	-
Total general revenues and transfers					15,840,212	(99,824)	15,740,388
Change in net position					5,287,838	1,488,979	6,776,817
Net position, beginning					39,522,330	19,180,097	58,702,427
Net position, ending					$ 44,810,168	$ 20,669,076	$ 65,479,244

The notes to the financial statements are an integral part of this statement.

EXHIBIT 3

TOWN OF PETERBOROUGH, NEW HAMPSHIRE

Balance Sheet

Governmental Funds

June 30, 2025

	General	Municipal Campus	Town Expendable Trust	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 14,645,745	$ 12,730,664	$ 1,599,976	$ 7,788,086	$ 36,764,471
Investments	-	-	3,792,084	6,933,968	10,726,052
Receivables, net of allowance					
for uncollectibles:					
Taxes	3,470,732	-	-	-	3,470,732
Accounts	115,626	-	-	181,697	297,323
Intergovernmental	2,440	-	-	589,791	592,231
Liens	37,636	-	-	-	37,636
Interfund receivable	191,210	-	-	754,207	945,417
Inventory	-	-	-	4,759	4,759
Prepaid items	29,035	-	-	-	29,035
Tax deeded property held for resale	11,640	-	-	-	11,640
Total assets	$ 18,504,064	$ 12,730,664	$ 5,392,060	$ 16,252,508	$ 52,879,296
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 466,785	$ 15,254	$ -	$ 606,524	$ 1,088,563
Accrued salaries and benefits	322,968	-	-	11,298	334,266
Contracts payable	-	155,784	-	967,768	1,123,552
Intergovernmental payable	9,198,833	-	-	8,618	9,207,451
Retainage payable	-	13,667	-	92,079	105,746
Interfund payable	752,748	-	1,459	191,210	945,417
Total liabilities	10,741,334	184,705	1,459	1,877,497	12,804,995
Deferred inflows of resources:					
Deferred revenue	6,088,605	-	-	1,353,841	7,442,446
Fund balances:					
Nonspendable	40,675	-	-	4,086,819	4,127,494
Restricted	-	12,545,959	-	2,392,950	14,938,909
Committed	-	-	5,390,601	6,543,817	11,934,418
Assigned	114,891	-	-	-	114,891
Unassigned	1,518,559	-	-	(2,416)	1,516,143
Total fund balances	1,674,125	12,545,959	5,390,601	13,021,170	32,631,855
Total liabilities, deferred inflows of resources, and fund balances	$ 18,504,064	$ 12,730,664	$ 5,392,060	$ 16,252,508	$ 52,879,296

The notes to the financial statements are an integral part of this statement.

EXHIBIT 4
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances of governmental funds (Exhibit 3)		$ 32,631,855
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	$ 67,132,682	
Less accumulated depreciation	(26,305,006)	
		40,827,676
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	$ (945,417)	
Payables	945,417	
		-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	$ 495,492	
Unavailable ambulance revenue	52,956	
Unavailable liens	37,636	
		586,084
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(302,871)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes outstanding	$ 17,490,938	
Unamortized bond premium	1,923,172	
Compensated absences payable	1,082,349	
Accrued landfill postclosure care costs	1,920,000	
Net pension liability	7,413,395	
Total OPEB liability	670,706	
		(30,500,560)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	$ 1,759,659	
Deferred outflows of resources related to OPEB	187,342	
Deferred inflows of resources related to pensions	(216,727)	
Deferred inflows of resources related to OPEB	(162,290)	
		1,567,984
Total net position of governmental activities (Exhibit 1)		$ 44,810,168

The notes to the financial statements are an integral part of this statement.

EXHIBIT 5

TOWN OF PETERBOROUGH, NEW HAMPSHIRE

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2025

	General	(Formerly Major Fund) Ambulance	Municipal Campus	Town Expendable Trust	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 10,543,688	$ -	$ -	$ -	$ 2,676,007	$ 13,219,695
Licenses, permits and fees	1,498,600	-	-	-	-	1,498,600
Intergovernmental	2,894,316	-	110,366	-	733,946	3,738,628
Charges for services	1,120,278	-	-	-	376,794	1,497,072
Miscellaneous	866,896	-	323,749	178,734	825,223	2,194,602
Total revenues	16,923,778	-	434,115	178,734	4,611,970	22,148,597
Expenditures:						
Current:						
General government	4,781,736	-	-	-	204,271	4,986,007
Public safety	5,448,578	-	-	-	23,718	5,472,296
Highways and streets	2,087,001	-	-	-	-	2,087,001
Sanitation	383,036	-	-	-	111,735	494,771
Welfare	123,985	-	-	-	-	123,985
Culture and recreation	1,322,870	-	-	-	292,124	1,614,994
Conservation	4,469	-	-	-	2,843	7,312
Economic development	12,080	-	-	-	-	12,080
Debt service:						
Principal	685,678	-	-	145,000	-	830,678
Interest	470,275	-	-	63,275	-	533,550
Capital outlay	-	-	858,349	445,772	3,010,175	4,314,296
Total expenditures	15,319,708	-	858,349	654,047	3,644,866	20,476,970
Excess (deficiency) of revenues over (under) expenditures	1,604,070	-	(424,234)	(475,313)	967,104	1,671,627
Other financing sources (uses):						
Transfers in	370,421	-	1,100,000	5,257,017	1,313,994	8,041,432
Transfers out	(2,888,500)	-	-	(200,726)	(4,835,704)	(7,924,930)
Long-term debt issued	-	-	9,628,350	-	-	9,628,350
Premium received on long-term debt	-	-	941,843	-	-	941,843
Total other financing sources and uses	(2,518,079)	-	11,670,193	5,056,291	(3,521,710)	10,686,695
Net change in fund balances	(914,009)	-	11,245,959	4,580,978	(2,554,606)	12,358,322
Fund balances, beginning, as previously reported	5,556,316	252,917	-	-	14,464,300	20,273,533
Changes within the reporting entity (expendable trust)	(2,968,182)	-	-	809,623	2,158,559	-
Changes within the reporting entity (nonmajor to major)	-	-	1,300,000	-	(1,300,000)	-
Changes within the reporting entity (major to nonmajor)	-	(252,917)	-	-	252,917	-
Fund balances, beginning, as restated	2,588,134	-	1,300,000	809,623	15,575,776	20,273,533
Fund balances, ending	$ 1,674,125	$ -	$ 12,545,959	$ 5,390,601	$ 13,021,170	$ 32,631,855

The notes to the financial statements are an integral part of this statement.

EXHIBIT 6
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net change in fund balances of governmental funds (Exhibit 5)		$ 12,358,322
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Capitalized capital outlay	$ 4,515,339	
Depreciation expense	(1,620,284)	
		2,895,055
The net effect of the disposal of capital assets decreased net position.		(6)
Payments not due until the subsequent period are recorded as prepaid in the governmental funds.		
Decrease in prepaid debt principal and interest		886,714
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	$ (7,924,930)	
Transfers out	7,924,930	
		-
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.		
Change in unavailable tax revenue	$ 48,404	
Change in unavailable ambulance revenue	(2,417)	
Change in unavailable liens	17,764	
Change in unavailable miscellaneous revenue	(300)	
		63,451
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of bonds	$ (9,628,350)	
Premium on bonds issued	(941,843)	
Repayment of bond and note principal	77,778	
Amortization of bond premium	98,689	
		(10,393,726)
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	$ (298,287)	
Increase in compensated absences payable	(390,957)	
Decrease in accrued landfill postclosure care costs	240,000	
Change in OPEB related balances	2,450	
		(446,794)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
Town pension contributions	$ 928,408	
Cost of benefits earned, net of employee contributions	(1,003,586)	
		(75,178)
Change in net position of governmental activities (Exhibit 2)		$ 5,287,838

The notes to the financial statements are an integral part of this statement.

EXHIBIT 7
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 10,528,452	$ 10,528,452	$ 10,592,092	$ 63,640
Licenses, permits and fees	1,409,000	1,409,000	1,498,600	89,600
Intergovernmental	1,800,274	2,832,458	2,894,316	61,858
Charges for services	908,680	908,680	1,120,278	211,598
Miscellaneous	812,237	812,237	866,896	54,659
Total revenues	15,458,643	16,490,827	16,972,182	481,355
EXPENDITURES				
Current:				
General government	3,962,530	4,986,671	4,806,627	180,044
Public safety	5,600,742	5,608,785	5,448,578	160,207
Highways and streets	2,255,056	2,255,056	2,061,512	193,544
Sanitation	407,805	407,805	383,036	24,769
Welfare	133,000	133,000	123,985	9,015
Culture and recreation	1,339,022	1,339,022	1,322,870	16,152
Conservation	4,700	4,700	4,469	231
Economic development	26,200	26,200	12,080	14,120
Debt service:				
Principal	830,678	830,678	685,678	145,000
Interest	659,159	659,159	470,275	188,884
Total expenditures	15,218,892	16,251,076	15,319,110	931,966
Excess of revenues over expenditures	239,751	239,751	1,653,072	1,413,321
Other financing sources (uses):				
Transfers in	348,749	348,749	370,421	21,672
Transfers out	(2,888,500)	(2,888,500)	(2,888,500)	-
Total other financing sources and uses	(2,539,751)	(2,539,751)	(2,518,079)	21,672
Net change in fund balance	$ (2,300,000)	$ (2,300,000)	(865,007)	$ 1,434,993
Decrease in nonspendable fund balance			1,116,813	
Decrease in committed fund balance			1,100,000	
Unassigned fund balance, beginning			662,245	
Unassigned fund balance, ending			$ 2,014,051	

The notes to the financial statements are an integral part of this statement.

