

New Hampshire Municipal Association, Inc.

Financial Statements

Year Ended December 31, 2023



WIPFLI

Independent Auditor's Report

To the Board of Directors
New Hampshire Municipal Association, Inc.
Concord, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of New Hampshire Municipal Association, Inc. (NHMA) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise NHMA's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of New Hampshire Municipal Association, Inc. as of December 31, 2023 and 2022, and respective changes in financial position and, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 New Hampshire Municipal Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Hampshire Municipal Association, Inc.'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS 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 New Hampshire Municipal Association, Inc.'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 New Hampshire Municipal Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis on pages 4-10, the schedule of proportionate share of net pension liability on page 24, and the schedule of contributions on page 25, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. The management's discussion and analysis presents the comparison of 2023 to 2022, and excludes comparative amounts for 2021. 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 financial statements, and other knowledge we obtained during our audit of the 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 an opinion on the financial statements that collectively comprise NHMA's basic financial statements. The Schedule of Revenues, Expenses and Changes in Net Position-Budget to Actual Comparison on pages 26 and 27, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 information is 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 May 8, 2024 on our consideration of the New Hampshire Municipal Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of New Hampshire Municipal Association, Inc.'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 New Hampshire Municipal Association, Inc.'s internal control over financial reporting and compliance.



Wipfli LLP
South Portland, Maine

May 8, 2024

New Hampshire Municipal Association, Inc.

Management's Discussion and Analysis

December 31, 2023 and 2022

Introduction

This report provides readers of the New Hampshire Municipal Association, Inc. ("NHMA") financial statements a narrative overview and analysis of the financial activities of NHMA for the reporting periods ending December 31, 2023 and 2022. This section, the management discussion and analysis, is intended to provide an overview of NHMA's financial condition, results of operations, and other key information.

Overview

NHMA is a nonprofit, non-partisan membership organization with the mission to provide legislative policy development and advocacy, legal advice on municipal problems and issues, and training and education on municipal duties and legal principles. The services are provided to and on behalf of municipal members of NHMA. As of December 31, 2023, 234 of the 234 towns and cities in New Hampshire were members of NHMA. In addition, 50 others consisting of political subdivisions (village districts and counties) and regional planning commissions were associate members of NHMA during 2023.

NHMA was originally created in 1941 to provide advocacy and other support services to New Hampshire municipalities. NHMA operated in this manner until the period from 2003 through 2013, when NHMA operated as a wholly-owned subsidiary of Local Government Center, Inc., performing traditional league advocacy services. Organizational changes, effective September 1, 2013, resulted in the Local Government Center, Inc. absorbing all NHMA, LLC obligations and operations, and the renaming of Local Government Center, Inc. back to New Hampshire Municipal Association, Inc. As a subsidiary of LGC, NHMA, LLC was exempt from federal income taxes under Section 501(c)(4) and 115 of the Internal Revenue Code. As a standalone nonprofit corporation, NHMA remains exempt from federal income taxes under Section 501(c)(4) and 115 of the Internal Revenue Code.

NHMA's bylaws provide that dues are established by NHMA's Board of Directors. Dues are based on the budget adopted by the Board, and each municipal member's dues are calculated in accordance with the Board-approved formula, which is based on population and equalized valuation, with a minimum and maximum level. Associate member dues are set separately by NHMA Board of Directors at a flat amount.

NHMA participates in the HealthTrust/NHMA defined benefit multiple-employer cost-sharing pension plan. Based upon the December 31, 2022 actuarial report of the HealthTrust/NHMA Pension Plan (the latest information available), the plan fiduciary net position is \$14,888,724, the total pension liability is \$19,744,611 and the net pension liability is \$4,855,887, resulting in a funded ratio of 75.4%. As of December 31, 2021 actuarial report of the HealthTrust/NHMA Pension Plan (the latest information available), the plan fiduciary net position is \$17,934,339, the total pension liability is \$18,489,227 and the net pension liability is \$554,888, resulting in a funded ratio of 97.0%. The HealthTrust/NHMA Pension Plan did not issue standalone financial reports for the periods ending December 31, 2022 and 2021.

Discussion of the Basic Financial Statements

Following the pronouncements of the Governmental Accounting Standards Board (GASB), NHMA's financial information is presented in four basic components, the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows and the Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual Comparison.

New Hampshire Municipal Association, Inc.

Management's Discussion and Analysis

December 31, 2023 and 2022

Statements of Net Position

These statements provide information about NHMA's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and net position as of December 31, 2023 and 2022. Total current assets represent cash and cash equivalents, accounts receivable, and expenses prepaid for a subsequent period. Current liabilities reflect amounts to be paid to staff for wages or vacation time earned during the respective calendar year but not paid until a later period, other accounts payable, and dues received that are applicable to the following year. Non-current liabilities as of December 31, 2023 consist of NHMA's proportionate share of the HealthTrust/PLT/NHMA Pension Plan net pension liability pursuant to the adoption of the GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" (GASB 68), as amended and updated in accordance with GASB Statement No. 73. The following table summarizes the Statements of Net Position:

