TOWN OF HILLSBOROUGH, NEW HAMPSHIRE

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2024

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R&G

Roberts & Greene, PLLC

INDEPENDENT AUDITOR'S REPORT

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

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hillsborough, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Adverse Opinion on Governmental Activities

In our opinion, because of the effects of the matter discussed in the Basis for Adverse Opinion section of our report, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Hillsborough as of December 31, 2024, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Hillsborough as of December 31, 2024, and the respective changes in financial position thereof, and the budget to actual comparisons for the major funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in 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 the Town, and to meet 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 adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on Governmental Activities

As discussed in Note I.B.3. to the financial statements, management has not recorded the capital assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that the capital assets be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

Also as discussed in Note I.B.3. to the financial statements, management has not determined its liability or annual cost for postemployment benefits other than pensions (OPEB) in governmental activities. Accounting principles generally accepted in the United States of America require that management recognize OPEB expense for the required contributions and a liability for unpaid required contributions, which would increase the liabilities, decrease net position, and increase expenses of the governmental activities. The amount by which this departure

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would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

Change in Accounting Principles

As discussed in Note I.B.4. to the financial statements, in 2024, 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.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, 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 governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension information on pages 35 – 36 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.

The Town of Hillsborough has not presented a management's discussion and analysis. Accounting principles generally accepted in the United States of America have determined that the management's discussion and analysis is necessary to supplement, but is not required to be part of, the basic financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hillsborough'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. They 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual general fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

February 20, 2026

Roberts & Greene, PLLC

BASIC FINANCIAL STATEMENTS

EXHIBIT 1
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Statement of Net Position
December 31, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 6,667,949
Investments	4,962,817
Intergovernmental receivable	301,226
Lease receivable	95,562
Other receivables, net of allowance for uncollectibles	10,385,898
Prepaid items	10,936
Tax deeded property held for resale	372,294
Total assets	22,796,682
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	324,049
LIABILITIES	
Accounts payable	425,534
Accrued payroll and benefits	163,777
Accrued interest payable	28,915
Intergovernmental payable	6,849,354
Performance and escrow deposits	4,835
Noncurrent obligations:	
Due within one year:	
Bonds and notes payable	84,156
Capital leases payable	198,387
Compensated absences payable	376,515
Accrued landfill postclosure care costs	34,000
Due in more than one year:	
Bonds and notes payable	544,875
Capital leases payable	290,049
Compensated absences payable	358,934
Accrued landfill postclosure care costs	986,000
Net pension liability	3,420,754
Total liabilities	13,766,085
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	1,425,189
Deferred amounts related to leases receivable	83,862
Deferred amounts related to pensions	184,110
Total deferred inflows of resources	1,693,161
NET POSITION	
Net investment in capital assets	(1,007,814)
Restricted for:	
Endowments:	
Nonexpendable	1,754,872
Expendable	448,527
Other purposes	677,843
Unrestricted	5,788,057
Total net position	$ 7,661,485

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

EXHIBIT 2
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Statement of Activities
For The Year Ended December 31, 2024

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
General government	$ 1,422,485	$ 1,240,452	$ 160,987	$ -	$ (21,046)
Public safety	5,083,463	769,115	55,240	-	(4,259,108)
Highways and streets	1,607,205	57	-	478,039	(1,129,109)
Sanitation	1,229,716	1,390,366	-	-	160,650
Water distribution and treatment	439,538	883,677	-	56,314	500,453
Health	9,348	-	-	-	(9,348)
Welfare	121,692	-	-	-	(121,692)
Culture and recreation	717,053	90,841	41,359	-	(584,853)
Conservation	4,737	-	1,458	-	(3,279)
Interest on long-term debt	24,345	-	-	-	(24,345)
Capital outlay	1,738,306	-	-	-	(1,738,306)
Total primary government	$ 12,397,888	$ 4,374,508	$ 259,044	$ 534,353	(7,229,983)

General revenues:	
Property taxes	7,440,093
Other taxes	258,801
Grants and contributions not restricted to specific programs	815,828
Miscellaneous	525,561
Total general revenues	9,040,283
Change in net position	1,810,300
Net position, beginning, as previously reported	6,167,583
Change in accounting principles	(316,398)
Net position, beginning, as restated	5,851,185
Net position, ending	$ 7,661,485

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

EXHIBIT 3
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2024

	General	Water Department	Sewer Department	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,994,900	$ 1,297,436	$ 2,225,971	$ 149,642	$ 6,667,949
Investments	685,837	865,713	1,051,139	2,360,128	4,962,817
Receivables, net of allowance for uncollectibles:					
Taxes	9,585,233	-	-	-	9,585,233
Accounts	111,225	261,976	317,811	-	691,012
Intergovernmental	279,907	21,319	-	-	301,226
Leases	95,562	-	-	-	95,562
Interfund receivable	38,028	-	359	26,128	64,515
Prepaid items	10,936	-	-	-	10,936
Tax deeded property held for resale	372,294	-	-	-	372,294
Total assets	$ 14,173,922	$ 2,446,444	$ 3,595,280	$ 2,535,898	$ 22,751,544
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 370,282	$ 21,754	$ 33,498	$ -	$ 425,534
Accrued salaries and benefits	157,067	3,561	3,149	-	163,777
Intergovernmental payable	6,849,354	-	-	-	6,849,354
Interfund payable	26,128	8,605	7,904	21,878	64,515
Escrow and performance deposits	4,835	-	-	-	4,835
Total liabilities	7,407,666	33,920	44,551	21,878	7,508,015
Deferred inflows of resources:					
Deferred revenue	3,491,796	4,076	4,594	-	3,500,466
Deferred amounts related to leases receivable	83,862	-	-	-	83,862
Total deferred inflows of resources	3,575,658	4,076	4,594	-	3,584,328
Fund balances:					
Nonspendable	383,230	-	-	1,754,872	2,138,102
Restricted	677,843	-	-	448,527	1,126,370
Committed	1,597,738	2,408,448	3,546,135	310,621	7,862,942
Unassigned	531,787	-	-	-	531,787
Total fund balances	3,190,598	2,408,448	3,546,135	2,514,020	11,659,201
Total liabilities, deferred inflows of resources, and fund balances	$ 14,173,922	$ 2,446,444	$ 3,595,280	$ 2,535,898	$ 22,751,544