EXHIBIT 8
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities - Enterprise Funds		
	Water Department	Sewer Department	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 3,342,517	$ 2,407,221	$ 5,749,738
Accounts receivable	319,459	383,218	702,677
Intergovernmental receivable	143,299	2,345,694	2,488,993
Prepaid items	1,126	907	2,033
Noncurrent assets:			
Capital assets, not being depreciated:			
Land	158,779	14,606	173,385
Construction in progress	9,552,503	82,342	9,634,845
Capital assets, net of accumulated depreciation:			
Land improvements	-	10,125	10,125
Buildings and building improvements	-	6,654,541	6,654,541
Machinery, vehicles and equipment	111,099	348,400	459,499
Infrastructure	4,866,663	1,011,784	5,878,447
Total assets	18,495,445	13,258,838	31,754,283
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	59,544	88,747	148,291
Deferred amounts related to OPEB	8,052	10,644	18,696
Total deferred outflows of resources	67,596	99,391	166,987
LIABILITIES			
Current liabilities:			
Accounts payable	173,345	76,028	249,373
Accrued payroll and benefits	7,425	10,980	18,405
Accrued interest payable	23,702	55,595	79,297
Retainage payable	399,336	-	399,336
Noncurrent obligations:			
Due within one year:			
Bonds and notes payable	136,100	210,600	346,700
Unamortized bond premium	10,570	30,502	41,072
Due in more than one year:			
Bonds and notes payable	5,110,669	3,712,100	8,822,769
Unamortized bond premium	52,848	396,532	449,380
Compensated absences payable	32,545	32,545	65,090
Net pension liability	250,857	373,891	624,748
Other postemployment benefits liability	28,827	38,107	66,934
Total liabilities	6,226,224	4,936,880	11,163,104
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	54,629	-	54,629
Deferred amounts related to pensions	7,334	10,931	18,265
Deferred amounts related to OPEB	6,975	9,221	16,196
Total deferred inflows of resources	68,938	20,152	89,090
NET POSITION			
Net investment in capital assets	9,378,856	3,772,064	13,150,920
Unrestricted	2,889,023	4,629,133	7,518,156
Total net position	$ 12,267,879	$ 8,401,197	$ 20,669,076

The notes to the financial statements are an integral part of this statement.

EXHIBIT 9
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds		
	Water Department	Sewer Department	Total
Operating revenues:			
Charges for services	$ 1,249,522	$ 1,579,177	$ 2,828,699
Miscellaneous	34,701	77,333	112,034
Total operating revenues	1,284,223	1,656,510	2,940,733
Operating expenses:			
Plant operation and maintenance	732,926	1,305,574	2,038,500
Depreciation	143,272	448,000	591,272
Total operating expenses	876,198	1,753,574	2,629,772
Operating income (loss)	408,025	(97,064)	310,961
Nonoperating revenue (expense):			
Intergovernmental	1,481,822	44,947	1,526,769
Interest income	11,152	5,526	16,678
Interest expense	(63,709)	(185,218)	(248,927)
Transfer to other funds	(50,176)	(66,326)	(116,502)
Total nonoperating revenue (expense)	1,379,089	(201,071)	1,178,018
Change in net position	1,787,114	(298,135)	1,488,979
Net position, beginning	10,480,765	8,699,332	19,180,097
Net position, ending	$ 12,267,879	$ 8,401,197	$ 20,669,076

The notes to the financial statements are an integral part of this statement.

EXHIBIT 10
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds		
	Water Department	Sewer Department	Total
Cash flows from operating activities:			
Receipts from customers and users	$ 1,273,775	$ 1,681,012	$ 2,954,787
Payments to suppliers and employees	(718,201)	(1,177,910)	(1,896,111)
Net cash provided by operating activities	555,574	503,102	1,058,676
Cash flows from non-capital financing activities:			
Transfer to other funds	(50,176)	(66,326)	(116,502)
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(2,669,943)	-	(2,669,943)
Proceeds from state grants and loans	3,085,365	197,405	3,282,770
Principal paid on bonds and notes	(67,800)	(200,500)	(268,300)
Interest paid on bonds and notes	(59,704)	(160,126)	(219,830)
Net cash provided (used) by capital and related financing activities	287,918	(163,221)	124,697
Cash flows from investing activities:			
Interest and dividends received	25,054	5,526	30,580
Investments sold	8,931	-	8,931
Net cash provided by investing activities	33,985	5,526	39,511
Increase in cash	827,301	279,081	1,106,382
Cash and cash equivalents, beginning	2,515,216	2,128,140	4,643,356
Cash and cash equivalents, ending	$ 3,342,517	$ 2,407,221	$ 5,749,738
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 408,025	$ (97,064)	$ 310,961
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	143,272	448,000	591,272
(Increase) decrease in accounts receivable	(220)	24,502	24,282
Decrease in prepaid items	30,709	80,138	110,847
Increase (decrease) in accounts payable	(35,328)	21,761	(13,567)
Increase in accrued payroll and benefits	19,344	25,765	45,109
Decrease in unearned revenue	(10,228)	-	(10,228)
Total adjustments	147,549	600,166	747,715
Net cash provided by operating activities	$ 555,574	$ 503,102	$ 1,058,676

The notes to the financial statements are an integral part of this statement.

EXHIBIT 11
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Private Purpose Trust	Custodial
Assets:		
Cash and cash equivalents	$ 40,800	$ 2,326,821
Investments	1,293,098	2,289,689
Total assets	1,333,898	4,616,510
Liabilities		
Deposits	-	32,385
Net position:		
Held in trust for specific purposes	1,333,898	-
Held for other governments	-	4,283,742
Held as escrow and performance deposits	-	300,383
Total net position	$ 1,333,898	$ 4,584,125

The notes to the financial statements are an integral part of this statement.

EXHIBIT 12
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2025

	Private Purpose Trust	Custodial
Additions:		
Donations from outside organizations	$ -	$ 12,327
Receipts from School District	17,500	1,200,000
Escrow deposits	-	5,600
Investment earnings:		
Interest and dividends	38,984	142,947
Net change in fair value of investments	39,126	95,103
Total additions	95,610	1,455,977
Deductions:		
Trust distributions	358,615	-
Payments to School District	-	854,169
Payments to vendors	-	7,626
Total deductions	358,615	861,795
Change in net position	(263,005)	594,182
Net position, beginning	1,596,903	3,989,943
Net position, ending	$ 1,333,898	$ 4,584,125

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Principles

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Peterborough (the Town) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended June 30, 2025.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

The Town of Peterborough is a municipal corporation governed by a board of selectmen consisting of three members elected by the voters. These financial statements present the financial position and activity of the primary government. Component units are organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Based on the stated criteria, the Town's financial statements do not include any component units.

I.B.2. *Government-Wide and Fund Financial Statements*

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole, excluding fiduciary activities. Individual funds are not displayed. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Individual funds are not displayed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges for the Town's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which finance the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and revenue from other sources not properly included with program revenues are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to users for sales and services, and the principal expenses are plant operation and maintenance and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual, governmental funds and major, individual enterprise funds are reported in separate columns in the basic fund financial statements with composite columns for nonmajor funds.

I.B.3. *Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The financial statements of the Town are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. As well, the proprietary funds apply all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued in or before 1989, unless those pronouncements conflict with or contradict the GASB.

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund financial statements also report using this same basis of accounting, although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. However, for purposes of setting the tax rate, unavailable property taxes are not deferred in accordance with the direction of the New Hampshire Department of Revenue Administration.

Expenditures are recorded when the related fund liability is incurred, except for general obligation debt principal and interest, which are reported as expenditures in the year due.

Major revenues susceptible to accrual are property taxes, intergovernmental amounts, charges for services, and investment income. In general, other revenues are recognized when cash is received.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

I.B.4. *Fund Types and Major Funds*

Governmental Funds

The Town reports the following major governmental funds:

General Fund – Reports as the primary fund of the Town. This fund is used to account for all financial resources not reported in other funds.

Municipal Campus Fund – Reports as a Capital Project Fund and is used to account for financial activity related to the construction of a new municipal campus.

Town Expendable Trust Fund – Reports as a Capital Project Fund and is used to report those accounts established by Town Meeting and held by the Trustees of Trust Funds for expenditures of subsequent years, primarily of a capital nature.

The Town also reports eighteen nonmajor governmental funds.

Proprietary Funds

The Town reports the following major enterprise funds:

Water Department Fund – Accounts for all revenues and expenses related to the Town's water treatment and distribution operations.

Sewer Department Fund – Accounts for all revenues and expenses related to the Town's sewage disposal operations.

Fiduciary Funds

The Town reports the following fiduciary funds:

Private Purpose Trust Fund – Accounts for financial resources of the Town used only for the benefit of other entities or individuals.

Custodial Fund – Accounts for fiduciary assets held by the Town in a custodial capacity on behalf of others. These assets are therefore not available to support the Town's own programs. The Town's custodial fund is used to account for amounts held by the trustees of trust funds that belong to the Contoocook Valley Regional School District, and escrow and performance deposits.

I.B.5. *Implementation of Accounting Principle*

For the year ended June 30, 2025, the Town implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences.* This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used when (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

I.C. Assets, Liabilities, and Net Position or Fund Equity

I.C.1. *Cash and Investments*

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The laws of the State of New Hampshire require that the Town's treasurer have custody of all monies belonging to the Town**,** other than those held by the trustees of trust funds and library trustees, and pay out the same only upon orders of the Board of Selectmen. The treasurer shall deposit all monies in participation units in the public deposit investment pool established pursuant to N.H. RSA 383.22 or in solvent banks in the state. Funds may be deposited in banks outside the state if such banks pledge or 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 of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

Investments are stated at fair value based on quoted market prices.

