

# **CITY OF CONCORD, NEW HAMPSHIRE**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended  
June 30, 2006**

# **CITY OF CONCORD, NEW HAMPSHIRE**

## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2006**



**Prepared by:  
The Finance Department**

**James R. Howard  
Director of Finance**

**Nancy A. Woods  
Controller**

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# **INTRODUCTORY SECTION**

**FINANCIAL  
SECTION**

**STATISTICAL  
SECTION**

**INTRODUCTORY  
SECTION**



# City of Concord, New Hampshire

## FINANCE DEPARTMENT

41 GREEN STREET CONCORD, NH 03301

(603) 225-8560

January 29, 2007

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, 2006. 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, 2005 through June 30, 2006. This CAFR also presents the City's financial statements as required under the Governmental Accounting Standards Board's (GASB) Statement No. 34, which established a new financial reporting model for state and local governments. The report is presented in three main sections as evidenced by the Table of Contents: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, the City's organization chart, a listing of principal officials, and a drawing that shows the location of the City of Concord within the State of New Hampshire. The Financial Section contains the Independent Auditors' Report; Management's Discussion and Analysis; basic government-wide financial statements of net assets and activities; governmental, proprietary and fiduciary financial statements; and supplementary statements and schedules for non-major governmental funds, the general fund and non-major enterprise funds. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

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 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 43,170 as of December 31, 2005, 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 seat of the Federal Court. Two separate school districts serve the City - the Concord School District and the Merrimack Valley School District.

Policymaking and legislative authority are vested in a 15-member council by the adopted City Charter. 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, Michael Donovan, is a former City Councilor who was elected Mayor in November 2001 and re-elected again in November 2003 and 2005. Thomas J. 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.

## LOCAL ECONOMY

Again during fiscal 2006, the City and the State of New Hampshire continued to experience economic performance stronger than the regional and national economies as evidenced by the growth in income, employment and housing construction. Information relevant to the local economy can be found in the statistical tables. However, this growth - aside from that associated with interest income primarily spurred by increases in the Fed Funds rate - did not result in commensurate city revenue growth. When contrasted to double digit increases in health insurance premiums, and impending increases in the employer share for employee retirement and the uncertainty surrounding state education funding, the outlook this time last year for 2006 was disconcerting. The results were slightly better than 2005 however.

Buoyed by state and other government employment, the City's average annual unemployment rate remained below the state average for the 14<sup>th</sup> consecutive year. At June 2006, the U.S. unemployment rate was 4.8%, the New England Region at 4.6%, New Hampshire at 3.3%, and Concord was at 3.2%. The Concord unemployment rate in June of 2006 was fifth lowest among the 13 cities in the state. It remained below the two larger cities in New Hampshire with Nashua at 3.9% and Manchester at 3.6%. A mixed labor market picture entering fiscal 2007, working against a tight budget outlook, yielded capped CPI-based labor settlements during the period and increased employee sharing of health benefit premiums. The fiscal 2007 cost-of-living increase for non-contractual and UAW union employees will be 2.5% in February 2007.

## ECONOMIC OUTLOOK

With home sales showing evidence of slowing, through December 2006 there is evidence of price leveling. The City Assessor reports continued appreciation in commercial values however as compared to residential, and commercial building plans remain strong as well. Unemployment expectations are stable for the period. Concord is expected to maintain an unemployment rate slightly below the state average. As another indicator of a strong local economy, as it pertains to the individual tax-payer in particular, property tax collections as percent of levy remain at historically high levels. Slow auto sales both nationally and locally are contributing to lower growth rates in revenues to the general fund from registration fees. Interest income is expected continue growth but nowhere near the rapid pace of the last two years as rates have apparently reached their peak and may begin to drop.

## LONG-TERM FINANCIAL POLICY, PLANNING AND 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 updated a series of fiscal policy goals to guide the financial direction and management of the City.

Additional goals adopted by the FPAC 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 yet the city has achieved its undesignated fund balance retention goal throughout that period.

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 unreserved fund balance (UUFB) of \$4,079,762 as of fiscal year end represents a nominal \$ 26,525 decrease from the previous year. This UUFB 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**

|       | 1996-2006                |                                  |
|-------|--------------------------|----------------------------------|
|       | <u>Total Fund Equity</u> | <u>Undesignated Fund Balance</u> |
| 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                        |

\*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 Moody's 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 remains 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 the 2006 and 2007 bond sales, credit rating agencies, while confirming their ratings, expressed growing concern over reductions in reserves, operating deficits and pressures on fund balance. At the same time, Standard and Poor's new Financial Management Assessment, issued in conjunction with the 2007 sale, rated the City's financial management at the strongest level attainable.

The City's Debt Limit for general purposes is established in accordance with RSA 33:4-a, at 3% of assessment. As of June 30, 2006, the City has remaining 61.5% and 96.7% of general fund and water fund debt capacity, respectively. Please see page 123, in the Statistical Section, for a complete calculation and explanation of debt capacity. Also available are previous CAFR Letters of Transmittal, Official Bond Statements and credit agency reports. Please contact the City Finance Department for more details about city bonds, debt and credit history.

## FINANCIAL STRUCTURE AND MANAGEMENT

According to the City Charter and Code of Ordinances, the City Administration is responsible for establishing an accounting and internal control structure designed to ensure that the physical, intellectual and human assets of the City are protected from loss, theft, and misuse; and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting

principles (GAAP). Additionally, the management strives to ensure that these assets are put to good and effective use. The internal control structure is designed to provide reasonable, but not absolute, assurances that these objectives are attained. The concept of reasonable assurance recognizes that: (1) the cost of any control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires judgments by management.

In connection with the preparation of the fiscal 2003 and 2004 budgets, the Finance Director requested an additional accounting position due to the increasing responsibilities associated with implementation of GASB Statement No. 34, recurring management letter recommendations, and the increasing complexity of municipal government financial operations and reporting. The position of Senior Accountant was funded with the adoption of the 2004 budget.

### MAJOR INITIATIVES

In Fall 2005, subsequent to a Needs Assessment performed by the City with the assistance of the Government Finance Officer's Association, the City issued a request for proposal for an Enterprise Resources Planning (ERP) system and hired a Project Manager to oversee and implement the project. Since then the City has contracted with New World Systems of Troy, Michigan to implement Logos™, their MS.net based Enterprise Resource Planning (ERP) System and New Hampshire's Munismart™ to implement their Tax Billing and Collection system. These implementations constitute a complete replacement and major upgrade to the City's financial management and reporting capabilities. By the fall of 2007 the City plans to have fully replaced its: general ledger, A/R, budget, asset management, tax billing and collections, utility billing and collection, purchasing, job cost and human resources/payroll and benefit systems.

This system incorporates many productivity improvements including customer and employee self services as well as process and work flow with highly functional internal control features. The total cost of this project is budgeted at \$1.8 million. New World Systems is an established and successful provider of local government financial solutions.

Among other highlights, the City initiated an energy efficiency effort including operational aspects and capital expenditures based upon aggressive financial payback criteria.

### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the eleventh (11th) consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Concord, NH for its Comprehensive Annual Financial Report 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 Nancy A. Woods, City Controller. At the same time, we add our recognition and thanks to Senior Accountant Carol B. Andersen. With Carol's able assistance the City is again able to include all capital assets and infrastructure which represents the fourth year of compliance with GASB Statement No. 34. Without their diligence and hard work, this report would not be possible.

#### OTHER INFORMATION

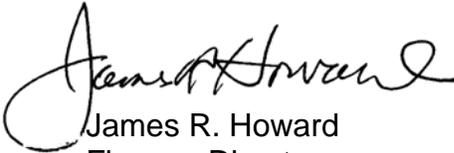
Although state statutes do not require an annual audit, the City has continually produced an independently audited set of Financial Statements since the 1920's. Presently, the firm of Melanson, Heath and Company, P.C. of Nashua, New Hampshire conducts the annual audit for the City. In addition, the audit 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](http://www.ci.concord.nh.us), where this CAFR is expected to be prominently displayed by mid February. Also displayed are previous City CAFR's and other summary financial information.