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

EXHIBIT 4
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Position
December 31, 2024

Total fund balances of governmental funds (Exhibit 3)		$ 11,659,201
Amounts reported for governmental activities in the statement of net position are different because:		
Interfund receivables and payables between governmental funds are eliminated on the statement of net position.		
Receivables	$ (64,515)	
Payables	64,515	
		-
Revenues that are not available to pay for current period expenditures are deferred in the funds.		
Unavailable tax revenue	$ 1,805,598	
Unavailable ambulance revenue	43,127	
Unavailable grant revenue	226,552	
		2,075,277
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(28,915)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes outstanding	$ 629,031	
Unamortized loan forgiveness	(109,653)	
Capital leases outstanding	488,436	
Compensated absences payable	735,449	
Accrued landfill postclosure care costs	1,020,000	
Net pension liability	3,420,754	
		(6,184,017)
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	$ 324,049	
Deferred inflows of resources related to pensions	(184,110)	
		139,939
Total net position of governmental activities (Exhibit 1)		$ 7,661,485

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

EXHIBIT 5
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended December 31, 2024

	General	Water Department	Sewer Department	(Formerly Major Fund) Permanent Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 7,669,883	$ -	$ -	$ -	$ 21,850	$ 7,691,733
Licenses, permits and fees	1,228,307	-	-	-	-	1,228,307
Intergovernmental	1,145,781	50,610	-	-	-	1,196,391
Charges for services	1,159,552	883,677	1,083,795	-	38,710	3,165,734
Miscellaneous	275,335	81,976	118,467	-	236,066	711,844
Total revenues	11,478,858	1,016,263	1,202,262	-	296,626	13,994,009
Expenditures:						
Current:						
General government	1,403,396	-	-	-	3,856	1,407,252
Public safety	5,151,352	-	-	-	37,636	5,188,988
Highways and streets	1,713,685	-	-	-	-	1,713,685
Sanitation	705,906	-	518,922	-	-	1,224,828
Water distribution and treatment	-	438,555	-	-	-	438,555
Health	9,348	-	-	-	-	9,348
Welfare	121,692	-	-	-	-	121,692
Culture and recreation	693,220	-	-	-	23,833	717,053
Conservation	4,515	-	-	-	222	4,737
Debt service:						
Principal	75,946	181,708	53,333	-	-	310,987
Interest on long-term debt	3,055	20,193	1,203	-	-	24,451
Interest on tax anticipation note	7,350	-	-	-	-	7,350
Capital outlay	1,628,218	-	110,088	-	-	1,738,306
Total expenditures	11,517,683	640,456	683,546	-	65,547	12,907,232
Excess (deficiency) of revenues over (under) expenditures	(38,825)	375,807	518,716	-	231,079	1,086,777
Other financing sources (uses):						
Transfers in	16,827	-	-	-	2,499	19,326
Transfers out	(2,499)	-	-	-	(16,827)	(19,326)
Inception of capital lease	299,900	-	-	-	-	299,900
Total other financing sources and uses	314,228	-	-	-	(14,328)	299,900
Net change in fund balances	275,403	375,807	518,716	-	216,751	1,386,677
Fund balances, beginning, as previously reported	2,908,613	2,032,641	3,027,419	2,037,201	260,068	10,265,942
Change in presentation	-	-	-	(2,037,201)	2,037,201	-
Change in accounting principles	6,582	-	-	-	-	6,582
Fund balances, beginning, as restated	2,915,195	2,032,641	3,027,419	-	2,297,269	10,272,524
Fund balances, ending	$ 3,190,598	$ 2,408,448	$ 3,546,135	$ -	$ 2,514,020	$ 11,659,201

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

EXHIBIT 6
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended December 31, 2024

Net change in fund balances of governmental funds (Exhibit 5)		$ 1,386,677
Amounts reported for governmental activities in the statement of activities are different because:		
Payments on long-term debt not due until the subsequent period are recorded as prepaid in the governmental funds.		
Change in prepaid principal and interest		94,309
Transfers in and out between governmental funds are eliminated on the operating statement.		
Transfers in	$ (19,326)	
Transfers out	19,326	
		-
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	$ 7,161	
Change in unavailable ambulance revenue	(19,533)	
Change in unavailable grant revenue	226,552	
Change in long-term receivable for loan forgiveness	(10,966)	
		203,214
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.		
Inception of capital lease	$ (299,900)	
Repayment of bond and note principal	227,945	
Amortization of bond premium	12,444	
Repayment of capital lease principal	206,932	
		147,421
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	$ (5,290)	
Increase in compensated absences payable	(115,473)	
		(120,763)
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	$ 433,398	
Cost of benefits earned, net of employee contributions	(333,956)	
		99,442
Change in net position of governmental activities (Exhibit 2)		$ 1,810,300

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

EXHIBIT 7
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
General Fund
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 7,596,885	$ 7,596,885	$ 7,677,044	$ 80,159
Licenses, permits and fees	1,124,000	1,124,000	1,228,307	104,307
Intergovernmental	1,257,511	2,073,796	1,118,459	(955,337)
Charges for services	948,500	948,500	1,159,552	211,052
Miscellaneous	154,680	154,680	149,904	(4,776)
Total revenues	11,081,576	11,897,861	11,333,266	(564,595)
EXPENDITURES				
Current:				
General government	1,417,818	1,417,818	1,401,492	16,326
Public safety	5,134,158	5,134,158	5,089,852	44,306
Highways and streets	1,518,954	1,518,954	1,482,889	36,065
Sanitation	749,282	749,282	705,906	43,376
Health	11,654	11,654	9,348	2,306
Welfare	137,226	137,226	121,692	15,534
Culture and recreation	581,246	581,246	550,551	30,695
Conservation	4,294	4,294	4,515	(221)
Debt service:				
Principal	77,000	77,000	75,946	1,054
Interest on long-term debt	4,000	4,000	3,055	945
Interest on tax anticipation note	1,500	1,500	7,350	(5,850)
Capital outlay	1,254,032	2,070,317	1,262,178	808,139
Total expenditures	10,891,164	11,707,449	10,714,774	992,675
Excess of revenues over expenditures	190,412	190,412	618,492	428,080
Other financing sources (uses):				
Transfers in	4,000	4,000	4,507	507
Transfers out	(595,000)	(595,000)	(595,000)	-
Total other financing sources and uses	(591,000)	(591,000)	(590,493)	507
Net change in fund balance	$ (400,588)	$ (400,588)	27,999	$ 428,587
Decrease in nonspendable fund balance			121,344	
Unassigned fund balance, beginning			2,176,342	
Unassigned fund balance, ending			$ 2,325,685	