New Hampshire law authorizes the Town to invest in obligations of the United States government; the public deposit investment pool established pursuant to RSA 383:22; savings bank deposits; prime bankers' acceptances; or 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 monies 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.

I.C.2. *Inventory and Prepaid Items*

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I.C.3. *Capital Assets and Depreciation*

Generally, the Town's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the government-wide and proprietary fund financial statements. Donated assets are stated at acquisition value on the date donated. The Town generally capitalizes assets with cost of $5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follow:

	Years
Land improvements	20
Buildings and building improvements	20-100
Machinery, vehicles and equipment	5-15
Infrastructure	10-75

I.C.4. *Long-Term Debt*

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. The balance of long-term debt is not reported in the governmental funds.

I.C.5. *Compensated Absences*

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums based on the number of years in employment. Employees who are eligible for vacation benefits and whose employment is terminated for any reason are paid an amount equal to all accumulated vacation pay earned but not taken.

Full-time, permanent employees are granted sick leave at a rate of one and one-half days for every two full months of continuous service. Employees who have been employed by the Town for more than ten years are paid upon termination of their employment for their unused sick leave on a sliding scale up to as much as 80% of accumulated sick leave for employees with over 40 years of service. The maximum reimbursement for accumulated sick leave shall not exceed 960 hours.

For employees hired prior to December 31, 1997, the hours accumulated under the previous compensated absences system (PDOs or banked Paid Days Off) carry over and can be used for extended illness, injury or vacation leave with written approval of the Department head. At termination of employment, employees are reimbursed for any unused PDOs limited to a total of 960 hours of combined accumulated PDOs and sick leave, with the payment made first from the PDO bank and then from the accumulated sick leave.

Compensated absences are reported as accrued in the government-wide and proprietary fund financial statements. Governmental funds report only matured compensated absences payable to currently terminated employees which are included in wages and benefits expenditures.

I.C.6. *Equity*

The government-wide statement of net position reports net position in the following components:

- Net investment in capital assets, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.

- Restricted for endowments, which consists of the balance of the permanent fund where the principal must be permanently invested and the income is to be used for Town purposes.

- Restricted for other purposes, which consists of the balance of the capital projects and special revenue funds whose uses are restricted by enabling legislation, state laws, or by grantor and donor restrictions.

- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of the balances of inventory, prepaid items, tax-deeded property, and endowments.

- Restricted, which represents the balance of unexpended bond proceeds or restricted donations in the various capital project funds; the expendable income from the permanent fund; and the library fund, whose use is limited by law.

- Committed, which consists of balances for which the intended use has been established by Town Meeting, or by the Board of Selectmen, and would require an equally formal action to remove those commitments.

- Assigned, which consists of balances for which the intended use is established by the Board of Selectmen in the form of encumbrances, and unused overlay carried forward for uncollectible property taxes.

- Unassigned, which represents the remaining fund balance in the General Fund in excess of the nonspendable, restricted, committed and assigned balances, and the deficit fund balance of the nonmajor Community Center Grant Fund.

I.D. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

II. Stewardship, Compliance and Accountability

II.A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General, Water Department and Sewer Department Funds, as well as some of the nonmajor funds. Project length budgets are adopted for the Capital Project Funds. Unless encumbered, all appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In fiscal year 2025, $1,200,000 of the fund balance from fiscal year 2024 was so used, while $1,100,000 was appropriated from fund balance.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the amounts will be added to the appropriations voted in the subsequent year.

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: general government, public safety, highways and streets, sanitation, water distribution and treatment, welfare, culture and recreation, conservation, economic development, and debt service. Management can transfer appropriations among budget line items as necessary, but the total expenditures cannot legally exceed the total appropriations unless permission is received from the Commissioner of Revenue Administration.

II.B. Reconciliation of General Fund Budgetary Basis to GAAP

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	$ 17,342,603
Adjustments:	
Basis difference:	
Unavailable tax revenue deferred in the prior year	447,088
Unavailable tax revenue deferred in the current year	(495,492)
Per Exhibit 5 (GAAP basis)	$ 17,294,199
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	$ 18,207,610
Adjustments:	
Basis difference:	
Encumbrances, beginning	60,489
Encumbrances, ending	(59,891)
Per Exhibit 5 (GAAP basis)	$ 18,208,208
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	$ 2,014,051
Adjustment:	
Basis difference:	
Unavailable tax revenue, GAAP basis	(495,492)
Per Exhibit 3 (GAAP basis)	$ 1,518,559

The Town Expendable Trust Fund is not budgeted. A project-length budget was adopted for the Municipal Campus Fund.

II.C. Deficit Fund Balance

The deficit fund balance reported in the nonmajor Community Center Grant Fund is the result of expenditures incurred that will be reimbursed by future grant receipts.

The notes continue on the following page.

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. *Investments*

As of June 30, 2025, the Town's reporting entity had the following investments:

Certificates of deposit	$ 212,719
US government agencies	946,434
US treasury obligations	7,190,935
Municipal obligations	78,847
Preferred stock	100,513
Equity funds	1,572,958
Common stock	2,525,696
Corporate bonds	1,680,737
	$ 14,308,839

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	$ 10,726,052
Fiduciary funds - statement of fiduciary net position (Exhibit 12)	3,582,787
Total	$ 14,308,839

Fair Value Measurement

The Town categorizes its investments within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of June 30, 2025:

Investment	Level 1	Level 2	Total
Certificates of deposit	$ -	$ 212,719	$ 212,719
US government agencies	946,434	-	946,434
US treasury obligations	7,190,935	-	7,190,935
Municipal obligations	78,847	-	78,847
Preferred stock	100,513	-	100,513
Equity funds	1,572,958	-	1,572,958
Common stock	2,525,696	-	2,525,696
Corporate bonds	1,680,737	-	1,680,737
	$ 14,096,120	$ 212,719	$ 14,308,839

The Town classifies its investments into Level 1, which refers to investments traded in an active market; and Level 2, which refers to investments not traded in an active market but for which observable market inputs are readily available. The levels relate to valuation only and do not necessarily indicate a measure of risk.

Investment Risks

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. New Hampshire law limits investments to those described in Note I.C.1. The Town does not have an investment policy that places any further restrictions on its investment choices. The Town's credit rating quality of investments as of June 30, 2025 was as follows:

	Fair Value
Aaa	$ 8,179,112
Aa	298,234
A	982,909
Baa	387,388
Not rated	49,309
Exempt from disclosure	4,411,887
	$ 14,308,839

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Town does not have an investment policy that addresses limiting interest rate risk. The Town's sensitivity of the fair value of the Town's investments to market interest rate fluctuations was as follows:

		Investment Maturities (in years)		
	Fair Value	Less than 1	1 to 5	5 to 10
Certificates of deposit	$ 212,719	$ 212,719	$ -	$ -
US government agencies	946,434	462,815	371,432	112,187
US treasury obligations	7,190,935	1,769,443	3,335,882	2,085,610
Municipal obligations	78,847	-	29,538	49,309
Corporate bonds	1,680,737	278,025	625,398	777,314
	$ 10,109,672	$ 2,723,002	$ 4,362,250	$ 3,024,420

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Of the Town's $14,308,839 of investments, $4,199,440 has exposure to custodial credit risk because the related securities are uninsured and uncollateralized.

III.A.2. *Receivables, Uncollectible Accounts and Deferred Revenue*

Property Taxes Receivable and Property Tax Calendar

Property taxes are levied and collected by the Town on a semi-annual basis. Tax bills are due on or around July 1 and December 1, with interest of 8% per annum on all taxes not received by the due date. The spring billing is an estimate only based on half of the previous year's billing. The fall billing is levied based on an inventory taken in April of each year (the tax year runs from April 1 to March 31), and is assessed after the tax rate has been calculated and set by the New Hampshire Department of Revenue Administration. A lien is executed on any unpaid property taxes in the following year and this lien takes priority over any others. Interest of 14% per annum is charged upon redemption of liened taxes. Properties not redeemed within two years of the date of the tax lien should be deeded to the Town. During the current year, the tax collector executed a lien for uncollected 2024 property taxes on April 28th.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Contoocook Valley Regional School District, and Hillsborough County. The Town is responsible for the collection of all these taxes. During the annual tax rate setting process, the Town sets an amount for potential abatements and tax deedings, known as overlay. Overlay is raised through taxation and is reported as a reduction in tax revenue.