Summary Statements of Net Position

<i>Years Ended December 31,</i>	2023	2022
Assets		
Current assets	\$ 2,448,627	\$ 2,223,009
Non-current assets	65,838	66,552
Total assets	2,514,465	2,289,561
Deferred Outflows of Resources		
Deferred pension amounts	614,270	155,875
Liabilities		
Current liabilities	601,524	608,098
Non-current liabilities	683,855	77,494
Total liabilities	1,285,379	685,592
Deferred Inflows of Resources		
Deferred pension expenses	209,822	281,002
Net Position, End of Year	\$ 1,633,534	\$ 1,478,842

Net position at December 31, 2023 reflects unrestricted net position of \$1,567,696 and NHMA's 1.2% investment in Center at Triangle Park, Inc. (CTP) of \$65,838 for a total of \$1,633,534. The investment in CTP decreased \$714 from \$66,552 at December 31, 2022 to \$65,838 at December 31, 2023 due to NHMA's proportionate share (1.2%) of the CTP operating loss as of June 30, 2023. Unrestricted net position at December 31, 2023 represents amounts available for future member services and equates to approximately eleven months or 94% of 2023 budgeted operating expenses. As of December 31, 2022, net position included \$1,412,290 of unrestricted net position, and NHMA's 1.2% investment in Center at Triangle Park, Inc. of \$66,552, for a total of \$1,478,842.

New Hampshire Municipal Association, Inc.

Management's Discussion and Analysis

December 31, 2023 and 2022

Statements of Revenues, Expenses and Changes in Net Position

The results of NHMA's operations for 2023 and 2022 are shown on these statements. The statements provide information about income from member dues, operating expenses, and other income. Additionally, these statements set forth NHMA's change in net position for the year. The following table summarizes operations shown in the Statements of Revenues, Expenses and Changes in Net Position:

Summary Statements of Revenues, Expenses and Changes in Net Position

<i>December 31,</i>	2023	2022
Operating Revenues		
Member dues	\$ 1,291,682	\$ 1,252,883
Annual conference	203,620	182,690
Sponsorship agreement	20,000	20,000
Advertising and publications	110,029	121,841
Workshops and training	100,555	89,900
Services	38,912	38,241
Other revenue	3,801	6,959
Total Operating Revenues	1,768,599	1,712,514
Operating Expenses		
Salaries and related benefits	1,206,748	1,012,202
Annual conference	168,748	128,884
Professional fees	54,814	36,015
Printing and publications	44,124	49,389
Meetings and training	28,075	21,737
Other general and administrative	172,832	142,281
Total Operating Expenses	1,675,341	1,390,508
Operating Income	93,258	322,006
Non-Operating Revenues (Expenses)		
Interest income	62,148	7,853
Decrease in investment in center at Triangle Park, Inc.	(714)	(1,708)
Increase in Net Position	154,692	328,150
Net position, beginning of year	1,478,842	1,150,691
Net position, end of year	\$ 1,633,534	\$ 1,478,841

New Hampshire Municipal Association, Inc.

Management's Discussion and Analysis

December 31, 2023 and 2022

For 2023, NHMA's Board of Directors budgeted and actual municipal member dues revenue of \$1,259,710, a three percent increase over 2022, with minimum dues set at \$1,137 and maximum dues of \$29,854. Associate member dues were also increased by three percent in 2023, increasing to \$603. The year over year change is due to population factors in calculating individual member dues.

Salaries and related benefits are \$194,546 higher than 2022, accounting for this change was an increase in salaries of approximately \$58,000, and approximately \$137,000 combined increase in employee benefits and the pension adjustment. Other significant changes include an increase in interest income of \$54,295 as a result of management negotiating improved interest rates with their financial institution. The net position at December 31, 2023 is \$1,633,534, an increase of \$154,692, or 11% from the prior year.

Statements of Cash Flows

These statements review how NHMA's cash balance changed during the calendar years 2023 and 2022. It is divided into three sections explaining where NHMA provided or used cash during the year. These areas relate to NHMA's operations, investing activities, and financing activities. It provides the reasons for the increase or decrease in NHMA's cash position. The Statements of Cash Flows indicate a net increase in cash and cash equivalents for 2023 and 2022 of \$217,810 and \$300,469, respectively.

Notes to the Financial Statements

This report also contains notes to the financial statements and other supplementary information in addition to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents a Statement of Revenues, Expenses and Changes in Net Position – Budget to Actual Comparison for the year ended December 31, 2023. The following table summarizes this statement:

New Hampshire Municipal Association, Inc.

Management's Discussion and Analysis

December 31, 2023 and 2022

Summary Statements of Revenues, Expenses and Changes in Net Position - Budget to Actual Comparison

<i>Year Ended December 31, 2023</i>	Budget	Actual	Variance- Positive (negative)
Operating Revenues			
Member dues	\$ 1,290,476	\$ 1,291,682	\$ 1,206
Annual conference	149,500	203,620	54,120
Sponsorship agreement	20,000	20,000	-
Advertising and publications	89,000	110,029	21,029
Workshops and training	84,450	100,555	16,105
Services and other revenue	40,296	42,713	2,417
Total Operating Revenues	1,673,722	1,768,599	94,877
Operating Expenses			
Salaries and related benefits	1,142,919	1,206,748	(63,829)
Annual conference	160,402	168,748	(8,346)
Professional fees	48,212	54,814	(6,602)
Printing and publications	57,540	44,124	13,416
Meetings and training	47,255	28,075	19,180
Other general and administrative	210,936	172,832	38,104
Total Operating Expenses	\$ 1,667,264	\$ 1,675,341	\$ (8,077)
Operating Income	6,458	93,258	86,800
Interest income	2,000	62,148	60,148
Decrease in investment in center at Triangle Park, Inc.	-	(714)	714
Change in Net Position	\$ 8,458	\$ 154,692	\$ 146,234

Operating revenues were \$94,877 higher than budgeted, while operating expenses for the year were \$8,077 higher, or 1% higher than the budget. Annual conference expenses increased in relation to the annual conference revenue, netting revenue of \$45,774 over budget due to increased attendance at the event. Interest income was \$60,148 higher than budgeted, as a result of management negotiating improved interest rates with their financial institution. Overall, this resulted in a change in net position of \$154,692, which was \$146,234 higher than the budgeted amount of \$8,458.