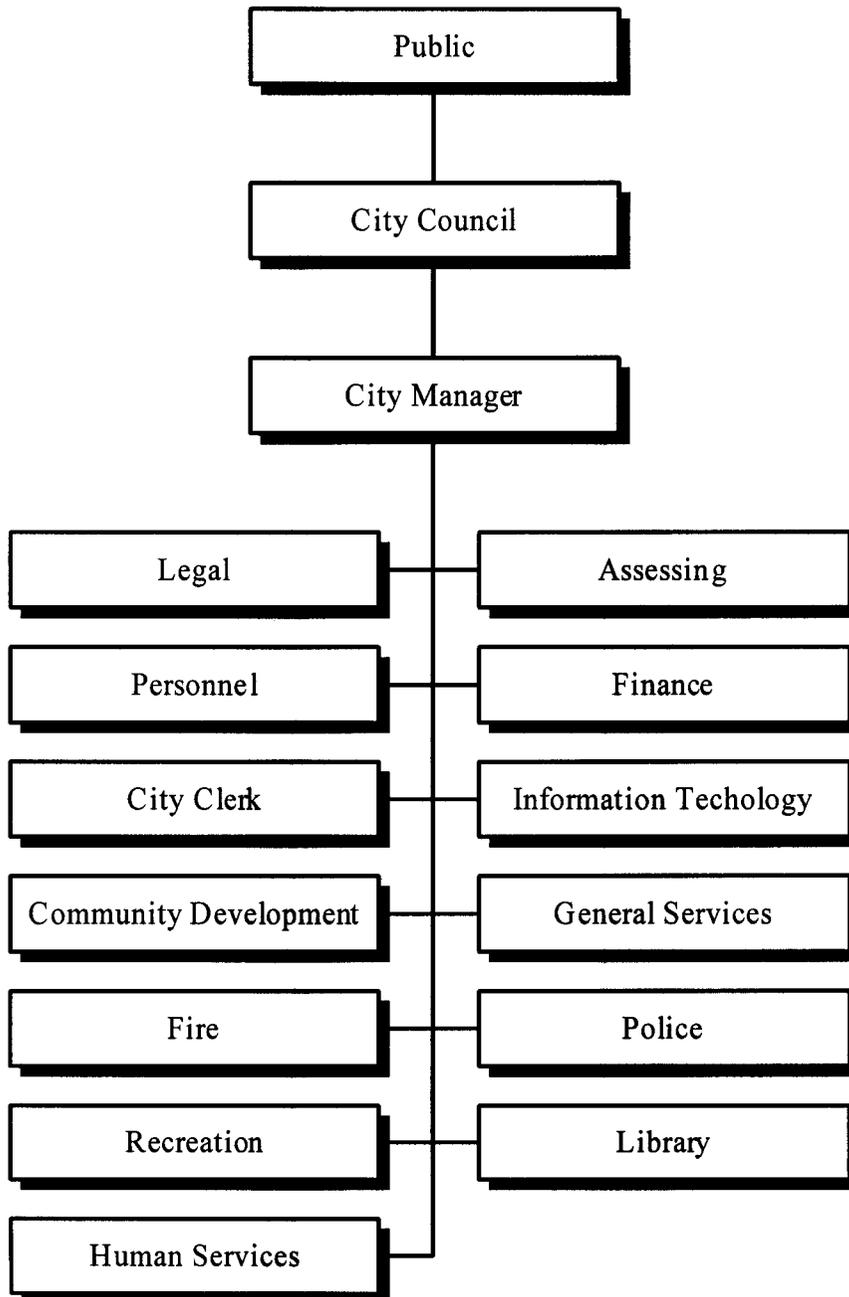
In closing, the preparation of this report, receipt of the Certificate of Achievement, and the strong financial position of the City would not be possible without the guidance and support of the City Council through its fiscal goals and the professional and diligent efforts of the entire staff of the City to whom we owe our sincere appreciation.

Sincerely,

  
Thomas J. Aspell  
City Manager

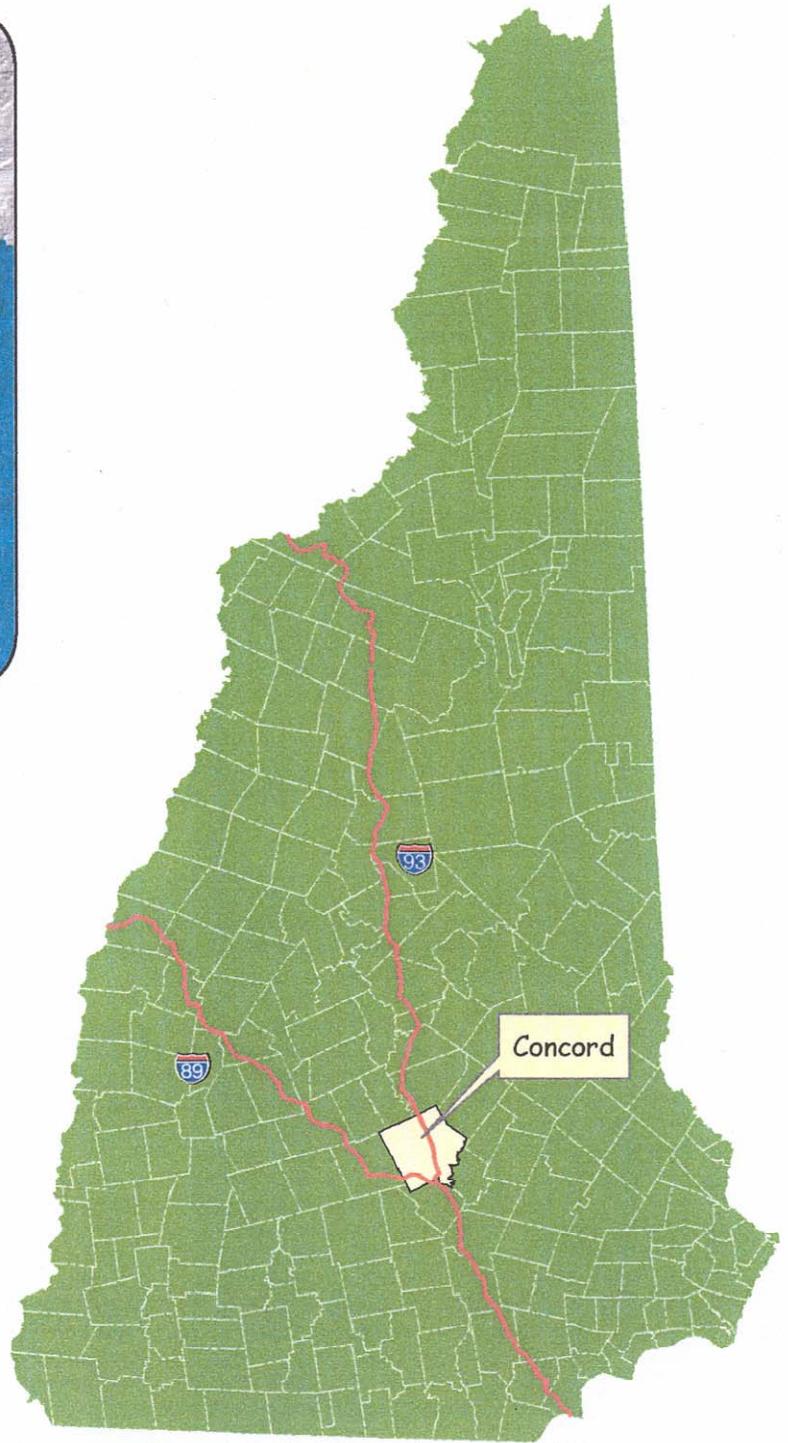
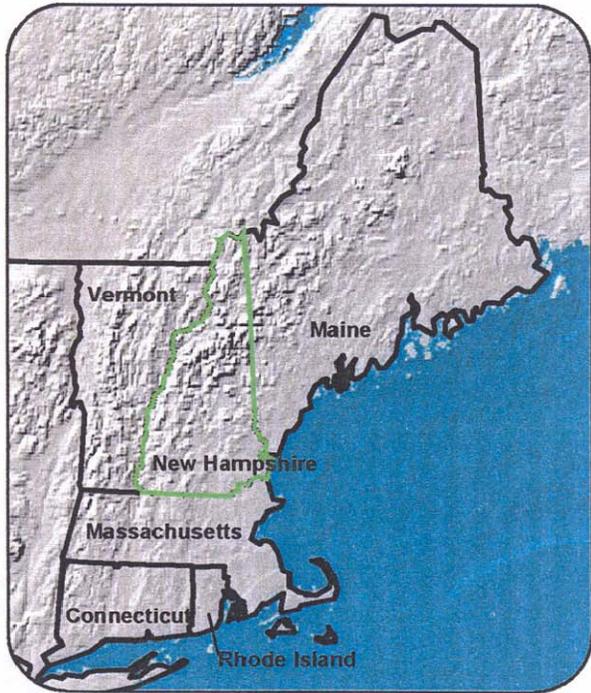
  
