

CITY OF CONCORD, NEW HAMPSHIRE

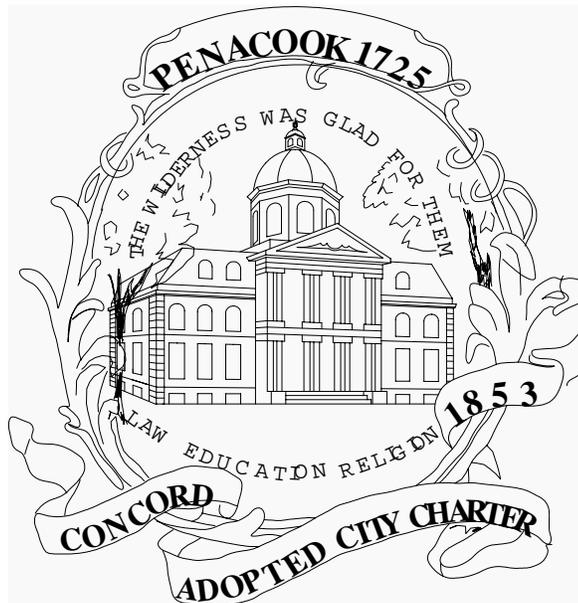


COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
June 30, 2007**

CITY OF CONCORD, NEW HAMPSHIRE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2007



**Prepared by:
The Finance Department**

**James R. Howard
Deputy City Manager -- Finance**

**Diane G. Savoie
Controller**

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INTRODUCTORY SECTION



City of Concord, New Hampshire

FINANCE DEPARTMENT

41 GREEN STREET CONCORD, NH 03301

(603) 225-8560

January 25, 2008

To the Honorable Mayor, Members of the City Council,
and Citizens of the City of Concord:

Presented herewith please find the Comprehensive Annual Financial Report (CAFR) for the City of Concord, New Hampshire for the fiscal year ending June 30, 2007. Responsibility for both the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly present the City's financial position and the results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an accurate understanding of the City's financial activities have been included.

This Comprehensive Annual Financial Report covers the entity's financial performance for the twelve-month fiscal period, July 1, 2006 through June 30, 2007. This CAFR also presents the City's financial statements as required under the Governmental Accounting Standards Board's (GASB) Statement No. 34, which established financial reporting model for state and local governments. Users of this CAFR are encouraged to read this Letter of Transmittal in conjunction with the Management's Discussion and Analysis appearing on page 15.

This CAFR covers all funds of the City of Concord that by law, or other fiduciary obligation, the City has become obligated to administer in connection with its responsibility in providing services. It does not report on the funds of the Concord School District, Merrimack Valley School District or the County of Merrimack. These governmental units are independent of the City and do not meet established reporting entity criteria for inclusion in this CAFR.

PROFILE OF THE GOVERNMENT

The City of Concord is located in Merrimack County, approximately 70 miles north of Boston, Massachusetts, on the Merrimack River in South Central New Hampshire. The City had a population of 43,935 as of December 31, 2006, a 0.66% increase as estimated by its Community Development Department, Planning Division, and occupies a land area of 64 square miles.

Originally settled in 1727, Concord was incorporated in 1765 and established as the state capital in 1808. Government is by an elected 15-member council and an appointed City Manager. The City also serves as the Merrimack County seat and Federal Court seat. Two separate school districts serve the City - the Concord School District and the Merrimack Valley School District.

Policymaking and legislative authority are vested by adopted City Charter in the 15-member Council. Under the Charter, which was originally adopted in 1853, and most recently amended in 2001, the Council appoints a City Manager who is solely responsible for carrying out the policies and ordinances of the City Council. The Council is elected on a non-partisan basis. Ten ward councilors, and the mayor, are elected every two years. Two of the four remaining "at-large" councilors are elected to staggered 4-year terms every two years. The current mayor is former City Councilor Michael Donovan who was elected mayor in November 2001 and re-elected in November 2003 and again in November 2005. Tom Aspell, the City Manager, was appointed in April 2006. The City has had four City Managers since 1978. The City Manager, pursuant to the city charter, has all appointive and dismissal powers for paid employees of the City. Appointive authority for boards and commissions are shared between the Mayor, Council and City Manager.

As the seat of state and county government, and host to several federal agencies, Concord is the only full-service local government between Laconia - 25 miles to the north, Manchester - 20 miles to the south, Keene - 54 miles to the west, and Portsmouth - 50 miles to the east. Among the services provided by the City are: water treatment and supply; wastewater treatment; refuse collection and disposal; highway construction and maintenance, including snow plowing, storm sewer system and related infrastructure maintenance and construction; prosecutorial, police and fire protective services (including advanced life support); airport, parks, golf course and ice arena; library and recreational facilities and programs; human services; planning, economic and community development, and code enforcement services. As stated elsewhere, the schools are independent political and financial entities in Concord.

LOCAL ECONOMY

During fiscal 2007, the State of New Hampshire continued to experience economic performance stronger than the slowing regional and national economies as evidenced by growth in income, employment and housing construction. In the City however, employment declined both in January and June 2007 from previous year's levels but unemployment rates continue to equal or better the state.

For the first time in over 14 years the City's unemployment rate in March, April and June of 2007 exceeded the NH average. But overall when compared to other cities in NH, New England and the nation as a whole, Concord's employment buoyed as the host of state government, enjoyed better unemployment rates. At January 2007, the U.S. unemployment rate was 5.0%, the New England Region at 5.4%, New Hampshire at 4.2%, and Concord was at 4.0%. The Concord unemployment rate in January of 2007 was fifth lowest among the 13 cities in the

state. It remained below the two larger cities in New Hampshire with Nashua at 4.5% and Manchester at 4.7%. A mixed labor market picture entering fiscal 2007, working against a tight budget outlook, yielded CPI-based labor settlements during the period and increased employee sharing of health benefit premiums.

Nationally, and for the third consecutive year, of 577 communities between 10,000 and 50,000 population, for 2006 the City of Concord was named the Number 1 Micropolitan Statistical Area in "Economic Strength" in the country. Policom Corporation, using more than one hundred economic measures based on growth rates, consistency trends, industry averages, earnings, jobs and wages; and factoring in the number of welfare and Medicaid recipients; has determined Concord is the strongest Micropolitan Statistical Area in the nation, with a long term tendency to consistently grow both in size and quality. Five hundred seventy-seven (577) Micropolitan Areas were ranked based on performance for past 5, 10 and 20 years periods.

The housing market in Concord cooled further during Fiscal 2007 as evidenced by the decline in market appreciation of property. According to the City Assessor, overall market value of assessed property increased only 0.3% April 1, 2007 over April 1, 2006, 2.05% April 1, 2006 over April 1, 2005 and 7.13% over April 1, 2004. Year end tax delinquencies increase for the third consecutive year and by a larger margin than the previous year's increase.

The median home sales price in Merrimack County in 2007 was level over the figure from 2006.

With increasing costs for health insurance, employee retirement and state education funding, local governments will continue to face major funding gaps.

LONG-TERM FINANCIAL PLANNING AND POLICY MONITORING

The City Council instituted, at the behest of the Fiscal Policy Advisory Committee (FPAC) in 1993, a quarterly process of reporting current fiscal conditions. Since then, the City Administration has presented formal Fiscal Monitoring Reports complete with national, regional, and local economic overviews, budgetary revenue and expense updates, and a 5-year projection of both General Fund operations and the tax rate. These reports and budget models have become a staple of the annual budgetary planning and tax rate setting process. The City Council has also routinely adopted a series of fiscal policy goals to guide the financial direction and management of the City.

Additional goals adopted by the Fiscal Policy Advisory Committee support economic development, as well as fiscal stability, through supporting and funding of capital reserves for several purposes. In 1995, after several years of limited capital investment, the FPAC established several capital reserve funds from the results of General Fund operations made possible by the expanding economy and improved revenues. Reserves were created for city-wide and downtown economic development, property revaluation, street repaving, fire apparatus, highway equipment, limited self-insurance, Tax Stabilization (TSR) and 53-week years

(periodically the City experiences a 53 pay week, roughly equivalent to a 2% cost, within a fiscal year). Additions to the reserves were made each year to the 1995 - 2006 budgets after the results of the year's fiscal operations were known. These reserves along with general fund equity have been in decline since 2001. Due to tighter budgeting both for revenues and appropriations and the use of surplus, budget operations have resulted in Undesignated Fund Balance dropping below the Council target 8% of appropriations. The opportunity to shore-up this position with a transfer from the Tax Stabilization Reserve will be proposed to Council along with a plan to reduce reliance on surplus as a source of revenue.

Anyone interested in reviewing these Fiscal Monitoring Reports, City Fiscal Goals, or the minutes of the FPAC can contact the City's Finance Department.

General Fund Balance - The General Fund undesignated fund balance (UFB) of \$3,453,608 as of fiscal year end represent a decrease of \$626,154 from the previous year. This strong UFB and correspondingly strong year-end cash position again enabled the City to avoid entering the short-term market for operating capital. The following table shows the results of the City's return to sound fiscal condition during the late 1990's through its cooperative program of fiscal management and tax rate target setting. Our Management's Discussion and Analysis discusses the trend in fund balance in more detail.

GENERAL FUND EQUITY AND FUND BALANCE

	1994-2007	
	<u>Total Fund Equity</u>	<u>Undesignated Fund Balance</u>
1994	\$7,160,770	\$4,271,143
1995	6,350,421	5,164,144
1996*	9,833,557	3,447,183
1997	8,917,159	3,327,328
1998	10,730,680	4,045,028
1999	10,055,895	3,994,408
2000	9,667,335	4,693,358
2001	10,424,868	4,000,000
2002	8,995,314	4,000,000
2003	8,637,348	4,359,999
2004	7,777,170	4,000,000
2005	7,305,247	4,106,287
2006	7,119,336	4,079,762
2007	5,724,246	3,453,608

*1996 was a 6-month transitional period

CREDIT RATING AND DEBT LIMITATIONS

The City Council Fiscal Policy Advisory Committee (FPAC) was created to deal with fiscal difficulties arising out of the recession and related General Fund deficits of 1990 (\$2,817,598) and 1991 (\$1,122,718). These difficulties included a credit downgrading to A-1 from Moody's Investor Service. Along with the administration, the FPAC developed a proposal to change the City's fiscal year through a simultaneous conversion to quarterly property tax collections. This proposal, designed to eliminate the structural year-end and monthly cash deficits due to semi-annual collections in arrears, as well as related liquidity problems, was implemented in 1996 and has been a major contributor to subsequent bond rating improvements.

In January 1997, citing a consistently high fund balance, substantial reserves, conversion to quarterly tax billing, and the conversion to a June 30 fiscal year-end, the City successfully persuaded Moody's rating committee to restore the City to their higher AA3 rating.

In May of 2001, after issuance of a ruling by the state supreme court upholding the constitutionality of the state school funding law, Moody's raised the credit rating of the City to AA2 citing... "economic strength and stability, ...consistently good financial results, and manageable debt position along with effective management practices..., and sound budgeting" as reasons for their upgrade. This rating remained in affect through fiscal 2007. Standards and Poors affirmed their consistently high AA rating for the City, which the City has held since February of 1997.

In their most recent credit reports issued in connection with both the 2006 and 2007 bond sale, credit rating agencies recognized mounting pressures on reserves and fund balance. Possible credit implications for continuing declines in fund balance were emphasized. At the same time Standard and Poor's rating services instituted its Financial Management Assessment and in January 2007 awarded Concord the highest possible rating of "Strong" for its "well embedded financial practices". Such acknowledgement of the strong financial management practices of the City would not be possible without the governance and support of the City Council through its fiscal goals and Fiscal Monitoring program

The City's Debt Limit for general purposes at 3% of assessment is established in accordance with RSA 33:4-a. As of June 30, 2007, the City has remaining 72.1% of its General Debt capacity. Please see page 125 for more information about debt capacity.

MAJOR INITATIVES

Over the past thirty years, the City of Concord has made significant investments to improve and grow its Downtown. Such investments include development of Eagle and Bicentennial Squares, construction of the Durgin and Firehouse Block parking garages.

The City's latest Downtown investment is the Capital Commons Project. This project was undertaken with the goal of redeveloping the former "Sears Block" named for the Sears and Roebuck Department Store which occupied the site for several decades. In the early 1990s, Sears relocated to the newly completed Steeplegate Mall in the "Heights" portion of Concord (roughly 3 miles from Downtown). This was a major setback for downtown, as Sears was a major anchor for the City's central business district.

In 1998 the Wasserman Group, a private developer based in Massachusetts, acquired the vacant Sears Block with the goal of redeveloping the 3 buildings at the site into a mixed use project. The City's hopes were high, but were quickly dashed due to a series of major setbacks which ultimately led to this project being abandoned and the City condemning the property due to the poor structural integrity of the building.

In 2000 the City renewed its efforts to successfully redevelop the site. After a series of failed efforts to arrange for private developers to acquire the property, in 2002, the City purchased the site. The same year, the City undertook environmental cleanup and demolition of all buildings at the property. After demolition of the building, the City commenced efforts to find a developer which would partner with the City to redevelop the site.

In August 2003 the City entered into a Development Agreement with Capital Commons LLC of Portsmouth, New Hampshire to redevelop the site. During the ensuing design process, the project grew to a 102,000 SF, \$13 million, 8 story mixed use building constructed by the Developer. The City's parking garage expanded from 330 spaces to 516 spaces with a cost of over \$14 million. The City also agreed to build two public plazas as part of the project.

Construction commenced in fall 2005. The Office Building's first tenants took occupancy in April 2007. The parking garage was opened in July 2007. Streetscape improvements, landscaping, and the public plazas were completed in October 2007.

The City's total investment in this project was approximately \$16.4 million. Financing for the City's public improvements included a \$482,000 grant secured by Congressman Bass, Tax Increment Financing, as well as bonds supported by revenues generated by the Parking Garage as well as the City's Parking and Economic Development Reserve Funds. Of the total project cost, \$2.5 million in bonds will be supported by taxes from the general fund.

The project has enhance downtown Concord, expanded the City's tax base, attracted new businesses and jobs to Downtown, created a net gain of 396 parking spaces, as well as created incentives for further revitalization of South Main Street.

Financial ERP System

Previous reports chronicled the progress being made towards the implementation of the City's new ERP Financial system. Implementation of the Payroll and base financials including General Ledger, Accounts Payable, Accounts Receivable,

Purchasing and Project Accounting modules were installed prior to year end FY2007. Installation of the remaining modules including Fixed Assets, Tax Billing, Utility Billing, Human Resources, Benefits management and a few additional lesser components are scheduled for completion by year end Fiscal 2008. Work Order development is now expected to begin in the spring of 2008. Along with this installation continued business process review and refinement, proper training and support, this project will support the city's accounting and financial reporting needs for the foreseeable future.

Water and Sewer Utility Rate and Financial Study and Accounting Restructuring

Along with the EPR installation the City with the assistance of Weston and Sampson Inc and Woodcock and Associates conducted an evaluation of the water and sewer rates and accounting structure of the Water and Sewer Utilities. As a result a new Utility Rate model was proposed to City Council with implementation not planned until after the Utility Billing software is installed and fully operational. The study reported that the City's utility accounting structure while being advanced and consistent with best practices in the industry could benefit through the segregation of operating from capital funds. Such segregation was implemented with the conversion of General Ledger Accounting ERP module in June 2007. The report also recommended the establishment of increased reserves in these funds.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded eleven consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Concord, NH for its comprehensive annual financial report beginning for the fiscal year ended December 31, 1995, through June 30, 2005 including the six-month transitional fiscal period ending June 30, 1996. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes this current CAFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The preparation of this CAFR on a timely basis was made possible by the entire staff of the Finance Department. Their efforts throughout the year are greatly appreciated. In particular, again this year, we wish to recognize the efforts of Diane Savoie, new City Controller. At the same time, we add our recognition and thanks to Senior Accountant Carol B. Andersen, and the recently retired Administrative Specialist Jean Clark. Without their diligence and hard work along

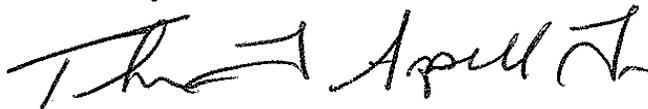
with the professionalism and support of the entire staff of the City, this report would not meet the high standards mentioned.

OTHER INFORMATION

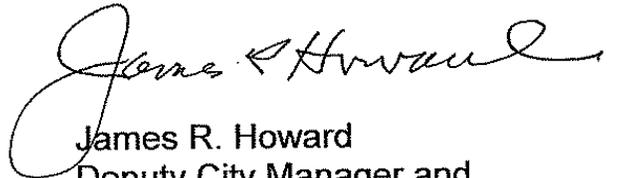
Although state statutes do not require an annual audit, the City has continually produced an independently audited set of Financial Statements since the 1920's. Presently, the firm of Melanson, Heath and Company, P.C. of Nashua, New Hampshire conducts the annual audit for the City. In addition, the audit was designed to meet the requirements of the Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, and combining and individual fund statements and schedules, is included in the financial section of this report. The auditor's report related specifically to the single audit section is included in a separately issued single audit report.

The City invites you to visit our web site at www.ci.concord.nh.us, where this CAFR is expected to be prominently displayed by mid February 2008. Also displayed are previous CAFR's and other summary financial information.