Operating Results

NHMA's operating results for 2023 are found on the Statement of Revenues, Expenses and Changes in Net Position. Operating income amounted to \$93,258 for the year ended December 31, 2023, with total assets of \$2,514,465 and deferred outflows of resources related to pension of \$614,270. Current liabilities were \$601,524, with a net pension liability of \$683,855 and deferred inflows of resources related to pension of \$209,822.

New Hampshire Municipal Association, Inc.

Management's Discussion and Analysis

December 31, 2023 and 2022

Net position at year end was \$1,633,534. In 2016, NHMA's Board of Directors adopted an "Unrestricted Year-End Net Position" policy which establishes a guideline concerning the appropriate level of year-end net position which is 45% to 75% of the Board approved operating expenses. At December 31, 2023, NHMA's unrestricted net position of \$1,567,696 represents 94% of the 2023 budgeted expenses approved by the Board. This level of net position would provide approximately eleven months of operating expenses.

Operating results include revenue from member dues, the annual conference, a sponsorship agreement, advertising, publications, and workshops. NHMA earned membership dues in the amount of \$1,291,682 in 2023. These funds are used to provide legislative advocacy services on behalf of NHMA's town and city members, to support legal advisory services, training, and publications for members. Operating expenses include amounts for salaries and related benefits, expenses related to legislative policy activities, and expenses for general activities.

Significant Accounting Policies

The financial statements are prepared under the accrual method of accounting. Thus, expenses are recognized in the period in which they are incurred and revenues in the period in which they are earned. At December 31, 2023 and 2022, calculations for prepaid expenses, accrued salaries, and related expenses were recognized to ensure expenses and revenues were recognized in the appropriate period(s).

Risks & Uncertainties

In times of tight budgets, local governing bodies carefully review all expenditures. NHMA occasionally loses a member for local budgeting or political reasons. As of the date of this report, we believe all municipal and associate members will continue membership in 2024.

Outlook and Service results based on member feedback through NHMA's Board of Directors and on workshop/annual conference evaluations, and the continued high-volume use of its services, NHMA sees an ongoing demand for its government affairs activities, legal and financial advisory services, training programs and publications for the foreseeable future. New and ongoing services that our members continue to rely upon to fulfill their statutory and fiduciary responsibilities as elected and appointed municipal officials include:

Publications

In 2023, NHMA published supplements to the Basic Law of Budgeting, and published updated versions of Right to Know Guidebook, Knowing the Territory, Charter Government Handbook, Town Meeting Handbook & School Meeting Handbook.

Town and City magazine was published six times and mailed to over 1,600 people and delivered electronically to over 970 people.

NHMA NewsLink, a biweekly newsletter, was distributed electronically to more than 1,000 interested individuals.

The Legislative Bulletin was emailed weekly during the 2023 legislative session, keeping members informed of action at the State House impacting municipal operations.

New Hampshire Municipal Association, Inc.

Management's Discussion and Analysis

December 31, 2023 and 2022

Workshops and Educational Programming

NHMA held all the traditional workshops, including two Town and School Moderators Workshops (Traditional and SB2), two Local Officials Workshops, one Budget and Finance Workshop, four Right-to-Know Workshops, two Hard Road to Travel Workshops, a Municipal Trustees training, an Effective Code Enforcement Workshop, and a Land Use Law Conference. NHMA held a brand new Basics of Financial Policy workshop series that was at full capacity.

NHMA presented 26 On Demand seminars. These are workshops that staff present in the field or virtually, to employees and officials from a single town or from neighboring municipalities, on specific topics, making it easy for local officials to attend training and ask questions in a small group setting.

NHMA produced 34 webinars, attended by over nineteen hundred people, on subjects from legislative updates, the Right-to-Know Law, code enforcement, elections, and cybersecurity.

Finally, staff members were in high demand, speaking before a wide variety of groups who also serve municipal officials including: NH Government Finance Officers Association, NH Department of Environmental Services, NH Department of Health and Human Services.

Advocacy and Legal Advice

NHMA closely followed approximately 300 legislative bills of municipal interest.

NHMA answered over 3,200 legal inquiries, either by phone or email. Common subjects were the authority of select boards, Right-to-Know law, planning board questions, Town Meeting, Zoning Board of Adjustment and State Aid.

Requests for Information

This financial report is designed to provide a general overview of New Hampshire Municipal Association's finances for all those with an interest in the association's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Judith Pellowe, Business Administrator
New Hampshire Municipal Association
25 Triangle Park Dr.
Concord, NH 03301

The New Hampshire Municipal Association's web site contains additional information at: www.nhmunicipal.org

New Hampshire Municipal Association, Inc.