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

EXHIBIT 8
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Water Department Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For The Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	$ -	$ 50,610	$ 50,610
Charges for services	841,800	883,677	41,877
Miscellaneous	40,792	44,564	3,772
Total revenues	882,592	978,851	96,259
EXPENDITURES			
Current:			
Water distribution and treatment	510,892	438,555	72,337
Debt service:			
Principal	183,500	181,708	1,792
Interest	20,200	20,193	7
Total expenditures	714,592	640,456	74,136
Excess of revenue over expenditures	168,000	338,395	170,395
Other financing uses:			
Transfers out	(168,000)	(187,811)	(19,811)
Net change in fund balance	$ -	150,584	$ 150,584
Fund balance, beginning		1,103,861	
Fund balance, ending		$ 1,254,445	

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

EXHIBIT 9
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Sewer Department Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	$ 1,030,000	$ 1,030,000	$ 1,083,795	$ 53,795
Miscellaneous	36,074	36,074	55,273	19,199
Total revenues	1,066,074	1,066,074	1,139,068	72,994
EXPENDITURES				
Current:				
Sanitation	718,560	718,560	518,922	199,638
Debt service:				
Principal	53,334	53,334	53,333	1
Interest	1,250	1,250	1,203	47
Capital outlay	-	114,323	110,088	4,235
Total expenditures	773,144	887,467	683,546	203,921
Excess of revenues over expenditures	292,930	178,607	455,522	276,915
Other financing uses:				
Transfers in	-	114,323	114,323	-
Transfers out	(292,930)	(292,930)	(320,091)	(27,161)
Total other financing sources and uses	(292,930)	(178,607)	(205,768)	(27,161)
Net change in fund balance	$ -	$ -	249,754	$ 249,754
Fund balance, beginning			1,410,760	
Fund balance, ending			$ 1,660,514	

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

EXHIBIT 10
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Private Purpose Trust	Custodial
Assets:		
Cash and cash equivalents	$ 14,959	$ 1,623,628
Investments	314,334	666,982
Total assets	329,293	2,290,610
Liabilities	-	-
Net position:		
Held in trust for specific purposes	329,293	-
Held on behalf of school and village districts	-	2,290,610
Total net position	$ 329,293	$ 2,290,610

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

EXHIBIT 11
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For The Year Ended December 31, 2024

	Private Purpose Trust	Custodial
Additions:		
Receipts from Emerald Lake Village District	$ -	$ 79,500
Receipts from Hillsboro-Deering Cooperative School District	-	238,208
Investment earnings:		
Interest and dividends	8,864	92,767
Net change in fair value of investments	21,888	44,552
Total additions	30,752	455,027
Deductions:		
Trust distributions	10,845	-
Parks and recreation	17,490	-
Distributions to Emerald Lake Village District	-	4,508
Distributions to Hillsboro-Deering Cooperative School District	-	691,106
Total deductions	28,335	695,614
Change in net position	2,417	(240,587)
Net position, beginning	326,876	2,531,197
Net position, ending	$ 329,293	$ 2,290,610

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 Hillsborough (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 year ended December 31, 2024.

I.B. Financial Reporting Entity – Basis of Presentation

I.B.1. *Entity Defined*

The Town of Hillsborough 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.

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.

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major governmental funds are reported in separate columns 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) except as noted below. The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements except as noted.

The Town has not reported its capital assets because it has not determined the historical cost of its capital assets and related accumulated depreciation as required by GAAP. The Town also has not reported its annual cost for postemployment benefits other than pensions (OPEB) or its total OPEB liability.

The government-wide and fiduciary fund 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. 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, and defers any not received by that date. When calculating fund balance used to set the tax rate, unavailable tax revenues are not deferred in accordance with the instructions 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. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

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. *Change in Accounting Principle*

For the year ended December 31, 2024, the Town implemented Government 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 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.B.5. *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.

Water Department Fund – Reports as a special revenue fund and accounts for all revenues and expenditures related to the Town's water distribution operations.

Sewer Department Fund – Reports as a special revenue fund and accounts for all revenues and expenditures related to the Town's sewage disposal operations.

The Town also reports five nonmajor governmental funds.

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 funds are used to account for amounts held by the trustees of trust funds that belong to the Hillsboro-Deering Cooperative School District and Emerald Lake Village District.

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

I.C.1. *Cash and Investments*

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. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I.C.3. *Leases Receivable*

The Town is a lessor for noncancellable leases with New Cingular Wireless for cell phone towers, and with New Hampshire Solar Garden, for a solar array, on Town owned property. The Town recognizes a lease receivable and related deferred inflows of resources in the governmental fund financial statements for these leases. At the commencement of each lease, the Town's lease receivable was measured at the present value of the lease payments expected to be received during the lease term. The payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of each lease in an amount equal to the recording of the lease receivable, and is amortized on a straight-line basis over the term of each lease.

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

In the government-wide 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 accrued vacation benefits in varying amounts to specified maximums based on the number of years in employment. Employees are entitled to their accrued leave upon termination.

Eligible employees have the option of being compensated for overtime hours worked by receiving compensatory time at a rate of one and one-half hours granted for each hour of overtime worked. Employees may carry up to forty hours of unused compensatory time into the next calendar year. Employees are entitled to their compensatory time upon termination.

Compensated absences are reported as accrued in the government-wide 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. Because the Town has not determined the value of its capital assets and related accumulated depreciation, this amount is reported as a negative balance, reflecting only the debt.
- Restricted for endowments, nonexpendable, which consists of the principal balance of the permanent fund that must be permanently invested for Town purposes.
- Restricted for endowments, expendable, which consists of the balance of the permanent fund's income that is allowed to be expended for Town purposes.
- Restricted for other purposes, which consists of the balances of the drug forfeiture account, library fund, and project lift fund, whose uses are restricted by law.
- Unrestricted, which consists of the remaining balance of net position.