Sincerely,

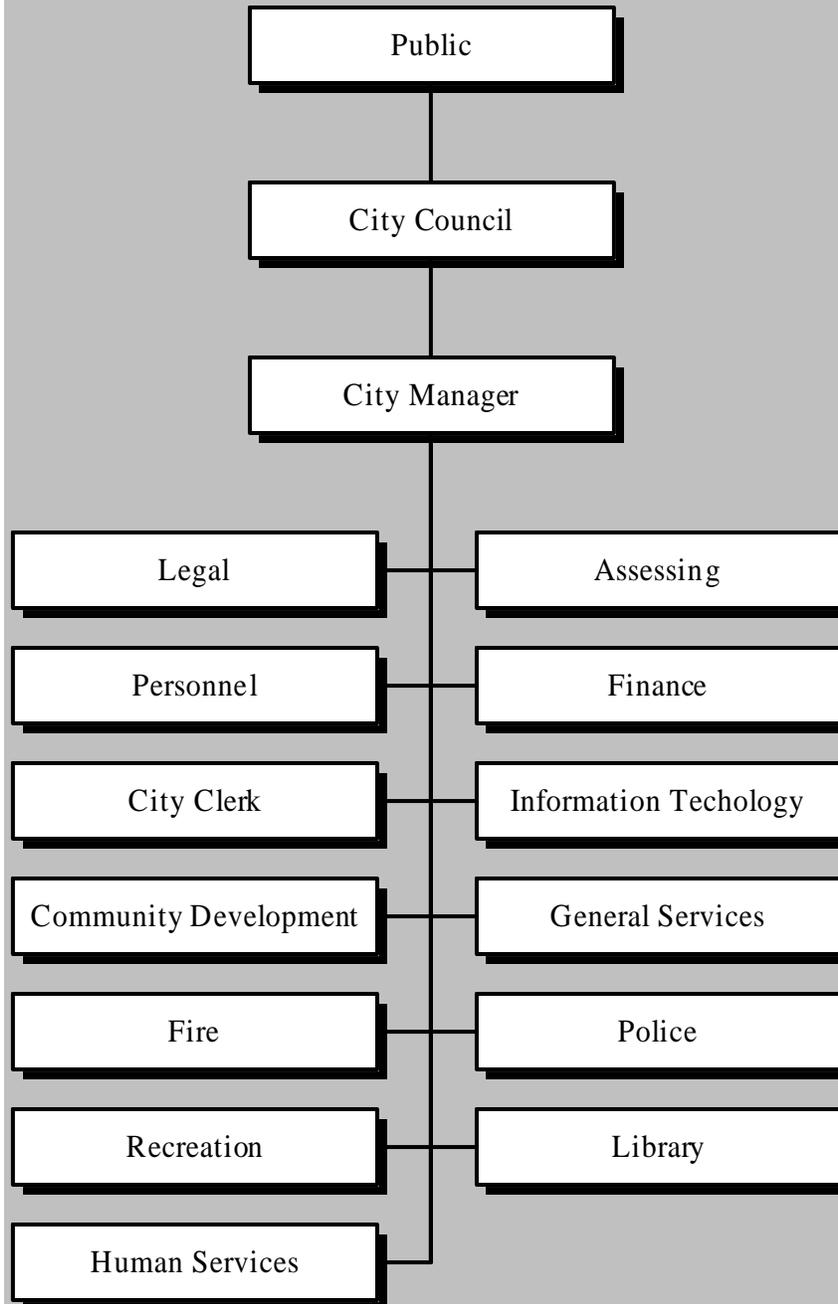


Thomas J. Aspell
City Manager



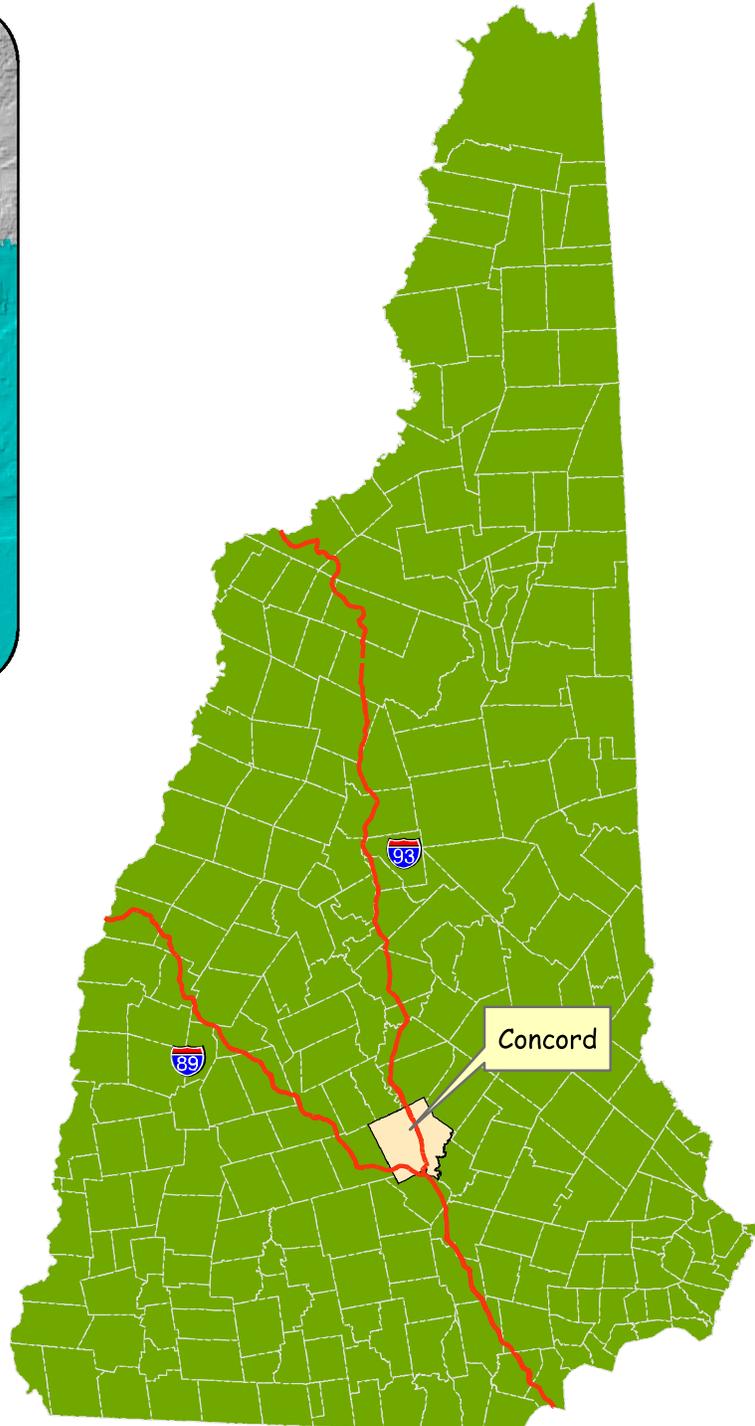
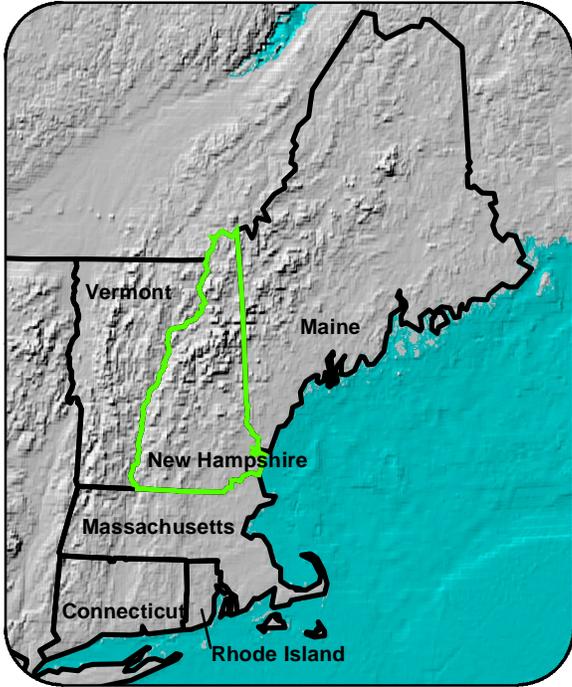
James R. Howard
Deputy City Manager and
Finance Director

CITY OF CONCORD, NEW HAMPSHIRE
TABLE OF ORGANIZATION



City of Concord, NH

Geographic Location



0 15 30 60 Miles

0 25 50 100 Kilometers

CITY OF CONCORD, NEW HAMPSHIRE
LIST OF PRINCIPAL OFFICIALS

June 30, 2007

Title	Name
<u>Elected by Public:</u>	
Mayor	Michael Donovan
Mayor Pro-Tem	James Bouley, Councilor Ward 10
Councilor-at-Large	Leonard A. Brochu
Councilor-at-Large	Mark Coen
Councilor-at-Large	Douglas Black
Councilor-at-Large	Dan St. Hilaire
Councilor Ward 1	Elizabeth Blanchard
Councilor Ward 2	William Stetson
Councilor Ward 3	Jan McClure
Councilor Ward 4	Dick Lemieux
Councilor Ward 5	Robert Werner
Councilor Ward 6	J. Allen Bennett
Councilor Ward 7	Keith Nyhan
Councilor Ward 8	F. James Rowe, Jr.
Councilor Ward 9	Katherine D. Rogers
<u>Appointed by Council:</u>	
City Manager	Thomas J. Aspell
<u>Appointed by City Manager:</u>	
City Solicitor	Paul F. Cavanaugh
Director of Real Estate Assessments	Kathryn Temchack
Director of Personnel and Labor Relations	Norman C. O'Neil
Purchasing Agent	Douglas B. Ross
Deputy City Manager -- Finance	James R. Howard
Controller	Diane G. Savoie
Treasurer / Tax Collector	Michael P. Jache
City Clerk	Janice Bonenfant
Police Chief (Acting)	Robert Barry
Fire Chief	Robert Vezina, Jr.
Code Administrator	C. Hamilton Rice
General Services Director	Chip Chesley
City Engineer	Edward Roberge
City Planner	Douglas Woodward
Business Development Coordinator	Kenneth G. Lurvey
Library Director	Patricia Immen
Recreation Director (Acting)	David Gill
Human Services Director	Jacqueline Whatmough
Deputy City Manager -- Development	Vacant

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Concord
New Hampshire

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Concord, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord, New Hampshire, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Concord's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, appearing on the following pages, is not a required part of the basic financial statements but is supplementary information required by the *Governmental Accounting Standards Board*. We have applied certain limited procedures, which consisted principally of inquiries of management

Additional Offices:

Andover, MA Manchester, NH Greenfield, MA Ellsworth, ME

regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Concord, New Hampshire's basic financial statements. The introductory section, supplementary statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2008 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
January 28, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Concord, New Hampshire, we offer readers of the City of Concord's financial statements this narrative overview and analysis of the financial activities of the City of Concord for the fiscal year ended June 30, 2007. This section should be read in conjunction with the Letter of Transmittal beginning on page 1 of this report.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, general services, community development, leisure and information services, and human services. The business-type activities include water, sewer, solid waste, golf and arena activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the Capital Commons Garage fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation.

An annual appropriated budget is adopted for the general fund and certain non-major governmental (special revenue) funds. Budgetary comparison statements have been provided to demonstrate compliance with budgets.

Proprietary funds. Proprietary funds are maintained as follows:

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, solid waste, golf and arena operations. The Water and Sewer funds are considered major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that is required to be disclosed by the *Governmental Accounting Standards Board (GASB)*.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 197,631,731 (i.e., net assets), a change of \$ 7,828,603 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 38,625,708, a change of \$ (6,144,611) in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 3,453,608, a change of \$ (626,154) in comparison with the prior year. In addition, total general fund balance changed by \$ (1,395,090).
- Total long-term debt (i.e. bonds and loans payable) at the close of the current fiscal year was \$ 74,127,970, a change of \$ 6,067,740 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years. All amounts are presented in thousands.

	NET ASSETS					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 86,668	\$ 90,371	\$ 12,005	\$ 12,658	\$ 98,673	\$ 103,029
Capital assets	92,806	71,829	130,914	132,031	223,720	203,860
Total assets	179,474	162,200	142,919	144,689	322,393	306,889
Long-term liabilities						
outstanding	47,911	41,525	28,510	22,714	76,421	64,239
Other liabilities	47,202	44,935	1,138	7,912	48,340	52,847
Total liabilities	95,113	86,460	29,648	30,626	124,761	117,086
Net assets:						
Invested in capital assets, net	53,651	43,017	103,870	104,696	157,521	147,713
Restricted	12,133	11,514	1,604	1,409	13,737	12,923
Unrestricted	18,577	21,209	7,797	7,958	26,374	29,167
Total net assets	\$ 84,361	\$ 75,740	\$ 113,271	\$ 114,063	\$ 197,632	\$ 189,803

CHANGES IN NET ASSETS

	<u>Governmental</u>		<u>Business-Type</u>		<u>Totals</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program revenues						
Charges for services	\$ 7,835	\$ 7,399	\$ 13,459	\$ 13,075	\$ 21,294	\$ 20,474
Operating grants and contributions	489	543	-	-	489	543
Capital grants and contributions	3,267	3,234	337	179	3,604	3,413
General revenues						
Property Taxes	33,483	32,152	-	-	33,483	32,152
Penalties, interest and other taxes	640	668	-	-	640	668
Grants and contributions not restricted to specific programs	3,502	2,221	311	1,073	3,813	3,294
Investment income	3,729	2,484	457	435	4,186	2,919
Other	867	747	21	124	888	871
Total revenues	<u>53,812</u>	<u>49,448</u>	<u>14,585</u>	<u>14,886</u>	<u>68,397</u>	<u>64,334</u>
Expenses:						
General government	5,472	5,170	-	-	5,472	5,170
Public safety	18,989	17,832	-	-	18,989	17,832
General services	11,212	10,582	-	-	11,212	10,582
Planning and development	2,650	3,187	-	-	2,650	3,187
Leisure and information services	2,369	2,196	-	-	2,369	2,196
Human services	1,038	1,061	-	-	1,038	1,061
Interest on long-term debt	1,411	1,248	-	-	1,411	1,248
Miscellaneous	1,763	1,048	-	-	1,763	1,048
Water operations	-	-	5,085	5,227	5,085	5,227
Sewer operations	-	-	5,752	6,047	5,752	6,047
Other operations	-	-	4,988	4,807	4,988	4,807
Total expenses	<u>44,904</u>	<u>42,324</u>	<u>15,825</u>	<u>16,081</u>	<u>60,729</u>	<u>58,405</u>
Change in net assets before transfers and contributions	8,908	7,124	(1,240)	(1,195)	7,668	5,929
Transfer in (out)	(448)	(511)	448	511	-	-
Permanent fund contributions	161	316	-	-	161	316
Increase in net assets	<u>8,621</u>	<u>6,929</u>	<u>(792)</u>	<u>(684)</u>	<u>7,829</u>	<u>6,245</u>
Net assets - beginning of year	<u>75,740</u>	<u>68,811</u>	<u>114,063</u>	<u>114,747</u>	<u>189,803</u>	<u>183,558</u>
Net assets - end of year	<u>\$ 84,361</u>	<u>\$ 75,740</u>	<u>\$ 113,271</u>	<u>\$ 114,063</u>	<u>\$ 197,632</u>	<u>\$ 189,803</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$ 197,631,731, a change of \$ 7,828,603 from the prior year.

The largest portion of net assets \$ 157,521,222 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$ 13,736,701 resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$ 26,373,808 may be used to meet the government's on-going obligations to citizens and creditors.

Governmental activities. Governmental activities for the year resulted in a change in net assets of \$ 8,620,593. Key elements of this change are as follows (in thousands):

Excess of revenues over expenditures:	
General fund operations	\$ 1,345
Special revenue funds	1,135
Permanent funds	1,309
Debt service fund	<u>138</u>
Subtotal	3,927
General fund transfers from enterprise funds	448
Debt service principal paydown in excess of depreciation	1,224
Capital assets acquired from current year revenues	2,830
Other	<u>192</u>
Total	<u>\$ 8,621</u>

While total net assets of the governmental activities changed by \$ 8,620,593, unrestricted net assets changed \$ (2,632,013) principally due to the use of previous unrestricted net assets (Capital Reserve Funds) for the acquisition of new capital assets.

Business-type activities. Business-type activities for the year resulted in a change in net assets of \$ (791,990). This change primarily results from depreciation expense exceeding debt service pay downs by \$ 308,331 and \$ 357,127 in the Water and Sewer funds, respectively. The following is a summary of the changes in net assets by fund (in thousands):

Water operations	\$ (420)
Sewer operations	(274)
Nonmajor funds	<u>(98)</u>
Total	\$ <u>(792)</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$ 38,625,708, a change of \$ (6,144,611) in comparison with the prior year. Most of this change was attributable to the use of General Fund unreserved fund balance, and expenditures of Capital Commons Garage Fund bond proceeds primarily recognized in the prior fiscal year.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, undesignated fund balance of the General Fund was \$ 3,453,608 while total fund balance was \$ 5,724,246. While the undesignated fund balance changed by \$ (626,154), total fund balance was changed by \$ (1,395,090). The use of undesignated fund balance to fund operating activities as well as the transfer to designated fund balance for eventual transfer to capital reserves, while largely offset by positive results of operation compared to the budget, has caused a decline in our overall General Fund balance position. The following table highlights the change in our General Fund balance accounts (in thousands):

	<u>Unreserved</u>	<u>Reserves</u>	<u>Tax Stabilization</u>	<u>Designations</u>	<u>Total</u>
Beginning of year	\$ 4,080	\$ 664	\$ 1,125	\$ 1,250	\$ 7,119
Use of fund balance	(1,225)	-	-	(1,250)	(2,475)
Revenues in excess of budget	53	-	-	-	53
Expenditure under budget	743	-	-	-	743
Other	284	-	-	-	284
Transfers	(482)	482	-	-	-
End of year	\$ <u>3,453</u>	\$ <u>1,146</u>	\$ <u>1,125</u>	\$ <u>-</u>	\$ <u>5,724</u>

As a measure of the General Fund's liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures. Undesignated fund balance represents 8.4% of total General Fund expenditures,

while total fund balance represents 14.0% of that same amount. The undesignated amount exceeded the City Council Fiscal Policy minimum of 8%.

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

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$ 7,796,545, a change of \$ (161,221) in comparison with the prior year.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$ 1,650,000. The majority of the overall change, \$ 1,300,000 represents transfers of General Fund balance to capital reserve (special revenue) funds.

The only notable revenue receipts in excess of budget were \$ 459,096 in charges for services, primarily due to police duty services and ambulance service charges. Unspent General Fund appropriations were due to several factors including the self-imposed reduction in expenditures mentioned in section G below, and a year-end level of under-expenditure (including transfers) of approximately 1.6%, the same as last year's historical level of 1.6%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$ 223,719,531 (net of accumulated depreciation), a change of \$ 19,859,509 from the prior year. This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included construction and design costs for the Sears Block Project, acquisition of vehicles for the General Service and Police Departments, and on-going infrastructure improvements.

Change in credit rating. The City of Concord, NH has maintained a Moody's credit rating of Aa2 for several years.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$ 74,127,970, all of which was backed by the full faith and credit of the government.

Additional information on capital assets and long-term debt can be found in footnotes 9 and 12, respectively, of this report.

G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Comment regarding local economic conditions can be found in the Transmittal letter section on the LOCAL ECONOMY.

Following is a comparison of the fiscal 2007 adopted to the fiscal 2008 adopted City General Fund budget and tax rate:

<u>Use of Funds</u>	2007 COUNCIL ADOPTED	2008 COUNCIL ADOPTED
Budget Appropriations	\$ 45,276,298	\$ 46,839,640
War Credits	298,000	299,100
Overlay	<u>500,000</u>	<u>465,000</u>
Total Uses of Funds	<u>\$ 46,074,298</u>	<u>\$ 47,603,740</u>
 <u>Sources of Funds</u>		
Miscellaneous Revenues	\$ 18,626,784	\$ 18,851,299
Surplus (prior Year Undesignated fund Balance)	1,175,000	1,375,000
Tax Stabilization Reserve	500,000	-
Amount to be raised by property taxes	<u>25,772,514</u>	<u>27,377,441</u>
Total Sources of Funds	<u>\$ 46,074,298</u>	<u>\$ 47,603,740</u>

TAX RATE DETERMINATION

Assessed Value (A.V.) in thousands of dollars	\$ 4,105,427	\$ 4,167,828
Amount to be Raised	\$ 25,772,514	\$ 27,377,441
Current Year Recommended Tax Rate/\$ 1,000 A.V.	\$ 6.28	\$ 6.57
Prior Year Tax Rate/\$ 1,000 A.V.	<u>6.57</u>	<u>6.28</u>
Increase over Prior Year	\$ -0.29	\$ 0.29
% Change	-4.41%	4.62%

REQUESTS FOR INFORMATION

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

Office of the Finance Director
City of Concord, New Hampshire
41 Green Street
Concord, New Hampshire 03301

Basic Financial Statements

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2007

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term equivalents	\$ 50,234,993	\$ 9,350,973	\$ 59,585,966
Investments	9,685,674	-	9,685,674
Receivables, net of allowance for uncollectibles:			
Property taxes	25,368,141	-	25,368,141
Accounts	176,662	-	176,662
User fees	-	1,031,533	1,031,533
Intergovernmental	29,478	136,962	166,440
Loans	796,887	-	796,887
Other assets	376,154	18,620	394,774
Total current assets	<u>86,667,989</u>	<u>10,538,088</u>	<u>97,206,077</u>
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	1,467,712	1,467,712
Capital assets:			
Land and construction in progress	47,645,534	8,995,798	56,641,332
Other capital assets, net of accumulated depreciation	45,160,147	121,918,052	167,078,199
Total non-current assets	<u>92,805,681</u>	<u>132,381,562</u>	<u>225,187,243</u>
TOTAL ASSETS	179,473,670	142,919,650	322,393,320
LIABILITIES			
Current:			
Accounts payable	3,198,626	509,505	3,708,131
Retainage payable	1,512,910	214,898	1,727,808
Accrued liabilities	1,193,744	367,664	1,561,408
Unearned revenues	24,784,549	26,907	24,811,456
Taxes collected in advance	15,381,886	-	15,381,886
Due to other governments	9,219	-	9,219
Due to external parties - fiduciary funds	4,851	-	4,851
Other current liabilities	1,116,119	18,936	1,135,055
Current portion of long-term liabilities:			
Bonds and loans payable	4,823,966	2,992,379	7,816,345
Other liabilities	1,401,306	140,504	1,541,810
Total current liabilities	<u>53,427,176</u>	<u>4,270,793</u>	<u>57,697,969</u>
Noncurrent:			
Bonds and loans payable, net of current portion	40,934,133	25,377,492	66,311,625
Other liabilities, net of current portion	751,995	-	751,995
Total non-current liabilities	<u>41,686,128</u>	<u>25,377,492</u>	<u>67,063,620</u>
TOTAL LIABILITIES	95,113,304	29,648,285	124,761,589
NET ASSETS			
Invested in capital assets, net of related debt	53,651,076	103,870,146	157,521,222
Restricted for:			
Grants and other statutory restrictions	3,459,811	-	3,459,811
Permanent funds:			
Nonexpendable	8,672,216	-	8,672,216
Debt service	-	1,604,674	1,604,674
Unrestricted	18,577,263	7,796,545	26,373,808
TOTAL NET ASSETS	\$ <u>84,360,366</u>	\$ <u>113,271,365</u>	\$ <u>197,631,731</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 5,471,691	\$ 3,223,376	\$ 407,339	\$ -
Public safety	18,989,365	2,521,339	81,380	-
General services	11,211,510	318,029	-	3,266,416
Planning and development	2,650,333	1,190,109	-	-
Leisure and information services	2,368,707	426,243	-	-
Human services	1,038,484	155,657	-	-
Interest on long-term debt	1,411,040	-	-	-
Miscellaneous	1,762,956	-	-	-
Total Governmental Activities	44,904,086	7,834,753	488,719	3,266,416
Business-Type Activities:				
Water	5,084,681	4,853,295	-	-
Sewer	5,751,772	5,377,820	-	337,063
Solid Waste	3,711,753	1,961,724	-	-
Golf	834,656	812,808	-	-
Arena	441,647	453,601	-	-
Total Business-Type Activities	15,824,509	13,459,248	-	337,063
Total	\$ 60,728,595	\$ 21,294,001	\$ 488,719	\$ 3,603,479

General Revenues, Transfers & Permanent Fund Contributions
 Property Taxes
 Penalties, interest and other taxes
 Grants and contributions not restricted to specific programs
 Investment income
 Miscellaneous
 Transfers, net
 Permanent fund contributions
 Total general revenues, transfers, and contributions

Change in Net Assets

Net Assets:
 Beginning of year
 End of year

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets

<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (1,840,976)	\$ -	\$ (1,840,976)
(16,386,646)	-	(16,386,646)
(7,627,065)	-	(7,627,065)
(1,460,224)	-	(1,460,224)
(1,942,464)	-	(1,942,464)
(882,827)	-	(882,827)
(1,411,040)	-	(1,411,040)
<u>(1,762,956)</u>	<u>-</u>	<u>(1,762,956)</u>
(33,314,198)	-	(33,314,198)
-	(231,386)	(231,386)
-	(36,889)	(36,889)
-	(1,750,029)	(1,750,029)
-	(21,848)	(21,848)
<u>-</u>	<u>11,954</u>	<u>11,954</u>
<u>-</u>	<u>(2,028,198)</u>	<u>(2,028,198)</u>
(33,314,198)	(2,028,198)	(35,342,396)
33,483,212	-	33,483,212
639,602	-	639,602
3,502,469	310,313	3,812,782
3,729,057	457,032	4,186,089
867,053	21,094	888,147
(447,769)	447,769	-
<u>161,167</u>	<u>-</u>	<u>161,167</u>
<u>41,934,791</u>	<u>1,236,208</u>	<u>43,170,999</u>
8,620,593	(791,990)	7,828,603
<u>75,739,773</u>	<u>114,063,355</u>	<u>189,803,128</u>
<u>\$ 84,360,366</u>	<u>\$ 113,271,365</u>	<u>\$ 197,631,731</u>