The net assessed valuation as of April 1, 2024, upon which the 2024 property tax levy was based was:

For the New Hampshire education tax	$ 851,283,273
For all other taxes	$ 866,447,673

The tax rates and amounts assessed for the year ended June 30, 2025 were as follow:

	Per $1,000 of Assessed Valuation	
Municipal portion	$12.17	$ 10,551,116
School portion:		
State of New Hampshire	$1.70	1,446,505
Local	$17.41	15,080,556
County portion	$1.22	1,055,593
Total property taxes assessed		$ 28,133,770

The following details the taxes receivable at year-end:

Property:	
Levy of 2025	$ 2,920,567
Unredeemed (under tax lien):	
Levy of 2024	282,149
Levy of 2023	121,101
Levy of 2022	96,222
Levy of 2021	20,618
Levy of 2020	2,962
Levy of 2019	2,858
Land use change	17,920
Excavation	7
Betterment assessment	1,752
Yield	4,576
Total taxes receivable	$ 3,470,732

Other Receivables and Uncollectible Accounts

Other significant receivables include charges for ambulance services, water and sewer charges, and long-term state aid grants. These statements report accounts receivable net of any allowance for uncollectible amounts and revenues net of uncollectibles. The allowance amount consists of ambulance charges that are expected to be written off as bad debt based on the historical write-off rates. Related amounts are shown in the following table:

	Governmental Funds	Enterprise Funds
Accounts	$ 589,696	$ 702,677
Intergovernmental	592,231	2,488,993
Liens	37,636	-
Less: allowance for uncollectible amounts	(292,373)	-
Net total receivables	$ 927,190	$ 3,191,670

Deferred Revenue

Deferred revenue of $7,442,446 in the governmental funds at June 30, 2025 represents $52,956 of ambulance service charges, $495,492 of property taxes, and $37,636 of elderly/disabled and welfare liens that were not collected within 60 days of year-end, and therefore, are deferred in accordance with generally accepted accounting principles; and $6,230,936 of property taxes assessed for fiscal year 2026; $37,365 in unapplied tax credits to be applied to future levies; $7,488 received for the future sale of tax deeded property; and $580,573 of grants received in advance of expenditure. In the governmental activities, $6,856,362 consisting of the 2026 tax assessment, unapplied tax credits, the future sale of tax deeded property, and grants received in advance of expenditure are reported as unearned revenue.

III.A.3. *Capital Assets*

Changes in Capital Assets

The following tables provide a summary of changes in capital assets:

	Balance, beginning	Additions	Deletions	Balance, ending
Governmental activities:				
At cost:				
Not being depreciated:				
Land	$ 2,944,447	$ -	$ -	$ 2,944,447
Construction in progress	9,802,688	3,614,880	(23,653)	13,393,915
Total capital assets not being depreciated	12,747,135	3,614,880	(23,653)	16,338,362
Being depreciated:				
Land improvements	1,477,007	84,060	-	1,561,067
Buildings and building improvements	11,995,347	117,768	-	12,113,115
Machinery, vehicles and equipment	8,898,290	443,571	(359,896)	8,981,965
Infrastructure	27,880,991	278,713	(21,531)	28,138,173
Total capital assets being depreciated	50,251,635	924,112	(381,427)	50,794,320
Total all capital assets	62,998,770	4,538,992	(405,080)	67,132,682
Less accumulated depreciation:				
Land improvements	(939,183)	(59,898)	-	(999,081)
Buildings and building improvements	(3,428,822)	(330,445)	-	(3,759,267)
Machinery, vehicles and equipment	(6,343,891)	(692,106)	21,531	(7,014,466)
Infrastructure	(14,354,247)	(537,835)	359,890	(14,532,192)
Total accumulated depreciation	(25,066,143)	(1,620,284)	381,421	(26,305,006)
Net book value, capital assets being depreciated	25,185,492	(696,172)	(6)	24,489,314
Net book value, all capital assets	$ 37,932,627	$ 2,918,708	$ (23,659)	$ 40,827,676

This note continues on the following page.

	Balance, beginning	Additions	Balance, ending
Business-type activities:			
At cost:			
Not being depreciated:			
Land	$ 173,385	$ -	$ 173,385
Construction in progress	7,210,484	2,424,361	9,634,845
Total capital assets not being depreciated	7,383,869	2,424,361	9,808,230
Being depreciated:			
Land improvements	27,000	-	27,000
Buildings and building improvements	10,687,727	-	10,687,727
Machinery, vehicles and equipment	1,431,967	-	1,431,967
Infrastructure	15,620,469	-	15,620,469
Total capital assets being depreciated	27,767,163	-	27,767,163
Total all capital assets	35,151,032	2,424,361	37,575,393
Less accumulated depreciation:			
Land improvements	(15,525)	(1,350)	(16,875)
Buildings and building improvements	(3,710,531)	(322,655)	(4,033,186)
Machinery, vehicles and equipment	(889,234)	(83,234)	(972,468)
Infrastructure	(9,557,989)	(184,033)	(9,742,022)
Total accumulated depreciation	(14,173,279)	(591,272)	(14,764,551)
Net book value, capital assets being depreciated	13,593,884	(591,272)	13,002,612
Net book value, all capital assets	$ 20,977,753	$ 1,833,089	$ 22,810,842

Depreciation Expense

Depreciation expense was charged to functions and activities of the Town as follows:

Governmental activities:	
General government	$ 53,073
Public safety	324,873
Highways and streets	845,860
Sanitation	26,593
Culture and recreation	369,786
Conservation	99
Total depreciation expense	$ 1,620,284
Business-type activities:	
Sanitation	$ 448,000
Water distribution and treatment	143,272
Total depreciation expense	$ 591,272

III.B. Liabilities

III.B.1. *Intergovernmental Payable*

The amount due to other governments of $9,207,451 at June 30, 2025 consists of portions of the June property tax levy due to the Contoocook Valley Regional School District in the amount of $8,640,359 and to Hillsborough County in the amount of $552,550; $5,924 due to the State of New Hampshire for miscellaneous fees, and $8,618 due to the State of New Hampshire for excess interest earned on grant receipts.

III.B.2. *Long-Term Debt*

General obligation bonds and notes are approved by the voters and repaid with general revenues (property taxes). These notes are backed by the full faith and credit of the Town. Long-term liabilities currently outstanding are as follow:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 06/30/2025	Current Portion
Governmental activities:						
General obligation bonds/notes payable:						
Union Street infrastructure	$ 2,435,000	2015	2036	5.1	$ 1,200,000	$ 120,000
GAR Hall parking lot	$ 1,049,100	2017	2037	2.02-5.02	610,000	55,000
Main St. bridge	$ 3,000,000	2021	2036	2.1-5.1	1,865,000	170,000
Library renovations	$ 1,600,000	2021	2036	2.1-5.1	990,000	90,000
Townhouse rehabilitation	$ 700,000	2021	2036	2.1-5.1	388,888	77,778
DPW garage renovation	$ 2,241,600	2023	2052	3.63	2,087,000	77,300
Public Safety facility	$ 1,202,900	2023	2028	2.35	721,700	240,600
Municipal campus	$ 9,628,350	2025	2045	3.74	9,628,350	481,450
					17,490,938	1,312,128
Unamortized bond premium					1,923,172	122,235
Compensated absences payable:						
Vested sick leave					546,345	1,495
Accrued vacation leave					536,004	83,153
					1,082,349	84,648
Accrued landfill postclosure care costs					1,920,000	64,000
Net pension liability					7,413,395	-
Total OPEB liability					670,706	-
					$ 30,500,560	$ 1,583,011

Business-type activities:						
General obligation bonds/notes payable:						
Treatment plant	$ 6,986,000	2012	2039	4.48	$ 3,922,700	$ 210,600
Water refunding bond	$ 1,557,200	2009	2037	2.0-5.0	909,000	65,000
NHSRF note	$ 579,500	2012	2031	3.1	193,700	28,600
Water bond	$ 700,000	2016	2031	2.75	259,200	42,500
State revolving fund loan drawdowns					3,884,869	-
					9,169,469	346,700
Unamortized bond premium					490,452	41,072
Compensated absences payable:						
Vested sick leave					18,474	-
Accrued vacation leave					46,616	-
					65,090	-
Net pension liability					624,748	-
Total OPEB liability					66,934	-
					$ 10,416,693	$ 387,772

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	General Obligation Bonds and Notes Payable	Unamortized Bond Premium	Compensated Absences Payable	Accrued Landfill Postclosure Care Costs	Net Pension Liability	Total OPEB Liability	Total
Governmental activities:							
Balance, beginning	$ 7,940,366	$ 1,080,018	$ 691,392	$ 2,160,000	$ 7,411,748	$ 698,043	$ 19,981,567
Additions	9,628,350	941,843	390,957	-	1,647	-	10,962,797
Reductions	(77,778)	(98,689)	-	(240,000)	-	(27,337)	(443,804)
Balance, ending	$ 17,490,938	$ 1,923,172	$ 1,082,349	$ 1,920,000	$ 7,413,395	$ 670,706	$ 30,500,560

	General Obligation Bonds and Notes Payable	Unamortized Bond Premium	Compensated Absences Payable	Net Pension Liability	Total OPEB Liability	Total
Business-type activities:						
Balance, beginning	$ 8,442,774	$ 531,524	$ 36,048	$ 630,968	$ 58,554	$ 9,699,868
Additions	994,995	-	29,042	-	8,380	1,032,417
Reductions	(268,300)	(41,072)	-	(6,220)	-	(315,592)
Balance, ending	$ 9,169,469	$ 490,452	$ 65,090	$ 624,748	$ 66,934	$ 10,416,693

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for the bonds and notes outstanding as of year-end are as follow:

Year Ending June 30,	Governmental Activities Principal	Interest	Total
2026	$ 1,312,128	$ 783,856	$ 2,095,984
2027	1,312,128	720,824	2,032,952
2028	1,307,028	658,071	1,965,099
2029	1,066,528	601,742	1,668,270
2030	1,066,526	551,489	1,618,015
2031-2035	4,943,600	2,061,051	7,004,651
2036-2040	3,148,500	1,146,247	4,294,747
2041-2045	2,793,500	45,132	2,838,632
2046-2050	386,500	88,676	475,176
2051-2052	154,500	7,877	162,377
Totals	$ 17,490,938	$ 6,664,965	$ 24,155,903

Year Ending June 30,	Business-type Activities Principal	Interest	Total
2026	$ 346,700	$ 210,860	$ 557,560
2027	362,700	193,518	556,218
2028	380,500	175,474	555,974
2029	398,100	156,570	554,670
2030	417,500	136,653	554,153
2031-2035	1,884,300	448,833	2,333,133
2036-2039	1,494,800	115,172	1,609,972
State revolving fund loan drawdowns*	3,884,869	-	3,884,869
Totals	$ 9,169,469	$ 1,437,080	$ 10,606,549

* Terms of repayment will be determined when drawdowns are complete, and the loan is finalized.