James R. Howard  
Finance Director

CITY OF CONCORD, NEW HAMPSHIRE  
TABLE OF ORGANIZATION



# City of Concord, NH

## Geographic Location



CITY OF CONCORD, NEW HAMPSHIRE  
LIST OF PRINCIPAL OFFICIALS

June 30, 2006

| 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                        | Vacant                          |
| 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                          | Marjory Swope                   |
| Councilor Ward 6                          | J. Allen Bennett                |
| Councilor Ward 7                          | Keith Nyhan                     |
| Councilor Ward 8                          | Jim Rowe                        |
| Councilor Ward 9                          | Katherine D. Rogers             |
| <u>Appointed by Council:</u>              |                                 |
| City Manager                              | Thomas J. Aspell, Interim       |
| <u>Appointed by City Manager:</u>         |                                 |
| Assistant City Manager                    | Thomas J. Aspell                |
| 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                 |
| Finance Director                          | James R. Howard                 |
| Controller                                | Nancy A. Woods                  |
| Treasurer / Tax Collector                 | Michael P. Jache                |
| City Clerk                                | Janice Bonenfant                |
| Police Chief                              | Jerome Madden                   |
| Fire Chief                                | Christopher Pope                |
| 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                       | Carolyn Tracy                   |
| Human Services Director                   | Jacqueline Whatmough            |
| Community Development Director            | Roger C. Hawk                   |

# 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, 2005

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.



President

Executive Director

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# FINANCIAL SECTION



## MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT ADVISORS

102 Perimeter Road  
Nashua, NH 03063-1301  
Tel (603) 882-1111 • Fax (603) 882-9456  
[www.melansonheath.com](http://www.melansonheath.com)

### 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, 2006, 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, 2006, 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

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 17, 2007 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 17, 2007

## **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, 2006. 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, Sewer and Solid Waste 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 \$ 189,803,128 (i.e., net assets), a change of \$ 6,245,166 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 44,770,319, a change of \$ 6,465,761 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 4,079,762, a change of \$ 26,525 in comparison with the prior year. In addition, total general fund balance changed by \$ (185,911).
- Total bonds payable at the close of the current fiscal year was \$ 61,766,516, a change of \$ 14,396,659 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<br>Activities |                       | Business-Type<br>Activities |                   | Totals            |                   |
|                                 | 2006                       | 2005                  | 2006                        | 2005              | 2006              | 2005              |
| Current and other assets        | \$ 90,371                  | \$ 79,833             | \$ 12,658                   | \$ 12,614         | \$ 103,029        | \$ 92,447         |
| Capital assets                  | 71,829                     | 58,851                | 132,031                     | 132,354           | 203,860           | 191,205           |
| Total assets                    | <u>162,200</u>             | <u>138,684</u>        | <u>144,689</u>              | <u>144,968</u>    | <u>306,889</u>    | <u>283,652</u>    |
| Long-term liabilities           |                            |                       |                             |                   |                   |                   |
| outstanding                     | 41,525                     | 28,814                | 22,714                      | 21,005            | 64,239            | 49,819            |
| Other liabilities               | 44,935                     | 41,059                | 7,912                       | 9,216             | 52,847            | 50,275            |
| Total liabilities               | <u>86,460</u>              | <u>69,873</u>         | <u>30,626</u>               | <u>30,221</u>     | <u>117,086</u>    | <u>100,094</u>    |
| Net assets:                     |                            |                       |                             |                   |                   |                   |
| Invested in capital assets, net | 43,017                     | 35,137                | 104,696                     | 104,436           | 147,713           | 139,573           |
| Restricted                      | 11,514                     | 10,412 <sup>(1)</sup> | 1,409                       | 693               | 12,923            | 11,105            |
| Unrestricted                    | 21,209                     | 23,262 <sup>(1)</sup> | 7,958                       | 9,618             | 29,167            | 32,880            |
| Total net assets                | <u>\$ 75,740</u>           | <u>\$ 68,811</u>      | <u>\$ 114,063</u>           | <u>\$ 114,747</u> | <u>\$ 189,803</u> | <u>\$ 183,558</u> |

(1) Reflects a reclassification of \$ 9,359 of unrestricted net assets to restricted net assets

**CHANGES IN NET ASSETS**

|  | Governmental     |                  | Business-Type     |                   | Totals            |                   |
|--|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|  | <u>2006</u>      | <u>2005</u>      | <u>2006</u>       | <u>2005</u>       | <u>2006</u>       | <u>2005</u>       |
| Revenues:  |                  |                  |                   |                   |                   |                   |
| Program revenues   |                  |                  |                   |                   |                   |                   |
| Charges for services   | \$ 7,399         | \$ 6,751         | \$ 13,075         | \$ 12,626         | \$ 20,474         | \$ 19,377         |
| Operating grants and contributions                           | 543              | 701              | -                 | -                 | 543               | 701               |
| Capital grants and contributions                             | 3,234            | 2,394            | 179               | 1,353             | 3,413             | 3,747             |
| General revenues   |                  |                  |                   |                   |                   |                   |
| Property Taxes   | 32,152           | 30,526           | -                 | -                 | 32,152            | 30,526            |
| Penalties, interest and other taxes                          | 668              | 619              | -                 | -                 | 668               | 619               |
| Grants and contributions not restricted to specific programs | 2,221            | 1,931            | 1,073             | 342               | 3,294             | 2,273             |
| Investment income  | 2,484            | 1,459            | 435               | 189               | 2,919             | 1,648             |
| Other  | 747              | 946              | 124               | 80                | 871               | 1,026             |
| Total revenues   | <u>49,448</u>    | <u>45,327</u>    | <u>14,886</u>     | <u>14,590</u>     | <u>64,334</u>     | <u>59,917</u>     |
| Expenses:  |                  |                  |                   |                   |                   |                   |
| General government   | 5,170            | 5,852            | -                 | -                 | 5,170             | 5,852             |
| Public safety  | 17,832           | 16,072           | -                 | -                 | 17,832            | 16,072            |
| General services   | 10,582           | 10,874           | -                 | -                 | 10,582            | 10,874            |
| Planning and development                                     | 3,187            | 2,991            | -                 | -                 | 3,187             | 2,991             |
| Leisure and information services                             | 2,196            | 2,100            | -                 | -                 | 2,196             | 2,100             |
| Human services   | 1,061            | 1,033            | -                 | -                 | 1,061             | 1,033             |
| Interest on long-term debt                                   | 1,248            | 954              | -                 | -                 | 1,248             | 954               |
| Miscellaneous  | 1,048            | 1,053            | -                 | -                 | 1,048             | 1,053             |
| Water operations   | -                | -                | 5,227             | 4,833             | 5,227             | 4,833             |
| Sewer operations   | -                | -                | 6,047             | 5,536             | 6,047             | 5,536             |
| Solid waste operations                                       | -                | -                | 3,581             | 3,225             | 3,581             | 3,225             |
| Other operations   | -                | -                | 1,226             | 1,166             | 1,226             | 1,166             |
| Total expenses   | <u>42,324</u>    | <u>40,929</u>    | <u>16,081</u>     | <u>14,760</u>     | <u>58,405</u>     | <u>55,689</u>     |
| Change in net assets before transfers and contributions      | 7,124            | 4,398            | (1,195)           | (170)             | 5,929             | 4,228             |
| Transfer in (out)  | (511)            | (504)            | 511               | 504               | -                 | -                 |
| Permanent fund contributions                                 | 316              | 122              | -                 | -                 | 316               | 122               |
| Increase in net assets                                       | 6,929            | 4,016            | (684)             | 334               | 6,245             | 4,350             |
| Net assets - beginning of year                               | <u>68,811</u>    | <u>64,795</u>    | <u>114,747</u>    | <u>114,413</u>    | <u>183,558</u>    | <u>179,208</u>    |
| Net assets - end 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> |

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 \$ 189,803,128, a change of \$ 6,245,166 from the prior year.