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2007

ASSETS	<u>General</u>	<u>Capital Commons Garage</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and short-term equivalents	\$ 19,213,547	\$ 2,894,973	\$ 28,126,473	\$ 50,234,993
Investments	780,986	-	8,904,688	9,685,674
Receivables:				
Property taxes	25,504,167	-	-	25,504,167
Accounts	106,584	-	70,078	176,662
Intergovernmental	29,478	-	-	29,478
Loans	-	-	796,887	796,887
Due from other funds	2,019,249	-	191,873	2,211,122
Inventory	185,953	-	-	185,953
Other assets	<u>185,251</u>	<u>-</u>	<u>4,950</u>	<u>190,201</u>
TOTAL ASSETS	\$ <u>48,025,215</u>	\$ <u>2,894,973</u>	\$ <u>38,094,949</u>	\$ <u>89,015,137</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 497,216	\$ 885,902	\$ 1,815,508	\$ 3,198,626
Retainage payable	1,197	610,619	901,094	1,512,910
Other liabilities	562,459	-	862,477	1,424,936
Deferred revenues	25,848,992	-	796,887	26,645,879
Taxes collected in advance	15,381,886	-	-	15,381,886
Due to other funds	-	-	2,215,973	2,215,973
Due to other governments	<u>9,219</u>	<u>-</u>	<u>-</u>	<u>9,219</u>
TOTAL LIABILITIES	42,300,969	1,496,521	6,591,939	50,389,429
Fund Balances:				
Reserved for:				
Encumbrances	909,975	-	13,987	923,962
Inventory	185,953	-	-	185,953
Perpetual (nonexpendable) permanent funds	-	-	8,672,216	8,672,216
Tax stabilization	1,125,000	-	-	1,125,000
Miscellaneous	49,710	-	-	49,710
Unreserved:				
Undesignated, reported in:				
General fund	3,453,608	-	-	3,453,608
Special revenue funds	-	-	8,651,431	8,651,431
Capital project funds	-	1,398,452	13,508,041	14,906,493
Debt service	<u>-</u>	<u>-</u>	<u>657,335</u>	<u>657,335</u>
TOTAL FUND BALANCES	<u>5,724,246</u>	<u>1,398,452</u>	<u>31,503,010</u>	<u>38,625,708</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>48,025,215</u>	\$ <u>2,894,973</u>	\$ <u>38,094,949</u>	\$ <u>89,015,137</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET ASSETS

JUNE 30, 2007

Total governmental fund balances	\$ 38,625,708
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	92,805,681
<ul style="list-style-type: none">• Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,725,304
<ul style="list-style-type: none">• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(884,927)
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(47,911,400)</u>
Net assets of governmental activities	<u><u>\$ 84,360,366</u></u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2007

	<u>General</u>	<u>Capital Commons Garage</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 32,535,024	\$ -	\$ 608,657	\$ 33,143,681
Licenses and permits	1,020,239	-	-	1,020,239
Intergovernmental	2,036,831	-	825,619	2,862,450
Charges for services	4,250,085	-	2,388,440	6,638,525
Investment income	1,342,085	324,219	1,827,713	3,494,017
Contributions	-	-	2,860,705	2,860,705
Miscellaneous	1,025,798	-	656,846	1,682,644
Total Revenues	<u>42,210,062</u>	<u>324,219</u>	<u>9,167,980</u>	<u>51,702,261</u>
Expenditures:				
Current:				
General government	4,056,152	-	1,399,164	5,455,316
Public safety	17,809,725	-	310,657	18,120,382
General services	7,096,899	-	-	7,096,899
Planning and development	2,432,444	-	-	2,432,444
Leisure and information services	2,249,001	-	-	2,249,001
Human services	1,033,422	-	-	1,033,422
Employee benefits	555,182	-	-	555,182
Miscellaneous	1,279,285	316,067	167,604	1,762,956
Debt service				
Principal	3,436,351	-	638,900	4,075,251
Interest	916,467	-	329,061	1,245,528
Capital outlay	-	9,354,193	14,886,529	24,240,722
Total Expenditures	<u>40,864,928</u>	<u>9,670,260</u>	<u>17,731,915</u>	<u>68,267,103</u>
Excess (deficiency) of revenues over expenditures	1,345,134	(9,346,041)	(8,563,935)	(16,564,842)
Other Financing Sources (Uses):				
Issuance of debt	-	2,281,500	8,351,460	10,632,960
Bond premium	-	37,500	197,540	235,040
Transfers in	2,135,192	-	3,738,977	5,874,169
Transfers out	(4,875,416)	(200,000)	(1,246,522)	(6,321,938)
Total Other Financing Sources (Uses)	<u>(2,740,224)</u>	<u>2,119,000</u>	<u>11,041,455</u>	<u>10,420,231</u>
Net change in fund balance	(1,395,090)	(7,227,041)	2,477,520	(6,144,611)
Fund Balance, at Beginning of Year	<u>7,119,336</u>	<u>8,625,493</u>	<u>29,025,490</u>	<u>44,770,319</u>
Fund Balance, at End of Year	<u>\$ 5,724,246</u>	<u>\$ 1,398,452</u>	<u>\$ 31,503,010</u>	<u>\$ 38,625,708</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (6,144,611)																
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table border="0" style="margin-left: 40px;"> <tr> <td>Capital outlay purchases, net of disposals</td> <td style="text-align: right;">23,828,180</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(2,851,064)</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">339,531</td> </tr> </table> • The issuance of long-term debt (i.e., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <table border="0" style="margin-left: 40px;"> <tr> <td>Bond repayments</td> <td style="text-align: right;">4,075,251</td> </tr> <tr> <td>Bond issuance</td> <td style="text-align: right;">(10,632,960)</td> </tr> </table> • In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">(165,513)</td> </tr> </table> • Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table border="0" style="margin-left: 40px;"> <tr> <td>Compensated absences</td> <td style="text-align: right;">141,779</td> </tr> <tr> <td>Landfill liability</td> <td style="text-align: right;"><u>30,000</u></td> </tr> </table> 		Capital outlay purchases, net of disposals	23,828,180	Depreciation	(2,851,064)		339,531	Bond repayments	4,075,251	Bond issuance	(10,632,960)		(165,513)	Compensated absences	141,779	Landfill liability	<u>30,000</u>
Capital outlay purchases, net of disposals	23,828,180																
Depreciation	(2,851,064)																
	339,531																
Bond repayments	4,075,251																
Bond issuance	(10,632,960)																
	(165,513)																
Compensated absences	141,779																
Landfill liability	<u>30,000</u>																
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u><u>8,620,593</u></u>																

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES AND USES -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS

FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 32,860,002	\$ 32,860,002	\$ 32,694,358	\$ (165,644)
Licenses and permits	1,253,778	1,253,778	1,020,239	(233,539)
Intergovernmental	1,994,841	1,994,841	2,036,831	41,990
Charges for services	3,790,989	3,790,989	4,250,085	459,096
Investment income	1,360,000	1,360,000	1,342,085	(17,915)
Miscellaneous	644,178	994,178	1,025,798	31,620
Total Revenues	41,903,788	42,253,788	42,369,396	115,608
Expenditures:				
General government	4,257,755	4,257,755	4,001,564	256,191
Public safety	17,843,438	17,843,438	17,826,754	16,684
General services	7,287,205	7,287,205	7,137,679	149,526
Planning and development	2,702,880	2,702,880	2,415,747	287,133
Leisure and information services	2,257,630	2,257,630	2,240,437	17,193
Human services	1,080,920	1,080,920	1,033,422	47,498
Employee benefits	976,000	976,000	1,027,282	(51,282)
Debt service	4,376,000	4,376,000	4,352,818	23,182
Miscellaneous	943,990	1,293,990	1,272,199	21,791
Total Expenditures	41,725,818	42,075,818	41,307,902	767,916
Other Financing Sources (Uses):				
Transfers in	2,197,510	2,197,510	2,135,192	(62,318)
Transfers out	(3,550,480)	(4,850,480)	(4,875,416)	(24,936)
Budgetary use of fund balance	1,175,000	2,475,000	2,475,000	-
Total Other Financing Sources (Uses)	(177,970)	(177,970)	(265,224)	(87,254)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 796,270	\$ 796,270

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2007

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Sewer Fund	Nonmajor Funds	
<u>ASSETS</u>				
Current:				
Cash and short-term equivalents	\$ 4,010,738	\$ 4,240,673	\$ 1,099,562	\$ 9,350,973
User fees, net of allowance for uncollectibles	367,136	500,318	164,079	1,031,533
Intergovernmental receivables	-	136,962	-	136,962
Inventory	10,928	-	-	10,928
Other assets	7,638	-	54	7,692
Total current assets	4,396,440	4,877,953	1,263,695	10,538,088
Noncurrent:				
Intergovernmental	-	1,467,712	-	1,467,712
Capital assets:				
Land and construction in progress	1,436,153	7,169,457	390,188	8,995,798
Other capital assets, net of accumulated depreciation	63,436,172	56,880,576	1,601,304	121,918,052
Total noncurrent assets	64,872,325	65,517,745	1,991,492	132,381,562
TOTAL ASSETS	69,268,765	70,395,698	3,255,187	142,919,650
<u>LIABILITIES</u>				
Current:				
Accounts payable	177,932	157,456	174,117	509,505
Retainage payable	93,885	121,013	-	214,898
Accrued liabilities	152,880	198,229	16,555	367,664
Unearned revenue	-	-	26,907	26,907
Other current liabilities	5,369	13,567	-	18,936
Current portion of long-term liabilities:				
Bonds and loans payable	1,455,555	1,444,074	92,750	2,992,379
Compensated absences	62,462	50,049	27,993	140,504
Total current liabilities	1,948,083	1,984,388	338,322	4,270,793
Noncurrent:				
Bonds and loans payable, net of current portion	10,305,043	14,367,749	704,700	25,377,492
Total noncurrent liabilities	10,305,043	14,367,749	704,700	25,377,492
TOTAL LIABILITIES	12,253,126	16,352,137	1,043,022	29,648,285
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	53,111,727	49,533,559	1,224,860	103,870,146
Restricted for debt service	-	1,604,674	-	1,604,674
Unrestricted	3,903,912	2,905,328	987,305	7,796,545
TOTAL NET ASSETS	\$ 57,015,639	\$ 54,043,561	\$ 2,212,165	\$ 113,271,365

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Sewer Fund	Nonmajor Funds	
Operating Revenues:				
Charges for services	\$ 4,960,980	\$ 5,580,448	\$ 3,228,133	\$ 13,769,561
Other	<u>9,119</u>	<u>9,047</u>	<u>2,928</u>	<u>21,094</u>
Total Operating Revenues	4,970,099	5,589,495	3,231,061	13,790,655
Operating Expenses:				
Operating expenses	2,797,666	3,435,076	4,816,399	11,049,141
Depreciation	<u>1,753,579</u>	<u>1,723,888</u>	<u>139,132</u>	<u>3,616,599</u>
Total Operating Expenses	<u>4,551,245</u>	<u>5,158,964</u>	<u>4,955,531</u>	<u>14,665,740</u>
Operating Income (Loss)	418,854	430,531	(1,724,470)	(875,085)
Nonoperating Revenues (Expenses):				
Investment income	214,623	223,174	19,235	457,032
Interest expense	(533,436)	(592,808)	(32,525)	(1,158,769)
Intergovernmental revenue	<u>-</u>	<u>337,063</u>	<u>-</u>	<u>337,063</u>
Total Nonoperating Revenues (Expenses), Net	<u>(318,813)</u>	<u>(32,571)</u>	<u>(13,290)</u>	<u>(364,674)</u>
Income (Loss) Before Transfers	100,041	397,960	(1,737,760)	(1,239,759)
Transfers:				
Transfers in	-	7,708	1,738,285	1,745,993
Transfers out	<u>(520,175)</u>	<u>(679,875)</u>	<u>(98,174)</u>	<u>(1,298,224)</u>
Change in Net Assets	(420,134)	(274,207)	(97,649)	(791,990)
Net Assets at Beginning of Year, as restated	<u>57,435,773</u>	<u>54,317,768</u>	<u>2,309,814</u>	<u>114,063,355</u>
Net Assets at End of Year	<u>\$ 57,015,639</u>	<u>\$ 54,043,561</u>	<u>\$ 2,212,165</u>	<u>\$ 113,271,365</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Sewer Fund	Nonmajor Funds	
<u>Cash Flows From Operating Activities:</u>				
Receipts from customers and users	\$ 4,964,048	\$ 5,606,354	\$ 3,396,538	\$ 13,966,940
Payments to vendors and employees	<u>(3,254,526)</u>	<u>(3,719,676)</u>	<u>(4,798,971)</u>	<u>(11,773,173)</u>
Net Cash Provided By (Used For) Operating Activities	1,709,522	1,886,678	(1,402,433)	2,193,767
<u>Cash Flows From Noncapital Financing Activities:</u>				
Intergovernmental revenue	-	337,063	-	337,063
Transfers in	-	7,708	1,738,285	1,745,993
Transfers out	<u>(520,175)</u>	<u>(679,875)</u>	<u>(98,174)</u>	<u>(1,298,224)</u>
Net Cash Provided by (Used For) Noncapital Financing Activities	(520,175)	(335,104)	1,640,111	784,832
<u>Cash Flows From Capital and Related Financing Activities:</u>				
Proceeds from issuance of bonds and notes	149,300	2,210,990	48,750	2,409,040
Principal payments on bonds and notes	(1,445,248)	(1,366,761)	(87,000)	(2,899,009)
Acquisition and construction of capital assets	(518,577)	(1,817,641)	(112,091)	(2,448,309)
Interest expense	<u>(533,437)</u>	<u>(592,808)</u>	<u>(32,525)</u>	<u>(1,158,770)</u>
Net Cash (Used For) Capital and Related Financing Activities	(2,347,962)	(1,566,220)	(182,866)	(4,097,048)
<u>Cash Flows From Investing Activities:</u>				
Investment income	<u>214,623</u>	<u>223,174</u>	<u>19,235</u>	<u>457,032</u>
Net Cash Provided by Investing Activities	<u>214,623</u>	<u>223,174</u>	<u>19,235</u>	<u>457,032</u>
Net Change in Cash and Short-Term Equivalents	(943,992)	208,528	74,047	(661,417)
Cash and Short-Term Equivalents, Beginning of Year	<u>4,954,730</u>	<u>4,032,145</u>	<u>1,025,515</u>	<u>10,012,390</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 4,010,738</u>	<u>\$ 4,240,673</u>	<u>\$ 1,099,562</u>	<u>\$ 9,350,973</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:</u>				
Operating income (loss)	\$ 418,854	\$ 430,531	\$ (1,724,470)	\$ (875,085)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,753,579	1,723,888	139,132	3,616,599
Changes in assets and liabilities:				
User fees	(6,051)	16,859	160,192	171,000
Inventory	(2,402)	-	-	(2,402)
Other assets	6,920	(195,227)	9,931	(178,376)
Accounts payable	(296,841)	(99,419)	3,958	(392,302)
Compensated absences	(4,068)	(2,906)	85	(6,889)
Other liabilities	<u>(160,469)</u>	<u>12,952</u>	<u>8,739</u>	<u>(138,778)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 1,709,522</u>	<u>\$ 1,886,678</u>	<u>\$ (1,402,433)</u>	<u>\$ 2,193,767</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2007

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash and short-term equivalents	\$ 1,930,748
Due from other funds	<u>4,851</u>
Total Assets	<u><u>\$ 1,935,599</u></u>
 <u>LIABILITIES</u>	
Due to other governments	\$ 875,576
Other liabilities	<u>1,060,023</u>
Total Liabilities	<u><u>\$ 1,935,599</u></u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Concord, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The government is a municipal corporation governed by an elected Mayor, 15-member Council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2007, it was determined that no entities met the required GASB-39 (an amendment to GASB-14) criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (with the exception of Agency Funds, which have no measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the following major proprietary funds:

- Water Fund - to account for the operation and maintenance of the City's water lines, pumping stations and plant.
- Sewer Fund - to account for the operation and maintenance of the City's sewer lines, pumping stations, and two wastewater treatment plants.

In addition, the City has three enterprise funds, for Solid Waste, Golf and Arena activities, which are reported as nonmajor funds.

The Agency Fund is custodial in nature and is used to account for funds to be remitted to the two local school districts and Merrimack County. The agency fund reports only assets and liabilities, and this has no measurement focus.

D. Cash and Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with RSA 383:22, and regulations and is under the control of the New Hampshire Banking Commission and Advisory Committee. The reported value of the pool is

the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes.

Investments are considered holdings of greater than three months and are reported at fair value.

City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer.

Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings bank or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided however that said common trust funds shall be limited to the investments authorized in RSA 31:25; provided further, that not more than \$ 10,000, or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

E. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due from/to other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

F. Inventories

Inventories are valued at cost using the cost-averaging method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$ 10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Infrastructure	30 - 75
Vehicles	5
Office equipment	5
Computer equipment	5

H. Accrued Employee Benefits

City employees are granted vacation and sick leave in varying amounts. Upon retirement, termination, or death, certain employees are compensated for unused vacation leave which is at their then current rates of pay. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. The General Fund and applicable Enterprise Funds typically repay these obligations.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The City adopts a legal budget for its general fund, parking and airport special revenue funds and enterprise funds. The City observes the following procedures in establishing the budgetary data reflected in the financial statements:

- At such time as may be requested by the City Manager, or specified by the administrative code, each director of a department submits

an itemized estimate of the expenditures for the next fiscal year for the departments or activities under his control.

- Under the City charter, the City Manager must submit the budget to Council 45 days before the start of the fiscal year.
- A public hearing on the budget is held before its final adoption by the City Council. Notice of the public hearing, together with a summary of the budget as submitted, is published at least one week in advance by the City Clerk.
- By City charter, the budget must be legally adopted not later than the twenty-seventh day of July. In connection with converting to a June 30 fiscal year end, an adopted ordinance requires budget adoption by July 1 of the new fiscal year. Should the City Council take no final action by the date specified in the charter, the budget, as submitted, is deemed to have been finally adopted by the City Council.
- No appropriation is made for any purpose not included in the annual budget as adopted unless voted by a two-thirds majority of the City Council after a public hearing held to discuss the appropriation. The City Council shall by resolution designate the source of any money so appropriated.
- At the beginning of each quarterly period during the fiscal year, and more often if required by the City Council, the City Manager submits data to the City Council showing a comparison of the estimated and actual revenues and expenditures to date. If it appears that the revenues are less than anticipated, the City Council or City Manager may reduce the appropriation for any item or items, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the City's revenues. The City Manager may provide for monthly or quarterly allotments of appropriations to departments, funds, or agencies under such rules as he may prescribe.
- After the budget has been adopted no expenditure may be incurred, except pursuant to a budget appropriation unless there is a specific additional appropriation thereof. The head of any department, with the approval of the City Manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within his/her department to another fund or agency within his/her department. The City Manager must report these transfers to the City Council. The City Manager, with the approval of the Council, may transfer any unencumbered appropriation balance or any portion thereof from one department to another. The legal level of control is at the department level.

- Budget appropriations lapse at the end of the fiscal year except for any appropriations either supported by formal purchase contracts or approved by the City Council or City Manager to be carried forward.

B. Budgetary Basis

The General Fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general, special revenue, and proprietary funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and parking and airport special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	Revenues and Other <u>Financing Sources</u>	Expenditures and Other <u>Financing Uses</u>
General Fund Revenues/Expenditures (GAAP basis)	\$ 42,210,062	\$ 40,864,928
Other financing sources/uses (GAAP basis)	<u>2,135,192</u>	<u>4,875,416</u>
Subtotal (GAAP Basis)	44,345,254	45,740,344
Adjust tax revenue to accrual basis	159,334	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(408,434)
Add end of year appropriation carryforwards to expenditures	-	909,975
To reverse nonbudgeted activity	-	(58,567)
Recognize use of fund balance as funding source	<u>2,475,000</u>	<u>-</u>
Budgetary basis	<u>\$ 46,979,588</u>	<u>\$ 46,183,318</u>

In addition, adjustments were made to the enterprise funds to conform to the budgetary basis, primarily for the omission of depreciation expense which is not budgeted, the inclusion of principal debt service and capital expenses which are budgeted expenses.

D. Excess of Expenditures Over Appropriations

The City reflected expenditures in excess of appropriation in the following departments and transfers out:

<u>General Fund:</u>	
Recreation and parks	\$ (25,931)
Employee benefits	(51,282)
Transfers out	(24,936)
 <u>Enterprise Funds:</u>	
Arena fund	\$ (20,128)

E. Deficit Fund Equity

The following fund had a deficit as of June 30, 2007:

Library Fund (nonmajor – special revenue fund)	\$ (17,057)
---	-------------

The deficits in these fund will be eliminated through future federal grant reimbursements, bond proceeds, and transfers from other funds.

3. Cash and Investments

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

City Funds

Custodial Credit Risk - Deposits. RSA 48:16 limits “deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus, exception that a city with a population in excess of 50,000 is authorized to deposit funds in a solvent bank in excess of the paid-up capital surplus of said bank.” The City’s deposit policy for custodial credit risk is to fully collateralize all deposits.

As of June 30, 2007, the City's bank balance of \$ 62,621,830 was fully insured and collateralized.

The Investment Policy of the City's Trustees of the Trust Funds does not permit deposits and investments in the following, without prior written approval:

- unregistered or restricted stock
- commodities, including gold, precious gems or currency futures
- private placement debt
- conditional sales contracts
- uncovered options
- short sales or margin purchases
- transferable certificates of participation in business trusts and limited partnerships
- securities of the investment managers or their respective parents, subsidiaries or affiliates
- tobacco stock

Investments at June 30, 2007 included the following:

State investment pool	\$	780,986
U.S. treasury obligations		611,619
U.S. government agencies		650,586
Corp. and foreign bonds		607,713
Common equities		4,859,318
Preferred securities		201,282
Int'l equity mutual funds		463,170
Domestic equity mutual funds		525,069
Global equity mutual funds		89,947
Closed-end equity mutual funds		102,368
Taxable fixed income funds		<u>793,616</u>
Total	\$	<u><u>9,685,674</u></u>

B. Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. Information regarding the quality and maturity dates of fixed income securities is as follows:

	<u>Total</u>	<u>Years to Maturity</u>			<u>Average Rating</u>
		<u><1</u>	<u>1-5</u>	<u>6-10</u>	
U.S. Treasury Obligations	\$ 611,619	\$ -	\$ 100,438	\$ 511,181	AAA
U.S. Government Agencies	650,586	99,531	314,195	236,860	AAA
Corp. and Foreign Bonds	<u>607,713</u>	<u>250,883</u>	<u>202,207</u>	<u>154,623</u>	AA3
Total	\$ <u>1,869,918</u>	\$ <u>350,414</u>	\$ <u>616,840</u>	\$ <u>902,664</u>	

C. Concentration Of Credit Risk

City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to U.S. Government Obligations and by splitting its short-term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is to not allow more than 5% of the portfolio to be invested in the securities of one issuer, with the exception of the U.S. Government or its agencies. As of and for the fiscal year ended June 30, 2007, the City was in compliance with this limitation policy.