Accrued Landfill Postclosure Care Costs

Federal and State laws and regulations require that the Town continue to perform certain maintenance and monitoring functions at the landfill site. A liability is being recognized based on the estimated postclosure care costs that will be incurred. The estimated liability for landfill postclosure care costs has a balance of $1,920,000 as of June 30, 2025, which is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2025. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations. The Town annually appropriates an amount for postclosure care costs.

III.C. Balances and Transfers – Payments Within the Reporting Entity

III.C.1. *Receivables and Payables*

Generally, outstanding balances between funds reported as "interfund receivables/payables" include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as "interfund receivables/payables."

The following reports interfund receivables and payables within the reporting entity at year-end:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	$ 191,210
Nonmajor governmental	General	752,748
Nonmajor governmental	Town expendable trust	1,459
		$ 945,417

The amount due to the General Fund represents overdrafts of pooled cash and amounts due from the Library Fund and the Cemetery Fund for the reimbursement of expenditures. The amount due to the Nonmajor Funds represents a share of tax receivables. The amount due to Nonmajor Funds from the Town Expendable Trust Fund represents transfers not made by year-end.

III.C.2. *Transfers*

Transfers within the reporting entity are substantially for the purposes of distributing taxes to the fund for which the appropriation was made, and distributing trust income and certain voted amounts to the applicable fund. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

This note continues on the following page.

The following schedule reports transfers within the reporting entity:

	Transfers In:				
	General Fund	Municipal Campus Fund	Town Expendable Trust Fund	Nonmajor Governmental Funds	Total
Transfers out:					
General fund	$ -	$ 1,100,000	$ 500,000	$ 1,288,500	$ 2,888,500
Town expendable trust fund	200,726	-	-	-	200,726
Nonmajor governmental funds	53,193	-	4,757,017	25,494	4,835,704
Water department fund	50,176	-	-	-	50,176
Sewer department fund	66,326	-	-	-	66,326
	$ 370,421	$ 1,100,000	$ 5,257,017	$ 1,313,994	$ 8,041,432

The amounts transferred from the General Fund and the amount transferred from the Town Expendable Trust Fund represent voted appropriations. The amounts transferred to the General Fund from the Water Department, Sewer Department, and Nonmajor Governmental Funds represent health insurance costs and allocation of benefits. The amount transferred to the Town Expendable Trust Fund from the Nonmajor Governmental Funds represents voted appropriations. The amount transferred between Nonmajor Governmental Funds represents income earned on endowments for library purposes, and cemetery lots sales.

The notes continue on the following page.

III.D. Equity

III.D.1. *Components of Fund Equity*

The components of fund balance, as described in note I.C.6., are classified for the following purposes:

	General Fund	Municipal Campus Fund	Expendable Trust Fund	Nonmajor Funds
Nonspendable:				
Endowments	$ -	$ -	$ -	$ 4,082,060
Inventory	-	-	-	4,759
Prepaid items	29,035	-	-	-
Tax deeded property	11,640	-	-	-
Total nonspendable	40,675	-	-	4,086,819
Restricted:				
General government	-	-	-	680,469
Highways and streets	-	-	-	1,009,168
Culture and recreation	-	-	-	703,313
Capital outlay	-	12,545,959	-	-
Total restricted	-	12,545,959	-	2,392,950
Committed:				
General government	-	-	-	220,813
Public safety	-	-	-	310,659
Sanitation	-	-	-	37,035
Culture and recreation	-	-	-	198,916
Conservation	-	-	-	267,013
Capital outlay	-	-	5,390,601	5,509,381
Total committed	-	-	5,390,601	6,543,817
Assigned:				
General government	24,891	-	-	-
Capital outlay	35,000	-	-	-
Overlay	55,000	-	-	-
Total assigned	114,891	-	-	-
Unassigned	1,518,559	-	-	(2,416)
Total fund balance	$ 1,674,125	$ 12,545,959	$ 5,390,601	$ 13,021,170

III.D.2. *Restricted Net Position*

The government-wide statement of net position includes restricted net position of $4,668,868 for public trust funds reported as restricted to reflect purpose restrictions contained in trust indentures, and $4,723,751 restricted by bond covenants, grantors, donors, or State statutes.

IV. Other Information

IV.A. Risk Management

The Town's risk management activities are reported with governmental activities and recorded in the general fund. During the fiscal year, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex) Property/Liability and Workers' Compensation Programs, which are considered public entity risk pools, currently operating as common risk management and insurance programs for member governmental entities.

The Primex Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSA 5-B and RSA 281-A. Workers' compensation and property/liability coverage was provided from July 1 through June 30. Primex provided property and employer's liability coverage in varying amounts and statutory coverage for workers' compensation.

Contributions paid in fiscal year 2025 to be recorded as an insurance expenditure/expense totaled $154,323 for property/liability, and $138,792 for workers' compensation. There were no unpaid contributions for the year ended June 30, 2025. The member agreement permits Primex to make additional assessments to members should there be a deficiency in assets to meet its liabilities. At this time, Primex foresees no likelihood of any additional assessments for past years.

IV.B. Retirement Pensions

General Information about the Pension Plan

The New Hampshire Retirement System (NHRS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The NHRS provides service, disability, death and vested retirement benefits for employees and their beneficiaries. The New Hampshire Legislature establishes the provisions for benefits and contributions. The NHRS issues a separate financial report that is available at www.nhrs.org or by contacting the NHRS at 54 Regional Drive, Concord, NH 03301.

Both the members and the Town make contributions to the NHRS. Member rates of contribution are set by the Legislature. Employer rates are determined by the NHRS trustees based on an actuarial valuation. The rates of contribution for police, fire personnel, and other employees for the fiscal year were 11.55%, 11.8%, and 7% of gross earnings, respectively. The rates of contribution for pension and the medical subsidy were 31.28% for police, 30.35% for fire personnel, and 13.53% for other employees. Employer contributions from the Town during the fiscal years 2023, 2024, and 2025 were $865,260, $934,363, and $1,009,773, respectively. The amounts were paid on a monthly basis as due.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2025, the Town reported a liability of $8,038,143 for its proportionate share of the net pension liability. The net pension liability is based upon the June 30, 2023 actuarial valuation, rolled forward to determine the net pension liability as of June 30, 2024. The roll-forward of the total pension liability from June 30, 2023 to June 30, 2024 reflects the expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year. 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 municipalities and school districts, actuarially determined. As of June 30, 2025, the Town's proportion reported was 0.1550%, which was an increase of 0.0110% from its proportion reported as of June 30, 2024.

For the year ended June 30, 2025, the Town recognized pension expense of $1,003,586 in the governmental activities and an expense of $84,322 in the business-type activities. At June 30, 2025, 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 and differences between employer contributions and proportionate share of contributions	$ 719,236	$ 27,091
Net differences between projected and actual earnings on pension plan investments	-	112,210
Changes in assumptions	-	94,075
Differences between expected and actual experience	178,941	1,616
Town contributions subsequent to the measurement date	1,009,773	-
	$ 1,907,950	$ 234,992

The Town reported $1,009,773 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

Year Ending June 30,		
2026	$	(34,299)
2027		606,501
2028		68,258
2029		22,725
	$	663,185

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Multiple periods of 17-20 years
Asset Valuation Method	5-year smoothed market for funding purposes; 20% corridor
Price Inflation	2.00% per year
Wage Inflation	2.75% per year
Salary Increases	5.4% average, including inflation
Municipal Bond Rate	3.97% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Based on the 2015-2019 Experience Study
Mortality	Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each member classification (Police and Fire combined) and projected fully generational mortality improvements using Scale MP–2019.

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

The following 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 one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of net pension liability	$ 11,238,236	$ 8,038,143	$ 5,372,368

Other actuarial assumptions, as well as detailed information about the pension plan's fiduciary net position, is available in the separately issued NHRS report.

IV.C. Contingent Liabilities

The Town has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Town believes such disallowances, if any, will be immaterial.