Statements of Net Position

December 31,	2023	2022
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	\$ 2,390,784	\$ 2,172,974
Accounts receivable	32,774	25,340
Prepaid expenses	22,913	24,691
Other current assets	2,156	4
Total Current Assets	2,448,627	2,223,009
Non-Current Assets		
Investments in Center at Triangle Park, Inc.	65,838	66,552
Total Assets	2,514,465	2,289,561
Deferred outflows of resources	614,270	155,875
Total Assets and Deferred Outflows of Resources	3,128,735	2,445,436
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable and accrued expenses	12,889	12,988
Accrued payroll and related liabilities	115,792	101,844
Unearned revenue	472,843	493,266
Total Current Liabilities	601,524	608,098
Non-Current Liabilities		
Net pension liability	683,855	77,494
Total Liabilities	1,285,379	685,592
Deferred inflows of resources	209,822	281,002
Total Liabilities and Deferred Inflows of Resources	1,495,201	966,594
Net Position		
Unrestricted	1,567,696	1,412,290
Investments in Center at Triangle Park, Inc.	65,838	66,552
Total Net Position	1,633,534	1,478,842
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 3,128,735	\$ 2,445,436

See accompanying notes to financial statements.

New Hampshire Municipal Association, Inc.

Statements of Revenues, Expenses, and Changes in Net Position

<i>Year Ended December 31,</i>	2023	2022
Operating Revenues		
Member dues	\$ 1,291,682	\$ 1,252,883
Annual conference	203,620	182,690
Sponsorship agreement	20,000	20,000
Advertising and publications	110,029	121,841
Workshops and training	100,555	89,900
Services	38,912	38,241
Other revenue	3,801	6,959
Total Operating Revenues	1,768,599	1,712,514
Operating Expenses		
Salaries and related benefits	1,206,748	1,012,202
Annual conference	168,748	128,884
Rent	29,700	34,340
Professional fees	54,814	36,015
Printing and publications	44,124	49,389
Meetings and training	28,075	21,737
Insurance	30,322	30,713
Postage	6,622	5,981
Dues and memberships	21,316	20,824
IT expenses	39,112	22,881
Staff expenses	15,814	7,548
Telephone	4,473	4,287
Bank fees	6,422	6,139
Mileage	6,584	3,028
Office supplies	1,906	2,134
Other expenses	10,561	4,406
Total Operating Expenses	1,675,341	1,390,508
Operating Income	93,258	322,006
Non-Operating Revenues (Expenses)		
Interest income	62,148	7,853
Decrease in investment in center at Triangle Park, Inc.	(714)	(1,708)
Increase in Net Position	154,692	328,151
Net position, beginning of year	1,478,842	1,150,691
Net position, end of year	\$ 1,633,534	\$ 1,478,842

See accompanying notes to financial statements.

New Hampshire Municipal Association, Inc.

Statements of Cash Flows

<i>Year Ended December 31,</i>	2023	2022
Cash flows from operating activities		
Receipts from member dues	\$ 1,251,976	\$ 1,242,748
Receipts from other revenues	462,962	494,098
Payments for salaries and related benefits	(1,116,014)	(1,092,834)
Payments to CTP	(29,700)	(34,340)
Payments to vendors	(413,562)	(317,056)
Net cash provided by operating activities	155,662	292,616
Cash flows from investing activities:		
Interest received	62,148	7,853
Net cash provided by investing activities	62,148	7,853
Net change in cash and cash equivalents	217,810	300,469
Cash and cash equivalents, beginning of year	2,172,974	1,872,505
Cash and cash equivalents, end of year	\$ 2,390,784	\$ 2,172,974
Reconciliation of operating loss to net cash from operating activities:		
Operating income	\$ 93,258	\$ 322,006
Changes in operating assets and liabilities:		
Accounts receivable	(7,434)	(4,148)
Prepaid expenses	1,778	3,176
Other current assets	(2,152)	32,168
Deferred outflows	(458,395)	79,744
Accounts payable and accrued expenses	(99)	3,546
Accrued payroll and related liabilities	13,948	(27,080)
Unearned revenue	(20,423)	16,500
Net pension liability	606,361	(177,906)
Deferred inflows	(71,180)	44,610
Total adjustments	62,404	(29,390)
Total	\$ 155,662	\$ 292,616

See accompanying notes to financial statements.

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

New Hampshire Municipal Association, Inc. ("NHMA") is a nonprofit, non-partisan membership organization of municipalities with the mission to provide legislative advocacy and legal services through policy development, advice on municipal problems and issues, training, and education on municipal duties and legal principles. The services are provided to and on behalf of municipal members of NHMA. As of December 31, 2023 and 2022, 234 towns and cities were members, out of a total of 234 towns and cities in New Hampshire. In addition, 50 other political subdivisions and regional planning commissions are associate members of NHMA at December 31, 2023 and 2022. The Board of Directors is comprised of only elected and appointed municipal officials elected by NHMA members. Membership dues are assessed annually based on criteria set forth in NHMA's bylaws. Because the governing body of NHMA is comprised of only elected and appointed municipal officials, NHMA is considered a governmental entity for the purpose of applying accounting and financial reporting standards, as more fully described in the basis of presentation footnote.