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Please see table above under Part B.

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations thus avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities, including the local government investment pool.

Trust Funds

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way

to control risk. The Trustee is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Trustee shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

Information about the sensitivity of the fair values of the Trust's investments to market interest rate fluctuations is not provided, since all investments are held in mutual funds.

E. Foreign Currency Risk

The City's and Trustee's investment policies do not specifically address foreign currency issues, however, the City and Trustee believe that they have minimal exposure to foreign currency risk.

4. Property Taxes Receivable

The City bills property taxes on a quarterly basis and they are due in July, October, January and March. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable, within the current fiscal year and collected within the current period or within 60 days of year end.

Property taxes collected before the due date, and in advance of the year for which they are levied, are recorded as a prepaid tax liability as they are intended to finance the subsequent year's budget.

At the time of the tax lien, which the City usually places within 60 to 90 days after the due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes (redemptions) are not paid within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public sale held in November of each year. Property taxes collected before the due date, and in advance of the year for which they are levied, are recorded as a prepaid tax liability as they are intended to finance the subsequent year's operations.

The City annually raises through tax levy an amount (overlay for abatements) for property tax abatements and interest refunds. All abatements and interest refunds are charged to overlay.

Taxes receivable at June 30, 2007 are comprised of (in thousands):

Property taxes:		
Levy of 2007	\$	25,022
Levy of 2006		1,151
Levy of 2005		372
Levy of 2004		23
Levy of 2003		15
Unredeemed taxes:		
Levy of 2002		7
Prior years		17
Subtotal		<u>26,607</u>
Other taxes:		
Timber yield taxes		4
Land use change taxes		207
Excavation taxes		2
Elderly tax liens		63
Subtotal		<u>276</u>
Gross Tax Receivable		<u>26,883</u>
Allowance for Abatements (overlay)		<u>(1,379)</u>
Net Total Taxes Receivable	\$	<u><u>25,504</u></u>

5. Allowance for Doubtful Accounts

The receivables reported in the accompanying entity-wide financial statements reflect the following additional allowances for doubtful accounts (in thousands):

Property taxes	\$ <u>136</u>
Total	\$ <u><u>136</u></u>

6. Loans Receivable

Loans receivable of \$ 796,887 in non-major governmental funds represent the uncollected balance of community development loans.

7. Intergovernmental Receivable

Intergovernmental receivables in the sewer fund represents annual reimbursements from the New Hampshire Department of Environmental Services. The amount due from the State in future years is as follows:

Fiscal Year Ended	Reimbursement For			
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$	136,962	\$ 63,878	\$ 200,840
2009		141,544	58,399	199,943
2010		145,237	52,731	197,968
2011		150,011	46,870	196,881
2012		155,877	40,724	196,601
2013-2023		875,043	120,969	996,012
Total	\$	<u>1,604,674</u>	\$ <u>383,571</u>	\$ <u>1,988,245</u>

8. Interfund Fund Receivables/Payables and Transfers

The City maintains self-balancing funds; however, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount payable to the General Fund from Special Revenue Funds relates to expenditures incurred against General Fund cash to be reimbursed in the subsequent year. The following is an analysis of the June 30, 2007 balances in interfund receivable and payable accounts.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,019,249	\$ -
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Miscellaneous	551	-
Forest and Conservation	191,322	-
Special Revenue Funds (Previously Reported as Trust Funds):		
Insured Retention	-	28,356
Nelson	-	22,219
Library	-	51,798
Highway	-	1,265,750
Revaluation	-	28,770
53rd Week	-	500,000
SVMS Project	-	10,795
Permanent Funds:		
Cemetery (Nonexpendable)	-	159,577
Library (Nonexpendable)	-	7,708
Dedicated Income (Nonexpendable)	-	141,000
Fiduciary Fund:		
Agency Fund	<u>4,851</u>	<u>-</u>
Total	\$ <u>2,215,973</u>	\$ <u>2,215,973</u>

The following is an analysis of interfund transfers made in fiscal year 2007:

<u>Governmental Fund:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 2,135,192	\$ 4,875,416
Capital Commons Garage Fund	-	200,000
Nonmajor Funds:		
Special Revenue Funds:		
Parking	-	115,700
Airport	-	44,915
Impact Fee	-	872,125
Miscellaneous	387,915	-
Insured Retention	-	54,126
Durgin	10,500	-
Nelson	-	22,219
Forest and Conservation	3,176	-
Library	-	51,799
Highway	2,464,000	2,579,750
Economic Development	204,301	159,300
Revaluation	-	28,770
53rd Week	100,000	500,000
Mountain Green	-	7,708
SVMS Project	-	10,795
Capital Project Funds:		
Other Capital Project Funds Pre 2003	26,276	-
Other Capital Project Funds Post 2002	4,446,393	329,560
Permanent Funds:		
Cemetery (Nonexpendable)	-	159,577
Library (Nonexpendable)	-	141,000
<u>Debt Service Funds:</u>		
NEOC	-	72,762
<u>Business-Type Funds:</u>		
Major Funds:		
Water	-	520,175
Sewer	7,708	679,875
Nonmajor Funds:		
Solid Waste	1,716,525	-
Golf	-	60,900
Arena	21,760	37,274
Total	<u>\$ 11,523,746</u>	<u>\$ 11,523,746</u>

Interfund transfers are used to move unrestricted General Fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

9. Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 4,247	\$ -	\$ -	\$ 4,247
Buildings and improvement	18,676	1,854	-	20,530
Machinery, equipment, and furnishing	5,349	92	(107)	5,334
Infrastructure	32,539	2,947	-	35,486
Licensed vehicles	<u>10,241</u>	<u>574</u>	<u>(359)</u>	<u>10,456</u>
Total capital assets, being depreciated	71,052	5,467	(466)	76,053
Less accumulated depreciation for:				
Land improvements	(3,408)	(77)	-	(3,485)
Buildings and improvements	(6,723)	(488)	-	(7,211)
Machinery, equipment, and furnishings	(2,630)	(585)	107	(3,108)
Infrastructure	(8,516)	(636)	-	(9,152)
Licensed vehicles	<u>(7,207)</u>	<u>(1,065)</u>	<u>335</u>	<u>(7,937)</u>
Total accumulated depreciation	<u>(28,484)</u>	<u>(2,851)</u>	<u>442</u>	<u>(30,893)</u>
Total capital assets, being depreciated, net	42,568	2,616	(24)	45,160
Capital assets, not being depreciated:				
Land	9,846	-	-	9,846
Construction-in-progress	<u>19,415</u>	<u>21,639</u>	<u>(3,254)</u>	<u>37,800</u>
Total capital assets, not being depreciated	<u>29,261</u>	<u>21,639</u>	<u>(3,254)</u>	<u>47,646</u>
Governmental activities capital assets, net	<u>\$ 71,829</u>	<u>\$ 24,255</u>	<u>\$ (3,278)</u>	<u>\$ 92,806</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 100	\$ -	\$ -	\$ 100
Buildings and improvements	55,141	262	-	55,403
Machinery, equipment, and furnishings	4,659	199	-	4,858
Infrastructure	127,788	1,206	-	128,994
Licensed vehicles	815	-	(51)	764
Total capital assets, being depreciated	<u>188,503</u>	<u>1,667</u>	<u>(51)</u>	<u>190,119</u>
Less accumulated depreciation for:				
Land Improvements	-	(5)	-	(5)
Buildings and improvements	(16,607)	(1,149)	-	(17,756)
Machinery, equipment, and furnishings	(2,569)	(472)	-	(3,041)
Infrastructure	(44,753)	(1,946)	-	(46,699)
Licensed vehicles	(706)	(45)	51	(700)
Total accumulated depreciation	<u>(64,635)</u>	<u>(3,617)</u>	<u>51</u>	<u>(68,201)</u>
Total capital assets, being depreciated, net	123,868	(1,950)	-	121,918
Capital assets, not being depreciated:				
Land	1,064	-	-	1,064
Construction-in-progress	7,099	2,400	(1,567)	7,932
Total capital assets, not being depreciated	<u>8,163</u>	<u>2,400</u>	<u>(1,567)</u>	<u>8,996</u>
Business-type activities capital assets, net	<u>\$ 132,031</u>	<u>\$ 450</u>	<u>\$ (1,567)</u>	<u>\$ 130,914</u>

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:	
Public safety	\$ 815
General services	1,748
Planning and development	195
Leisure and information services	<u>93</u>
Total depreciation expense - governmental activities	<u>\$ 2,851</u>
Business-Type Activities:	
Water	\$ 1,754
Sewer	1,724
Other	<u>139</u>
Total depreciation expense - business-type activities	<u>\$ 3,617</u>

10. Accounts Payable

Accounts payable represent additional 2007 expenditures paid after July 1, 2007.

11. Deferred Revenue/Unearned Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the total of all June 30, 2007 receivable balances, except property taxes that are accrued for subsequent 60 day collections.

Property taxes levied are recorded as receivables in the fiscal year billed. As of June 30, 2007, the City had billed the first two quarterly installments of the tax year 2007 (fiscal year 2008) real estate bills. The amount of this billing that is outstanding is included in the receivables on the statement of net assets and is shown as unearned revenue on both the Government-Wide Statement of Net Assets and the Governmental Funds Balance Sheet.

12. Long-Term Debt

A. Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly general fund, and also water, sewer, solid waste, golf, arena, and other special revenue funds.

B. General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net assets invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

<u>Governmental Funds:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate (s)%</u>	<u>Amount Outstanding as of June 30, 2007</u>
Bonds Payable:				
Public improvements	\$ 3,330,000	04/15/14	5.45 - 7.75	\$ 1,470,000
Public improvements	4,770,000	04/15/15	4.60 - 6.50	2,330,000
Public improvements	2,463,504	10/15/15	4.00 - 4.70	1,869,417
Public improvements	8,322,590	10/15/16	4.00 - 4.70	3,292,000
Public improvements	1,035,000	04/01/10	4.00 - 5.00	240,000
Public improvements	3,642,514	12/15/10	3.00	1,365,512
Public improvements	4,829,750	11/15/24	3.23	3,887,000
Public improvements	6,027,815	07/15/24	3.00 - 5.00	5,356,210
Public improvements	10,161,000	07/15/25	3.75 - 5.00	10,060,000
Public improvements	5,920,000	03/15/26	3.50 - 5.00	5,255,000
Public improvements	10,632,960	01/15/27	4.00 - 5.50	<u>10,632,960</u>
Total Governmental Funds				\$ <u>45,758,099</u>

<u>Enterprise Funds:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate (s)%</u>	<u>Amount Outstanding as of June 30, 2007</u>
Water Fund:				
Bonds Payable:				
Water	2,260,000	07/15/13	3.30 - 6.25	\$ 300,000
Water	3,660,000	04/15/14	3.65 - 4.50	2,105,000
Water	1,980,000	04/01/10	4.60 - 6.50	655,000
Water meters	2,297,279	10/15/16	4.00 - 4.70	1,023,000
Water	452,280	10/15/10	4.00 - 4.70	267,767
Water	1,730,000	04/01/17	4.00 - 4.70	1,130,000
Water	125,604	12/15/10	3.00	47,086
Water	3,236,175	01/15/24	3.23	2,485,000
Water	2,023,545	07/15/24	3.00 - 5.00	1,908,445
Water	1,760,000	03/15/26	3.50 - 5.00	1,690,000
Water	149,300	01/15/27	4.00 - 5.50	<u>149,300</u>
Total Water Fund				11,760,598

Sewer Fund:				
Bonds Payable:				
Sanitary sewer	3,272,000	04/15/14	3.65 - 4.50	1,810,000
Sanitary sewer	2,150,000	04/01/17	4.60 - 6.50	940,000
Sanitary sewer	910,176	10/15/15	4.00 - 4.70	354,000
Sanitary sewer	312,175	10/15/14	4.00 - 4.70	187,208
Sanitary sewer	169,000	04/01/13	4.00 - 5.00	90,000
Sanitary sewer	482,259	12/15/10	3.00	187,402
Sanitary sewer	1,059,150	01/15/24	3.23	795,000

(continued)

(continued)				Amount Outstanding as of
	Original	Serial	Interest	June 30, 2007
<u>Enterprise Funds:</u>	<u>Amount</u>	<u>Maturities Through</u>	<u>Rate (s)%</u>	
Sanitary sewer	1,465,790	07/15/24	3.00 - 5.00	1,339,190
Sanitary sewer	2,121,000	03/15/26	3.50 - 5.00	1,985,000
Sanitary sewer	2,210,990	01/15/27	4.00 - 5.50	<u>2,210,990</u>
Total Bonds Payable				9,898,790
Other Long-Term Debt:				
Sewer State Revolving Loan	4,465,788	07/01/19	2.45	3,744,929
Sewer State Revolving Loan	2,428,284	01/01/20	2.27	<u>2,168,104</u>
Total Other Debt Outstanding				<u>5,913,033</u>
Total Sewer Fund				15,811,823
Nonmajor Funds:				
Bonds Payable:				
Clubhouse improvements	365,000	04/01/17	4.00 - 5.00	240,000
Golf course renovation	100,000	11/15/24	3.23	70,000
Arena expansion	430,000	10/15/15	4.00 - 4.70	256,000
Arena	39,925	01/15/24	3.23	28,000
Arena	29,700	07/15/24	3.00 - 5.00	19,700
Arena	149,000	03/15/26	3.50 - 5.00	135,000
Arena	48,750	01/15/27	4.00 - 5.50	<u>48,750</u>
Total Other Enterprise Funds				<u>797,450</u>
Total Enterprise Fund Long-Term Debt				<u>\$ 28,369,871</u>

C. Future Debt Service

The annual principal payments to retire all general obligation long-term debt outstanding as of June 30, 2007 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 4,823,966	\$ 1,864,027	\$ 6,687,993
2009	4,324,738	1,676,696	6,001,434
2010	4,277,353	1,513,276	5,790,629
2011	3,777,207	1,349,677	5,126,884
2012	3,594,524	1,196,058	4,790,582
2013-2017	13,580,011	3,828,472	17,408,483
2018-2022	7,006,900	1,688,560	8,695,460
2023 - 2027	<u>4,373,400</u>	<u>332,067</u>	<u>4,705,467</u>
Total	<u>\$ 45,758,099</u>	<u>\$ 13,448,833</u>	<u>\$ 59,206,932</u>

<u>Enterprise</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 2,992,379	\$ 1,096,681	\$ 4,089,060
2009	2,950,795	987,106	3,937,901
2010	2,955,699	877,159	3,832,858
2011	2,642,522	765,038	3,407,560
2012	2,618,864	663,359	3,282,223
2013-2017	9,916,467	1,839,052	11,755,519
2018-2022	3,261,545	486,737	3,748,282
2023 - 2027	<u>1,031,600</u>	<u>116,802</u>	<u>1,148,402</u>
Total	\$ <u>28,369,871</u>	\$ <u>6,831,934</u>	\$ <u>35,201,805</u>

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2007 are as follows:

<u>Purpose</u>	<u>Amount</u>
Open space	\$ 3,800,000
Carter Hill	100,000
PENA plant modification	117,672
Water main	<u>1,150,000</u>
Total	\$ <u>5,167,672</u>

E. Prior Year's Debt Defeasance

Prior Year

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. The proceeds from the new issuance of the general obligation bonds were used to purchase U.S. government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds mature in October 2014. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's balance sheet. As of June 30, 2007, the amount of defeased debt still outstanding is \$ 12,600,800.

F. Changes in General Long-Term Liabilities

During the year ended June 30, 2007, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/06</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/07</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/07</u>
<u>Governmental Activities</u>						
Bonds and loans payable	\$ 39,200	\$ 10,633	\$ (4,075)	\$ 45,758	\$ (4,824)	\$ 40,934
Other:						
Accrued employee benefits	1,755	1,052	(1,194)	1,613	(1,371)	242
Landfill closure	570	-	(30)	540	(30)	510
Subtotal	<u>2,325</u>	<u>1,052</u>	<u>(1,224)</u>	<u>2,153</u>	<u>(1,401)</u>	<u>752</u>
Totals	\$ <u>41,525</u>	\$ <u>11,685</u>	\$ <u>(5,299)</u>	\$ <u>47,911</u>	\$ <u>(6,225)</u>	\$ <u>41,686</u>

	Total Balance <u>7/1/06</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/07</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/07</u>
<u>Business-Type Activities</u>						
Bonds and loans payable	\$ 28,860	\$ 2,409	\$ (2,899)	\$ 28,370	\$ (2,992)	\$ 25,378
Other:						
Accrued employee benefits	147	111	(118)	140	(140)	-
Totals	\$ <u>29,007</u>	\$ <u>2,520</u>	\$ <u>(3,017)</u>	\$ <u>28,510</u>	\$ <u>(3,132)</u>	\$ <u>25,378</u>

13. Landfill and Postclosure Care Costs

The City is required by state and federal laws and regulations to construct a final capping system on the Concord Sanitary Landfill and perform certain maintenance and monitoring functions at the site for 30 years.

The landfill stopped accepting waste in May 1994, and the final capping system was completed in July 1995. The City has reflected \$ 540,000 as the estimate of the remaining postclosure care liability at June 30, 2007 in the Governmental Activities Statement of Net Assets. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

14. Restricted Net Assets

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

15. Reserves and Designations of Fund Equity

The City has established "reserves" of fund equity to segregate fund balances which are either not available for expenditure in the future or are legally set aside for a specific future use. Fund "designations," which are not legally required segregations, have also been established to indicate tentative plans for future financial utilization.

The City reported the following types of reserves and designations at June 30, 2007:

Reserved for Encumbrances - an account used to segregate that portion of fund balance committed for expenditure of financial resources upon vendor performance.

Reserved for Inventory - an account used to segregate that portion of fund balance committed for inventory purposes.

Reserved for Perpetual Funds - represents the principal of the nonexpendable trust fund investments. The balance cannot be spent for any purpose; however, it may be invested and the earnings may be spent.

Reserved for Tax Stabilization - represents surplus the City Council has approved to provide tax rate stabilization.

Reserved for Miscellaneous – an account used to segregate that portion of fund balances committed for copies and other miscellaneous purposes.

16. Commitments and Contingencies

Outstanding Lawsuits - There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

17. Post-Employment Health Care

The City provides certain health care benefits for retired employees and will provide benefits to current employees hired prior to January 1, 1991 upon retirement. Payments are made in accordance with City policy established in January 1987 and annual appropriations. In order to participate in the City

Group Health Insurance Program (the Retiree Group), the employee must be enrolled in the City group plan upon the date of retirement from the City, must be at least age 62 (age 60 with 35 or more years of service), and must be vested in the New Hampshire Retirement System. Any retirees who leave the Retiree Group may not reenter.

Persons who retire from the City with at least ten (10) years of creditable services in the New Hampshire Retirement System but prior to the minimum age 62 must maintain an unbroken participation (at retiree's expense) in the Retiree Group from the effective date of their retirement until qualifying for the City-paid premium benefit in order to become eligible for such City-paid premium benefit at a later date.

Persons who have participated in both the City's group health insurance and the New Hampshire State Retirement System for at least 24 consecutive months immediately prior to retirement, but who are not vested in the New Hampshire Retirement System, may also join the Retiree Group at their own expense.

As of June 30, 2007, there were 353 retirees, including eligible spouses, receiving health care benefits. The City recognizes the cost of providing these benefits as paid. These costs totaled \$ 794,206 fiscal year ended June 30, 2007.

18. Retirement System

The City follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, with respect to employees' funds.

A. Plan Description

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State Retirement Board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A41-a of New Hampshire law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the New Hampshire Retirement System, 4 Chenell Drive, Concord, New Hampshire 03301-8509.

B. Funding Policy

Plan members are required to contribute between 5% and 9.30% of annual covered compensation to the pension plan. The City makes annual contributions to the pension plan equal to the amount required

by Revised Statutes Annotated 100-A: 16, which range from 2.18% to 5.70% of covered compensation. The City's contributions to the system for the years ended June 30, 2007, 2006, and 2005, were \$ 2,239,609 \$ 2,247,802, and \$ 1,821,378, respectively, which were equal to its annual required contributions for each of these years.

19. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The government participates in a risk pool for workers' compensation for which it does not retain any risk of loss. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

20. Tax Increment District

The following represents the North End Opportunity Corridor Tax Increment Financing District's life-to-date financial report. This District is reported as a debt service fund of the City.

Revenues:		
Tax increment district	\$ 4,307,665	
Investment interest	<u>92,169</u>	\$ 4,399,834
Expenditures:		
Principal	2,265,000	
Interest on debt	1,340,892	
Outside services	<u>176,051</u>	<u>3,781,943</u>
Excess (deficiency) of revenue		<u>617,891</u>
Fund Balance Reserved for Debt Service		\$ <u><u>617,891</u></u>
Long-Term Debt Payable:		
Principal	\$ (2,915,000)	
Interest	<u>(645,778)</u>	\$ (3,560,778)
Available fund balance		<u>617,891</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>(2,942,887)</u></u>
Assessment Information:		
Base Value		\$ <u><u>4,380,800</u></u>
Captured Value*		\$ <u><u>45,450,300</u></u>

* = As of April 1, 2007

The following represents the Sears Block Tax Increment Financing District's life-to-date financial report. This district is reported as a debt service fund of the City.