The largest portion of net assets \$ 147,712,937 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 \$ 12,923,149 resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$ 29,167,042 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 \$ 6,928,424. Key elements of this change are as follows (in thousands):

|  |                 |
|--|-----------------|
| Excess of revenues over expenditures:                    |                 |
| General fund operations                                  | \$ 1,836        |
| Special revenue funds                                    | 2,127           |
| Permanent funds  | 572             |
| Debt service fund  | <u>85</u>       |
| Subtotal   | 4,620           |
| General fund transfers from enterprise funds             | 843             |
| Debt service principal paydown in excess of depreciation | 1,050           |
| Other  | <u>415</u>      |
| Total  | \$ <u>6,928</u> |

While total net assets of the governmental activities changed, unrestricted net assets changed \$ (2,053,114) 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 \$ (683,258). This change primarily results from depreciation expense exceeding debt service pay downs by approximately \$ 339,698 and \$ (829,554) in the Water and Sewer funds, respectively, and the acquisition of capital assets from operating revenues. The following is a summary of the changes in net assets by fund (in thousands):

|                        |                 |
|------------------------|-----------------|
| Water operations       | \$ (525)        |
| Sewer operations       | (106)           |
| Solid Waste operations | ( 4)            |
| Nonmajor funds         | <u>(48)</u>     |
| Total                  | \$ <u>(683)</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 \$ 44,770,319, a change of \$ 6,465,761 in comparison with the prior year. Most of this change was attributable to the use of General Fund unreserved fund balance and the current year expenditure of capital reserve funds established in prior fiscal years.

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 \$ 4,079,762 while total fund balance was \$ 7,119,336. While the undesignated fund balance changed by \$ (26,525), total fund balance was changed by \$ (185,911). 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 City has also drawn on the Tax Stabilization Reserve (\$ 2,500,000 at June 30, 2003, \$ 2,000,000 at June 30, 2004, \$ 1,500,000 at June 30, 2005, and \$ 1,125,000 at June 30, 2006) to support designated balance for transfer to reserves. 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            | \$ 4,106          | \$ 1,166        | \$ 1,500                 | \$ 533              | \$ 7,305        |
| Use of fund balance          | (1,000)           | -               | (375)                    | (533)               | (1,908)         |
| Revenues in excess of budget | 1,583             | -               | -                        | -                   | 1,583           |
| Expenditure under budget     | 679               | -               | -                        | -                   | 679             |
| Other                        | (540)             | -               | -                        | -                   | (540)           |
| Transfers                    | (748)             | (502)           | -                        | 1,250               | -               |
| End of Year                  | <u>\$ 4,080</u>   | <u>\$ 664</u>   | <u>\$ 1,125</u>          | <u>\$ 1,250</u>     | <u>\$ 7,119</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 10.4% of total General Fund expenditures, while total fund balance represents 18.1% 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 \$ 7,957,766, a change of \$ (1,660,214) 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 \$ 567,804. The majority of the overall change, \$ 532,804 represents transfers of General Fund balance to capital reserve special revenue funds.

The only notable revenue receipts in excess of budget were \$ 734,616 in investment income. 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% , even lower than last year's historical level of 2.6%.

## **F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in capital assets for governmental and business-type activities at year-end amounted to \$ 203,860,022 (net of accumulated depreciation), a change of \$ 12,655,432 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, various building energy improvements, acquisition of vehicles for the General Service and Police Departments, and on-going infrastructure improvements.

**Long-term debt.** At the end of the current fiscal year, total bonded debt outstanding was \$ 61,766,516, 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 13, 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 2006 adopted to the fiscal 2007 adopted City General Fund budget and tax rate:

|  | 2006<br>COUNCIL<br>ADOPTED | 2007<br>COUNCIL<br>ADOPTED |
|--|----------------------------|----------------------------|
| <u>Use of Funds</u>                            |                            |                            |
| Budget Appropriations                          | \$ 42,351,839              | \$ 45,276,298              |
| War Credits                                    | 349,000                    | 298,000                    |
| Overlay  | <u>500,000</u>             | <u>500,000</u>             |
| <br>Total Uses of Funds                        | <br><u>\$ 43,200,839</u>   | <br><u>\$ 46,074,298</u>   |
| <u>Sources of Funds</u>                        |                            |                            |
| Miscellaneous Revenues                         | \$ 17,532,935              | \$ 18,626,784              |
| Surplus (prior Year Undesignated fund Balance) | 1,000,000                  | 1,175,000                  |
| Tax Stabilization Reserve                      | 175,000                    | 500,000                    |
| Tax Stabilization Reserve (to Highway Reserve) | 200,000                    | -                          |
| Amount to be raised by property taxes          | <u>24,292,904</u>          | <u>25,772,514</u>          |
| <br>Total Sources of Funds                     | <br><u>\$ 43,200,839</u>   | <br><u>\$ 46,074,298</u>   |

**TAX RATE DETERMINATION**

|   |                   |                   |
|---|-------------------|-------------------|
| Assessed Value (A.V.) in thousands of dollars       | \$ 3,458,490      | \$ 4,105,427      |
| <br>Amount to be Raised                             | <br>\$ 24,292,904 | <br>\$ 25,772,514 |
| <br>Current Year Recommended Tax Rate/\$ 1,000 A.V. | <br>\$ 6.57       | <br>\$ 6.28       |
| Prior Year Tax Rate/\$ 1,000 A.V.                   | <u>\$ 6.82</u>    | <u>\$ 6.57</u>    |
| <br>Increase over Prior Year                        | <br>\$ -0.25      | <br>\$ -0.29      |
| <br>% Change  | <br>-3.67%        | <br>-4.41%        |

## **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, 2006

|  | Governmental<br>Activities  | Business-Type<br>Activities  | Total                        |
|--|-----------------------------|------------------------------|------------------------------|
| <b>ASSETS</b>  |                             |                              |                              |
| Current:   |                             |                              |                              |
| Cash and short-term equivalents                          | \$ 56,892,889               | \$ 10,012,390                | \$ 66,905,279                |
| Investments  | 7,708,264                   | -                            | 7,708,264                    |
| Receivables, net of allowance for uncollectibles:        |                             |                              |                              |
| Property taxes   | 22,965,271                  | -                            | 22,965,271                   |
| Accounts   | 1,104,943                   | -                            | 1,104,943                    |
| User fees  | -                           | 1,202,237                    | 1,202,237                    |
| Intergovernmental  | -                           | 113,636                      | 113,636                      |
| Loans  | 998,398                     | -                            | 998,398                      |
| Interest   | 173,008                     | -                            | 173,008                      |
| Due from external parties fiduciary funds                | 157,484                     | -                            | 157,484                      |
| Other assets   | 370,803                     | 33,364                       | 404,167                      |
| Noncurrent:  |                             |                              |                              |
| Receivables, net of allowance for uncollectibles:        |                             |                              |                              |
| Intergovernmental  | -                           | 1,295,811                    | 1,295,811                    |
| Capital assets:  |                             |                              |                              |
| Land and construction in progress                        | 29,261,017                  | 8,163,421                    | 37,424,438                   |
| Other capital assets, net<br>of accumulated depreciation | <u>42,567,547</u>           | <u>123,868,037</u>           | <u>166,435,584</u>           |
| <b>TOTAL ASSETS</b>                                      | <b>162,199,624</b>          | <b>144,688,896</b>           | <b>306,888,520</b>           |
| <b>LIABILITIES</b>                                       |                             |                              |                              |
| Current:   |                             |                              |                              |
| Accounts payable   | 3,518,611                   | 899,731                      | 4,418,342                    |
| Retainage payable  | 650,425                     | 333,337                      | 983,762                      |
| Accrued liabilities                                      | 1,100,303                   | 354,558                      | 1,454,861                    |
| Unearned revenues  | 23,232,508                  | 21,622                       | 23,254,130                   |
| Notes payable  | -                           | 6,293,714                    | 6,293,714                    |
| Taxes collected in advance                               | 14,908,935                  | -                            | 14,908,935                   |
| Due to other governments                                 | 5,789                       | -                            | 5,789                        |
| Other current liabilities                                | 1,517,810                   | 9,061                        | 1,526,871                    |
| Current portion of long-term liabilities:                |                             |                              |                              |
| Bonds payable  | 4,075,251                   | 2,518,328                    | 6,593,579                    |
| Other liabilities  | 1,521,818                   | 147,392                      | 1,669,210                    |
| Noncurrent:  |                             |                              |                              |
| Bonds payable, net of current portion                    | 35,125,139                  | 20,047,798                   | 55,172,937                   |
| Other liabilities, net of current portion                | <u>803,262</u>              | <u>-</u>                     | <u>803,262</u>               |
| <b>TOTAL LIABILITIES</b>                                 | <b>86,459,851</b>           | <b>30,625,541</b>            | <b>117,085,392</b>           |
| <b>NET ASSETS</b>  |                             |                              |                              |
| Invested in capital assets, net of related debt          | 43,016,795                  | 104,696,142                  | 147,712,937                  |
| Restricted for:  |                             |                              |                              |
| Grants and other statutory restrictions                  | 3,850,298                   | -                            | 3,850,298                    |
| Permanent funds:   |                             |                              |                              |
| Nonexpendable  | 7,663,404                   | -                            | 7,663,404                    |
| Debt service   | -                           | 1,409,447                    | 1,409,447                    |
| Unrestricted   | <u>21,209,276</u>           | <u>7,957,766</u>             | <u>29,167,042</u>            |
| <b>TOTAL NET ASSETS</b>                                  | <b>\$ <u>75,739,773</u></b> | <b>\$ <u>114,063,355</u></b> | <b>\$ <u>189,803,128</u></b> |