Founded in 1941 for the purpose of exchanging information to facilitate more efficient and effective local government, NHMA was reorganized in July 2003 as the Local Government Center, Inc. (LGC). New Hampshire Municipal Association, Limited Liability Company (NHMA, LLC), a separate subsidiary of LGC, was also created. Effective September 1, 2013, NHMA, LLC was dissolved and absorbed by its parent, LGC, and LGC changed its name to New Hampshire Municipal Association, Inc. (NHMA).

In evaluating NHMA as a reporting entity, management has addressed all potential component units for which NHMA may be financially accountable and, as such, should be included within NHMA's financial statements. In accordance with GASB Statement No. 14 as amended by GASB Statement No. 61, NHMA is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on NHMA. Additionally, NHMA is required to consider other organizations for which the nature and significance of their relationship with NHMA are such that exclusion would cause the reporting entity's financial statements to be misleading. Based on the application of these criteria, there are no other entities that should be included as part of these financial statements.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to proprietary funds of governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. NHMA's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an original maturity of three months or less.

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at net realizable value. NHMA uses the allowance method to determine the uncollectible accounts receivable, which are based on management's judgment, experience and review of the current status of existing receivables. All receivables are deemed collectible by management at December 31, 2023 and 2022.

Prepaid Expenses

NHMA has made payments to vendors which reflect costs that are applicable to future accounting periods. These amounts are recorded as prepaid expenses. Prepaid expenses are reduced as the related services are provided.

Investment in Center at Triangle Park, Inc.

Center at Triangle Park, Inc. (CTP) was organized February 5, 1988 as a voluntary corporation and a 501(c)(25) entity for the purpose of acquiring and holding title to real estate. CTP leases real estate to NHMA and other third parties. As of December 31, 2023 and 2022, NHMA owns 1.2% of outstanding CTP shares.

NHMA's investment in CTP is carried under the equity method of accounting, whereby the gain or loss in operations of CTP is recognized in proportion to the ownership shares, and the investment in CTP is adjusted to recognize the gain or loss.

For the year ended December 31, 2023 and 2022, NHMA recognized a loss of \$714 and \$1,708, respectively, from the operations of CTP. The carrying value of the investment in CTP at December 31, 2023 and 2022 was \$65,838 and \$66,552, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. NHMA's deferred outflows relate to its pension liability and are disclosed in Note 8.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of revenue until that time. NHMA's deferred inflows relate to its pension liability and are disclosed in Note 8.

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Revenue is generally recognized when received and reflected in the accounting period to which the revenue relates. As described more fully in Note 4, amounts received in cash that will be earned in the future are deferred and reported as unearned revenue.

Net Position

Net positions are classified based upon any restrictions that have been placed on those balances. Unrestricted net position represents resources that have met all applicable restrictions and are considered to be available for general use. Net position is reported as restricted when constraints placed on the use of net position are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation. There are no restricted net positions as of December 31, 2023 and 2022.

Income Taxes

NHMA is exempt from federal income taxes under provisions of the Internal Revenue Code.

Operating Revenues and Expenses

NHMA's statements of revenues, expenses and changes in net position distinguish between operating and non-operating revenues and expenses. Operating revenues primarily result from member dues, the annual conference, advertising and publications, and providing training and other services to members. Operating expenses primarily consist of expenses incurred to provide services to members, and general and administrative expenses. Other income and expenses, including interest income and gains or losses on the disposal of capital assets, are classified as non-operating in the financial statements.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the accompanying notes. Actual results could differ from those estimates.

GASB 87 Lease Accounting

The New Hampshire Municipal Association, Inc. is a lessee in one noncancelable lease. If the contract provides the New Hampshire Municipal Association, Inc. the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

GASB 87 Lease Accounting (Continued)

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The implicit rates of our leases are not readily determinable and accordingly, New Hampshire Municipal Association, Inc. uses the incremental borrowing rate based on the information available at the commencement date for all leases. The New Hampshire Municipal Association, Inc.'s incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The ROU asset for leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, NHMA has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that NHMA is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. NHMA recognizes short-term lease cost on a straight-line basis over the lease term. For all underlying classes of assets, NHMA separates lease and non-lease components to determine the lease payment.

Note 2: Cash and Cash Equivalents

NHMA maintains its cash in bank deposits and cash management accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. As of December 31, 2023 and 2022, the carrying amount of cash and cash equivalents held in excess of the FDIC limit was \$2,277,610 and \$2,026,000, respectively. The balance in excess of the FDIC limit is collateralized with securities held in joint custody with a third party custodian.

Note 3: Capital Assets

Capital assets consist of furniture and equipment with an estimated useful life greater than one year. Capital assets are recorded at cost and updated for additions and retirements during the year. NHMA maintains a capitalization threshold of \$10,000. The cost of normal maintenance and repairs is charged to expense as incurred, while renewals, replacement of existing systems and betterments are capitalized. Upon sale or other disposition of assets, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the change in net position. As of December 31, 2023 and 2022, NHMA had no capital assets.

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 4: Unearned Revenue

The components of unearned revenue are as follows at December 31:

<i>Years Ended December 31, 2023 and 2022</i>	2023	2022
Unearned member dues	\$ 419,908	\$ 428,528
Unearned advertising revenue	14,105	38,998
Other unearned revenue	38,830	25,740
Total unearned revenue	\$ 472,843	\$ 493,266

Members pay dues on an annual basis with a January 1 renewal date. Member dues are recognized as revenue in the membership year to which they relate. The portion of the dues received in cash that will be earned in a future period is deferred and reported as unearned revenue. Unearned member dues revenue is recognized as revenue on January 1, which is the beginning of the membership year.