Revenues:			
Tax increment district	\$	13,627	
Interest on proceeds from sale of bonds		24,872	
Investment interest		<u>945</u>	\$ 39,444
Expenditures:			
Principal		-	
Interest on debt		-	
Outside services		<u>-</u>	<u>-</u>
Excess (deficiency) of revenue			<u>39,444</u>
Fund Balance Reserved for Debt Service			\$ <u>39,444</u>
Long-Term Debt Payable:			
Principal	\$	(10,060,000)	
Interest		<u>(4,544,367)</u>	\$ (14,604,367)
Available fund balance			<u>39,444</u>
Deficit to be Raised by Tax Increment District			\$ <u>(14,564,923)</u>
Assessment Information:			
Base Value			\$ <u>735,500</u>
Captured Value*			\$ <u>7,801,100</u>

* = As of April 1, 2007

21. Beginning Net Assets Reclassification

The City's major enterprise funds for fiscal year 2007, as defined by GASB Statement 34, have changed from the previous fiscal year. Accordingly, the following reconciliation is provided:

	Fund Equity June 30, 2006 (as previously reported)		Reclassification	Fund Equity June 30, 2006 (as restated)
Water Fund	\$	57,435,773	\$ -	\$ 57,435,773
Sewer Fund		54,317,768	-	54,317,768
Solid Waste Fund		953,725	(953,725)	-
Nonmajor funds		<u>1,356,089</u>	<u>953,725</u>	<u>2,309,814</u>
Total	\$	<u>114,063,355</u>	\$ -	\$ <u>114,063,355</u>

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Combining Financial Statements

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These funds account for certain revenue sources which are restricted by law or other formal action to expenditures for specific purposes.

Special Revenue Funds are established for the following purposes:

- Community Development Fund - to account for the use of Community Development Block Grant Funds as received from the federal government through the New Hampshire Office of State Planning.
- Housing Revolving Loan Fund - to account for revenues and expenditures incurred with loans issued to various homeowners.
- Housing Revolving Loan Fund/Post 1992 - to account for revenues and expenditures incurred with loans issued to various homeowners after 1992.
- Community Development Engineering Inspection Fund – to account for funds related to providing inspection services funded by developers and contractors for their projects.
- Community Development Conservation Property Management Fund – to account for funds related to operating and managing conservation property purchased by conservation funds including land use change taxes, conservation bonds, and other sources designated for a similar purpose.
- Parking Fund - to account for revenues and expenditures incurred with the collection of City parking meter fees.
- Airport Fund - to account for revenues and expenditures incurred with the operation of the Concord Airport.
- Impact Fee Fund - to account for revenues and expenditures incurred with fees charged on the construction of new buildings.
- Miscellaneous Special Revenue Fund - to account for the various other funds of the City legally restricted for specific purposes.
- Insured Retention - to account for sums of money which are appropriated for City insurance purposes.
- Durgin Garage - to account for monies received by the City to fund capital improvements on the Durgin Garage.
- Landfill - to account for monies received by the City to fund anticipated expenditures upon closure of the landfill.

- Nelson - to account for monies left to the Concord Public Library for capital improvement or land acquisition.
- Forest and Conservation - to account for revenues collected from the Land Use Charge Tax (used to preserve and protect open space, forests and conservation land in the City) and the option to purchase real property or interests therein.
- Cemetery - to account for expendable gifts to the City designated for the maintenance of cemeteries.
- Library - to account for expendable gifts to the City designated for the libraries.
- Highway - to account for funds transferred from the General Fund for future pavement restoration and repair.
- Economic Development - to account for funds transferred from the General Fund for an office park, industrial park or civic center.
- Revaluation - to account for funds transferred from the General Fund for the next property revaluation.
- 53rd Week - to account for funds transferred to reserve for an upcoming 53rd payroll week fiscal year.
- Equipment - to account for funds transferred from the General Fund for equipment upgrades.
- Mountain Green - to account for funds transferred from the General Fund for system repairs and renovations.
- Fire Apparatus Replacement - to account for funds transferred from the General Fund for fire apparatus replacement.
- Downtown Economic Development - to account for funds transferred from the General Fund for downtown economic development.
- SVMS Project – to account for funds for the purpose of managing the soil vapor management system located at the Old Suncook Road Landfill.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment other than those employed in the delivery of services accounted for in the Enterprise Funds.

The current funds were established for the following purposes:

- Other Capital Project Funds - Pre-2003 - to account for various other smaller construction projects and MIS upgrade funded by various sources prior to 6/30/02.
- Other Capital Project Funds - Post 2002 - to account for various other smaller construction projects funded by various sources after 6/30/02.
- Open Space Protection Fund - to account for annually planned acquisitions of open space and conservation easements in accordance with the priorities of the Master Plan and Vision 2020.

PERMANENT FUNDS

Permanent Funds are established to account for certain assets held by the City in a fiduciary capacity as trustee. The following is a description of the City's Permanent Funds:

- Cemetery - to account for nonexpendable gifts to the City. Income is available for maintenance of various cemeteries.
- Library - to account for nonexpendable gifts received by the library with income restricted for maintenance of the library grounds.
- Dedicated Income - to account for nonexpendable gifts received by the City to be used for the purchase of a new lot suitable for the library, the erection of the library building, and any other general library purposes thereof.
- Other - to account for all other nonexpendable gifts received by the City. Income is available for those activities designated by the appropriate trust instrument.

DEBT SERVICE FUND

Debt Service Funds are established to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

The following is a description of the City's Debt Service Fund:

- North End Opportunity Corridor (NEOC) Tax Increment Financing District (NEOCTIFD) - established in March 1998 to account for related revenues and debt service expenditures by this TIFD.
- Sears Block Tax Increment Financing District (SBTIFD) – to account for funds collected in accordance with the tax increment financing plan dedicated for repayment of bonds issued for construction of the Capital Commons Garage.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2007

	Special Revenue Funds			
	Community Development Fund	Housing Revolving Loan Fund	Housing Revolving Loan Fund/Post 1992	Community Development Engineering Inspection Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,653	\$ 461,397	\$ 42,131	\$ 427,660
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Loans receivable	-	636,234	160,653	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
	\$ 6,653	\$ 1,097,631	\$ 202,784	\$ 427,660
	\$ 6,653	\$ 1,097,631	\$ 202,784	\$ 427,660
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 2,694	\$ 20,848	\$ 2,649	\$ 7,467
Retainage payable	3,024	-	-	-
Other liabilities	-	-	-	358,148
Deferred revenue	-	636,234	160,653	-
Due to other funds	-	-	-	-
	5,718	657,082	163,302	365,615
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	935	440,549	39,482	62,045
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
	935	440,549	39,482	62,045
Total Fund Balances	935	440,549	39,482	62,045
Total Liabilities and Fund Balances	\$ 6,653	\$ 1,097,631	\$ 202,784	\$ 427,660

Special Revenue Funds

Community Development Conservation Property Management Fund	Parking Fund	Airport Fund	Impact Fee Fund	Miscellaneous Special Revenue Fund
\$ 8,178	\$ 923,678	\$ 327,697	\$ 1,686,251	\$ 243,336
-	-	-	-	-
-	35,167	13,801	-	21,110
-	-	-	-	-
-	-	-	-	551
-	-	4,950	-	-
<u>8,178</u>	<u>958,845</u>	<u>346,448</u>	<u>1,686,251</u>	<u>264,997</u>
\$ 2,000	\$ 7,297	\$ 4,049	\$ -	\$ 105,603
-	-	-	-	38,577
-	-	-	165,529	23,929
-	-	-	-	-
-	-	-	-	-
2,000	7,297	4,049	165,529	168,109
-	13,987	-	-	-
-	-	-	-	-
6,178	937,561	342,399	1,520,722	96,888
-	-	-	-	-
-	-	-	-	-
<u>6,178</u>	<u>951,548</u>	<u>342,399</u>	<u>1,520,722</u>	<u>96,888</u>
<u>8,178</u>	<u>958,845</u>	<u>346,448</u>	<u>1,686,251</u>	<u>264,997</u>

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	<u>Special Revenue Funds</u>			
	<u>Insured Retention Fund</u>	<u>Durgin Garage Fund</u>	<u>Landfill Fund</u>	<u>Nelson Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,122,229	\$ 365,479	\$ 9,272	\$ 40,690
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,122,229</u>	<u>\$ 365,479</u>	<u>\$ 9,272</u>	<u>\$ 40,690</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	28,356	-	-	22,219
	<u>28,356</u>	<u>-</u>	<u>-</u>	<u>22,219</u>
Total Liabilities	28,356	-	-	22,219
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	1,093,873	365,479	9,272	18,471
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
	<u>1,093,873</u>	<u>365,479</u>	<u>9,272</u>	<u>18,471</u>
Total Fund Balances	<u>1,093,873</u>	<u>365,479</u>	<u>9,272</u>	<u>18,471</u>
Total Liabilities and Fund Balances	<u>\$ 1,122,229</u>	<u>\$ 365,479</u>	<u>\$ 9,272</u>	<u>\$ 40,690</u>

Special Revenue Funds

Forest & Conservation Fund	Cemetery Fund	Library Fund	Highway Fund	Economic Development Fund
\$ 111,717	\$ 5,189	\$ 2,321	\$ 2,200,923	\$ 338,949
1,515,804	72,462	32,420	-	-
-	-	-	-	-
-	-	-	-	-
191,322	-	-	-	-
-	-	-	-	-
<u>\$ 1,818,843</u>	<u>\$ 77,651</u>	<u>\$ 34,741</u>	<u>\$ 2,200,923</u>	<u>\$ 338,949</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	51,798	1,265,750	-
-	-	51,798	1,265,750	-
-	-	-	-	-
-	-	-	-	-
1,818,843	77,651	(17,057)	935,173	338,949
-	-	-	-	-
-	-	-	-	-
<u>1,818,843</u>	<u>77,651</u>	<u>(17,057)</u>	<u>935,173</u>	<u>338,949</u>
<u>\$ 1,818,843</u>	<u>\$ 77,651</u>	<u>\$ 34,741</u>	<u>\$ 2,200,923</u>	<u>\$ 338,949</u>

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	<u>Special Revenue Funds</u>			
	<u>Revaluation Fund</u>	<u>53rd Week Fund</u>	<u>Equipment Fund</u>	<u>Mountain Green Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 31,231	\$ 576,722	\$ 1,761	\$ 332,653
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 31,231</u>	<u>\$ 576,722</u>	<u>\$ 1,761</u>	<u>\$ 332,653</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	<u>28,770</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Total Liabilities	28,770	500,000	-	-
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	2,461	76,722	1,761	332,653
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,461</u>	<u>76,722</u>	<u>1,761</u>	<u>332,653</u>
Total Liabilities and Fund Balances	<u>\$ 31,231</u>	<u>\$ 576,722</u>	<u>\$ 1,761</u>	<u>\$ 332,653</u>

Special Revenue Funds

Fire Apparatus Replacement Fund	Downtown Economic Development Fund	SVMS Project Fund	Subtotal
\$ 46,358	\$ 9,478	\$ 105,380	\$ 9,427,333
-	-	-	1,620,686
-	-	-	70,078
-	-	-	796,887
-	-	-	191,873
-	-	-	4,950
<u>46,358</u>	<u>9,478</u>	<u>105,380</u>	<u>12,111,807</u>
\$ -	\$ -	\$ -	\$ 152,607
-	-	-	41,601
-	-	-	547,606
-	-	-	796,887
<u>-</u>	<u>-</u>	<u>10,795</u>	<u>1,907,688</u>
-	-	10,795	3,446,389
-	-	-	13,987
-	-	-	-
46,358	9,478	94,585	8,651,431
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>46,358</u>	<u>9,478</u>	<u>94,585</u>	<u>8,665,418</u>
<u>\$ 46,358</u>	<u>\$ 9,478</u>	<u>\$ 105,380</u>	<u>\$ 12,111,807</u>

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	<u>Capital Project Funds</u>			
	<u>Other Capital Project Funds Pre 2003</u>	<u>Other Capital Project Funds Post 2002</u>	<u>Open Space Protection Fund</u>	<u>Subtotal</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,259,585	\$ 13,730,823	\$ 354,898	\$ 16,345,306
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>2,259,585</u>	\$ <u>13,730,823</u>	\$ <u>354,898</u>	\$ <u>16,345,306</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 337,460	\$ 1,325,441	\$ -	\$ 1,662,901
Retainage payable	308,614	550,879	-	859,493
Other liabilities	-	41,800	273,071	314,871
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	646,074	1,918,120	273,071	2,837,265
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	-	-	-	-
Capital project funds	1,613,511	11,812,703	81,827	13,508,041
Debt service fund	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,613,511</u>	<u>11,812,703</u>	<u>81,827</u>	<u>13,508,041</u>
Total Liabilities and Fund Balances	\$ <u>2,259,585</u>	\$ <u>13,730,823</u>	\$ <u>354,898</u>	\$ <u>16,345,306</u>

Permanent Funds

Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
\$ 477,402	\$ 57,601	\$ 1,155,835	\$ 5,661	\$ 1,696,499
6,667,007	537,936	-	79,059	7,284,002
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>\$ 7,144,409</u>	<u>\$ 595,537</u>	<u>\$ 1,155,835</u>	<u>\$ 84,720</u>	<u>\$ 8,980,501</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>159,577</u>	<u>7,708</u>	<u>141,000</u>	<u>-</u>	<u>308,285</u>
159,577	7,708	141,000	-	308,285
-	-	-	-	-
6,984,832	587,829	1,014,835	84,720	8,672,216
-	-	-	-	-
-	-	-	-	-
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>6,984,832</u>	<u>587,829</u>	<u>1,014,835</u>	<u>84,720</u>	<u>8,672,216</u>
<u>\$ 7,144,409</u>	<u>\$ 595,537</u>	<u>\$ 1,155,835</u>	<u>\$ 84,720</u>	<u>\$ 8,980,501</u>

(continued)

(continued)

	<u>Debt Service Funds</u>			Total Nonmajor Governmental Funds
	<u>NEOC Fund</u>	<u>SBTIFD Fund</u>	<u>Subtotal</u>	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 617,891	\$ 39,444	\$ 657,335	\$ 28,126,473
Investments	-	-	-	8,904,688
Accounts receivable	-	-	-	70,078
Loans receivable	-	-	-	796,887
Due from other funds	-	-	-	191,873
Other assets	-	-	-	4,950
Total Assets	<u>\$ 617,891</u>	<u>\$ 39,444</u>	<u>\$ 657,335</u>	<u>\$ 38,094,949</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,815,508
Retainage payable	-	-	-	901,094
Other liabilities	-	-	-	862,477
Deferred revenue	-	-	-	796,887
Due to other funds	-	-	-	2,215,973
Total Liabilities	-	-	-	6,591,939
Fund Balances:				
Reserved for encumbrances	-	-	-	13,987
Reserved for perpetual permanent funds	-	-	-	8,672,216
Unreserved:				
Undesignated				
Special revenue funds	-	-	-	8,651,431
Capital project funds	-	-	-	13,508,041
Debt service fund	<u>617,891</u>	<u>39,444</u>	<u>657,335</u>	<u>657,335</u>
Total Fund Balances	<u>617,891</u>	<u>39,444</u>	<u>657,335</u>	<u>31,503,010</u>
Total Liabilities and Fund Balances	<u>\$ 617,891</u>	<u>\$ 39,444</u>	<u>\$ 657,335</u>	<u>\$ 38,094,949</u>

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CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance

Nonmajor Governmental Funds

For Fiscal Year Ended June 30, 2007

	Special Revenue Funds			
	Community Development Fund	Housing Revolving Loan Fund	Housing Revolving Loan Fund/Post 1992	Community Development Engineering Inspection Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	416,723	15,546	239,362
Investment income	-	20,757	3,111	-
Contributions	396,513	-	-	-
Miscellaneous:				
Departmental	-	-	-	130,370
Interest and penalties	-	-	-	-
Total Revenues	396,513	437,480	18,657	369,732
Expenditures:				
Current:				
General government	1,228	-	-	307,687
Public safety	-	-	-	-
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	377,465	217,829	51,545	-
Total Expenditures	378,693	217,829	51,545	307,687
Excess (deficiency) of revenues over expenditures	17,820	219,651	(32,888)	62,045
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balance	17,820	219,651	(32,888)	62,045
Fund Balance, beginning	(16,885)	220,898	72,370	-
Fund Balance, ending	\$ <u>935</u>	\$ <u>440,549</u>	\$ <u>39,482</u>	\$ <u>62,045</u>

Special Revenue Funds

Community Development Conservation Property Management Fund	Parking Fund	Airport Fund	Impact Fee Fund	Miscellaneous Special Revenue Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,787	-	822,832
12,228	569,530	306,057	524,830	304,164
-	54,129	14,745	80,589	-
-	-	-	-	15,000
-	243,922	-	-	-
-	282,554	-	-	-
<u>12,228</u>	<u>1,150,135</u>	<u>323,589</u>	<u>605,419</u>	<u>1,141,996</u>
16,050	752,111	151,428	-	170,660
-	-	-	-	310,657
-	-	-	-	-
-	191,000	102,900	-	-
-	168,145	7,781	-	-
-	-	-	-	1,357,103
<u>16,050</u>	<u>1,111,256</u>	<u>262,109</u>	<u>-</u>	<u>1,838,420</u>
(3,822)	38,879	61,480	605,419	(696,424)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	387,915
-	(115,700)	(44,915)	(872,125)	-
<u>-</u>	<u>(115,700)</u>	<u>(44,915)</u>	<u>(872,125)</u>	<u>387,915</u>
(3,822)	(76,821)	16,565	(266,706)	(308,509)
<u>10,000</u>	<u>1,028,369</u>	<u>325,834</u>	<u>1,787,428</u>	<u>405,397</u>
<u>\$ 6,178</u>	<u>\$ 951,548</u>	<u>\$ 342,399</u>	<u>\$ 1,520,722</u>	<u>\$ 96,888</u>

(continued)

(continued)

	Special Revenue Funds			
	Insured Retention Fund	Durgin Garage Fund	Landfill Fund	Nelson Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	38,701	12,038	1,578	2,035
Contributions	25,770	-	-	-
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	<u>64,471</u>	<u>12,038</u>	<u>1,578</u>	<u>2,035</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Miscellaneous	-	-	-	50
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>
Excess (deficiency) of revenues over expenditures	64,471	12,038	1,578	1,985
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	10,500	-	-
Transfers out	<u>(54,126)</u>	<u>-</u>	<u>-</u>	<u>(22,219)</u>
Total Other Financing Sources (Uses)	<u>(54,126)</u>	<u>10,500</u>	<u>-</u>	<u>(22,219)</u>
Net change in fund balance	10,345	22,538	1,578	(20,234)
Fund Balance, beginning	<u>1,083,528</u>	<u>342,941</u>	<u>7,694</u>	<u>38,705</u>
Fund Balance, ending	<u>\$ 1,093,873</u>	<u>\$ 365,479</u>	<u>\$ 9,272</u>	<u>\$ 18,471</u>

Special Revenue Funds

Forest & Conservation <u>Fund</u>	Cemetery <u>Fund</u>	Library <u>Fund</u>	Highway <u>Fund</u>	Economic Development <u>Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
199,803	5,609	12,410	40,496	18,536
415,619	-	60,799	18,696	5,000
-	-	-	-	-
-	-	-	-	-
<u>615,422</u>	<u>5,609</u>	<u>73,209</u>	<u>59,192</u>	<u>23,536</u>
-	-	-	-	-
-	-	-	-	-
3,682	89	52,064	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,682</u>	<u>89</u>	<u>52,064</u>	<u>-</u>	<u>-</u>
611,740	5,520	21,145	59,192	23,536
-	-	-	-	-
-	-	-	-	-
3,176	-	-	2,464,000	204,301
-	-	(51,799)	(2,579,750)	(159,300)
<u>3,176</u>	<u>-</u>	<u>(51,799)</u>	<u>(115,750)</u>	<u>45,001</u>
614,916	5,520	(30,654)	(56,558)	68,537
<u>1,203,927</u>	<u>72,131</u>	<u>13,597</u>	<u>991,731</u>	<u>270,412</u>
<u>\$ 1,818,843</u>	<u>\$ 77,651</u>	<u>\$ (17,057)</u>	<u>\$ 935,173</u>	<u>\$ 338,949</u>

(continued)

(continued)

	Special Revenue Funds			
	Revaluation Fund	53rd Week Fund	Equipment Fund	Mountain Green Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,069	16,204	280	10,643
Contributions	-	-	-	25,794
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	1,069	16,204	280	36,437
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	1,069	16,204	280	36,437
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	100,000	-	-
Transfers out	(28,770)	(500,000)	-	(7,708)
Total Other Financing Sources (Uses)	(28,770)	(400,000)	-	(7,708)
Net change in fund balance	(27,701)	(383,796)	280	28,729
Fund Balance, beginning	30,162	460,518	1,481	303,924
Fund Balance, ending	\$ 2,461	\$ 76,722	\$ 1,761	\$ 332,653

Special Revenue Funds

Fire Apparatus Replacement Fund	Downtown Economic Development Fund	SVMS Project Fund	Subtotal
\$ -	\$ -	\$ -	\$ -
-	-	-	825,619
-	-	-	2,388,440
1,600	3,089	2,642	540,064
-	-	-	963,191
-	-	-	374,292
-	-	-	282,554
<u>1,600</u>	<u>3,089</u>	<u>2,642</u>	<u>5,374,160</u>
-	-	-	1,399,164
-	-	-	310,657
-	-	-	55,885
-	-	-	293,900
-	-	-	175,926
-	-	-	2,003,942
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,239,474</u>
-	-	-	-
1,600	3,089	2,642	1,134,686
-	-	-	-
-	-	-	-
-	-	-	3,169,892
<u>-</u>	<u>-</u>	<u>(10,795)</u>	<u>(4,447,207)</u>
-	-	(10,795)	(1,277,315)
1,600	3,089	(8,153)	(142,629)
<u>44,758</u>	<u>6,389</u>	<u>102,738</u>	<u>8,808,047</u>
<u>\$ 46,358</u>	<u>\$ 9,478</u>	<u>\$ 94,585</u>	<u>\$ 8,665,418</u>