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2006

|                                  | <u>Expenses</u>      | <u>Program Revenues</u>     |   |   |
|----------------------------------|----------------------|-----------------------------|---|---|
|                                  |                      | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| <b>Governmental Activities:</b>  |                      |                             |   |   |
| General government               | \$ 5,170,467         | \$ 2,625,179                | \$ 388,054                                | \$ -                                    |
| Public safety                    | 17,832,430           | 1,906,741                   | 147,442                                   | -                                       |
| General services                 | 10,581,792           | 320,889                     | -   | 3,233,739                               |
| Planning and development         | 3,187,532            | 2,126,301                   | 7,312                                     | -                                       |
| Leisure and information services | 2,195,694            | 387,741                     | -   | -                                       |
| Human services                   | 1,060,845            | 31,690                      | -   | -                                       |
| Interest on long-term debt       | 1,247,922            | -                           | -   | -                                       |
| Miscellaneous                    | 1,047,619            | -                           | -   | -                                       |
|                                  | <u>42,324,301</u>    | <u>7,398,541</u>            | <u>542,808</u>                            | <u>3,233,739</u>                        |
| Total Governmental Activities    | 42,324,301           | 7,398,541                   | 542,808                                   | 3,233,739                               |
| <b>Business-Type Activities:</b> |                      |                             |   |   |
| Water                            | 5,226,999            | 4,885,520                   | -   | -                                       |
| Sewer                            | 6,046,556            | 4,949,344                   | -   | 178,634                                 |
| Solid waste                      | 3,581,036            | 2,031,493                   | -   | -                                       |
| Other (nonmajor)                 | 1,226,355            | 1,208,977                   | -   | -                                       |
|                                  | <u>16,080,946</u>    | <u>13,075,334</u>           | <u>-</u>                                  | <u>178,634</u>                          |
| Total Business-Type Activities   | 16,080,946           | 13,075,334                  | -   | 178,634                                 |
| Total                            | <u>\$ 58,405,247</u> | <u>\$ 20,473,875</u>        | <u>\$ 542,808</u>                         | <u>\$ 3,412,373</u>                     |

**General Revenues, Transfers & Permanent Fund Contributions**

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><br><u>Activities</u> | Business-<br>Type<br><u>Activities</u> | <u>Total</u>              |
|--|--|---------------------------|
| \$ (2,157,234)                           | \$ -                                   | \$ (2,157,234)            |
| (15,778,247)                             | -                                      | (15,778,247)              |
| (7,027,164)                              | -                                      | (7,027,164)               |
| (1,053,919)                              | -                                      | (1,053,919)               |
| (1,807,953)                              | -                                      | (1,807,953)               |
| (1,029,155)                              | -                                      | (1,029,155)               |
| (1,247,922)                              | -                                      | (1,247,922)               |
| <u>(1,047,619)</u>                       | <u>-</u>                               | <u>(1,047,619)</u>        |
| <br>(31,149,213)                         | <br>-                                  | <br>(31,149,213)          |
| <br>-                                    | <br>(341,479)                          | <br>(341,479)             |
| <br>-                                    | <br>(918,578)                          | <br>(918,578)             |
| <br>-                                    | <br>(1,549,543)                        | <br>(1,549,543)           |
| <br><u>-</u>                             | <br><u>(17,378)</u>                    | <br><u>(17,378)</u>       |
| <br><u>-</u>                             | <br><u>(2,826,978)</u>                 | <br><u>(2,826,978)</u>    |
| <br>(31,149,213)                         | <br>(2,826,978)                        | <br>(33,976,191)          |
| <br><br>32,152,307                       | <br><br>-                              | <br><br>32,152,307        |
| 668,354                                  | -                                      | 668,354                   |
| 2,220,594                                | 1,073,384                              | 3,293,978                 |
| 2,483,994                                | 435,083                                | 2,919,077                 |
| 747,187                                  | 124,681                                | 871,868                   |
| (510,572)                                | 510,572                                | -                         |
| <u>315,773</u>                           | <u>-</u>                               | <u>315,773</u>            |
| <br><u>38,077,637</u>                    | <br><u>2,143,720</u>                   | <br><u>40,221,357</u>     |
| <br>6,928,424                            | <br>(683,258)                          | <br>6,245,166             |
| <br><u>68,811,349</u>                    | <br><u>114,746,613</u>                 | <br><u>183,557,962</u>    |
| <br><u>\$ 75,739,773</u>                 | <br><u>\$ 114,063,355</u>              | <br><u>\$ 189,803,128</u> |

## CITY OF CONCORD, NEW HAMPSHIRE

## GOVERNMENTAL FUNDS

## BALANCE SHEET

JUNE 30, 2006

|   | <u>General</u>       | <u>Capital<br/>Commons<br/>Garage</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|----------------------|---------------------------------------|--|---|
| <b>ASSETS</b>                             |                      |                                       |  |   |
| Cash and short-term equivalents           | \$ 19,358,480        | \$ 9,754,459                          | \$ 27,779,950                              | \$ 56,892,889                           |
| Investments                               | 743,220              | -                                     | 6,965,044                                  | 7,708,264                               |
| Receivables:                              |                      |                                       |  |   |
| Property taxes                            | 23,076,898           | -                                     | -  | 23,076,898                              |
| Accounts                                  | 456,366              | -                                     | 648,577                                    | 1,104,943                               |
| Loans                                     | -                    | -                                     | 998,398                                    | 998,398                                 |
| Interest                                  | 173,008              | -                                     | -  | 173,008                                 |
| Due from other funds                      | 3,392,062            | -                                     | -  | 3,392,062                               |
| Inventory                                 | 194,426              | -                                     | -  | 194,426                                 |
| Other assets                              | 170,921              | -                                     | 5,456                                      | 176,377                                 |
|   | <u>          </u>    | <u>          </u>                     | <u>          </u>                          | <u>          </u>                       |
| TOTAL ASSETS                              | \$ <u>47,565,381</u> | \$ <u>9,754,459</u>                   | \$ <u>36,397,425</u>                       | \$ <u>93,717,265</u>                    |
| <b>LIABILITIES AND FUND BALANCES</b>      |                      |                                       |  |   |
| Liabilities:                              |                      |                                       |  |   |
| Accounts payable                          | \$ 659,330           | \$ 975,857                            | \$ 1,883,424                               | \$ 3,518,611                            |
| Retainage payable                         | -                    | 153,109                               | 497,316                                    | 650,425                                 |
| Other liabilities                         | 1,140,479            | -                                     | 758,219                                    | 1,898,698                               |
| Deferred revenues                         | 23,731,512           | -                                     | 998,398                                    | 24,729,910                              |
| Taxes collected in advance                | 14,908,935           | -                                     | -  | 14,908,935                              |
| Due to other funds                        | -                    | -                                     | 3,234,578                                  | 3,234,578                               |
| Due to other governments                  | 5,789                | -                                     | -  | 5,789                                   |
|   | <u>          </u>    | <u>          </u>                     | <u>          </u>                          | <u>          </u>                       |
| TOTAL LIABILITIES                         | 40,446,045           | 1,128,966                             | 7,371,935                                  | 48,946,946                              |
| Fund Balances:                            |                      |                                       |  |   |
| Reserved for:                             |                      |                                       |  |   |
| Encumbrances                              | 407,538              | -                                     | 70,000                                     | 477,538                                 |
| Inventory                                 | 194,426              | -                                     | -  | 194,426                                 |
| Perpetual (nonexpendable) permanent funds | -                    | -                                     | 7,663,404                                  | 7,663,404                               |
| Tax stabilization                         | 1,125,000            | -                                     | -  | 1,125,000                               |
| Miscellaneous                             | 62,610               | -                                     | -  | 62,610                                  |
| Unreserved:                               |                      |                                       |  |   |
| Designated, reported in:                  |                      |                                       |  |   |
| General fund                              | 1,250,000            | -                                     | -  | 1,250,000                               |
| Undesignated, reported in:                |                      |                                       |  |   |
| General fund                              | 4,079,762            | -                                     | -  | 4,079,762                               |
| Special revenue funds                     | -                    | -                                     | 8,738,047                                  | 8,738,047                               |
| Capital project funds                     | -                    | 8,625,493                             | 11,962,172                                 | 20,587,665                              |
| Debt service                              | -                    | -                                     | 591,867                                    | 591,867                                 |
|   | <u>          </u>    | <u>          </u>                     | <u>          </u>                          | <u>          </u>                       |
| TOTAL FUND BALANCES                       | 7,119,336            | 8,625,493                             | 29,025,490                                 | 44,770,319                              |
| TOTAL LIABILITIES AND FUND BALANCES       | \$ <u>47,565,381</u> | \$ <u>9,754,459</u>                   | \$ <u>36,397,425</u>                       | \$ <u>93,717,265</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, 2006