The governmental funds report the following components of fund balance:

- Nonspendable, which consists of endowments in the permanent fund; and prepaid items and tax deeded property held for resale in the general fund, whose resources are in a nonspendable form.

- Restricted, which represents the drug forfeiture account, the expendable income from the permanent fund, and the library's balance, whose use is limited by law.
- Committed, which consists of balances for which the intended use has been established by Town Meeting vote, and would require an equally formal action to remove those commitments.
- Unassigned, which represents the remaining fund balance in the General Fund in excess of the nonspendable, restricted, and committed balances.

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. Unless encumbered, all appropriations lapse at year-end. The Town is allowed to use beginning fund balance to balance the budget. In 2024, none of the General Fund's unassigned fund balance from 2023 was so used, while $400,588 was appropriated from the General Fund's unassigned fund balance.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as commitments of fund balances and do not constitute expenditures or liabilities because they 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, health, welfare, culture and recreation, conservation, debt service, and capital outlay. 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 Budgetary Basis to GAAP

General Fund

Revenues and other financing sources:	
Per Exhibit 7 (budgetary basis)	$ 11,337,773
Adjustments:	
Basis difference:	
Capital lease inception	299,900
Tax revenue deferred in the prior year	1,798,437
Tax revenue deferred in the current year	(1,805,598)
Lease payments received	(21,496)
Amortization of deferred inflows	26,614
Perspective difference:	
Revenue of Library Fund	44,317
Revenue of Project Lift Fund	36,452
Revenue of Expendable Trust Fund	66,866
Transfer to Library from Permanent Fund	12,320
Per Exhibit 5 (GAAP basis)	$ 11,795,585
Expenditures and other financing uses:	
Per Exhibit 7 (budgetary basis)	$ 11,309,774
Adjustments:	
Basis difference:	
Encumbrances, beginning	300,302
Encumbrances, ending	(344,960)
Capital lease inception	299,900
Perspective difference:	
Expenditures of Library Fund	9,495
Expenditures of Project Lift Fund	36,919
Expenditures of Expendable Trust Fund	501,253
Transfer to Permanent Fund	2,499
Transfers to Expendable Trust Fund	(595,000)
Per Exhibit 5 (GAAP basis)	$ 11,520,182
Unassigned fund balance:	
Per Exhibit 7 (budgetary basis)	$ 2,325,685
Adjustments:	
Basis difference:	
Deferred tax revenue, GAAP basis	(1,805,598)
Lease receivable	95,562
Deferred inflows of lease revenue	(83,862)
Per Exhibit 3 (GAAP basis)	$ 531,787

Water Department Fund

Revenues:	
Per Exhibit 8 (budgetary basis)	$ 978,851
Adjustment:	
Perspective difference:	
Revenue of Expendable Trust Fund	37,412
Per Exhibit 5 (GAAP basis)	$ 1,016,263
Expenditures and other financing uses:	
Per Exhibit 8 (budgetary basis)	$ 828,267
Adjustment:	
Perspective difference:	
Transfers to Expendable Trust Fund	(187,811)
Per Exhibit 5 (GAAP basis)	$ 640,456
Committed fund balance:	
Per Exhibit 8 (budgetary basis)	$ 1,254,445
Adjustment:	
Perspective difference:	
Equity of expendable trust fund reported in Water Department Fund	1,154,003
Per Exhibit 3 (GAAP basis)	$ 2,408,448

Sewer Department Fund

Revenues and other financing sources:	
Per Exhibit 9 (budgetary basis)	$ 1,253,391
Adjustments:	
Perspective difference:	
Revenue of Expendable Trust Fund	63,194
Transfers from Expendable Trust Fund	(114,323)
Per Exhibit 5 (GAAP basis)	$ 1,202,262
Expenditures and other financing uses:	
Per Exhibit 9 (budgetary basis)	$ 1,003,637
Adjustment:	
Perspective difference:	
Transfers to Expendable Trust Fund	(320,091)
Per Exhibit 5 (GAAP basis)	$ 683,546
Committed fund balance:	
Per Exhibit 9 (budgetary basis)	$ 1,660,514
Adjustment:	
Perspective difference:	
Equity of expendable trust fund reported in Sewer Department Fund	1,885,621
Per Exhibit 3 (GAAP basis)	$ 3,546,135

III. Detailed Notes on Funds and Government-Wide Statements

III.A. Assets

III.A.1. *Investments*

As of December 31, 2024, the Town's reporting entity had the following investments:

Corporate bonds	$ 801,598
Fixed income funds	517,935
Equity ETFs	564,758
Common stock	1,217,424
New Hampshire Public Deposit Investment Pool (PDIP)	2,842,418
	$ 5,944,133

The investments appear in the financial statements as follow:

Fund reporting level:	
Governmental funds - balance sheet (Exhibit 3)	$ 4,962,817
Fiduciary funds - statement of fiduciary net position (Exhibit 10)	981,316
Total	$ 5,944,133

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 December 31, 2024:

Investment	Level 1	Level 2	Total
Corporate bonds	$ 801,598	$ -	$ 801,598
Fixed income funds	517,935	-	517,935
Equity ETFs	564,758	-	564,758
Common stock	1,217,424	-	1,217,424
PDIP	-	2,842,418	2,842,418
	$ 3,101,715	$ 2,842,418	$ 5,944,133

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 December 31, 2024 is as follows:

	Fair Value
Aa	$ 286,527
A	198,484
Baa	316,587
N/A	517,935
Exempt from disclosure	4,624,600
	$ 5,944,133

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 is as follows:

	Fair	Investment maturities (in years)		
	Value	Less than 1	1 to 5	5 to 10
Corporate bonds	$ 801,598	$ 99,601	$ 293,039	$ 408,958
Fixed income funds	517,935	-	263,560	254,375
	$ 1,319,533	$ 99,601	$ 556,599	$ 663,333

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town does not have an investment policy that addresses concentration of credit risk.