(continued)

(continued)

	Capital Project Funds			
	Other Capital Project Funds <u>Pre 2003</u>	Other Capital Project Funds <u>Post 2002</u>	Open Space Protection <u>Fund</u>	<u>Subtotal</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Contributions	1,508,351	227,996	-	1,736,347
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	<u>1,508,351</u>	<u>227,996</u>	<u>-</u>	<u>1,736,347</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>2,911,883</u>	<u>9,963,432</u>	<u>7,272</u>	<u>12,882,587</u>
Total Expenditures	<u>2,911,883</u>	<u>9,963,432</u>	<u>7,272</u>	<u>12,882,587</u>
Excess (deficiency) of revenues over expenditures	(1,403,532)	(9,735,436)	(7,272)	(11,146,240)
Other Financing Sources (Uses):				
Issuance of debt	222,100	7,636,660	492,700	8,351,460
Bond premium	2,900	187,340	7,300	197,540
Transfers in	26,276	4,446,393	-	4,472,669
Transfers out	-	(329,560)	-	(329,560)
Total Other Financing Sources (Uses)	<u>251,276</u>	<u>11,940,833</u>	<u>500,000</u>	<u>12,692,109</u>
Net change in fund balance	(1,152,256)	2,205,397	492,728	1,545,869
Fund Balance, beginning	<u>2,765,767</u>	<u>9,607,306</u>	<u>(410,901)</u>	<u>11,962,172</u>
Fund Balance, ending	<u>\$ 1,613,511</u>	<u>\$ 11,812,703</u>	<u>\$ 81,827</u>	<u>\$ 13,508,041</u>

Permanent Funds

Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
951,525	138,516	160,645	9,255	1,259,941
107,733	-	53,434	-	161,167
-	-	-	-	-
-	-	-	-	-
<u>1,059,258</u>	<u>138,516</u>	<u>214,079</u>	<u>9,255</u>	<u>1,421,108</u>
-	-	-	-	-
-	-	-	-	-
111,444	-	-	275	111,719
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>111,444</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>111,719</u>
947,814	138,516	214,079	8,980	1,309,389
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(159,577)</u>	<u>(141,000)</u>	<u>-</u>	<u>-</u>	<u>(300,577)</u>
<u>(159,577)</u>	<u>(141,000)</u>	<u>-</u>	<u>-</u>	<u>(300,577)</u>
788,237	(2,484)	214,079	8,980	1,008,812
<u>6,196,595</u>	<u>590,313</u>	<u>800,756</u>	<u>75,740</u>	<u>7,663,404</u>
<u>\$ 6,984,832</u>	<u>\$ 587,829</u>	<u>\$ 1,014,835</u>	<u>\$ 84,720</u>	<u>\$ 8,672,216</u>

(continued)

(continued)

	Debt Service Funds			Total Nonmajor Governmental Funds
	NEOC Fund	SBTIFD Fund	Subtotal	
Revenues:				
Property taxes	\$ 595,030	\$ 13,627	\$ 608,657	\$ 608,657
Intergovernmental	-	-	-	825,619
Charges for services	-	-	-	2,388,440
Investment income	27,409	299	27,708	1,827,713
Contributions	-	-	-	2,860,705
Miscellaneous:				
Departmental	-	-	-	374,292
Interest and penalties	-	-	-	282,554
Total Revenues	<u>622,439</u>	<u>13,926</u>	<u>636,365</u>	<u>9,167,980</u>
Expenditures:				
Current:				
General government	-	-	-	1,399,164
Public safety	-	-	-	310,657
Miscellaneous	-	-	-	167,604
Debt service:				
Principal	345,000	-	345,000	638,900
Interest	153,135	-	153,135	329,061
Capital outlay	-	-	-	14,886,529
Total Expenditures	<u>498,135</u>	<u>-</u>	<u>498,135</u>	<u>17,731,915</u>
Excess (deficiency) of revenues over expenditures	124,304	13,926	138,230	(8,563,935)
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	8,351,460
Bond premium	-	-	-	197,540
Transfers in	-	-	-	7,642,561 (A)
Transfers out	<u>(72,762)</u>	<u>-</u>	<u>(72,762)</u>	<u>(5,150,106) (A)</u>
Total Other Financing Sources (Uses)	<u>(72,762)</u>	<u>-</u>	<u>(72,762)</u>	<u>11,041,455</u>
Net change in fund balance	51,542	13,926	65,468	2,477,520
Fund Balance, beginning	<u>566,349</u>	<u>25,518</u>	<u>591,867</u>	<u>29,025,490</u>
Fund Balance, ending	<u>\$ 617,891</u>	<u>\$ 39,444</u>	<u>\$ 657,335</u>	<u>\$ 31,503,010</u>

(A) Transfers between nonmajor governmental funds have been netted down on Page :

**Detail and Combining Budget
and Actual Schedules**

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General Fund

The General Fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include among other items: General government, Public Safety, General Services, Planning and Development, Leisure and Information Services and Human Services. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

Special Revenue Fund

The Parking and Airport Special Revenue Funds have annually adopted budgets.

CITY OF CONCORD, NEW HAMPSHIRE

**Detail Schedule of Revenues and Other Financing Sources -
Budget and Actual - General Fund**

For the Fiscal Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	Variance Positive (Negative)
<u>Taxes</u>			
Property taxes - current	\$ 24,974,514	\$ 24,974,514	\$ -
Timber tax yield	15,000	20,398	5,398
Excavation activity tax	100	3,358	3,258
Motor vehicle registrations	5,680,000	5,491,026	(188,974)
Rooms and meals	1,682,460	1,634,089	(48,371)
Payment in lieu of taxes	<u>507,928</u>	<u>570,973</u>	<u>63,045</u>
 Total Taxes	 32,860,002	 32,694,358	 (165,644)
<u>Licenses and Permits</u>			
Engineering	43,738	64,317	20,579
City clerk records	31,510	31,671	161
Health services	112,210	106,672	(5,538)
Police/protection/amusement	2,250	3,120	870
Code enforcement/building permits	1,059,000	808,280	(250,720)
General service permits	<u>5,070</u>	<u>6,179</u>	<u>1,109</u>
 Total Licenses and Permits	 1,253,778	 1,020,239	 (233,539)
<u>Intergovernmental</u>			
State sharing	1,164,161	1,239,277	75,116
Railroad tax	3,400	3,333	(67)
Forest loss reimbursement	1,000	898	(102)
Fire service aid	81,380	81,380	-
State election reimbursement	3,600	4,706	1,106
Highway block grant	<u>741,300</u>	<u>707,237</u>	<u>(34,063)</u>
 Total Intergovernmental	 1,994,841	 2,036,831	 41,990
<u>Charges For Services</u>			
Finance	139,555	135,417	(4,138)
Legal - prosecutor	53,292	51,602	(1,690)
City clerk	50,730	49,073	(1,657)
Public safety	1,647,616	1,920,858	273,242
General services	200,870	207,080	6,210
Planning	169,100	236,512	67,412
Human services	86,000	155,658	69,658

(continued)

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	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Library	14,750	13,910	(840)
Recreation	264,530	296,415	31,885
Tower lease/ fire hqtrrs	21,070	19,263	(1,807)
Cable franchise fee	575,000	579,689	4,689
School district lease	116,800	115,375	(1,425)
Storage rental	7,250	7,047	(203)
Community Center rental	50,370	46,921	(3,449)
Memorial field rental	16,430	17,243	813
Code prosecution	62,126	70,379	8,253
Restitution	8,000	23,928	15,928
Parking fines - non meters	205,000	205,677	677
False alarm penalties	49,000	49,673	673
Overdue book fines	50,500	46,551	(3,949)
Concessions/sponsors	3,000	1,814	(1,186)
Total Charges For Services	3,790,989	4,250,085	459,096
<u>Investment Income</u>			
Earnings on investments	1,360,000	1,342,085	(17,915)
Total Investment Income	1,360,000	1,342,085	(17,915)
<u>Miscellaneous</u>			
Miscellaneous revenue not anticipated	600	24,983	24,383
Donations	354,915	355,502	587
Insurance refunds/dividends	40,000	-	(40,000)
Other share of capital debt	52,763	52,763	-
Sale of city property	20,000	65,015	45,015
MV transportation surcharge	176,000	172,624	(3,376)
Interest, costs, and penalties	349,900	354,911	5,011
Total Miscellaneous	994,178	1,025,798	31,620
<u>Other Financing Sources</u>			
Transfers in	2,197,510	2,135,192	(62,318)
Budgetary use of fund balance	2,475,000	2,475,000	-
Total Other Financing Sources	4,672,510	4,610,192	(62,318)
Total Revenues and Other Financing Sources	\$ <u>46,926,298</u>	\$ <u>46,979,588</u>	\$ <u>53,290</u>

CITY OF CONCORD, NEW HAMPSHIRE

**Detail Schedule of Expenditures and Other Financing Uses
Budget and Actual - General Fund**

For the Fiscal Year Ended June 30, 2007

	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
<u>General Government</u>			
City Manager	\$ 358,275	\$ 247,978	\$ 110,297
Legal services	735,308	732,781	2,527
Personnel	318,230	289,370	28,860
Finance:			
Finance department	594,890	613,706	(18,816)
Purchasing	178,500	174,850	3,650
Treasury division	593,285	574,509	18,776
Audit services	45,250	47,251	(2,001)
Data processing	593,736	495,574	98,162
City Council	32,100	29,579	2,521
City Clerk	270,630	262,719	7,911
Assessor	<u>537,551</u>	<u>533,247</u>	<u>4,304</u>
Total General Government	4,257,755	4,001,564	256,191
<u>Public Safety</u>			
Police	7,883,335	7,880,163	3,172
Fire	<u>9,960,103</u>	<u>9,946,591</u>	<u>13,512</u>
Total Public Safety	17,843,438	17,826,754	16,684
<u>General Services</u>			
Total General Services	<u>7,287,205</u>	<u>7,137,679</u>	<u>149,526</u>
<u>Planning and Development</u>			
Community development	828,310	799,974	28,336
Building & codes	939,280	845,586	93,694
Engineering	868,250	746,032	122,218
Conservation	29,950	7,245	22,705
Forestry	<u>37,090</u>	<u>16,910</u>	<u>20,180</u>
Total Planning and Development	2,702,880	2,415,747	287,133
<u>Leisure and Information Services</u>			
Library	1,710,235	1,667,111	43,124
Recreation and parks	<u>547,395</u>	<u>573,326</u>	<u>(25,931)</u>
Total Leisure and Information Services	2,257,630	2,240,437	17,193
<u>Human Services</u>			
Welfare	720,920	673,952	46,968
Social services	<u>360,000</u>	<u>359,470</u>	<u>530</u>
Total Human Services	1,080,920	1,033,422	47,498

(continued)

(continued)

	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>Employee Benefits</u>			
Employee benefits	<u>976,000</u>	<u>1,027,282</u>	<u>(51,282)</u>
Total Employee Benefits	976,000	1,027,282	(51,282)
<u>Debt Service</u>			
Principal	3,436,400	3,436,351	49
Interest	<u>939,600</u>	<u>916,467</u>	<u>23,133</u>
Total Debt Service	4,376,000	4,352,818	23,182
<u>Miscellaneous</u>	<u>1,293,990</u>	<u>1,272,199</u>	<u>21,791</u>
Total Miscellaneous	1,293,990	1,272,199	21,791
<u>Other Financing Uses</u>			
Transfers out	<u>4,850,480</u>	<u>4,875,416</u>	<u>(24,936)</u>
Total Other Financing Uses	<u>4,850,480</u>	<u>4,875,416</u>	<u>(24,936)</u>
Total Expenditures and Other Financing Uses	<u>\$ 46,926,298</u>	<u>\$ 46,183,318</u>	<u>\$ 742,980</u>

CITY OF CONCORD, NEW HAMPSHIRE

**Schedule of Revenues, Expenditures, and
Other Financing Sources and Uses - Budget and Actual**

Annually Budgeted Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2007

	Parking		
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services:			
Parking - meters	530,000	505,644	(24,356)
Prepaid parking	46,000	63,886	17,886
Fuel flow fees	-	-	-
Rentals	-	-	-
Total Charges for Services	576,000	569,530	(6,470)
Investment income	35,000	54,129	19,129
Miscellaneous:			
Meter parking penalties	350,000	281,644	(68,356)
Rentals	207,374	231,106	23,732
Court fines	1,000	910	(90)
Miscellaneous	11,500	12,816	1,316
Total Miscellaneous	569,874	526,476	(43,398)
Total Revenues	1,180,874	1,150,135	(30,739)
Expenditures:			
General Government:			
Compensation	397,900	381,039	16,861
Outside services	232,083	189,276	42,807
Fringe benefits	145,000	136,598	8,402
Supplies	35,340	25,277	10,063
Utilities	54,000	49,956	4,044
Insurance	10,940	11,164	(224)
Debt service	359,480	359,146	334
Total General Government and Total Expenditures	1,234,743	1,152,456	82,287
Other Financing Sources (Uses):			
Transfer in	-	-	-
Transfer out	75,500	74,500	(1,000)
Budgetary use of fund balance	-	-	-
Total Other Financing Sources (Uses)	75,500	74,500	(1,000)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 21,631	\$ 72,179	\$ 50,548

Airport			Total		
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
\$ 2,400	\$ 2,787	\$ 387	\$ 2,400	\$ 2,787	\$ 387
-	-	-	530,000	505,644	(24,356)
-	-	-	46,000	63,886	17,886
18,000	18,368	368	18,000	18,368	368
<u>290,624</u>	<u>287,689</u>	<u>(2,935)</u>	<u>290,624</u>	<u>287,689</u>	<u>(2,935)</u>
308,624	306,057	(2,567)	884,624	875,587	(9,037)
7,000	14,745	7,745	42,000	68,874	26,874
-	-	-	350,000	281,644	(68,356)
-	-	-	207,374	231,106	23,732
-	-	-	1,000	910	(90)
<u>-</u>	<u>-</u>	<u>-</u>	<u>11,500</u>	<u>12,816</u>	<u>1,316</u>
-	-	-	<u>569,874</u>	<u>526,476</u>	<u>(43,398)</u>
318,024	323,589	5,565	1,498,898	1,473,724	(25,174)
49,820	26,428	23,392	447,720	407,467	40,253
65,870	69,671	(3,801)	297,953	258,947	39,006
28,880	14,571	14,309	173,880	151,169	22,711
43,050	3,029	40,021	78,390	28,306	50,084
28,060	27,915	145	82,060	77,871	4,189
9,060	9,814	(754)	20,000	20,978	(978)
<u>110,690</u>	<u>110,681</u>	<u>9</u>	<u>470,170</u>	<u>469,827</u>	<u>343</u>
335,430	262,109	73,321	1,570,173	1,414,565	155,608
-	-	-	-	-	-
41,715	44,915	3,200	117,215	119,415	2,200
<u>8,355</u>	<u>8,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
50,070	53,270	3,200	<u>117,215</u>	<u>119,415</u>	<u>2,200</u>
\$ <u>32,664</u>	\$ <u>114,750</u>	\$ <u>82,086</u>	\$ <u>45,940</u>	\$ <u>178,574</u>	\$ <u>132,634</u>

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Combining Financial Statements

NONMAJOR BUSINESS-TYPE FUNDS

PROPRIETARY (ENTERPRISE) FUNDS

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Concord has the following Nonmajor Enterprise Funds:

Solid Waste Fund - to account for the collection and disposal of the City's trash. Residential trash collection is handled as a transfer from the general fund and reimbursed through the property tax levy.

Golf Fund - to account for the operation and maintenance of the City's public golf course.

Arena Fund - to account for the operation and maintenance of the City's public ice arena.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Net Assets

Nonmajor Proprietary Funds

June 30, 2007

	Business-Type Activities Enterprise Funds			Total Other Funds
	Solid Waste Fund	Golf Fund	Arena Fund	
<u>ASSETS</u>				
Current:				
Cash and short-term equivalents	\$ 699,048	\$ 236,366	\$ 164,148	\$ 1,099,562
User fees, net of allowance for uncollectibles	164,079	-	-	164,079
Other assets	-	54	-	54
Total current assets	863,127	236,420	164,148	1,263,695
Noncurrent:				
Capital assets:				
Land and construction in progress	186,200	26,900	177,088	390,188
Other capital assets, net of accumulated depreciation	-	786,966	814,338	1,601,304
Total noncurrent assets	186,200	813,866	991,426	1,991,492
TOTAL ASSETS	1,049,327	1,050,286	1,155,574	3,255,187
<u>LIABILITIES</u>				
Current:				
Accounts payable	124,292	42,609	7,216	174,117
Accrued liabilities	-	11,005	5,550	16,555
Unearned revenue	2,091	24,816	-	26,907
Current portion of long-term liabilities:				
Bonds payable	-	35,000	57,750	92,750
Compensated absences	2,723	16,367	8,903	27,993
Total current liabilities	129,106	129,797	79,419	338,322
Noncurrent:				
Bonds payable, net of current portion	-	275,000	429,700	704,700
Total noncurrent liabilities	-	275,000	429,700	704,700
TOTAL LIABILITIES	129,106	404,797	509,119	1,043,022
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	186,200	503,866	534,794	1,224,860
Unrestricted	734,021	141,623	111,661	987,305
TOTAL NET ASSETS	\$ 920,221	\$ 645,489	\$ 646,455	\$ 2,212,165

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Nonmajor Proprietary Funds

For Fiscal Year Ended June 30, 2007

	Business-Type Activities Enterprise Funds			
	Solid Waste Fund	Golf Fund	Arena Fund	Total Other Funds
Operating Revenues:				
Charges for services	\$ 1,961,724	\$ 812,808	\$ 453,601	\$ 3,228,133
Other	<u>-</u>	<u>28</u>	<u>2,900</u>	<u>2,928</u>
Total Operating Revenues	1,961,724	812,836	456,501	3,231,061
Operating Expenses:				
Operating expenses	3,711,753	736,170	368,476	4,816,399
Depreciation	<u>-</u>	<u>84,732</u>	<u>54,400</u>	<u>139,132</u>
Total Operating Expenses	<u>3,711,753</u>	<u>820,902</u>	<u>422,876</u>	<u>4,955,531</u>
Operating Income (Loss)	(1,750,029)	(8,066)	33,625	(1,724,470)
Nonoperating Revenues (Expenses):				
Investment income	-	9,947	9,288	19,235
Interest expense	<u>-</u>	<u>(13,754)</u>	<u>(18,771)</u>	<u>(32,525)</u>
Total Nonoperating Revenues (Expenses), Net	<u>-</u>	<u>(3,807)</u>	<u>(9,483)</u>	<u>(13,290)</u>
Income (Loss) Before Transfers	(1,750,029)	(11,873)	24,142	(1,737,760)
Transfers:				
Transfers in	1,716,525	-	21,760	1,738,285
Transfers out	<u>-</u>	<u>(60,900)</u>	<u>(37,274)</u>	<u>(98,174)</u>
Change in Net Assets	(33,504)	(72,773)	8,628	(97,649)
Net Assets at Beginning of Year	<u>953,725</u>	<u>718,262</u>	<u>637,827</u>	<u>2,309,814</u>
Net Assets at End of Year	<u>\$ 920,221</u>	<u>\$ 645,489</u>	<u>\$ 646,455</u>	<u>\$ 2,212,165</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

For Fiscal Year Ended June 30, 2007

	Business-Type Activities Enterprise Funds			
	Solid Waste Fund	Golf Fund	Arena Fund	Total Other Funds
<u>Cash Flows From Operating Activities:</u>				
Receipts from customers and users	\$ 2,110,921	\$ 825,356	\$ 460,261	\$ 3,396,538
Payments to vendors and employees	<u>(3,733,300)</u>	<u>(702,752)</u>	<u>(362,919)</u>	<u>(4,798,971)</u>
Net Cash Provided By Operating Activities	(1,622,379)	122,604	97,342	(1,402,433)
<u>Cash Flows From Noncapital Financing Activities:</u>				
Transfers in	1,716,525	-	21,760	1,738,285
Transfers out	<u>-</u>	<u>(60,900)</u>	<u>(37,274)</u>	<u>(98,174)</u>
Net Cash (Used For) Noncapital Financing Activities	1,716,525	(60,900)	(15,514)	1,640,111
<u>Cash Flows From Capital and Related Financing Activities:</u>				
Proceeds from issuance of bonds and notes	-	-	48,750	48,750
Principal payments on bonds and notes	-	(35,000)	(52,000)	(87,000)
Acquisition and construction of capital assets	-	(20,000)	(92,091)	(112,091)
Interest expense	<u>-</u>	<u>(13,754)</u>	<u>(18,771)</u>	<u>(32,525)</u>
Net Cash (Used For) Capital and Related Financing Activities	-	(68,754)	(114,112)	(182,866)
<u>Cash Flows From Investing Activities:</u>				
Investment income	<u>-</u>	<u>9,947</u>	<u>9,288</u>	<u>19,235</u>
Net Cash Provided by Investing Activities	-	9,947	9,288	19,235
Net Change in Cash and Short-Term Equivalents	94,146	2,897	(22,996)	74,047
Cash and Short-Term Equivalents, Beginning of Year	<u>604,902</u>	<u>233,469</u>	<u>187,144</u>	<u>1,025,515</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 699,048</u>	<u>\$ 236,366</u>	<u>\$ 164,148</u>	<u>\$ 1,099,562</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>				
Operating income	\$ (1,750,029)	\$ (8,066)	\$ 33,625	\$ (1,724,470)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	-	84,732	54,400	139,132
Changes in assets and liabilities:				
User fees	149,261	5,671	5,260	160,192
Other assets	-	9,931	-	9,931
Accounts payable	(22,388)	23,251	3,095	3,958
Compensated absences	841	(723)	(33)	85
Other liabilities	<u>(64)</u>	<u>7,808</u>	<u>995</u>	<u>8,739</u>
Net Cash Provided By Operating Activities	<u>\$ (1,622,379)</u>	<u>\$ 122,604</u>	<u>\$ 97,342</u>	<u>\$ (1,402,433)</u>

See notes to financial statements.