IV.D. Other Postemployment Benefits

Plan Description

As required by N.H. RSA 100-A:50, *New Hampshire Retirement System: Medical Benefits*, the Town provides its eligible retirees including certain beneficiaries, the ability to purchase health, dental and prescription drug coverage at the Town's group rates. The Town does not supplement the cost of these plans directly, but recognizes the liability for the inclusion of implicit rate subsidies to the retirees. The subsidy occurs because when a blended rate is used for a group of individuals that includes younger and presumably healthier people along with older, retired people, implicitly, the active employees are subsidizing the retirees. As of July 1, 2024, there were three inactive employees receiving benefits, and sixty-four active employees participating in the plan. The following is a brief description of the retiree medical plan:

a. Plan Types:	Medical Pre 65 retirees have their choice of Cigna Open Access or Cigna Open Access Plus. Post 65 retirees must enroll in Cigna 65+.
b. Eligibility:	**Group 1**: Non-Police and Fire: <u>Hired before 7/1/2011</u> Age 60 or older with no minimum service

Hired on or after 7/1/2011
Age 65 or older with no minimum service
Group 2:
Police and Fire:
Hired before 7/1/2011
Age 60 or older with no minimum service; or
if vested* before 1/1/2012, age 45 with 20 years of service; or
if not vested* before 1/1/2012, then:

Years of Service on 1/1/2012	Minimum Eligible Age	Minimum Eligible Years of Service
At least 8 but less than 10 years	46	21
At least 6 but less than 8 years	47	22
At least 4 but less than 6 years	48	23
At least 4 years	49	24

*Group 2 employees are vested at age 60, or at 10 years of service
Hired on or after 7/1/2011
Age 52.5 years old with 25 years of service

c. Benefit/Cost Sharing: The retiree is responsible for the full price of the medical premium.

d. Spouse Benefit: Yes

e. Surviving Spouse Benefit: Yes

f. Annual Medical Premiums: July 2024-June 2025

	Single	*2-Person*	*Family*
CIGNA Green Open Access	$ 13,278	$ 26,556	$ 35,850
CIGNA Red Open Access	$ 12,282	$ 24,564	$ 33,162

Implicit Rate Subsidy

Same benefit options are available to retirees as active employees. Health insurance is purchased through NH School Health Care Coalition. The Town is a member of the under-100 employees' pool and their rates are determined based on the experience of the entire under-100 employees' pool. The claims experience for active employees and retirees are combined to determine the final premium rate. This single premium rate is called a blended premium because it blends the expected claims of both active and retired participants.

Medical Insurance Subsidy

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 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 additional 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. This OPEB plan is closed to new entrants.

Total OPEB Liability

The Town's total OPEB liability of $737,640 consists of $322,039 for the implicit rate subsidy determined by an actuarial valuation as of July 1, 2024 and $415,601 for the medical insurance subsidy, determined by an actuarial valuation as of June 30, 2023 with roll-forward procedures used to determine the liability as of June 30, 2024. The roll-forward of the total OPEB liability from June 30, 2023 to June 30, 2024 reflects expected service cost and interest reduced by actual benefit payments and refunds for the plan year.

Methods and Assumptions

The collective total OPEB liability was based on the following actuarial assumptions:

Implicit Rate Subsidy	
Payroll Growth	2.50%
Discount Rate	5.20%
Mortality	PUB-2010 headcount-weighted fully generational mortality table using projection scale MP-2021
Healthcare Cost Trend Rates	2025 7.0%
	2026 6.5%
	2027 6.0%
	2028 5.50%
	2029+ 5.00%
Medical Insurance Subsidy	
Payroll Growth	2.75%

Municipal Bond Rate	3.97%
Discount Rate	6.75%
Inflation	2.00%
Investment Rate of Return	6.75% per year, net of OPEB plan investment expense, including inflation
Mortality	Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.
Healthcare Cost Trend Rates	N/A, given that the benefits are fixed stipends

Sensitivity of Total OPEB Liability to Rate Changes

Assumptions and methods used to determine the total OPEB liability are sensitive to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability calculated using the current discount rates, as well as what the total OPEB liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher:

Implicit rate subsidy:	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Town's total OPEB liability	$ 351,738	$ 322,039	$ 295,805

Medical subsidy:	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's total OPEB liability	$ 454,661	$ 415,601	$ 388,614

The following presents the total OPEB liability for the implicit rate subsidy calculated using the current healthcare cost trend rate of 7.00%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate 1-percentage point lower or 1-percentage point higher:

	1% Decrease (6.00%)	Current Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Town's total OPEB liability	$285,963	$322,039	$365,537

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

For the year ended June 30, 2025, the Town recognized OPEB expense of $79,361; and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on OPEB plan investments	$ -	$ 98
Changes in assumptions	35,642	165,088
Differences between expected and actual experience	118,816	13,300
Town contributions subsequent to the measurement date	51,580	-
	$ 206,038	$ 178,486

The Town reported $51,580 as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date, which will be recognized as a reduction of the OPEB liability in the fiscal year 2026. Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follow:

Year Ending June 30,	
2026	$ (9,676)
2027	(7,812)
2028	(7,146)
2029	(6,754)
2030	(3,413)
Thereafter	10,773
	$ (24,028)

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 13
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
Town's proportion of net pension liability	0.1550%	0.1440%	0.1390%	0.1333%	0.1361%	0.1376%	0.1382%	0.1359%	0.1358%	0.1270%
Town's proportionate share of the net pension liability	$ 8,038,143	$ 8,042,716	$ 7,973,472	$ 5,907,263	$ 8,710,756	$ 6,621,290	$ 6,653,164	$ 6,683,437	$ 7,218,957	$ 5,031,870
Town's covered-employee payroll	$ 5,816,737	$ 5,399,651	$ 4,738,808	$ 4,456,037	$ 4,211,900	$ 4,148,391	$ 4,053,924	$ 3,809,405	$ 3,521,094	$ 3,432,128
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	138.19%	148.95%	168.26%	132.57%	206.81%	159.61%	164.12%	175.45%	205.02%	146.61%
Plan fiduciary position as a percentage of the total pension liability	70.33%	67.18%	65.12%	72.22%	58.72%	65.59%	64.77%	62.66%	58.30%	65.47%

EXHIBIT 14
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Schedule of the Town's Pension Contributions
New Hampshire Retirement System

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
Contractually required contribution	$ 1,009,773	$ 934,633	$ 865,260	$ 807,193	$ 661,836	$ 654,111	$ 652,614	$ 620,501	$ 546,852	$ 528,446
Contribution in relation to the contractually required contribution	(1,009,773)	(934,633)	(865,260)	(807,193)	(661,836)	(654,111)	(652,614)	(620,501)	(546,852)	(528,446)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered-employee payroll	$ 5,816,737	$ 5,399,651	$ 4,738,808	$ 4,456,037	$ 4,211,900	$ 4,148,391	$ 4,053,924	$ 3,809,405	$ 3,521,094	$ 3,432,128
Contributions as a percentage of covered-employee payroll	17.36%	17.31%	18.26%	18.11%	15.71%	15.77%	16.10%	16.29%	15.53%	15.40%

EXHIBIT 15
TOWN OF PETERBOROUGH
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Total OPEB liability:									
Service cost	$ 13,223	$ 13,705	$ 11,947	$ 15,389	$ 30,720	$ 23,769	$ 20,191	$ 19,527	$ 64,147
Interest	47,610	45,062	41,970	37,799	42,216	48,685	53,722	11,057	12,372
Difference between expected and actual experience	(18,317)	24,490	(14,693)	(60,399)	-	-	-	-	-
Investment plan income	(5,293)	(4,304)	3,165	(10,960)	(417)	(2,245)	(3,796)	-	-
Changes of assumptions and difference between expected and actual experience	(38,361)	28,210	(2,215)	1,843	25,605	(30,774)	188,583	(7,234)	(16,950)
Plan administrative costs and other expenses	459	279	263	179	136	322	92	-	-
Benefit payments	(73,038)	(65,313)	(67,693)	(58,612)	(60,340)	(59,998)	(78,055)	(16,376)	(26,408)
Change in proportion of medical subsidy	54,760	24,294	41,486	(67,646)	(47,762)	(34,182)	49,394	-	-
Net change in total OPEB liability	(18,957)	66,423	14,230	(142,407)	(9,842)	(54,423)	230,131	6,974	33,161
Total OPEB liability, beginning	756,597	690,174	675,944	818,351	828,193	882,616	652,485	297,437	264,276
Restatement to include medical subsidy	-	-	-	-	-	-	-	348,074	-
Total OPEB liability, ending	$ 737,640	$ 756,597	$ 690,174	$ 675,944	$ 818,351	$ 828,193	$ 882,616	$ 652,485	$ 297,437
Covered-employee payroll	$ 5,816,737	$ 5,399,651	$ 4,738,808	$ 4,456,037	$ 4,211,900	$ 4,148,391	$ 4,053,924	$ 3,809,405	$ 3,521,094
Total OPEB liability as a percentage of covered-employee payroll	12.68%	14.01%	14.56%	15.17%	19.43%	19.96%	21.77%	17.13%	8.45%

The note to the required supplementary information is an integral part of this schedule.

EXHIBIT 16
TOWN OF PETERBOROUGH
Schedule of the Town's OPEB Contributions

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Actuarially determined contribution	$ 64,291	$ 60,597	$ 58,559	$ 63,848	$ 78,586	$ 74,522	$ 82,716	$ 29,617	$ 57,969
Contributions in relation to the actuarially determined contribution	(71,742)	(63,412)	(75,784)	(78,574)	(59,922)	(57,548)	(71,965)	(16,376)	(19,023)
Contribution (excess) deficiency	$ (7,451)	$ (2,815)	$ (17,225)	$ (14,726)	$ 18,664	$ 16,974	$ 10,751	$ 13,241	$ 38,946
Covered-employee payroll	$ 5,816,737	$ 5,399,651	$ 4,738,808	$ 4,456,037	$ 4,211,900	$ 4,148,391	$ 4,053,924	$ 3,809,405	$ 3,521,094
Contributions as a percentage of covered-employee payroll	1.11%	1.12%	1.24%	1.43%	1.87%	1.80%	2.04%	0.78%	1.65%

The note to the required supplementary information is an integral part of this schedule.

TOWN OF PETERBOROUGH, NEW HAMPSHIRE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

The OPEB Schedules are meant to present related information for ten years. Because this is the eighth year for the OPEB information, only nine years are presented. An additional year's information will be added each year until there are ten years shown.