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 any not received by the due date. The first billing is an estimate only based on half of the previous year's billing. The final 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 18% per annum is charged upon redemption of liened taxes levied prior to 2019, and 14% per annum for the redemption of taxes levied thereafter. 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 2023 property taxes on June 21st.

The property taxes levied and collected by the Town include amounts for the State of New Hampshire, the Hillsboro-Deering Cooperative School District, Hillsborough County, and the Emerald Lake Village District. 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 deeding, 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	$ 570,660,352
For the Hillsborough county tax	$ 601,931,672
For all other taxes	$ 601,926,672

The tax rates and amounts assessed for the year ended December 31, 2024 were as follow:

	Per $1,000 of Assessed Valuation	
Municipal portion	$12.83	$ 7,724,027
School portion:		
State of New Hampshire	$1.80	1,026,666
Local	$17.43	10,491,740
County portion	$1.38	829,723
Precinct portion:		
Emerald Lake Village	$4.56	423,753
Total property taxes assessed		$ 20,495,909

The following details the taxes receivable at year-end:

Property:	
Levy of 2024	$ 8,558,218
Unredeemed (under tax lien):	
Levy of 2023	366,059
Levy of 2022	206,501
Levy of 2021	178,710
Levy of 2020	132,486
Levies of 2019 and prior	346,441
Land use change	10,800
Yield	3,577
Water liens	37,111
Sewer liens	45,330
Less: allowance for estimated uncollectible taxes	(300,000)
Net taxes receivable	$ 9,585,233

Leases Receivable

In 2020, the Town entered into a 5-year lease with New Cingular Wireless PCS (lessee), whereby the Town (lessor) has granted the lessee the right to use a certain parcel of property for a cell tower. The initial term was five years, with five automatic renewals for five year periods. Because both the lessee and lessor have a right to terminate the lease at the end of each 5-year period, the renewal periods are not included in the calculation of the total receivable.

In 2018, the Town entered into a 20-year lease with Hillsboro Town Solar, LLC (lessee), whereby the Town (lessor) has granted the lessee the right to use a certain parcel of property to maintain a solar power generation facility. The agreement includes two 5-year extensions to be placed on the warrant for Town Meeting approval in year 18 of the original term. Management is not including the extensions in its calculation because it is not known what the result of the future vote would be.

In 2024, the Town recognized $25,725 of lease revenue, and $3,837 of interest revenue under the leases. The following is a summary of lease payments to be received during the duration of the leases:

Year Ending December 31,	Principal	Interest	Total
2025	$ 24,878	$ 7,332	$ 32,210
2026	4,799	3,322	8,121
2027	5,106	3,097	8,203
2028	5,428	2,857	8,285
2029	5,766	2,602	8,368
2030-2034	34,513	8,596	43,109
2035-2037	15,072	708	15,780
Totals	$ 95,562	$ 28,514	$ 124,076

Other Receivables

Other significant receivables include the unpaid balances on ambulance service, water and sewer charges, welfare liens, lease payments, and grant reimbursements for the Town's various grant programs. These receivables are reported net of allowances that represent the welfare liens that the Town does not expect to collect, and uncollectible ambulance charges calculated as one-third of 2024 charges and 100% of previous charges. Related amounts are shown as follow:

Accounts	$ 1,154,621
Intergovernmental	301,226
Liens	1,417
Less: allowance for uncollectible amounts	(465,026)
Net total receivables	$ 992,238

Deferred Revenue

Deferred revenue of $3,500,466 at December 31, 2024 represents $1,805,598 of property taxes, $43,127 of ambulance service charges, and $226,552 of a grant that were not collected within 60 days of year-end, and therefore, are deferred in accordance with generally accepted accounting principles; $1,415,821 of federal grants not recognized until expended; $4,076 of prepaid water user fees and $4,594 of prepaid sewer user fees, and $698 of prepaid taxes. In the governmental activities, the federal grants, prepaid user fees, and prepaid taxes are reported as unearned revenue.

III.B. Liabilities

III.B.1. *Intergovernmental Payable*

The amount due to other governments at December 31, 2024 consists of $6,311,185 due to the Hillsboro-Deering Cooperative School District for the balance of the 2024-2025 district assessment and $538,169 due to the Emerald Lake Village District for the balance of the 2024 district assessment and its share of taxes collected.

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

General obligation bonds and notes are approved by the voters and repaid with general revenues (property taxes). These bonds and 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 12/31/2024	Current Portion
General obligation bonds/notes payable:						
Library	$ 400,000	2010	2026	3.3	$ 49,398	$ 32,663
Bible Hill	$ 214,258	2012	2031	1.1	46,834	6,093
Screw pump	$ 800,000	2013	2027	2.75	3,919	3,919
Water filtration	$ 833,389	2015	2035	2.616	528,880	41,481
					629,031	84,156
Capital leases payable:						
Fire apparatus	$ 850,000	2016	2025	3.05	94,074	94,074
Dump truck	$ 269,825	2023	2027	5.34	161,603	51,091
Grader	$ 299,900	2024	2028	5.98	232,759	53,222
					488,436	198,387
Compensated absences payable:						
Vested earned leave					21,429	-
Accrued vacation leave					337,505	-
Accrued sick leave					376,515	376,515
					735,449	376,515
Accrued landfill postclosure care costs					1,020,000	34,000
Net pension liability					3,420,754	-
					$ 6,293,670	$ 693,058

Loan Forgiveness

A portion of the water filtration debt issued in 2015 will be forgiven by the State of New Hampshire Drinking Water State Revolving Fund Program through an annual reduction of the principal amount owed. During the year ended December 31, 2024, the Town reported a reduction of bonds and notes payable of $10,966, with a remaining unamortized loan forgiveness balance of $109,653.