|   |                      |
|---|----------------------|
| <b>Total governmental fund balances</b>   | \$ 44,770,319        |
| • Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                                 | 71,828,564           |
| • Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.                                | 1,385,775            |
| • In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.      | (719,415)            |
| • 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>(41,525,470)</u>  |
| <b>Net assets of governmental activities</b>  | <u>\$ 75,739,773</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, 2006

|  | <u>General</u>      | <u>Capital<br/>Commons<br/>Garage</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------|---------------------------------------|--|---|
| <b>Revenues:</b>                                     |                     |                                       |  |   |
| Taxes  | \$ 31,188,597       | \$ -                                  | \$ 560,033                                 | \$ 31,748,630                           |
| Licenses and permits                                 | 1,479,654           | -                                     | -  | 1,479,654                               |
| Intergovernmental                                    | 2,016,058           | -                                     | 1,887,463                                  | 3,903,521                               |
| Charges for services                                 | 4,164,817           | -                                     | 1,754,069                                  | 5,918,886                               |
| Investment income                                    | 1,384,616           | 277,697                               | 846,551                                    | 2,508,864                               |
| Contributions  | -                   | -                                     | 1,971,092                                  | 1,971,092                               |
| Miscellaneous  | 884,194             | -                                     | 704,876                                    | 1,589,070                               |
| Total Revenues                                       | <u>41,117,936</u>   | <u>277,697</u>                        | <u>7,724,084</u>                           | <u>49,119,717</u>                       |
| <b>Expenditures:</b>                                 |                     |                                       |  |   |
| Current:   |                     |                                       |  |   |
| General government                                   | 3,867,216           | -                                     | 1,258,437                                  | 5,125,653                               |
| Public safety  | 17,053,365          | -                                     | -  | 17,053,365                              |
| General services                                     | 6,990,518           | -                                     | -  | 6,990,518                               |
| Planning and development                             | 3,042,749           | -                                     | -  | 3,042,749                               |
| Leisure and information services                     | 2,156,899           | -                                     | -  | 2,156,899                               |
| Human services                                       | 1,056,671           | -                                     | -  | 1,056,671                               |
| Employee benefits                                    | 441,505             | -                                     | -  | 441,505                                 |
| Miscellaneous  | 896,096             | -                                     | 72,472                                     | 968,568                                 |
| Debt service   |                     |                                       |  |   |
| Principal  | 2,978,687           | -                                     | 437,900                                    | 3,416,587                               |
| Interest   | 797,987             | -                                     | 245,841                                    | 1,043,828                               |
| Capital outlay                                       | -                   | 4,173,993                             | 12,754,048                                 | 16,928,041                              |
| Total Expenditures                                   | <u>39,281,693</u>   | <u>4,173,993</u>                      | <u>14,768,698</u>                          | <u>58,224,384</u>                       |
| Excess (deficiency) of revenues<br>over expenditures | 1,836,243           | (3,896,296)                           | (7,044,614)                                | (9,104,667)                             |
| <b>Other Financing Sources (Uses):</b>               |                     |                                       |  |   |
| Issuance of debt                                     | -                   | 10,161,000                            | 5,920,000                                  | 16,081,000                              |
| Transfers in   | 1,501,586           | 1,150,000                             | 2,306,730                                  | 4,958,316                               |
| Transfers out  | (3,523,740)         | -                                     | (1,945,148)                                | (5,468,888)                             |
| Total Other Financing Sources (Uses)                 | <u>(2,022,154)</u>  | <u>11,311,000</u>                     | <u>6,281,582</u>                           | <u>15,570,428</u>                       |
| Net change in fund balance                           | (185,911)           | 7,414,704                             | (763,032)                                  | 6,465,761                               |
| Fund Balance, at Beginning of Year, as restated      | <u>7,305,247</u>    | <u>1,210,789</u>                      | <u>29,788,522</u>                          | <u>38,304,558</u>                       |
| Fund Balance, at End of Year                         | <u>\$ 7,119,336</u> | <u>\$ 8,625,493</u>                   | <u>\$ 29,025,490</u>                       | <u>\$ 44,770,319</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, 2006

|  |                     |
|--|---------------------|
| <b>NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>   | <b>\$ 6,465,761</b> |
| <ul style="list-style-type: none"> <li>• 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:</li> </ul>   |                     |
| Capital outlay purchases   | 15,344,009          |
| Depreciation   | (2,366,260)         |
| <ul style="list-style-type: none"> <li>• 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.</li> </ul> |                     |
|  | 400,283             |
| <ul style="list-style-type: none"> <li>• 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:</li> </ul>  |                     |
| Bond repayments  | 3,416,587           |
| Bond issuance  | (16,081,000)        |
| <ul style="list-style-type: none"> <li>• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</li> </ul>   |                     |
|  | (228,963)           |
| <ul style="list-style-type: none"> <li>• 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.</li> </ul>  |                     |
| Compensated absences   | (51,993)            |
| Landfill liability   | 30,000              |
| <b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>   | <b>\$ 6,928,424</b> |

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, 2006

|   | Budgeted Amounts   |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-------------------|-------------------|---|
|   | Original<br>Budget | Final<br>Budget   |                   |   |
| <b>Revenues:</b>  |                    |                   |                   |   |
| Taxes   | \$ 31,018,074      | \$ 31,018,074     | \$ 31,164,342     | \$ 146,268  |
| Licenses and permits  | 1,328,274          | 1,328,274         | 1,479,654         | 151,380   |
| Intergovernmental   | 2,024,881          | 2,024,881         | 2,016,058         | (8,823)   |
| Charges for services  | 3,780,640          | 3,780,640         | 4,187,026         | 406,386   |
| Investment income   | 650,000            | 650,000           | 1,384,616         | 734,616   |
| Miscellaneous   | 586,480            | 586,480           | 861,985           | 275,505   |
| <b>Total Revenues</b>   | <b>39,388,349</b>  | <b>39,388,349</b> | <b>41,093,681</b> | <b>1,705,332</b>  |
| <b>Expenditures:</b>  |                    |                   |                   |   |
| General government  | 4,011,113          | 4,051,663         | 3,864,340         | 187,323   |
| Public safety   | 16,964,350         | 17,080,710        | 16,962,413        | 118,297   |
| General services  | 6,735,255          | 6,959,425         | 6,993,670         | (34,245)  |
| Planning and development  | 2,909,744          | 2,929,164         | 2,756,450         | 172,714   |
| Leisure and information services  | 2,178,700          | 2,183,700         | 2,152,490         | 31,210  |
| Human services  | 1,118,626          | 1,118,626         | 1,056,671         | 61,955  |
| Employee benefits   | 710,000            | 399,500           | 324,855           | 74,645  |
| Debt service  | 3,810,300          | 3,810,300         | 3,776,674         | 33,626  |
| Miscellaneous   | 983,396            | 923,396           | 829,770           | 93,626  |
| <b>Total Expenditures</b>   | <b>39,421,484</b>  | <b>39,456,484</b> | <b>38,717,333</b> | <b>739,151</b>  |
| <b>Other Financing Sources (Uses):</b>  |                    |                   |                   |   |
| Transfers in  | 1,588,490          | 1,623,490         | 1,501,586         | (121,904)   |
| Transfers out   | (2,930,355)        | (3,463,159)       | (3,523,740)       | (60,581)  |
| Budgetary use of fund balance   | 1,375,000          | 1,907,804         | 1,907,804         | -   |
| <b>Total Other Financing Sources (Uses)</b>   | <b>33,135</b>      | <b>68,135</b>     | <b>(114,350)</b>  | <b>(182,485)</b>  |
| Excess of revenues and other financing<br>sources over expenditures and other<br>financing uses | \$ -               | \$ -              | \$ 2,261,998      | \$ 2,261,998  |