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**Detail Combining Budget
And Actual Schedule**

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PROPRIETARY (ENTERPRISE) FUNDS

The City of Concord has the following Enterprise Funds which have annually adopted budgets:

Water Fund – to account for the operation and maintenance of the City’s water lines, pumping stations and plant.

Sewer Fund to account for the operation and maintenance of the City’s sewer lines, pumping stations, and two wastewater treatment plants.

Solid Waste Fund – to account for the collection and disposal of City’s trash. Residential trash collection is handled as a transfer from the general fund and reimbursed through the property tax levy.

Golf Fund - to account for the operation and maintenance of the City’s public golf course.

Arena Fund - to account for the operation and maintenance of the City’s public ice arena.

CITY OF CONCORD, NEW HAMPSHIRE

**Schedule of Revenues and
Expenses - Budget and Actual**

Enterprise Funds

For the Fiscal Year Ended June 30, 2007

		<u>Water Fund</u>	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,981,330	\$ 4,960,280	\$ (21,050)
Miscellaneous	<u>-</u>	<u>9,819</u>	<u>9,819</u>
Total Operating Revenues	4,981,330	4,970,099	(11,231)
Operating Expenses:			
Personnel	1,777,570	1,661,080	116,490
Non-Personnel	1,027,807	1,084,949	(57,142)
Debt service	<u>1,445,248</u>	<u>1,445,248</u>	<u>-</u>
Total Operating Expenses	<u>4,250,625</u>	<u>4,191,277</u>	<u>59,348</u>
Operating Income (Loss)	730,705	778,822	48,117
Non-Operating Income (Expenses):			
Interest expense	(548,990)	(533,436)	15,554
Investment income	207,900	214,623	6,723
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(341,090)</u>	<u>(318,813)</u>	<u>22,277</u>
Net Income (Loss) Before Transfers	389,615	460,009	70,394
Other Financing Sources:			
Transfers in	-	-	-
Transfers out	<u>(493,800)</u>	<u>(493,800)</u>	<u>-</u>
Total Other Financing Sources	<u>(493,800)</u>	<u>(493,800)</u>	<u>-</u>
Net Income (Loss)	<u>\$ (104,185)</u>	<u>\$ (33,791)</u>	<u>\$ 70,394</u>

	Sewer Fund			Solid Waste Fund		
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>	
\$ 5,241,360	\$ 5,580,448	\$ 339,088	\$ 2,013,880	\$ 1,961,724	\$ (52,156)	
-	9,048	9,048	-	-	-	
5,241,360	5,589,496	348,136	2,013,880	1,961,724	(52,156)	
1,347,824	1,266,941	80,883	75,200	46,090	29,110	
2,217,516	2,468,166	(250,650)	3,718,950	3,630,676	88,274	
1,358,450	986,080	372,370	-	-	-	
4,923,790	4,721,187	202,603	3,794,150	3,676,766	117,384	
317,570	868,309	550,739	(1,780,270)	(1,715,042)	65,228	
(569,920)	(590,266)	(20,346)	-	-	-	
96,430	223,174	126,744	-	-	-	
95,120	337,063	241,943	-	-	-	
(378,370)	(30,029)	348,341	-	-	-	
(60,800)	838,280	899,080	(1,780,270)	(1,715,042)	65,228	
-	7,708	7,708	1,714,770	1,716,525	1,755	
(630,000)	(647,500)	(17,500)	-	-	-	
(630,000)	(639,792)	(9,792)	1,714,770	1,716,525	1,755	
\$ (690,800)	\$ 198,488	\$ 889,288	\$ (65,500)	\$ 1,483	\$ 66,983	

(continued)

CITY OF CONCORD, NEW HAMPSHIRE

**Schedule of Revenues and
Expenses - Budget and Actual**

Enterprise Funds

For the Fiscal Year Ended June 30, 2007

(continued)

	<u>Golf Fund</u>		
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Operating revenue	\$ 843,850	\$ 812,808	\$ (31,042)
Miscellaneous	<u>-</u>	<u>28</u>	<u>28</u>
Total Operating Revenues	843,850	812,836	(31,014)
Operating Expenses:			
Personnel	376,680	360,661	16,019
Non-Personnel	392,910	387,334	5,576
Debt service	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total Operating Expenses	<u>804,590</u>	<u>782,995</u>	<u>21,595</u>
Operating Income (Loss)	39,260	29,841	(9,419)
Non-Operating Income (Expenses):			
Interest expense	(14,120)	(13,753)	367
Investment income	8,000	9,947	1,947
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(6,120)</u>	<u>(3,806)</u>	<u>2,314</u>
Net Income (Loss) Before Transfers	33,140	26,035	(7,105)
Other Financing Sources			
Transfers in	-	-	-
Transfers out	<u>(57,900)</u>	<u>(57,900)</u>	<u>-</u>
Total Other Financing Sources	<u>(57,900)</u>	<u>(57,900)</u>	<u>-</u>
Net Income (Loss)	<u>\$ (24,760)</u>	<u>\$ (31,865)</u>	<u>\$ (7,105)</u>

	Arena Fund	
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
\$ 451,430	\$ 453,601	\$ 2,171
-	2,900	2,900
<u>451,430</u>	<u>456,501</u>	<u>5,071</u>
211,760	222,173	(10,413)
146,240	156,404	(10,164)
52,000	52,000	-
<u>410,000</u>	<u>430,577</u>	<u>(20,577)</u>
41,430	25,924	(15,506)
(19,220)	(18,771)	449
4,000	9,288	5,288
-	-	-
<u>(15,220)</u>	<u>(9,483)</u>	<u>5,737</u>
26,210	16,441	(9,769)
21,760	21,760	-
(31,100)	(31,973)	(873)
<u>(9,340)</u>	<u>(10,213)</u>	<u>(873)</u>
<u>\$ 16,870</u>	<u>\$ 6,228</u>	<u>\$ (10,642)</u>

FIDUCIARY FUNDS

Agency Funds are established to account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2007

	Balance July 1, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2007</u>
Assets - cash and short-term investments	\$ 1,140,192	\$ 85,598,506	\$ (84,807,950)	\$ 1,930,748
Assets - due from other funds	-	<u>4,454,398</u>	<u>(4,449,547)</u>	<u>4,851</u>
Total Assets	<u>\$ 1,140,192</u>	<u>\$ 90,052,904</u>	<u>\$ (89,257,497)</u>	<u>\$ 1,935,599</u>
Liabilities - due to other governments	941,565	53,302,444	(53,368,433)	875,576
Liabilities - other liabilities	<u>198,627</u>	<u>13,177,651</u>	<u>(12,316,255)</u>	<u>1,060,023</u>
Total liabilities	<u>\$ 1,140,192</u>	<u>\$ 66,480,095</u>	<u>\$ (65,684,688)</u>	<u>\$ 1,935,599</u>

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STATISTICAL SECTION

CITY OF CONCORD, NEW HAMPSHIRE

STATISTICAL SECTION

The City of Concord's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	114-118
Revenue Capacity <i>These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.</i>	119-122
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	123-125
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	126-127
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	128-130

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Concord, New Hampshire

Net Assets by Component

Last Ten Fiscal Years (1)

(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities					
Invested in capital assets, net of related debt	\$ 27,719,446	\$ 32,237,423	\$ 35,137,392	\$ 43,016,795	\$ 53,651,076
Restricted	10,447,317	10,337,347	10,411,567	11,513,702	12,132,027
Unrestricted	24,538,884	22,220,069	23,262,390	21,209,276	18,577,263
Total governmental activities net assets	\$ 62,705,647	\$ 64,794,839	\$ 68,811,349	\$ 75,739,773	\$ 84,360,366
Business-type activities					
Invested in capital assets, net of related debt	\$ 72,517,390	\$ 104,744,370	\$ 104,436,255	\$ 104,696,142	\$ 103,870,146
Restricted	1,237,551	1,168,856	692,378	1,409,447	1,604,674
Unrestricted	5,529,626	8,499,449	9,617,980	7,957,766	7,796,545
Total business-type activities net assets	\$ 79,284,567	\$ 114,412,675	\$ 114,746,613	\$ 114,063,355	\$ 113,271,365
Primary government					
Invested in capital assets, net of related debt	\$ 100,236,836	\$ 136,981,793	\$ 139,573,647	\$ 147,712,937	\$ 157,521,222
Restricted	11,684,868	11,506,203	11,103,945	12,923,149	13,736,701
Unrestricted	30,068,510	30,719,518	32,880,370	29,167,042	26,373,808
Total primary government net assets	\$ 141,990,214	\$ 179,207,514	\$ 183,557,962	\$ 189,803,128	\$ 197,631,731

Data Source:

Audited Financial Statements

Notes:

(1) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Concord, New Hampshire

**Change in Net Assets
Last Ten Fiscal Years (1)**

(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 4,699,269	\$ 5,105,363	\$ 5,852,175	\$ 5,170,467	\$ 5,471,691
Public safety	13,275,869	15,193,859	16,071,793	17,832,430	18,989,365
General services	8,754,445	11,941,871	10,873,904	10,581,792	11,211,510
Community development	2,129,166	2,602,838	2,991,350	3,187,532	2,650,333
Leisure and information services	2,007,340	2,053,398	2,099,580	2,195,694	2,368,707
Human services	1,011,854	1,071,795	1,033,242	1,060,845	1,038,484
Interest	1,165,149	1,098,847	954,439	1,247,922	1,411,040
Miscellaneous	1,018,438	1,032,980	1,052,586	1,047,619	1,762,956
Total governmental activities expenses	34,061,530	40,100,951	40,929,069	42,324,301	44,904,086
Business-type activities:					
Water services	3,658,207	4,628,608	4,833,091	5,226,999	5,084,681
Wastewater services	4,540,857	5,094,614	5,536,027	6,046,556	5,751,772
Other (nonmajor)	4,059,707	4,259,673	4,391,311	4,807,391	4,988,056
Total business-type activities expenses	12,258,771	13,982,895	14,760,429	16,080,946	15,824,509
Total primary government expenses	<u>\$ 46,320,301</u>	<u>\$ 54,083,846</u>	<u>\$ 55,689,498</u>	<u>\$ 58,405,247</u>	<u>\$ 60,728,595</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 2,591,154	\$ 2,657,221	\$ 2,783,810	\$ 2,625,179	\$ 3,223,376
Public safety	1,192,461	1,351,556	1,835,850	1,906,741	2,521,339
General services	-	233,590	280,993	320,889	318,029
Community development	1,131,158	1,468,925	1,468,041	2,126,301	1,190,109
Leisure and information services	351,754	367,464	366,244	387,741	426,243
Human services	125,806	34,169	16,258	31,690	155,657
Total charges for services	5,392,333	6,112,925	6,751,196	7,398,541	7,834,753
Operating grants and contributions	445,882	246,397	701,185	542,808	488,719
Capital grants and contributions	2,569,350	2,781,319	2,393,988	3,233,739	3,266,416
Total governmental activities program revenues	8,407,565	9,140,641	9,846,369	11,175,088	11,589,888
Business-type activities:					
Water services	4,449,813	4,768,605	4,801,521	4,885,520	4,853,295
Wastewater services	4,475,390	4,710,144	4,778,328	4,949,344	5,377,820
Other (nonmajor)	2,709,684	2,949,539	3,046,267	3,240,470	3,228,133
Total charges for services	11,634,887	12,428,288	12,626,116	13,075,334	13,459,248
Operating grants and contributions	458,121	67,487	-	-	-
Capital grants and contributions	-	-	1,353,013	178,634	337,063
Total business-type activities program revenues	12,093,008	12,495,775	13,979,129	13,253,968	13,796,311
Total primary government program revenues	<u>\$ 20,500,573</u>	<u>\$ 21,636,416</u>	<u>\$ 23,825,498</u>	<u>\$ 24,429,056</u>	<u>\$ 25,386,199</u>
Net (Expenses)Revenue					
Governmental activities	\$ (25,653,965)	\$ (30,960,310)	\$ (31,082,700)	\$ (31,149,213)	\$ (33,314,198)
Business-type activities	(165,763)	(1,487,120)	(781,300)	(2,826,978)	(2,028,198)
Total Primary government net expense	<u>\$ (25,819,728)</u>	<u>\$ (32,447,430)</u>	<u>\$ (31,864,000)</u>	<u>\$ (33,976,191)</u>	<u>\$ (35,342,396)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property tax	\$ 27,299,574	\$ 26,732,772	\$ 30,526,322	\$ 32,152,307	\$ 33,483,212
Penalties, interest and other taxes	705,746	627,012	619,051	668,354	639,602
Grants and contributions not restricted to specific programs	4,239,191	3,645,776	1,931,245	2,220,594	3,502,469
Investment income	1,151,559	1,030,007	1,458,842	2,483,994	3,729,057
Miscellaneous	609,523	636,327	945,897	747,187	867,053
Transfers, net	(603,720)	(866,090)	(504,054)	(510,572)	(447,769)
Permanent fund contributions	288,676	368,034	121,907	315,773	161,167
Total governmental activities	33,690,549	32,173,838	35,099,210	38,077,637	41,934,791
Business-type activities:					
Grants and contributions not restricted to specific programs	215,538	301,456	341,461	1,073,384	310,313
Investment income	160,880	117,515	189,382	435,083	457,032
Miscellaneous	90,031	12,427	80,341	124,681	21,094
Transfers, net	603,720	866,090	504,054	510,572	447,769
Total business-type activities	1,070,169	1,297,488	1,115,238	2,143,720	1,236,208
Total primary government	<u>\$ 34,760,718</u>	<u>\$ 33,471,326</u>	<u>\$ 36,214,448</u>	<u>\$ 40,221,357</u>	<u>\$ 43,170,999</u>
Change in Net Assets					
Governmental activities	\$ 8,036,584	\$ 1,213,528	\$ 4,016,510	\$ 6,928,424	\$ 8,620,593
Business-type activities	904,406	(189,632)	333,938	(683,258)	(791,990)
Total primary government	<u>\$ 8,940,990</u>	<u>\$ 1,023,896</u>	<u>\$ 4,350,448</u>	<u>\$ 6,245,166</u>	<u>\$ 7,828,603</u>

Data Source

Audited Financial Statements

(1) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Concord, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003 ⁽¹⁾	2004	2005	2006	2007
General Fund										
Reserved	\$ 4,285,652	\$ 3,520,472	\$ 3,113,977	\$ 3,727,639	\$ 3,530,521	\$ 3,213,486	\$ 2,944,821	\$ 2,666,156	\$ 1,789,574	\$ 2,270,638
Unreserved	6,445,028	6,535,423	6,553,358	6,697,229	5,464,793	5,423,862	4,832,349	4,639,091	5,329,762	3,453,608
Total General Fund	<u>\$10,730,680</u>	<u>\$10,055,895</u>	<u>\$ 9,667,335</u>	<u>\$10,424,868</u>	<u>\$ 8,995,314</u>	<u>\$ 8,637,348</u>	<u>\$ 7,777,170</u>	<u>\$ 7,305,247</u>	<u>\$ 7,119,336</u>	<u>\$ 5,724,246</u>
Other Governmental Funds										
Reserved	\$ 555,716	\$ 36,198	\$ 343,424	\$ 168,775	\$ 106,841	\$ 6,781,340	\$ 6,960,094	\$ 7,563,030	\$ 7,733,404	\$ 8,686,203
Unreserved:										
Special Revenue Funds	1,879,479	2,191,751	2,078,734	2,668,432	3,660,926	15,601,153	11,439,627	9,438,221	8,738,047	8,651,431
Capital Project Funds	105,096	2,924,764	6,929,124	10,432,369	9,841,426	8,360,192	12,792,394	13,490,784	20,587,665	14,906,493
Debt Service	562,965	319,327	197,981	100,255	117,861	315,549	313,569	507,276	591,867	657,335
Total Other Funds	<u>\$ 3,103,256</u>	<u>\$ 5,472,040</u>	<u>\$ 9,549,263</u>	<u>\$13,369,831</u>	<u>\$13,727,054</u>	<u>\$31,058,234</u>	<u>\$31,505,684</u>	<u>\$30,999,311</u>	<u>\$ 37,650,983</u>	<u>\$ 32,901,462</u>

Data Source

Audited Financial Statements

(1) 2003

City of Concord, New Hampshire

Change in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	\$ 23,200,085	\$ 22,818,908	\$ 23,569,558	\$ 25,138,393	\$ 26,424,701	\$ 27,851,023	\$ 27,147,062	\$ 30,179,005	\$ 31,748,630	\$ 33,143,681
Licenses and permits	574,364	495,037	779,296	740,226	770,097	1,026,830	1,072,522	1,124,663	1,479,654	1,020,239
Intergovernmental	3,372,937	3,821,519	3,747,315	3,804,216	3,574,686	5,392,793	5,140,299	4,147,436	3,903,521	2,862,450
Charges for services	2,720,661	2,896,952	3,536,299	3,610,309	4,191,937	4,368,060	5,042,083	5,626,533	5,918,886	6,638,525
Investment income	1,946,315	1,800,864	3,154,360	2,151,758	1,465,334	1,151,558	1,030,007	1,540,642	2,508,864	3,729,057 ⁽²⁾
Contributions and miscellaneous	2,290,648	1,222,039	1,333,295	1,659,384	1,742,188	2,787,852	2,647,842	2,515,904	3,560,162	4,543,349
Total revenues	34,105,010	33,055,319	36,120,123	37,104,286	38,168,943	42,578,116	42,079,815	45,134,183	49,119,717	51,937,301
Expenditures by Function										
General government	3,777,892	3,861,700	4,089,715	3,519,268	3,623,176	4,729,374	5,076,134	5,798,104	5,125,653	5,455,316
Public safety	10,505,231	10,991,299	10,874,535	12,115,472	12,707,760	13,773,463	15,047,387	15,457,287	17,053,365	18,120,382
General services	4,611,090	4,952,292	5,226,222	5,601,452	5,744,139	6,260,496	6,014,020	6,895,328	6,990,518	7,096,899
Community development	1,183,722	1,098,107	1,685,217	2,857,475	3,110,561	2,119,951	2,561,361	2,655,668	3,042,749	2,432,444
Leisure and information services	1,601,788	1,705,104	1,780,218	1,923,050	2,001,397	1,993,027	2,039,864	2,071,709	2,156,899	2,249,001
Human services	1,045,146	1,014,381	1,035,711	1,126,212	1,062,834	1,007,444	1,071,539	1,029,900	1,056,671	1,033,422
Employee benefits	287,721	273,052	527,751	298,973	188,402	223,763	273,821	334,904	441,505	555,182
Miscellaneous	182,873	419,231	645,136	413,827	1,130,071	1,024,650	1,032,981	1,052,585	968,568	1,762,956
Debt service										
Principal	2,296,239	2,219,130	2,245,210	2,370,340	2,901,440	2,833,402	2,807,263	3,127,175	3,416,587	4,075,251
Interest	1,123,349	1,011,709	1,012,357	1,220,868	1,328,651	1,200,095	974,982	939,967	1,043,828	1,245,528
Capital outlay	5,556,044	3,972,136	7,761,082	7,889,599	6,429,217	8,300,094	9,660,162	9,760,998	16,928,041	24,240,722
Total expenditures	32,171,095	31,518,141	36,883,154	39,336,536	40,227,648	43,465,759	46,559,514	49,123,625	58,224,384	68,267,103
Excess of revenues										
Over(under) expenditures	1,933,915	1,537,178	(763,031)	(2,232,250)	(2,058,705)	(887,643)	(4,479,699)	(3,989,442)	(9,104,667)	(16,329,802)
Other Financing Sources (Uses)										
Bond proceeds	-	3,330,000	4,770,000	6,626,000	1,035,000	-	4,829,750	3,515,200	16,081,000	10,632,960
Transfers in	7,734,215	6,769,624	10,578,614	7,440,739	9,230,808	11,231,164	4,530,751	3,494,232	4,958,316	5,874,169
Transfers out	(7,780,912)	(6,892,189)	(11,214,331)	(8,371,452)	(9,385,530)	(11,834,884)	(5,293,530)	(3,998,286)	(5,468,888)	(6,321,938)
Total other financing sources (uses)	(46,697)	3,207,435	4,134,283	5,695,287	880,278	(603,720)	4,066,971	3,011,146	15,570,428	10,185,191
Net Change in fund balances	\$ 1,887,218	\$ 4,744,613	\$ 3,371,252	\$ 3,463,037	\$ (1,178,427)	(1,491,363)	\$ (412,728)	\$ (978,296)	\$ 6,465,761	\$ (6,144,611)
Debt Service as a percentage of non-capital outlay expenditures	12.85%	11.73%	11.19%	11.42%	12.52%	11.47%	10.25%	10.33%	10.80%	12.09%

Data Source

Audited Financial Statements

Notes:

(1) Prior to FY02, excludes permanent funds and some special revenue funds classified as trust funds under the pre-GASB 34 reporting model.