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the governmental activities for the year ended December 31, 2024:

	General Obligation Bonds and Notes Payable	Unamortized Bond Premium	Capital Leases Payable	Compensated Absences Payable	Accrued Landfill Postclosure Care Costs	Net Pension Liability	Total
Balance, beginning	$ 856,976	$ 12,444	$ 395,468	$ 619,976	$ 1,020,000	$ 3,672,097	$ 6,576,961
Additions	-	-	299,900	115,473	-	-	415,373
Reductions	(227,945)	(12,444)	(206,932)	-	-	(251,343)	(698,664)
Balance, ending	$ 629,031	$ -	$ 488,436	$ 735,449	$ 1,020,000	$ 3,420,754	$ 6,293,670

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 December 31,	Principal	Interest	Total
2025	$ 84,156	$ 16,709	$ 100,865
2026	65,912	14,293	80,205
2027	50,821	12,697	63,518
2028	52,502	11,337	63,839
2029	54,227	9,930	64,157
2030-2034	275,154	27,617	302,771
2035	46,259	1,210	47,469
Totals	$ 629,031	$ 93,793	$ 722,824

The future minimum lease obligations for the capital leases are as follow:

Year Ending December 31,	Principal	Interest	Total
2025	$ 198,388	$ 25,419	$ 223,807
2026	110,224	16,637	126,861
2027	116,471	10,390	126,861
2028	63,353	3,788	67,141
Totals	$ 488,436	$ 56,234	$ 544,670

Accrued Landfill Postclosure Care Costs

The Town ceased operating its landfill in 1989. State and federal laws and regulations require that the Town continue to perform certain maintenance and monitoring functions at the landfill site for an indefinite period. An estimated liability has been recorded based on the future postclosure care costs that will be incurred over the next thirty years on a rolling basis. The estimated liability for landfill postclosure care costs has a balance of $1,020,000 as of December 31, 2024. The estimated total current cost of the landfill postclosure care 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 December 31, 2024. However, the actual costs of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

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

Receivable Fund	Payable Fund	Amount
General	Water Department	$ 8,246
General	Sewer Department	7,904
General	Nonmajor	21,878
Sewer Department	Water Department	359
Nonmajor	General	26,128
		$ 64,515

The amounts due to the General Fund represent reimbursement of expenditures and distribution of interest earned in the Permanent Fund. The amount due to the Sewer Department Fund represents reimbursement of expenditures. The amount due to the Nonmajor Funds represents land use change tax that has been collected and the unexpended balance of appropriations due to the Conservation Fund.

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.

During the year, there was $2,499 transferred to the Permanent Fund from the General Fund for the closure of a trust fund account, and $16,827 transferred from the Permanent Fund to the General Fund representing interest earned.

III.D. Components of Fund Balance

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

	General Fund	Water Department Fund	Sewer Department Fund	Nonmajor Funds
Nonspendable:				
Endowments	$ -	$ -	$ -	$ 1,754,872
Prepaid items	10,936	-	-	-
Tax deeded property	372,294	-	-	-
Total nonspendable	383,230	-	-	1,754,872
Restricted:				
General government	-	-	-	448,527
Public safety	1,219	-	-	-
Culture and recreation	676,624	-	-	-
Total restricted	677,843	-	-	448,527
Committed:				
Public safety	-	-	-	11,772
Highways and streets	238,802	-	-	-
Sanitation	-	-	3,546,135	-
Water distribution and treatment	-	2,408,448	-	-
Culture and recreation	-	-	-	32,992
Conservation	-	-	-	265,857
Capital outlay	1,358,936	-	-	-
Total committed	1,597,738	2,408,448	3,546,135	310,621
Unassigned	531,787	-	-	-
Total fund balance	$ 3,190,598	$ 2,408,448	$ 3,546,135	$ 2,514,020

III.E. Adjustments to and Restatements of Beginning Equity Balances

During the year, changes within the financial reporting entity resulted in adjustments to and restatements of beginning net position and fund balance as follow:

	Governmental Activities	Governmental Funds		
		General	Permanent	Nonmajor
12/31/2023, as previously reported	$ 6,167,583	$ 2,908,613	$ 2,037,201	$ 260,068
Change in accounting principles	(316,398)	6,582	-	-
Change in presentation of major funds	-	-	(2,037,201)	2,037,201
12/31/2023, as restated	$ 5,851,185	$ 2,915,195	$ -	$ 2,297,269

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 NH Public Risk Management Exchange (Primex), which is organized to provide certain property and liability protection to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of Primex, the Town shares in contributing to the cost of, and receiving benefits from, a self-insured pooled risk management program. The membership and coverage run from January 1 through December 31. Primex provided property and employer's liability coverage in varying amounts and statutory coverage for workers' compensation.

Contributions paid in 2024 to be recorded as an insurance expenditure/expense totaled $120,323 for property/liability, and $85,148 for workers' compensation. 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, the Town foresees no likelihood of any additional assessments for past years.

IV.B. 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.C. 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 officers and fire employees were 11.55% and 11.80%, respectively, of gross earnings. The rates of contribution for pension and the medical subsidy from the Town were 31.28% for police and 30.35% for fire employees. The rates are actuarially determined to generate an amount, that when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions from the Town during the years 2022, 2023, and 2024 were $389,118, $426,391, and $433,398, 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 December 31, 2024, the Town reported a liability of $3,420,754 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward. 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 December 31, 2024, the Town's proportion was 0.0660%, which was an increase of 0.0004% from its proportion reported as of December 31, 2023.

For 2024, the Town recognized pension expense of $333,956. At year-end, 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	$ 18,675	$ 95,635
Net differences between projected and actual earnings on pension plan investments	-	47,752
Changes in assumptions	-	40,035
Differences between expected and actual experience	76,151	688
Town contributions subsequent to the measurement date	229,223	-
	$ 324,049	$ 184,110

The Town reported $229,223 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 following year.