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2006

|  | Business-Type Activities<br>Enterprise Funds |                      |                        |                     | Total                 |
|--|--|----------------------|------------------------|---------------------|-----------------------|
|  | Water<br>Fund                                | Sewer<br>Fund        | Solid<br>Waste<br>Fund | Nonmajor<br>Funds   |                       |
| <b><u>ASSETS</u></b>                                     |  |                      |                        |                     |                       |
| Current:   |  |                      |                        |                     |                       |
| Cash and short-term equivalents                          | \$ 4,954,730                                 | \$ 4,032,145         | \$ 604,902             | \$ 420,613          | \$ 10,012,390         |
| User fees, net of allowance for uncollectibles           | 361,085                                      | 517,177              | 313,340                | 10,635              | 1,202,237             |
| Intergovernmental receivables                            | -  | 113,636              | -                      | -                   | 113,636               |
| Inventory  | 8,525  | -                    | -                      | -                   | 8,525                 |
| Other assets   | 14,558                                       | -                    | -                      | 10,281              | 24,839                |
| Total current assets                                     | 5,338,898                                    | 4,662,958            | 918,242                | 441,529             | 11,361,627            |
| Noncurrent:  |  |                      |                        |                     |                       |
| Intergovernmental  | -  | 1,295,811            | -                      | -                   | 1,295,811             |
| Capital assets:  |  |                      |                        |                     |                       |
| Land and construction in progress                        | 1,998,336                                    | 5,679,121            | 186,200                | 299,764             | 8,163,421             |
| Other capital assets, net<br>of accumulated depreciation | 64,058,308                                   | 58,277,160           | -                      | 1,532,569           | 123,868,037           |
| Total noncurrent assets                                  | 66,056,644                                   | 65,252,092           | 186,200                | 1,832,333           | 133,327,269           |
| <b>TOTAL ASSETS</b>                                      | <b>71,395,542</b>                            | <b>69,915,050</b>    | <b>1,104,442</b>       | <b>2,273,862</b>    | <b>144,688,896</b>    |
| <b><u>LIABILITIES</u></b>                                |  |                      |                        |                     |                       |
| Current:   |  |                      |                        |                     |                       |
| Accounts payable   | 474,773                                      | 256,874              | 146,680                | 21,404              | 899,731               |
| Retainage payable  | 189,054                                      | 144,283              | -                      | -                   | 333,337               |
| Accrued liabilities                                      | 168,516                                      | 170,865              | -                      | 15,177              | 354,558               |
| Unearned revenue   | -  | -                    | 2,155                  | 19,467              | 21,622                |
| Notes payable  | -  | 6,293,714            | -                      | -                   | 6,293,714             |
| Other current liabilities                                | 4,350  | 4,711                | -                      | -                   | 9,061                 |
| Current portion of long-term liabilities:                |  |                      |                        |                     |                       |
| Bonds payable  | 1,445,248                                    | 986,080              | -                      | 87,000              | 2,518,328             |
| Compensated absences                                     | 66,530                                       | 52,955               | 1,882                  | 26,025              | 147,392               |
| Total current liabilities                                | 2,348,471                                    | 7,909,482            | 150,717                | 169,073             | 10,577,743            |
| Noncurrent:  |  |                      |                        |                     |                       |
| Bonds payable, net of current portion                    | 11,611,298                                   | 7,687,800            | -                      | 748,700             | 20,047,798            |
| Total noncurrent liabilities                             | 11,611,298                                   | 7,687,800            | -                      | 748,700             | 20,047,798            |
| <b>TOTAL LIABILITIES</b>                                 | <b>13,959,769</b>                            | <b>15,597,282</b>    | <b>150,717</b>         | <b>917,773</b>      | <b>30,625,541</b>     |
| <b><u>NET ASSETS</u></b>                                 |  |                      |                        |                     |                       |
| Invested in capital assets, net of related debt          | 53,482,639                                   | 49,953,101           | 186,200                | 1,074,202           | 104,696,142           |
| Restricted for debt service                              | -  | 1,409,447            | -                      | -                   | 1,409,447             |
| Unrestricted   | 3,953,134                                    | 2,955,220            | 767,525                | 281,887             | 7,957,766             |
| <b>TOTAL NET ASSETS</b>                                  | <b>\$ 57,435,773</b>                         | <b>\$ 54,317,768</b> | <b>\$ 953,725</b>      | <b>\$ 1,356,089</b> | <b>\$ 114,063,355</b> |

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, 2006

|  | Business-Type Activities<br>Enterprise Funds |                      |                        |                     | Total                 |
|--|--|----------------------|------------------------|---------------------|-----------------------|
|  | Water<br>Fund                                | Sewer<br>Fund        | Solid<br>Waste<br>Fund | Nonmajor<br>Funds   |                       |
| <b>Operating Revenues:</b>                     |  |                      |                        |                     |                       |
| Charges for services                           | \$ 4,885,520                                 | \$ 4,949,344         | \$ 2,031,493           | \$ 1,208,977        | \$ 13,075,334         |
| Other  | <u>928</u>                                   | <u>108,494</u>       | <u>-</u>               | <u>15,259</u>       | <u>124,681</u>        |
| Total Operating Revenues                       | 4,886,448                                    | 5,057,838            | 2,031,493              | 1,224,236           | 13,200,015            |
| <b>Operating Expenses:</b>                     |  |                      |                        |                     |                       |
| Operating expenses                             | 2,951,706                                    | 3,629,847            | 3,581,036              | 1,068,176           | 11,230,765            |
| Depreciation                                   | 1,719,409                                    | 1,769,072            | -                      | 127,095             | 3,615,576             |
| Other  | <u>55,386</u>                                | <u>20,871</u>        | <u>-</u>               | <u>-</u>            | <u>76,257</u>         |
| Total Operating Expenses                       | <u>4,726,501</u>                             | <u>5,419,790</u>     | <u>3,581,036</u>       | <u>1,195,271</u>    | <u>14,922,598</u>     |
| Operating Income (Loss)                        | 159,947                                      | (361,952)            | (1,549,543)            | 28,965              | (1,722,583)           |
| <b>Nonoperating Revenues (Expenses):</b>       |  |                      |                        |                     |                       |
| Intergovernmental revenue                      | -  | 178,634              | -                      | -                   | 178,634               |
| Investment income                              | 207,600                                      | 209,401              | -                      | 18,082              | 435,083               |
| Interest expense                               | (500,498)                                    | (626,765)            | -                      | (31,084)            | (1,158,347)           |
| Other non-operating income                     | <u>122,671</u>                               | <u>950,712</u>       | <u>-</u>               | <u>-</u>            | <u>1,073,383</u>      |
| Total Nonoperating Revenues<br>(Expenses), Net | <u>(170,227)</u>                             | <u>711,982</u>       | <u>-</u>               | <u>(13,002)</u>     | <u>528,753</u>        |
| Income (Loss) Before Transfers                 | (10,280)                                     | 350,030              | (1,549,543)            | 15,963              | (1,193,830)           |
| <b>Transfers:</b>                              |  |                      |                        |                     |                       |
| Transfers in                                   | -  | -                    | 1,565,127              | 22,420              | 1,587,547             |
| Transfers out                                  | <u>(514,715)</u>                             | <u>(455,760)</u>     | <u>(20,000)</u>        | <u>(86,500)</u>     | <u>(1,076,975)</u>    |
| Change in Net Assets                           | (524,995)                                    | (105,730)            | (4,416)                | (48,117)            | (683,258)             |
| Net Assets at Beginning of Year                | <u>57,960,768</u>                            | <u>54,423,498</u>    | <u>958,141</u>         | <u>1,404,206</u>    | <u>114,746,613</u>    |
| Net Assets at End of Year                      | <u>\$ 57,435,773</u>                         | <u>\$ 54,317,768</u> | <u>\$ 953,725</u>      | <u>\$ 1,356,089</u> | <u>\$ 114,063,355</u> |