Advertising revenue is recognized as revenue ratably over the contract period to which it relates or as services are performed, as applicable, with any unearned amounts recorded as unearned revenue. Unearned advertising revenue is recognized as revenue on January 1, which is the beginning of the contract period.

Note 5: Leases

NHMA leases facilities from CTP pursuant to a 10-year lease agreement, effective June 1, 2016. Under the terms of the new agreement, NHMA is charged a monthly fee of one-twelfth (1/12) of NHMA's annual proportionate share (based on the square footage occupied by NHMA) of CTP's total budgeted operating expenses. The amount due will be adjusted, effective January 1 of each calendar year, based on CTP's then current budget. CTP will provide NHMA several months' notice of the adjusted amount. As of April 2023, the adjusted amount for the year ended December 31, 2023 is \$33,928.

NHMA incurred \$33,928 and \$29,700 in variable lease expenses during the years ended December 31, 2023 and 2022, respectively. Since, future lease payments are considered to be variable, lease expense is recognized annually based on when due and payable.

Note 6: Transactions with Former Affiliates

Prior to September 1, 2013, Local Government Center HealthTrust, LLC (HealthTrust, LLC) and Local Government Center Property-Liability Trust, LLC (Property-Liability Trust, LLC) were subsidiaries of LGC. Effective with LGC's reorganization on September 1, 2013, HealthTrust, LLC and Property-Liability Trust, LLC transferred all of their assets, liabilities, net position and operations to the separate New Hampshire voluntary corporations HealthTrust, Inc. (HealthTrust) and Property-Liability Trust, Inc. (Property-Liability Trust), respectively. As such, effective September 1, 2013, NHMA had no ownership interest in and operates as a totally separate, independent organization from the former LGC subsidiaries. However, some members of NHMA are also insured by, HealthTrust, LLC.

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 6: Transactions with Former Affiliates (Continued)

NHMA is a participant in HealthTrust's risk pool. For the years ended December 31, 2023 and 2022, NHMA incurred \$110,415 and \$107,358, respectively, for employee benefits coverage through HealthTrust's pool, which is included in the salaries and related benefits expense on the statements of revenues, expenses and changes in net position.

NHMA has a sponsorship agreement with HealthTrust whereby HealthTrust has preferential marketing rights in NHMA's publications, and at workshops and the annual conference. Revenue earned under the sponsorship agreement with HealthTrust was \$20,000 in 2023 and 2022, and is included in the revenue from sponsorship agreements on the statements of revenues, expenses and changes in net position.

HealthTrust is a sponsor of NHMA's annual conference. Revenue recognized from this sponsorship was \$0 and \$20,000 in 2023 and 2022, respectively. The sponsorship revenue from HealthTrust is included in annual conference revenue on the statements of revenues, expenses and changes in net position.

Note 7: Deferred Compensation Plan

The employees of NHMA are covered by a Section 457 Deferred Compensation Plan administered by MissionSquare Retirement. All full-time employees are immediately eligible to participate in the plan and may elect to defer up to 100% of their gross compensation up to the federal limits. Contributions to the plan and the related income on those contributions are held by MissionSquare Retirement.

Employee contributions to the deferred compensation plan totaled \$56,475 and \$59,142 for the years ended December 31, 2023 and 2022, respectively. Employer contributions to the deferred compensation plan totaled \$4,300 for the year ended December 31, 2023. There were no employer contributions in 2022.

Note 8: Defined Benefit Pension Plan

Plan Description

Effective January 1, 2007, LGC established the New Hampshire Local Government Center Defined Benefit Pension Plan, a single-employer plan. As part of the September 1, 2013 reorganization, the New Hampshire Local Government Center Defined Benefit Pension Plan became a cost-sharing multiple-employer defined benefit pension plan and changed its name to the HealthTrust/PLT/NHMA Pension Plan, and at the end of 2020 the name was changed to the Health Trust/NHMA Pension Plan (the Plan). This change had no impact on the financial assets or obligations of the pension plan, and there were no changes to the benefits provided or the eligibility criteria.

The Boards of Directors of the participating employers in the Plan, NHMA and HealthTrust, collectively retain the authority to establish, amend or terminate the Plan and its provisions at any time subject to any legal limitations. The Boards of Directors also established a Retirement Committee to administer the Plan. The Retirement Committee serves as the Plan administrator to the Plan and has discretionary authority to interpret the terms of the Plan and its decisions regarding administration, interpretation and application. All active, non-temporary employees of NHMA and HealthTrust are required to participate in the Plan as a condition of employment. The Plan provides a monthly benefit when a Plan participant retires or leaves after qualifying for benefits. The Plan does not issue a standalone financial report.