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 December 31,	
2025	$ (156,190)
2026	146,496
2027	(50,734)
2028	(28,856)
	$ (89,284)

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 Period	Level Percentage-of-Payroll, Closed
Remaining Amortization Period	Multiple periods of 16-20 years
Asset Valuation method	5-year smoothed market for funding purposes, 20% corridor
Price Inflation	2.0% 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 expenses, 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 Rates	Based on the 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	$ 4,782,602	$ 3,420,754	$ 2,286,293

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

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT 12
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Schedule of the Town's Proportionate Share of the Net Pension Liability
New Hampshire Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of net pension liability	0.0660%	0.0656%	0.0675%	0.0674%	0.0714%	0.0723%	0.0707%	0.0712%	0.0684%	0.0649%
Town's proportionate share of the net pension liability	$ 3,420,754	$ 3,672,097	$ 3,874,483	$ 2,986,290	$ 4,568,842	$ 3,477,452	$ 3,403,243	$ 3,502,638	$ 3,635,288	$ 2,570,826
Town's covered-employee payroll	$ 1,509,663	$ 1,313,740	$ 1,271,526	$ 1,248,428	$ 1,286,577	$ 1,277,227	$ 1,203,895	$ 1,140,469	$ 1,096,405	$ 1,057,030
Town's proportionate share of the net pension liability as a percentage of covered-employee payroll	226.59%	279.51%	304.71%	239.20%	355.12%	272.27%	282.69%	307.12%	331.56%	243.21%
Plan fiduciary position as a percentage of the total pension liability	70.33%	67.18%	65.12%	72.22%	58.72%	65.59%	64.73%	62.66%	58.30%	65.47%

EXHIBIT 13
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Schedule of the Town's Pension Contributions
New Hampshire Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 433,398	$ 426,391	$ 389,118	$ 348,732	$ 367,299	$ 371,206	$ 356,330	$ 320,383	$ 291,317	$ 275,436
Contribution in relation to the contractually required contribution	(433,398)	(426,391)	(389,118)	(348,732)	(367,299)	(371,206)	(356,330)	(320,383)	(291,317)	(275,436)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered-employee payroll	$ 1,509,663	$ 1,313,740	$ 1,271,526	$ 1,248,428	$ 1,286,577	$ 1,277,227	$ 1,203,895	$ 1,140,469	$ 1,096,405	$ 1,057,030
Contributions as a percentage of covered-employee payroll	28.71%	32.46%	30.60%	27.93%	28.55%	29.06%	29.60%	28.09%	26.57%	26.06%

COMBINING NONMAJOR GOVERNMENTAL AND INDIVIDUAL GENERAL FUND SCHEDULES

EXHIBIT 14
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2024

	Special Revenue Funds				(Formerly Major) Permanent Fund	Total
	Police Detail	Parks and Recreation Revolving	Conservation	Youth Services		
ASSETS						
Cash and cash equivalents	$ 11,772	$ 9,338	$ -	$ 24,824	$ 103,708	$ 149,642
Investments	-	-	239,729	-	2,120,399	2,360,128
Interfund receivable	-	-	26,128	-	-	26,128
Total assets	$ 11,772	$ 9,338	$ 265,857	$ 24,824	$ 2,224,107	$ 2,535,898
LIABILITIES AND FUND BALANCES						
Liabilities:						
Interfund payable	$ -	$ -	$ -	$ 1,170	$ 20,708	$ 21,878
Fund balances:						
Nonspendable	-	-	-	-	1,754,872	1,754,872
Restricted	-	-	-	-	448,527	448,527
Committed	11,772	9,338	265,857	23,654	-	310,621
Total fund balances	11,772	9,338	265,857	23,654	2,203,399	2,514,020
Total liabilities and fund balances	$ 11,772	$ 9,338	$ 265,857	$ 24,824	$ 2,224,107	$ 2,535,898

EXHIBIT 15
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For The Year Ended December 31, 2024

	Special Revenue Funds				(Formerly Major) Permanent Fund	Total
	Police Detail	Parks and Recreation Revolving	Conservation	Youth Services		
REVENUES						
Taxes	$ -	$ -	$ 21,850	$ -	$ -	$ 21,850
Charges for services	23,383	15,327	-	-	-	38,710
Miscellaneous	6	11	11,977	10,468	213,604	236,066
Total revenues	23,389	15,338	33,827	10,468	213,604	296,626
EXPENDITURES						
Current:						
General government	-	-	-	-	3,856	3,856
Public safety	18,165	-	-	-	19,471	37,636
Culture and recreation	-	6,000	-	8,082	9,751	23,833
Conservation	-	-	222	-	-	222
Total expenditures	18,165	6,000	222	8,082	33,078	65,547
Excess of revenues over expenditures	5,224	9,338	33,605	2,386	180,526	231,079
Other financing sources (uses):						
Transfers in	-	-	-	-	2,499	2,499
Transfers out	-	-	-	-	(16,827)	(16,827)
Total other financing sources and uses	-	-	-	-	(14,328)	(14,328)
Net change in fund balances	5,224	9,338	33,605	2,386	166,198	216,751
Fund balances, beginning, as previously reported	6,548	-	232,252	21,268	-	260,068
Change in presentation (major to nonmajor)	-	-	-	-	2,037,201	2,037,201
Fund balance, beginning, as restated	6,548	-	232,252	21,268	2,037,201	2,297,269
Fund balances, ending	$ 11,772	$ 9,338	$ 265,857	$ 23,654	$ 2,203,399	$ 2,514,020

EXHIBIT 16
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For The Year Ended December 31, 2024

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Property	$ 7,352,179	$ 7,440,093	$ 87,914
Land use change	27,250	32,872	5,622
Timber	38,500	19,559	(18,941)
Excavation	838	838	-
Payments in lieu of taxes	3,118	1,368	(1,750)
Interest and penalties on delinquent taxes	175,000	182,314	7,314
Total taxes	7,596,885	7,677,044	80,159
Licenses, permits and fees:			
Business licenses and permits	500	600	100
Motor vehicle permits	1,060,000	1,156,470	96,470
Building permits	60,000	68,872	8,872
Other	3,500	2,365	(1,135)
Total licenses, permits and fees	1,124,000	1,228,307	104,307
Intergovernmental:			
State sources:			
Housing and community grant	-	6,991	6,991
Meals and rooms distributions	579,902	582,138	2,236
Highway block grant	181,570	181,570	-
Water pollution grant	17,969	5,704	(12,265)
State and federal forest land	1,458	1,458	-
Bridge aid	58,529	58,529	-
Invest NH	226,699	226,699	-
Federal sources:			
Sidewalk TAP grant	11,388	11,388	-
Community development block grant	432,712	-	(432,712)
Other government sources (Windsor, Deering)	43,900	43,982	82
Total intergovernmental	1,554,127	1,118,459	(435,668)
Charges for services:			
Income from departments	948,500	1,159,552	211,052
Miscellaneous:			
Sale of property	110,500	94,245	(16,255)
Interest on investments	16,180	18,578	2,398
Rent of property	24,000	25,875	1,875
Fines and forfeits	-	613	613
Insurance dividends and reimbursements	3,000	3,873	873
Other	1,000	6,720	5,720
Total miscellaneous	154,680	149,904	(4,776)
Other financing sources:			
Transfers in:			
Nonmajor funds	4,000	4,507	507
Total revenues and other financing sources	11,382,192	$ 11,337,773	$ (44,419)
Fund balance appropriated	400,588		
Total revenues, other financing sources and use of fund balance	$ 11,782,780		