COMBINING NONMAJOR AND INDIVIDUAL GENERAL FUND SCHEDULES

EXHIBIT 17
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds										
	Ambulance	PEG	Recreation Revolving	Library	Conservation Commission	Cemetery Maintenance	EECBG Grant	Downtown TIF	West Peterborough TIF	South Peterborough TIF	Pay As You Throw
ASSETS											
Cash and cash equivalents	$ 195,072	$ 86,403	$ 312,045	$ 250,706	$ 236,096	$ 63,548	$ 590,966	$ 700,477	$ 1,227,194	$ 829,561	$ 32,839
Investments	-	-	-	583,859	-	73,992	-	-	-	-	-
Receivables, net of allowance for uncollectibles:											
Accounts	168,543	-	2,012	-	-	-	-	-	-	-	11,142
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Interfund receivable	-	-	-	-	30,917	-	-	308,261	-	413,510	-
Inventory	-	-	-	-	-	-	-	-	-	-	4,759
Total assets	$ 363,615	$ 86,403	$ 314,057	$ 834,565	$ 267,013	$ 137,540	$ 590,966	$ 1,008,738	$ 1,227,194	$ 1,243,071	$ 48,740
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
Liabilities:											
Accounts payable	$ -	$ 99	$ 104,074	-	$ -	$ -	$ 1,775	$ 993	$ -	$ -	$ 6,946
Accrued salaries and benefits	-	231	11,067	-	-	-	-	-	-	-	-
Contracts payable	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	8,618	-	-	-	-
Retainage payable	-	-	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	133,546	-	2,800	-	-	-	-	-
Total liabilities	-	330	115,141	133,546	-	2,800	10,393	993	-	-	6,946
Deferred inflows of resources:											
Deferred revenue	52,956	-	-	-	-	-	580,573	306,802	-	413,510	-
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	4,759
Restricted	-	-	-	701,019	-	-	-	-	-	-	-
Committed	310,659	86,073	198,916	-	267,013	134,740	-	700,943	1,227,194	829,561	37,035
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	310,659	86,073	198,916	701,019	267,013	134,740	-	700,943	1,227,194	829,561	41,794
Total liabilities, deferred inflows of resources, and fund balances	$ 363,615	$ 86,403	$ 314,057	$ 834,565	$ 267,013	$ 137,540	$ 590,966	$ 1,008,738	$ 1,227,194	$ 1,243,071	$ 48,740

EXHIBIT 17 (Continued)
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Capital Projects Funds							
	Townhouse Rehabilitation	DPW Garage	Community Center Grant	Main Street Bridge	Isabelle Miller Trust	Capital Reserve	Permanent Fund	Total
ASSETS								
Cash and cash equivalents	$ 52,069	$ 2,039,246	$ -	$ 17,561	$ 91,330	$ 938,481	$ 124,492	$ 7,788,086
Investments	-	-	-	-	216,461	1,515,280	4,544,376	6,933,968
Receivables, net of allowance								
for uncollectibles:								-
Accounts	-	-	-	-	-	-	-	181,697
Intergovernmental	-	-	563,466	26,325	-	-	-	589,791
Interfund receivable	-	-	-	-	-	1,519	-	754,207
Inventory	-	-	-	-	-	-	-	4,759
Total assets	$ 52,069	$ 2,039,246	$ 563,466	$ 43,886	$ 307,791	$ 2,455,280	$ 4,668,868	$ 16,252,508
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	$ -	$ -	$ 492,637	$ -	$ -	$ -	$ -	$ 606,524
Accrued salaries and benefits	-	-	-	-	-	-	-	11,298
Contracts payable	-	967,768	-	-	-	-	-	967,768
Intergovernmental payable	-	-	-	-	-	-	-	8,618
Retainage payable	-	62,310	29,769	-	-	-	-	92,079
Interfund payable	-	-	43,476	-	-	11,388	-	191,210
Total liabilities	-	1,030,078	565,882	-	-	11,388	-	1,877,497
Deferred inflows of resources:								
Deferred revenue	-	-	-	-	-	-	-	1,353,841
Fund balances:								
Nonspendable	-	-	-	-	-	-	4,082,060	4,086,819
Restricted	52,069	1,009,168	-	43,886	-	-	586,808	2,392,950
Committed	-	-	-	-	307,791	2,443,892	-	6,543,817
Unassigned	-	-	(2,416)	-	-	-	-	(2,416)
Total fund balances	52,069	1,009,168	(2,416)	43,886	307,791	2,443,892	4,668,868	13,021,170
Total liabilities, deferred inflows of resources, and fund balances	$ 52,069	$ 2,039,246	$ 563,466	$ 43,886	$ 307,791	$ 2,455,280	$ 4,668,868	$ 16,252,508

EXHIBIT 18
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	Special Revenue Funds										
	Ambulance	PEG	Recreation Revolving	Library	Conservation Commission	Cemetery Maintenance	EECBG Grant	Downtown TIF	West Peterborough TIF	South Peterborough TIF	Pay As You Throw
REVENUES											
Taxes	$ -	$ -	$ -	$ -	$ 30,917	$ -	$ -	$ 621,803	$ 1,211,268	$ 812,019	$ -
Intergovernmental	-	-	-	-	-	-	111,225	-	-	-	-
Charges for services	57,343	-	184,226	5,875	-	-	-	-	-	-	129,350
Miscellaneous	399	26,321	58,132	106,753	10,457	11,310	-	-	-	-	67
Total revenues	57,742	26,321	242,358	112,628	41,374	11,310	111,225	621,803	1,211,268	812,019	129,417
EXPENDITURES											
Current:											
General government	-	-	-	-	-	-	111,225	4,546	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-	111,735
Culture and recreation	-	25,030	251,836	15,258	-	-	-	-	-	-	-
Conservation	-	-	-	-	2,843	-	-	-	-	-	-
Capital outlay	-	-	124,229	-	-	-	-	-	-	-	-
Total expenditures	-	25,030	376,065	15,258	2,843	-	111,225	4,546	-	-	111,735
Excess (deficiency) of revenues over (under) expenditures	57,742	1,291	(133,707)	97,370	38,531	11,310	-	617,257	1,211,268	812,019	17,682
Other financing sources (uses):											
Transfers in	-	-	-	22,094	-	-	-	-	-	-	-
Transfers out	-	-	(1,645)	(51,548)	-	(3,400)	-	(695,200)	(1,417,389)	(2,644,428)	-
Total other financing sources and uses	-	-	(1,645)	(29,454)	-	(3,400)	-	(695,200)	(1,417,389)	(2,644,428)	-
Net change in fund balances	57,742	1,291	(135,352)	67,916	38,531	7,910	-	(77,943)	(206,121)	(1,832,409)	17,682
Fund balances, beginning, as previously reported	-	84,782	334,268	633,103	228,482	126,830	-	778,886	1,433,315	2,661,970	24,112
Changes within the reporting entity (expendable trust)	-	-	-	-	-	-	-	-	-	-	-
Changes within the reporting entity (nonmajor to major)	-	-	-	-	-	-	-	-	-	-	-
Changes within the reporting entity (major to nonmajor)	252,917	-	-	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	252,917	84,782	334,268	633,103	228,482	126,830	-	778,886	1,433,315	2,661,970	24,112
Fund balances, ending	$ 310,659	$ 86,073	$ 198,916	$ 701,019	$ 267,013	$ 134,740	$ -	$ 700,943	$ 1,227,194	$ 829,561	$ 41,794

EXHIBIT 18 (continued)
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	Capital Project Funds								
	Townhouse Rehabilitation	DPW Garage	Municipal Campus	Community Center Grant	Main Street Bridge	Isabelle Miller Trust	Capital Reserve	Permanent Fund	Total
REVENUES									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,676,007
Intergovernmental	325	-	-	578,020	44,376	-	-	-	733,946
Charges for services	-	-	-	-	-	-	-	-	376,794
Miscellaneous	-	-	-	-	-	35,752	176,637	399,395	825,223
Total revenues	325	-	-	578,020	44,376	35,752	176,637	399,395	4,611,970
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	88,500	-	204,271
Public safety	-	-	-	-	-	-	-	23,718	23,718
Sanitation	-	-	-	-	-	-	-	-	111,735
Culture and recreation	-	-	-	-	-	-	-	-	292,124
Conservation	-	-	-	-	-	-	-	-	2,843
Capital outlay	1,660	1,453,767	-	560,277	50,977	-	819,265	-	3,010,175
Total expenditures	1,660	1,453,767	-	560,277	50,977	-	907,765	23,718	3,644,866
Excess (deficiency) of revenues over (under) expenditures	(1,335)	(1,453,767)	-	17,743	(6,601)	35,752	(731,128)	375,677	967,104
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	1,288,500	3,400	1,313,994
Transfers out	-	-	-	-	-	-	-	(22,094)	(4,835,704)
Total other financing sources and uses	-	-	-	-	-	-	1,288,500	(18,694)	(3,521,710)
Net change in fund balances	(1,335)	(1,453,767)	-	17,743	(6,601)	35,752	557,372	356,983	(2,554,606)
Fund balances, beginning, as previously reported	53,404	2,462,935	1,300,000	(20,159)	50,487	-	-	4,311,885	14,464,300
Changes within the reporting entity (expendable trust)	-	-	-	-	-	272,039	1,886,520	-	2,158,559
Changes within the reporting entity (nonmajor to major)	-	-	(1,300,000)	-	-	-	-	-	(1,300,000)
Changes within the reporting entity (major to nonmajor)	-	-	-	-	-	-	-	-	252,917
Fund balances, beginning, as restated	53,404	2,462,935	-	(20,159)	50,487	272,039	1,886,520	4,311,885	15,575,776
Fund balances, ending	$ 52,069	$ 1,009,168	$ -	$ (2,416)	$ 43,886	$ 307,791	$ 2,443,892	$ 4,668,868	$ 13,021,170