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 8: Defined Benefit Pension Plan (Continued)

On February 19, 2016, the Retirement Committee determined that partial termination of the Plan occurred when the PLT Board voted to commence runoff on April 14, 2015. The partial termination triggered a clause in the Plan granting all PLT employees, regardless of service, who terminate employment on or after April 14, 2015, 100% vested status, eligible for pension benefits as provided in the Plan. Pursuant to the terms of the Plan, PLT must give 90-days advanced notice to the Retirement Committee before ceasing to make contributions and effectively withdrawing from the Plan. An employer may only withdraw as of the Plan's year-end, resulting in a withdrawal liability as calculated by the Plan's actuary. The withdrawing employer must pay the withdrawal liability in one lump sum within 60-days of being notified of the withdrawal liability by the Retirement Committee. On June 3, 2016, PLT gave notice of its intent to withdraw from the Plan. After notification from the Retirement Committee, PLT made a withdrawal liability payment of \$99,387 in July 2017.

Benefits

The participants' benefits are established in the Plan and may be changed only with an amendment to the Plan. A participant's benefit is determined under a formula that multiplies the participant's final average earnings by her/his credited service. The formula is 1.50% of the final average earnings for each year of credited services, not to exceed 50% of the participant's average salary. Final average salary is defined as the average of the highest three consecutive years out of the last ten years base salary prior to retirement or termination. If a participant chooses early retirement, the benefit will be reduced by 0.25% for each month prior to the normal retirement date. If a participant remains employed after age 65, benefits will continue to accrue without any actuarial adjustment for late retirement.

Contributions

The contribution requirements of the participating employers under the Plan are established and may be amended by the Retirement Committee, based on the annual actuarial valuation of the Plan. The contribution requirements of the participating employees are established in the Plan and may be changed only with an amendment to the Plan. Participants contribute 5.5% of their base earnings to the Plan. The employers shall contribute to the Plan an amount determined by the Retirement Committee. For the years ended December 31, 2023 and December 31, 2022, the employer contribution was 8.99% and 9.08%, respectively, of each participant's earnings to the Plan. NHMA's contributions to the plan for the years ended December 31, 2023 and 2022 were \$76,521 and \$72,574 respectively.

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

As of and for the year ended December 31, 2023, NHMA reported a net pension liability of \$683,855 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. As of and for the year ended December 31, 2022, NHMA reported a net pension liability of \$77,494 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. NHMA's proportion of the net pension liability was based on its contributions to the Plan relative to the contributions of all participating employers to the Plan for the period from January 1, 2022 through December 31, 2022. As of December 31, 2022, and 2021 NHMA's proportion was 14.08% and 13.97%, respectively.

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 8: Defined Benefit Pension Plan (Continued)

For the years ended December 31, 2023 and 2022, NHMA recognized pension expense of \$156,849 and \$19,021, respectively. At December 31, 2023 and 2022, NHMA reported its proportionate share of the Plan's deferred outflows and inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows Resources	Deferred Inflows Resources	Deferred Outflows Resources	Deferred Inflows Resources
Difference between expected and actual economic experience	\$ 4,542	\$ 44,308	\$ 6,302	\$ 35,150
Changes in proportion and differences between employer contributions and share of contributions	7,354	21,170	4,859	28,404
Changes in assumptions	75,034	-	20,525	-
Difference between projected and actual earnings on plan investments	450,819	144,344	51,615	217,448
Contributions paid to plan subsequent to the measurement date	76,521	-	72,574	-
Total deferred pension amounts	\$ 614,270	\$ 209,822	\$ 155,875	\$ 281,002

The net amounts of NHMA's balances of deferred outflows and inflows of resources as of December 31, 2023 related to pensions will be recognized as pension expense as follows during the years ended December 31:

	Pension Expense Amount
2024	\$ 41,745
2025	77,664
2026	86,632
2027	121,886
Total	\$ 327,927

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 8: Defined Benefit Pension Plan (Continued)

Actuarial Methods and Assumptions

The significant methods and assumptions used in the actuarial valuation are as follows for the plan years ended December 31:

	2022		2021	
Actual cost method	Entry age normal cost method		Entry age normal cost method	
Asset valuation method	5-year non-asymptotic method		4 year smoothed market	
Amortization method	Level percentage of payroll, closed		Level percentage of payroll, closed	
Equivalent single amortization period	9 years		13 years	
Actuarial assumptions:				
Investment rate of return	6.00	%	6.00	%
Inflation rate	2.40	%	2.25	%
Projected salary increase	3.00	%	3.50	%
Cost-of-living adjustments	None		None	
Mortality assumptions	Utilized PubG 2010 Mortality Table with generational projection per the MP-2021 Ultimate scale		Utilized RP-2014 Mortality Tables projected backwards to 2006 with projection scale MP-2014 then projected to 2026 with projection scale MP-2017	

Long-Term Expected Rate of Return

The long-term expected rate of return on Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

New Hampshire Municipal Association, Inc.

Notes to Financial Statements

Note 8: Defined Benefit Pension Plan (Continued)

For each major asset class that is included in the pension plan's target asset allocations as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	Allocation Weighted Long-Term Expected Real Rate of Return
Domestic fixed income	40.0 %	2.30 %	0.92 %
Domestic equity	17.0	7.70	1.31
International equity	43.0	5.80	2.49
	100.0		4.72
Expected inflation			1.28
Total Return			6.00 %

Discount Rate

The discount rate used to measure total pension liability was 6.0%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity Analysis

The following presents NHMA's proportionate share of the net pension liability, calculated using the Single Discount Rate of 6.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.0%) or one percentage point higher (7.0%) than the current rate as of December 31, 2023:

	1% Rate Decrease (5.0%)	Current Discount Rate (6.0%)	1% Rate Increase (7.0%)
NHMA's proportionate share of the net pension liability	\$ 1,056,778	\$ 683,855	\$ 372,914

Note 9: Designated Net Position

The Board of NHMA has set aside \$7,514 of net position to be used in the future for computer equipment purchases and upgrades.