EXHIBIT 17
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For The Year Ended December 31, 2024

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Current:					
General government:					
Executive	$ -	$ 532,696	$ 544,656	$ -	$ (11,960)
Election and registration	-	16,521	15,174	-	1,347
Financial administration	-	245,490	242,677	-	2,813
Revaluation of property	-	73,500	81,951	-	(8,451)
Legal	-	16,500	6,992	-	9,508
Planning and zoning	-	167,263	156,823	-	10,440
General government buildings	-	124,636	117,242	-	7,394
Cemeteries	-	30,775	28,628	-	2,147
Insurance, not otherwise allocated	-	206,334	204,807	-	1,527
Other	-	4,103	2,542	-	1,561
Total general government	-	1,417,818	1,401,492	-	16,326
Public safety:					
Police	61,500	3,163,946	3,235,147	-	(9,701)
Fire	-	856,818	862,040	-	(5,223)
Building inspection	-	101,705	103,248	-	(1,543)
Emergency management	-	702,710	663,845	-	38,865
Other	-	308,979	287,072	-	21,907
Total public safety	61,500	5,134,158	5,151,352	-	44,306
Highways and streets:					
Highways and streets	-	1,501,954	1,398,571	69,104	34,279
Street lighting	-	17,000	15,214	-	1,786
Total highways and streets	-	1,518,954	1,413,785	69,104	36,065
Sanitation:					
Solid waste collection	-	500	286	-	214
Solid waste disposal	-	748,782	705,620	-	43,162
Total sanitation	-	749,282	705,906	-	43,376
Health:					
Pest control	-	6,654	4,348	-	2,306
Health agencies and hospitals	-	5,000	5,000	-	-
Total health	-	11,654	9,348	-	2,306
Welfare:					
Administration and direct assistance	-	137,226	121,692	-	15,534

(continued)

EXHIBIT 17 (continued)
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
General Fund
Schedule of Appropriations, Expenditures and Encumbrances (Non-GAAP Budgetary Basis)
For The Year Ended December 31, 2024

	Encumbered from Prior Year	Appropriations	Expenditures	Encumbered to Subsequent Year	Variance Positive (Negative)
Culture and recreation:					
Parks and recreation	-	249,194	221,432	-	27,762
Public library	-	296,923	293,635	-	3,288
Patriotic purposes	-	17,630	18,484	-	(854)
Other	-	17,500	17,000	-	500
Total culture and recreation	-	581,246	550,551	-	30,695
Conservation	-	4,294	4,515	-	(221)
Debt service:					
Principal	-	77,000	75,946	-	1,054
Interest on long-term debt	-	4,000	3,055	-	945
Interest on tax anticipation note	-	1,500	7,350	-	(5,850)
Total debt service	-	82,500	86,351	-	(3,851)
Capital outlay:					
Machinery, vehicles and equipment	-	608,032	350,331	51,540	206,161
Improvements other than buildings	238,802	942,616	874,793	224,316	82,309
Total capital outlay	238,802	1,550,648	1,225,124	275,856	288,470
Other financing uses:					
Transfers out:					
Expendable trust fund	-	595,000	595,000	-	-
Total encumbrances, appropriations, expenditures and other financing uses	$ 300,302	$ 11,782,780	$ 11,265,116	$ 344,960	$ 473,006

EXHIBIT 18
TOWN OF HILLSBOROUGH, NEW HAMPSHIRE
General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For The Year Ended December 31, 2024

Unassigned fund balance, beginning		$ 2,176,342
Changes:		
Unassigned fund balance appropriated		(400,588)
Budget summary:		
Revenue shortfall (Exhibit 16)	$ (44,419)	
Unexpended balance of appropriations (Exhibit 17)	473,006	
Budget surplus		428,587
Decrease in nonspendable fund balance		121,344
Unassigned fund balance, ending		$ 2,325,685

INDEPENDENT AUDITOR'S COMMUNICATION TO MANAGEMENT

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hillsborough as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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.

Our consideration of internal control was for the limited purpose described in the first paragraph above and was not designed to identify all deficiencies in internal control that might be material weaknesses and therefore material weaknesses may exist that have not been identified. However, we consider the following deficiencies in internal control to be material weaknesses:

Capital Assets and Capital Asset Policy – Repeat Finding

The Town has not recorded its capital assets and accumulated depreciation as required by generally accepted accounting principles, which results in an adverse opinion on its governmental activities. We recommend that the Town develop a capital asset policy that addresses the dollar limit for capitalization, useful lives by asset category, safeguarding of assets, and procedures over the inventorying and recording of capital assets, including the ongoing monitoring and evaluation of useful lives of existing assets. After adopting a policy on capital assets, we recommend that the Town work to compile a listing of its existing capital assets at historical cost.

Other Postemployment Benefits (OPEB) – Repeat Finding

The Town does not report its liability or annual cost for postemployment benefits other than pensions in its governmental activities, and receives an adverse opinion on its governmental activities because the amount by which this departure affects the liabilities, net position, and expenses of the governmental activities is not known. If management wishes to get an unmodified opinion on the governmental activities, the Town will have to obtain a measurement valuation to determine its liability. This can be done by an actuary or by using an alternative measurement method.

We also want to discuss the following other matter:

Compensated Absences Payable

The Town has a compensated absences payable of $358,934 as of December 31, 2024, an increase of $61,938 from 2023, and an increase of $162,315, or 82%, since 2018. This represents a potential expenditure that would be against future years' operating budgets. We recommend that the Town consider the costs and benefits of establishing a non-capital reserve fund under RSA 35:1-c for the purpose of covering these expenditures in future years.

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

February 20, 2026

Roberts & Greene, PLLC