EXHIBIT 19
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	$ 10,335,780	$ 10,313,098	$ (22,682)
Land use change	8,000	37,712	29,712
Timber	10,000	6,863	(3,137)
Excavation	100	2,459	2,359
Betterment assessment	-	10,666	10,666
Payments in lieu of taxes	79,572	120,721	41,149
Interest and penalties on delinquent taxes	95,000	100,573	5,573
Total taxes	10,528,452	10,592,092	63,640
Licenses, permits and fees:			
Business licenses and permits	1,500	1,125	(375)
Motor vehicle permits	1,327,500	1,365,651	38,151
Building permits	50,000	93,611	43,611
Other	30,000	38,213	8,213
Total licenses, permits and fees	1,409,000	1,498,600	89,600
Intergovernmental:			
State sources:			
Meals and rooms distributions	630,242	632,672	2,430
Highway block grant	195,053	195,319	266
Unanticipated highway block grant	53,434	53,434	-
State and federal forest land	307	333	26
Flood control reimbursement	36,555	33,927	(2,628)
Miller Park	4,000	2,565	(1,435)
InvestNH - Demolition	434,141	434,141	-
InvestNH - Municipal Per Unit	590,000	590,000	-
InvestNH - Ambulance	8,043	8,043	
Unanticipated bridge aid	65,790	65,789	(1)
Federal sources:			
Department of safety	1,900	1,921	21
FEMA	-	9,000	9,000
Other government sources:			
Town of Sharon	812,993	867,172	54,179
Total intergovernmental	2,832,458	2,894,316	61,858
Charges for services:			
Income from departments	908,680	1,120,278	211,598
Miscellaneous:			
Sale of property	5,250	18,406	13,156
Interest on investments	660,000	693,411	33,411
Rent of property	12,100	17,474	5,374
Fines and forfeits	74,000	74,697	697
Insurance dividends and reimbursements	-	492	492
Contributions and donations	46,000	33,065	(12,935)
Other	14,887	29,351	14,464
Total miscellaneous	812,237	866,896	54,659
Other financing sources:			
Transfers in:			
Town expendable trust fund	181,320	200,726	19,406
Transfer from nonmajor funds	52,925	53,193	268
Enterprise funds	114,504	116,502	1,998
Total other financing sources	348,749	370,421	21,672
Total revenues and other financing sources	16,839,576	$ 17,342,603	$ 503,027
Use of fund balance	2,300,000		
Total revenues, other financing sources and use of fund balance	$ 19,139,576		

EXHIBIT 20
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	$ -	$ 289,617	$ 277,907	$ -	$ 11,710
Election and registration	-	235,355	208,922	-	26,433
Financial administration	-	471,893	473,973	-	(2,080)
Revaluation of property	-	188,250	80,527	-	107,723
Legal	-	75,000	68,110	-	6,890
Personnel administration	-	500	-	-	500
Planning and zoning	-	1,333,043	1,307,850	-	25,193
General government buildings	-	144,096	167,557	-	(23,461)
Cemeteries	-	16,000	14,475	-	1,525
Insurance, not otherwise allocated	-	1,598,808	1,454,541	-	144,267
Other	-	634,109	727,874	24,891	(118,656)
Total general government	-	4,986,671	4,781,736	24,891	180,044
Public safety:					
Police	-	2,537,492	2,559,809	-	(22,317)
Ambulance	-	2,296,371	2,073,748	-	222,623
Fire	-	748,875	794,133	-	(45,258)
Emergency management	-	26,047	20,888	-	5,159
Total public safety	-	5,608,785	5,448,578	-	160,207
Highways and streets:					
Administration	-	269,137	253,445	-	15,692
Highways and streets	60,489	845,536	837,688	-	68,337
Street lighting	-	25,159	22,986	-	2,173
Other	-	1,115,224	972,882	35,000	107,342
Total highways and streets	60,489	2,255,056	2,087,001	35,000	193,544
Sanitation:					
Solid waste collection	-	287,085	264,633	-	22,452
Solid waste disposal	-	50,720	41,186	-	9,534
Solid waste clean-up	-	70,000	77,217	-	(7,217)
Total sanitation	-	407,805	383,036	-	24,769
Welfare:					
Administration and direct assistance	-	133,000	123,985	-	9,015
Culture and recreation:					
Parks and recreation	-	592,729	590,778	-	1,951
Public library	-	737,293	723,815	-	13,478
Patriotic purposes	-	8,000	7,735	-	265
Other	-	1,000	542	-	458
Total culture and recreation	-	1,339,022	1,322,870	-	16,152
Conservation:					
Administration	-	4,700	4,469	-	231
Economic development	-	26,200	12,080	-	14,120

(continued)

EXHIBIT 20 (continued)
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Debt service:					
Principal	-	830,678	685,678	-	145,000
Interest	-	659,159	470,275	-	188,884
Total debt service	-	1,489,837	1,155,953	-	333,884
Other financing uses:					
Transfers out:					
Expendable trust fund	-	1,788,500	1,788,500	-	-
Capital project fund	-	1,100,000	1,100,000	-	-
Total other financing uses	-	2,888,500	2,888,500	-	-
Total encumbrances, appropriations, expenditures and other financing uses	$ 60,489	$ 19,139,576	$ 18,208,208	$ 59,891	$ 931,966

EXHIBIT 21
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

Unassigned fund balance, beginning		$ 662,245
Changes:		
Unassigned fund balance used to reduce tax rate		(1,200,000)
Unassigned fund balance appropriated		(1,100,000)
Budget summary:		
Revenue surplus (Exhibit 19)	$ 503,027	
Unexpended balance of appropriations (Exhibit 20)	931,966	
Budget surplus		1,434,993
Decrease in nonspendable fund balance		1,116,813
Decrease in committed fund balance		1,100,000
Unassigned fund balance, ending		$ 2,014,051

SINGLE AUDIT INFORMATION

EXHIBIT 22
TOWN OF PETERBOROUGH, NEW HAMPSHIRE
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	Assistance Listing Number	Grantor's/ Pass Through Grantor's Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Passed through the State of New Hampshire Community Development Finance Authority			
Community Development Block Grants	14.218	N/A	$ 560,277
U.S. DEPARTMENT OF TRANSPORTATION Passed through the State of New Hampshire Department of Transportation			
Highway Planning and Construction	20.205	14933/14772A	40,782
U.S. DEPARTMENT OF TREASURY Passed through the State of New Hampshire Governor's Office for Emergency Relief and Recovery			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	110,366
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION Passed through the State of New Hampshire Department of Environmental Services			
Drinking Water State Revolving Fund	66.468	1871010-02	994,995
U.S. DEPARTMENT OF ENERGY Passed through the State of New Hampshire Department of Energy			
Energy Efficiency and Conservation Block Grant Program	81.128	N/A	111,225
GRAND TOTAL			$ 1,817,645

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

TOWN OF PETERBOROUGH, NEW HAMPSHIRE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025

1**. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Peterborough under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the Town, it is not intended to, and does not, present the financial position or changes in net position of the Town of Peterborough.

2. **Summary of Significant Accounting Policies**

Expenditures included on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. **Indirect Cost Rate**

The Town of Peterborough has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. **Loans Outstanding**

The Town of Peterborough had an outstanding loan balance at June 30, 2025 from Assistance Listing No. 66.468: Drinking Water State Revolving Fund of $3,884,869. The loans made during the fiscal year included the federal expenditures presented on Exhibit 22.

R&G

Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Board of Selectmen
Town of Peterborough
Peterborough, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Peterborough, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Peterborough's basic financial statements, and have issued our report thereon dated March 4, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Peterborough's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

March 4, 2026

Roberts & Greene, PLLC

PO Box 463 ▪ Keene, NH 03431
(603) 856-8005
info@roberts-greene.com

R&G

Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Board of Selectmen
Town of Peterborough
Peterborough, New Hampshire

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Town of Peterborough's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town of Peterborough's major federal program for the year ended June 30, 2025. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Peterborough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Peterborough and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town of Peterborough's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Peterborough's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Peterborough's compliance based on our audit. 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 generally accepted accounting standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Peterborough's compliance with the requirements of the major federal program as a whole.

PO Box 463 ▪ Keene, NH 03431
(603) 856-8005
info@roberts-greene.com

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Peterborough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Peterborough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Peterborough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 4, 2026

Roberts & Greene, PLLC

EXHIBIT 23
TOWN OF PETERBOROUGH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

1. The auditor's report issued contained an unmodified opinion on the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

2. There were no material weaknesses identified in the internal control over financial reporting.

3. There were no significant deficiencies identified in the internal control over financial reporting that were not considered to be material weaknesses.

4. There were no instances of noncompliance material to the financial statements noted.

Federal Awards

1. There were no material weaknesses identified in the internal control over the major program.

2. There were no significant deficiencies identified in the internal control over the major program that were not considered to be material weaknesses.

3. The auditor's report issued on compliance for the major program contained an unmodified opinion.

4. There are no audit findings required to be reported in accordance with the Uniform Guidance.

5. The program tested as a major program was Assistance Listing No. 66.468: Drinking Water State Revolving Fund.

6. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

7. The Town of Peterborough qualified as a low-risk auditee.

Section II – Financial Statement Findings

No Findings

Section III – Federal Award Findings and Questioned Costs

No Findings