New Hampshire Municipal Association, Inc.
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability

Year Ended	Valuation Date	NHMA Proportion of the Net Pension Liability	NHMA Proportionate Share of the Net Pension Liability	Covered Payroll	NHMA Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	12/31/2022	14.08 %	\$ 683,855	\$ 778,460	87.85 %	75.41 %
2022	12/31/2021	13.97 %	77,494	774,966	10.00 %	97.00 %
2021	12/31/2020	14.54 %	255,400	840,756	30.38 %	90.05 %
2020	12/31/2019	15.00 %	331,961	823,278	40.32 %	86.83 %
2019	12/31/2018	15.97 %	531,368	852,620	62.32 %	78.80 %
2018	12/31/2017	15.44 %	228,607	813,806	28.09 %	89.95 %
2017	12/31/2016	13.19 %	168,896	741,109	22.79 %	90.23 %
2016	12/31/2015	12.55 %	230,094	717,401	32.07 %	85.27 %
2015	12/31/2014	11.79 %	118,236	706,561	16.73 %	91.37 %
2014	12/31/2013	11.79 %	91,689	775,506	11.82 %	91.37 %

New Hampshire Municipal Association, Inc.
Required Supplementary Information
Schedule of Contributions

Year Ended	Valuation Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Employee Payroll
2023	12/31/2022	\$ 76,521	\$ 76,521	\$ -	\$ 778,460	9.83 %
2022	12/31/2021	72,574	72,574	-	774,966	9.36 %
2021	12/31/2020	69,281	69,281	-	840,756	8.24 %
2020	12/31/2019	76,839	76,839	-	823,278	9.33 %
2019	12/31/2018	72,368	72,368	-	852,620	8.49 %
2018	12/31/2017	58,907	58,907	-	813,806	7.24 %
2017	12/31/2016	58,907	58,907	-	741,109	7.95 %
2016	12/31/2015	53,880	53,880	-	717,401	7.51 %
2015	12/31/2014	57,514	57,514	-	706,561	8.14 %
2014	12/31/2013	56,379	56,379	-	775,506	7.27 %

New Hampshire Municipal Association, Inc.
Schedule of Revenues, Expenses and Changes in Net Position -
Budget to Actual Comparison

December 31, 2023	Budget	Actual	Variance- Positive (negative)
Operating Revenues			
Member dues			
Municipal members	\$ 1,259,710	\$ 1,259,710	\$ -
Associate members	30,766	31,972	1,206
Total member dues	1,290,476	1,291,682	1,206
Annual conference	149,500	203,620	54,120
Sponsorship agreement	20,000	20,000	-
Advertising and publications			
Advertising	80,000	85,754	5,754
Publications	9,000	24,275	15,275
Total advertising and publications	89,000	110,029	21,029
Workshops and training	84,450	100,555	16,105
Services	39,096	38,912	(184)
Other revenue	1,200	3,801	2,601
Total operating revenues	\$ 1,673,722	\$ 1,768,599	\$ 94,877

(Continued on next page)

New Hampshire Municipal Association, Inc.
Schedule of Revenues, Expenses and Changes in Net Position -
Budget to Actual Comparison (Continued)

December 31, 2023	Budget	Actual	Variance- Positive (negative)
Operating Expenses			
Salaries and related benefits	\$ 1,142,919	\$ 1,206,748	\$ (63,829)
Annual conference	160,402	168,748	(8,346)
Rent	33,928	29,700	4,228
Printing and publications			
Publications purchased	7,072	5,363	1,709
Printing	50,468	38,761	11,707
Total printing and publications	57,540	44,124	13,416
Meetings and training			
Board expenses & policy development	15,650	9,668	5,982
Member workshops	31,605	18,407	13,198
Total meetings and training	47,255	28,075	19,180
Insurance	30,416	30,322	94
Postage	12,600	6,622	5,978
Dues and memberships	22,156	21,316	840
IT expenses			
Equipment rental	7,651	4,004	3,647
Equipment and software purchases	43,464	35,108	8,356
Consultants	48,212	54,814	(6,602)
Total information technology expense	99,327	93,926	5,401
Staff expenses	18,000	15,814	2,186
Telephone	7,961	4,473	3,488
Bank fees	4,500	6,422	(1,922)
Office supplies	5,350	1,906	3,444
Mileage	3,500	6,584	(3,084)
Other expenses	21,410	10,561	10,849
Total expenses	1,667,264	1,675,341	(8,077)
Operating income	6,458	93,258	86,800
Non-operating revenues (expenses)			
Interest income	2,000	62,148	60,148
Decrease in investment in center at Triangle Park, Inc.	-	(714)	(714)
Change in net position	\$ 8,458	\$ 154,692	\$ 146,234

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States 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 New Hampshire Municipal Association (NHMA), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise NHMA's basic financial statements, and have issued our report thereon dated May 8, 2024.

Internal Control Matters

In planning and performing our audit of the financial statements, we considered NHMA's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NHMA's internal control. Accordingly, we do not express an opinion on the effectiveness of NHMA'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 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP
South Portland, Maine

May 8, 2024