(2) Includes bond premium

City of Concord, New Hampshire

General Government Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Timber Tax	Excavation Tax	Motor Vehicle Registrations	Boat Registrations	Payment in Lieu of Taxes	Total
2007	\$ 27,057,926	\$ 20,398	\$ 3,358	\$ 5,491,026	\$ -	\$ 570,973	\$ 33,143,681
2006	25,549,119	26,010	3,307	5,636,297	4,218	529,679	31,748,630
2005	24,158,630	26,337	76	5,508,184	4,602	481,176	30,179,005
2004	21,326,896	22,791	-	5,364,606	2,904	429,865	27,147,062
2003	22,251,895	13,098	5,814	5,181,868	2,600	395,748	27,851,023
2002	21,030,108	5,470	4,166	5,045,387	2,390	337,180	26,424,701
2001	20,064,036	34,375	2,342	4,645,919	-	391,721	25,138,393
2000	18,843,448	52,668	15,579	4,345,750	-	312,113	23,569,558
1999	18,100,931	83,979	19,426	4,290,663	-	323,909	22,818,908
1998	18,621,859	20,844	-	4,245,245	-	312,137	23,200,085

Data Source
Audited Financial Statements

City of Concord, New Hampshire

Assessed and Estimated Full Value of Real Property Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1)			Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/Industrial	Utilities						
2007	\$ 2,715,013,500	\$ 1,311,668,800	\$ 119,115,400	\$ 4,145,797,700	\$ 40,371,086	\$ 4,105,426,614	\$ 19.22	\$ 4,269,260,047	97.1%
2006	2,477,724,500	1,170,940,000	111,931,500	3,760,596,000	34,805,148	3,725,790,852	19.77	3,934,309,242	95.6%
2005	2,057,589,800	1,252,139,500	105,362,400	3,415,091,700	26,017,000	3,389,074,700	20.37	3,644,167,000	93.7%
2004	1,538,174,100	718,878,400	86,240,100	2,343,292,600	18,415,000	2,324,877,600	28.07	3,184,764,000	73.6%
2003	1,503,051,700	805,186,600	81,308,800	2,389,547,100	19,169,000	2,370,378,100	26.40	2,855,877,000	83.7%
2002	1,369,353,700	772,860,900	80,247,800	2,222,462,400	17,735,000	2,204,727,400	27.34	2,504,941,000	88.7%
2001	998,414,700	601,192,400	73,377,400	1,672,984,500	14,160,000	1,658,824,500	33.96	2,154,318,000	77.7%
2000	972,070,800	613,449,500	43,287,300	1,628,807,600	15,100,000	1,613,707,600	32.36	1,854,837,000	87.8%
1999	956,031,400	592,137,700	41,510,600	1,589,679,700	15,539,000	1,574,140,700	38.49	1,692,625,000	93.9%
1998	956,245,500	576,034,000	40,792,700	1,573,072,200	15,583,000	1,557,489,200	37.75	1,622,384,000	97.0%

Data Sources

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Concord, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Concord Direct Rates							Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2007	\$ 6.28	\$ 6.28	\$ 8.70	\$ 2.26	\$ 10.98	\$ 17.26	\$ 1.96	\$ 19.22
2006	6.57	6.57	8.61	2.48	11.09	17.66	2.11	19.77
2005	6.82	6.82	8.69	2.84	11.53	18.35	2.02	20.37
2004	9.49	9.49	10.65	5.41	16.06	25.55	2.52	28.07
2003	8.90	8.90	9.73	5.36	15.09	23.99	2.41	26.40
2002	9.22	9.22	9.95	5.80	15.75	24.97	2.37	27.34
2001	11.59	11.59	12.75	7.11	19.86	31.45	2.51	33.96
2000	11.18	11.18	11.61	7.27	18.88	30.06	2.30	32.36
1999	11.18	11.18	25.00	-	25.00	36.18	2.31	38.49
1998	11.20	11.20	24.51	-	24.51	35.71	2.04	37.75

Penacook Direct Rates							Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2007	\$ 6.28	\$ 6.28	\$ 9.14	\$ 2.43	\$ 11.57	\$ 17.85	\$ 1.96	\$ 19.81
2006	6.57	6.57	9.84	2.46	12.30	18.87	2.11	20.98
2005	6.82	6.82	11.08	2.91	13.99	20.81	2.02	22.83
2004	9.49	9.49	14.33	5.19	19.52	29.01	2.52	31.53
2003	8.90	8.90	12.40	5.44	17.84	26.74	2.41	29.15
2002	9.22	9.22	10.55	5.69	16.24	25.46	2.37	27.83
2001	11.59	11.59	13.46	7.22	20.68	32.27	2.51	34.78
2000	11.18	11.18	9.02	7.54	16.56	27.74	2.30	30.04
1999	11.18	11.18	23.89	-	23.89	35.07	2.31	37.38
1998	11.20	11.20	22.52	-	22.52	33.72	2.04	35.76

Data Source
NH State Department of Revenue Administration, "2006 Tax Rate Calculation"

City of Concord, New Hampshire

Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	Type of Business	2007		Percentage of Total Assessed Value	1998		Percentage of Net Assessed Value
		Net Taxable Assessed Value	Rank		Net Taxable Assessed Value	Rank	
GGP Steeplegate Inc	Mall	\$ 78,899,700	1	1.92 %	\$ 40,526,000	1	2.60 %
Hodges Properties Inc	Rentals	50,122,100	2	1.22	21,165,000	4	1.36
Wheelabrator Concord Co LP	Trash to Energy	42,422,200	3	1.03	23,404,000	3	1.50
Concord Electric	Utility	37,838,500	4	0.92	25,527,000	2	1.64
Capital Region Health Care	Health Care	33,568,600	5	0.82	13,559,000	7	0.87
David Glass/Walmart/Sam's Club	Retail	31,627,000	6	0.77	16,019,000	6	1.03
St Paul's School	Private School	26,358,600	7	0.64	12,377,000	9	0.79
Eddy Plaza Associates Inc	Retail	24,674,000	8	0.60	-	-	-
EnergyNorth Natural Gas Inc	Utility	20,169,100	9	0.49	12,580,000	8	0.81
McKerley Healthcare Center/Nursing	Health Care	16,690,000	10	0.41	11,758,000	10	0.75
Jefferson Pilot/Chubb Life Properties	Insurance	-	-	-	16,505,000	5	1.06
Total Principal Taxpayers		<u>362,369,800</u>		<u>8.83 %</u>	<u>193,420,000</u>		<u>12.42 %</u>
Total Net Assessed Taxable Value		<u>\$ 4,105,426,614</u>			<u>\$ 1,557,489,200</u>		

Data Source
City of Concord Tax Warrant

City of Concord, New Hampshire

Property Tax Levies and Collections Last Ten Fiscal Years

Tax Year (1)	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Tax lien Collections	Balance at end of Current Fiscal year	Total Collections to Date	
		Amount	% of Levy			Amount	% of Levy
2006	\$ 79,322,705	\$ 78,171,510	98.5%	\$ -	\$ 1,151,195	\$ 78,171,510	98.5%
2005	74,270,000	73,359,000	98.8%	-	911,000	73,359,000	98.8%
2004	70,219,000	69,625,000	99.2%	252,000	342,000	69,877,000	99.5%
2003	66,169,000	65,582,000	99.1%	569,000	18,000	66,151,000	100.0%
2002	63,416,000	62,681,000	98.8%	714,000	21,000	63,395,000	100.0%
2001	60,477,000	59,737,000	98.8%	727,000	13,000	60,464,000	100.0%
2000	56,374,000	55,465,000	98.4%	896,000	13,000	56,361,000	100.0%
1999	51,444,000	50,602,000	98.4%	838,000	4,000	51,440,000	100.0%
1998	60,293,000	59,049,000	97.9%	1,239,000	5,000	60,288,000	100.0%
1997	58,336,000	56,987,000	97.7%	1,344,000	5,000	58,331,000	100.0%

Data Source

Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Notes:

Once a lien is executed a taxpayer has 2 years and 1 day to redeem the taxes before a Deed is executed
Amounts are estimated to the nearest thousand

(1) Fiscal year 2007 is the City's tax year 2006.

City of Concord, New Hampshire

Ratios of Outstanding Debt by Debt Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Per Capita	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property
	General Obligation Debt	General Obligation Debt				
2007	\$ 45,758,099	\$ 28,369,871	\$ 74,127,970	\$ 1,687	7.68 %	1.81 %
2006	39,200,390	22,566,126	61,766,516	1,431	5.53	1.66
2005	26,510,977	20,858,880	47,369,857	1,105	4.27	1.40
2004	26,087,136	22,886,280	48,973,416	1,154	4.42	2.11
2003	23,936,932	20,669,237	44,606,169	1,067	4.24	1.88
2002	26,781,624	23,553,382	50,335,006	1,218	5.13	2.28
2001	28,648,064	24,134,895	52,782,959	1,297	6.14	3.18
2000	24,190,290	23,910,710	48,101,000	1,233	5.97	2.98
1999	21,676,790	22,366,210	44,043,000	1,148	5.63	2.80
1998	20,565,920	17,830,080	38,396,000	1,006	3.88	2.47

Data Sources:
 Audited Financial Statements
 U.S. Census Bureau
 Assessors Department MS-1 Report

City of Concord, New Hampshire

Computation of Overlapping Debt Merrimack County Long Term Debt Last Ten Calendar Years

Direct: City of Concord

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2007	\$ 45,758,099	100%	\$ 45,758,099
2006	39,200,390	100%	39,200,390
2005	26,511,000	100%	26,511,000
2004	26,087,000	100%	26,087,000
2003	23,937,000	100%	23,937,000
2002	26,782,000	100%	26,782,000
2001	28,648,000	100%	28,648,000
2000	24,190,000	100%	24,190,000
1999	21,677,000	100%	21,677,000
1998	20,566,000	100%	20,566,000

Overlapping: Merrimack County

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2007	\$ 47,630,000	25.56%	\$ 12,174,228
2006	26,240,000	25.27%	6,630,848
2005	27,850,000	25.88%	7,207,580
2004	13,650,000	26.12%	3,565,380
2003	2,050,000	26.35%	540,175
2002	2,450,000	27.56%	675,220
2001	1,950,000	27.45%	535,275
2000	3,325,000	26.53%	882,123
1999	1,050,000	26.76%	280,980
1998	1,200,000	26.65%	319,800

Overlapping: Concord School District

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2007	\$ 14,867,062	100%	\$ 14,867,062
2006	16,929,484	100%	16,929,484
2005	19,289,000	100%	19,289,000
2004	21,586,000	100%	21,586,000
2003	24,004,000	100%	24,004,000
2002	26,779,000	100%	26,779,000
2001	29,796,000	100%	29,796,000
2000	31,834,000	100%	31,834,000
1999	33,584,000	100%	33,584,000
1998	36,614,000	100%	36,614,000

Overlapping: Merrimack Valley School District

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2007	\$ 19,760,000	25.51%	\$ 5,040,776
2006	19,840,000	25.24%	5,007,616
2005	6,831,000	25.67%	1,753,518
2004	5,940,000	25.86%	1,536,084
2003	7,380,000	25.90%	1,911,420
2002	11,010,000	26.60%	2,928,660
2001	12,000,000	26.64%	3,196,800
2000	2,650,000	26.25%	695,625
1999	3,200,000	26.84%	858,880
1998	3,750,000	26.55%	995,625

City of Concord, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Base Value for Debt Limits (1)	\$ 1,673,981,000	\$ 1,761,329,000	\$ 1,904,463,000	\$ 2,190,546,000	\$ 2,576,583,000	\$ 2,938,724,000	\$ 3,270,961,000	\$ 3,695,730,000	\$ 4,007,515,023	\$ 4,286,124,163
Legal Debt Limits (% of Base Value)										
General - 1.75% thru 1998, 3% 1999 on (2)	\$ 29,294,668	\$ 52,839,870	\$ 57,133,890	\$ 65,716,380	\$ 77,297,490	\$ 88,161,720	\$ 98,128,830	\$ 110,871,900	\$ 120,225,451	\$ 128,583,725
Water - 10% (2)	167,398,100	176,132,900	190,446,300	219,054,600	257,658,300	293,872,400	327,096,100	369,573,000	400,751,502	428,612,416
Issued Debt at June 30										
Total Issued Debt at June 30	\$ 38,396,000	\$ 44,043,000	\$ 48,101,000	\$ 52,783,000	\$ 50,335,000	\$ 44,606,000	\$ 48,973,000	\$ 47,370,000	\$ 61,766,516	\$ 74,127,970
Less Water Fund	(8,577,000)	(11,193,000)	(12,013,000)	(12,692,000)	(13,146,000)	(11,792,000)	(13,912,000)	(12,676,000)	(13,056,546)	(11,760,598)
Less Sewer Fund (3)	(9,261,000)	(11,173,000)	(11,898,000)	(10,988,000)	(9,621,000)	(8,150,000)	(8,166,000)	(7,418,000)	(8,673,880)	(15,811,823)
Less Tax Increment Debt (3)	(485,000)	(200,000)	(2,785,000)	(4,990,000)	(4,640,000)	(4,295,000)	(3,950,000)	(3,605,000)	(13,421,000)	(12,975,000)
Less Landfill Debt (3)	(3,160,000)	(2,980,000)	(2,800,000)	(2,794,000)	(2,595,000)	(2,392,000)	(2,187,000)	(1,981,000)	(1,769,946)	(1,560,291)
Authorized Unissued at June 30										
Total Authorized Unissued Debt at June 30	13,362,000	7,055,000	6,241,000	6,605,000	6,239,000	9,516,000	12,710,000	26,681,000	11,639,672	5,167,672
Less Water Fund	(3,460,000)	(1,570,000)	(1,565,000)	(1,575,000)	(50,000)	(1,325,000)	-	-	-	(1,150,000)
Less Sewer Fund (3)	(3,587,000)	(2,125,000)	(550,000)	(4,600,000)	(4,600,000)	(5,270,000)	(8,780,000)	(8,705,000)	(387,672)	(117,672)
Less Tax Increment Debt (3)	-	(2,395,000)	(2,395,000)	-	-	-	-	-	-	-
Total Debt Subject to general limit	\$ 23,228,000	\$ 19,462,000	\$ 20,336,000	\$ 21,749,000	\$ 21,922,000	\$ 20,898,000	\$ 24,688,000	\$ 39,666,000	\$ 36,097,144	\$ 35,920,258
Legal Debt Margin										
General	\$ 6,066,668	\$ 33,377,870	\$ 36,797,890	\$ 43,967,380	\$ 55,375,490	\$ 67,263,720	\$ 73,440,830	\$ 71,205,900	\$ 84,128,307	\$ 92,663,467
Water Fund	\$ 155,361,100	\$ 163,369,900	\$ 176,868,300	\$ 204,787,600	\$ 244,462,300	\$ 280,755,400	\$ 313,184,100	\$ 356,897,000	\$ 387,694,956	\$ 415,701,818
% of Legal Debt Limits Used										
General	79.3%	36.8%	35.6%	33.1%	28.4%	23.7%	25.2%	35.8%	30.0%	27.9%
Water Fund	5.1%	6.4%	6.3%	5.8%	5.1%	4.0%	4.3%	3.4%	3.3%	2.7%

Data Source
Audited Financial Statements

Notes:

- (1) Base Value for Debt Limits computed by the NH Department of Revenue Administration
- (2) Legal debt limit percentage rates set by NH State statute
- (3) Debt exempt from Debt limits consists of Landfills, Tax Increment Financing and Sewer debt.

City of Concord, New Hampshire

Demographic Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2007	43,935	\$ 21,976 **	2.70% ***
2006	43,170	25,877	3.20%
2005	42,887	25,877	3.10%
2004	42,440	26,085	3.00%
2003	41,792	25,157	2.70%
2002	41,310	23,745	2.20%
2001	40,687	21,114	1.90%
2000	39,023	20,632	1.80%
1999	38,356	20,401	2.00%
1998	38,180	25,943	2.30%

** Based on 2000 census -- no updated numbers available from the Office of Energy and Planning.

*** Rate as of Sept. 2007

City of Concord, New Hampshire

Principal Employers Current Year and Nine Years Ago

Employer	2007			1997 (2)			
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
State of New Hampshire	11,027	1	49.72 %	10,201	1	-	%
Concord Hospital	2,960	2	13.35	1,400	2	-	
Steeplegate Regional Mall	1,235	3	5.57	1,100	3	-	
Concord School District	964	4	4.35	924	4	-	
Merrimack County	700	5	3.16	600	7	-	
Lincoln Financial Group	660	6	2.98	641 *	6	-	
City of Concord	515	7	2.32	465	9	-	
Merrimack Valley School District	500	8	2.25	-	-	-	
Genesis Elder Care Network	417	9	1.88	-	-	-	
St Paul's School	340	10	1.53	-	-	-	
Federal Government	-		-	915	5	-	
Healthsource of New Hampshire	-		-	485	8	-	
Vishay-Sprague (Sprague Electric)	-		-	435	10	-	
Total Principal Employers	19,318		87.10 %	17,166		-	%
Total City Employment	22,180 (1)			NA			

*Previous name was Jefferson-Pilot Financial

Data Source

Final Official Statements for City of Concord bond issues and information provided by City's Economic Development Dept.

NA = Information is not available.

(1) Based on labor force residing in Concord.

(2) Principal Employer information was unavailable for 1998

City of Concord, New Hampshire

City Government Employees by Division - Full Time Equivalents

Last Ten Fiscal Years

Departments	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
City Manager	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Legal	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0	9.0	9.0
Assessing	5.5	5.5	5.5	6.5	6.5	6.5	6.5	6.5	7.0	6.5
Personnel	3.0	3.0	3.0	3.0	3.2	3.2	3.2	3.6	4.0	4.0
Finance/Control	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	7.6	7.6
Finance/Treas	8.2	8.2	8.2	8.5	8.5	8.6	8.6	8.6	8.6	8.0
Finance/Purch	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Info Technology	3.0	3.0	2.0	4.0	4.0	4.0	5.0	5.0	5.0	6.0
City Clerk	2.7	2.7	2.7	2.7	2.7	3.0	3.0	3.6	3.6	3.6
Gen Gov	42.4	42.4	41.4	44.7	44.9	45.3	47.3	49.3	49.8	49.7
Police	93.2	93.2	98.5	104.5	105.2	105.2	105.2	105.2	106.2	105.0
Fire	93.0	95.0	95.5	102.7	103.7	115.7	115.7	117.7	117.7	115.2
Public Safety	186.2	188.2	194.0	207.2	208.9	220.9	220.9	222.9	223.9	220.2
Administration	30.0	30.0	19.0	18.0	20.0	19.0	19.0	18.0	17.5	17.5
Hwys & Util Sys	38.0	38.0	38.0	40.0	42.0	42.0	42.0	42.0	42.0	42.0
Grounds	27.0	27.0	27.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Temporary	12.7	12.7	12.7	14.7	14.7	14.7	14.7	14.7	13.7	12.8
Public Properties	18.0	18.0	18.0	18.0	19.0	19.0	19.0	21.0	21.0	20.5
Vehicle Maint	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Water & Sewer	33.0	33.0	31.0	27.0	27.0	27.0	27.0	27.0	26.0	26.0
General Svcs	171.7	171.7	158.7	155.7	160.7	159.7	159.7	160.7	158.2	156.8
Administration	-	-	2.0	1.5	2.0	2.0	2.0	2.0	2.0	2.0
Planning	4.0	4.0	3.5	4.0	5.5	5.5	5.5	5.5	5.5	4.5
Business Devel	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Bldg & Code Svcs	10.0	10.0	10.0	12.0	11.5	11.5	11.5	11.5	11.5	11.5
Engineering Svcs	7.0	7.0	18.0	18.0	18.5	18.5	18.5	17.5	17.6	18.6
Grants Admin	1.5	1.5	1.5	1.5	0.5	0.5	0.5	0.5	0.5	0.5
Comm Devel	24.0	24.0	37.0	39.0	40.0	40.0	40.0	39.0	39.1	39.1
Library	26.7	26.7	27.3	27.3	27.3	27.3	27.3	25.3	25.1	25.1
Recreation	9.8	10.0	11.0	11.0	12.2	12.2	12.2	12.5	10.7	10.0
Leisure Services	36.5	36.7	38.3	38.3	39.5	39.5	39.5	37.8	35.8	35.1
Human Services	4.5	4.5	4.5	4.5	4.5	4.7	4.7	4.7	4.7	4.7
Grand Totals	465.3	467.5	473.9	489.4	498.5	510.1	512.1	514.4	511.5	505.5

Data Source

Budgeted Positions per City of Concord Budget. Full time equivalent based on 40 hours per week.

City of Concord, New Hampshire

Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Physical arrests	2,495	2,271	2,573	2,166	2,254	2,864	2,770	3,215	2,978	2,928
Traffic violations	5,582	3,205	3,349	4,089	5,757	7,031	6,041	5,950	5,768	5,548
Parking violations	34,852	33,706	37,589	39,072	44,587	44,056	44,899	43,648	49,216	39,318
Fire and Rescue										
Calls answered	5,075	5,075	5,676	6,122	6,122	6,554	6,803	7,095	7,565	7,875
General services - Solid waste										
Refuse collected (tons)	na	na	na	na	na	na	na	na	17,603	17,081
Recycling (tons) Note: Recycle program started Oct 2005	na	na	na	na	na	na	na	na	1,356	1,962
General services - Streets										
Streets resurfaced (miles)	na	na	na	na	na	na	na	na	16	18
Potholes repaired	na	na	na	na	na	na	na	na	14,895	7,934
Water										
Average daily consumption (in thousands of gallons)	4,630	4,655	4,972	4,972	4,972	4,639	4,840	4,840	4,910	4,910
Sewage System:										
Daily average treatment (millions of gallons)										
Concord Plant	4,348	3,985	4,557	4,088	4,200	4,530	4,600	4,570	4,605	4,680
Penacook Plant	617	514	613	513	435	458	578	573	575	585

Data Source

Various city departments

Notes:

na = Information is not available.

City of Concord, New Hampshire

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	13	13	14	15	15	16	16	16	15	15
Fire and Rescue										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of ladder trucks	2	2	2	2	2	2	2	2	2	2
Number of pumpers	5	5	5	5	5	5	6	6	6	6
Number of support vehicles	2	2	2	2	5	5	5	5	8	7
General Services - Streets										
Miles of streets	221	271	272	272	272	272	338	338	339	340
Number of traffic lights (in sets)	na	na	na	na	na	na	na	92	92	97
Number of street lights	2,138	2,138	2,138	2,068	2,068	2,068	2,178	2,183	2,183	2,128
General Services - Culture and Recreation:										
Number of parks	16	16	16	16	16	16	21	20	20	20
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	14	14	14	21	21	21	21	21	21	21
Water										
Water main (miles)	180	180	181	181	183	183	215	169	169	170
Maximum daily capacity (thousands of gallons)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sewage System:										
Sanitary sewers (miles)	87	116	117	117	120	141	141	141	141	142
Maximum daily capacity of treatment (thousands of gallons)										
Concord Plant	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100
Penacook Plant	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200

Data Source
Various city departments