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2006

|   | Business-Type Activities<br>Enterprise Funds |                     |                        |                    | Total                |
|---|--|---------------------|------------------------|--------------------|----------------------|
|   | Water<br>Fund                                | Sewer<br>Fund       | Solid<br>Waste<br>Fund | Nonmajor<br>Funds  |                      |
| <b>Cash Flows From Operating Activities:</b>  |  |                     |                        |                    |                      |
| Receipts from customers and users   | \$ 4,905,927                                 | \$ 4,917,818        | \$ 1,902,749           | \$ 1,205,891       | \$ 12,932,385        |
| Payments to vendors and employees   | <u>(2,728,378)</u>                           | <u>(2,907,243)</u>  | <u>(3,555,302)</u>     | <u>(1,087,758)</u> | <u>(10,278,681)</u>  |
| Net Cash Provided By (Used For) Operating Activities  | 2,177,549                                    | 2,010,575           | (1,652,553)            | 118,133            | 2,653,704            |
| <b>Cash Flows From Noncapital Financing Activities:</b>   |  |                     |                        |                    |                      |
| Transfers in  | -  | -                   | 1,565,127              | 22,420             | 1,587,547            |
| Transfers out   | (514,715)                                    | (455,760)           | (20,000)               | (86,500)           | (1,076,975)          |
| Other non operating income  | <u>122,671</u>                               | <u>1,129,346</u>    | <u>-</u>               | <u>-</u>           | <u>1,252,017</u>     |
| Net Cash Provided by (Used For) Noncapital Financing Activities   | (392,044)                                    | 673,586             | 1,545,127              | (64,080)           | 1,762,589            |
| <b>Cash Flows From Capital and Related Financing Activities:</b>  |  |                     |                        |                    |                      |
| Proceeds from issuance of bonds and notes   | 1,760,000                                    | 2,203,579           | -                      | 149,000            | 4,112,579            |
| Principal payments on bonds and notes   | (1,379,711)                                  | (2,598,626)         | -                      | (78,000)           | (4,056,337)          |
| Acquisition and construction of capital assets  | (1,504,187)                                  | (1,558,537)         | -                      | (207,059)          | (3,269,783)          |
| Interest expense  | <u>(500,498)</u>                             | <u>(651,765)</u>    | <u>-</u>               | <u>(31,084)</u>    | <u>(1,183,347)</u>   |
| Net Cash (Used For) Capital and Related Financing Activities  | (1,624,396)                                  | (2,605,349)         | -                      | (167,143)          | (4,396,888)          |
| <b>Cash Flows From Investing Activities:</b>  |  |                     |                        |                    |                      |
| Investment income   | <u>207,600</u>                               | <u>209,401</u>      | <u>-</u>               | <u>18,082</u>      | <u>435,083</u>       |
| Net Cash Provided by Investing Activities   | <u>207,600</u>                               | <u>209,401</u>      | <u>-</u>               | <u>18,082</u>      | <u>435,083</u>       |
| Net Change in Cash and Short-Term Equivalents   | 368,709                                      | 288,213             | (107,426)              | (95,008)           | 454,488              |
| Cash and Short-Term Equivalents, Beginning of Year  | <u>4,586,021</u>                             | <u>3,743,932</u>    | <u>712,328</u>         | <u>515,621</u>     | <u>9,557,902</u>     |
| Cash and Short-Term Equivalents, End of Year  | <u>\$ 4,954,730</u>                          | <u>\$ 4,032,145</u> | <u>\$ 604,902</u>      | <u>\$ 420,613</u>  | <u>\$ 10,012,390</u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:</b> |  |                     |                        |                    |                      |
| Operating income (loss)   | \$ 159,947                                   | \$ (361,952)        | \$ (1,549,543)         | \$ 28,965          | \$ (1,722,583)       |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |  |                     |                        |                    |                      |
| Depreciation  | 1,719,409                                    | 1,769,072           | -                      | 127,095            | 3,615,576            |
| Changes in assets and liabilities:  |  |                     |                        |                    |                      |
| User fees   | 19,479                                       | (140,020)           | (128,700)              | (4,900)            | (254,141)            |
| Inventory   | (1,259)                                      | -                   | -                      | -                  | (1,259)              |
| Other assets  | (6,194)                                      | 673,323             | -                      | -                  | 667,129              |
| Accounts payable  | 327,971                                      | 108,989             | 27,325                 | (26,544)           | 437,741              |
| Compensated absences  | 979  | -                   | (1,592)                | 2,055              | 1,442                |
| Other liabilities   | <u>(42,783)</u>                              | <u>(38,837)</u>     | <u>(43)</u>            | <u>(8,538)</u>     | <u>(90,201)</u>      |
| Net Cash Provided By (Used For) Operating Activities  | <u>\$ 2,177,549</u>                          | <u>\$ 2,010,575</u> | <u>\$ (1,652,553)</u>  | <u>\$ 118,133</u>  | <u>\$ 2,653,704</u>  |

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET ASSETS  
 JUNE 30, 2006

|                                 | Agency<br>Fund             |
|---------------------------------|----------------------------|
| <b><u>ASSETS</u></b>            |                            |
| Cash and short-term equivalents | \$ <u>1,297,676</u>        |
| Total Assets                    | \$ <u><u>1,297,676</u></u> |
| <br><b><u>LIABILITIES</u></b>   |                            |
| Due to other governments        | \$ 941,565                 |
| Due to other funds              | 157,484                    |
| Other liabilities               | <u>198,627</u>             |
| Total Liabilities               | \$ <u><u>1,297,676</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 2006, 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 of 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.
- The *Capital Commons Garage Fund* accounts for the construction of a new parking garage subsequent to the demolition of the former Sears building.

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.
- 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.

In addition, the City has two enterprise funds, for 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.

| <u>General Fund</u>                          | <u>Revenues<br/>and Other<br/>Financing Sources</u> | <u>Expenditures<br/>and Other<br/>Financing Uses</u> |
|--|---|--|
| Revenues/Expenditures<br>(GAAP basis)        | \$ 41,117,936                                       | \$ 39,281,693  |
| Other financing sources/uses<br>(GAAP basis) | <u>1,501,586</u>                                    | <u>3,523,740</u>                                     |
| Subtotal (GAAP Basis)                        | 42,619,522  | 42,805,433   |

(continued)

(continued)

| <u>General Fund</u>   | Revenues<br>and Other<br><u>Financing Sources</u> | Expenditures<br>and Other<br><u>Financing Uses</u> |
|---|---|--|
| Adjust tax revenue to accrual basis                                     | ( 24,255)   | -  |
| Reverse beginning of year appropriation carryforwards from expenditures | -   | ( 971,898)   |
| Add end of year appropriation carryforwards to expenditures             | -   | 407,538  |
| Recognize use of fund balance as funding source                         | <u>1,907,804</u>                                  | <u>-</u>   |
| Budgetary basis   | \$ <u>44,503,071</u>                              | \$ <u>42,241,073</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:

General Fund:

|                        |           |
|------------------------|-----------|
| City Council           | \$ ( 132) |
| General services       | (34,245)  |
| Community development  | ( 1,293)  |
| Principal debt service | (11,487)  |
| Transfers out          | (60,581)  |

Enterprise Funds:

|           |          |
|-----------|----------|
| Golf fund | (48,728) |
|-----------|----------|

Investment income in excess of budget funded the additional expenditures. Revenues in excess of estimated receipts funded the departmental overexpenditures.

*E. Deficit Fund Equity*

The following fund had a deficit as of June 30, 2006:

|  |              |
|--|--------------|
| Community development<br>(nonmajor - special revenue fund) | \$ ( 16,885) |
|--|--------------|

Open Space Protection Fund:  
(nonmajor – capital project fund) \$ (410,901)

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, 2006, the City’s bank balance of \$ 70,803,172 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, 2006 included the following:

|                           |                     |
|---------------------------|---------------------|
| State Investment Pool     | \$ 743,220          |
| U.S. Treasury Obligations | 600,834             |
| U.S. Government Agencies  | 838,254             |
| Corp. and Foreign Bonds   | 806,358             |
| Common Equities           | 3,768,521           |
| Preferred Securities      | 95,565              |
| Int'l Equity Mutual funds | <u>855,512</u>      |
| Total                     | <u>\$ 7,708,264</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:

|                           | Total               | Years to Maturity |                   |                   | Average Rating |
|---------------------------|---------------------|-------------------|-------------------|-------------------|----------------|
|                           |                     | <1                | 1-5               | 6-10              |                |
| U.S. Treasury Obligations | \$ 600,834          | \$ -              | \$ 99,699         | \$ 501,135        | AAA            |
| U.S. Government Agencies  | 838,254             | 297,345           | 308,476           | 232,433           | AAA            |
| Corp. and Foreign Bonds   | <u>806,358</u>      | <u>201,372</u>    | <u>452,791</u>    | <u>152,195</u>    | A1             |
| Total                     | <u>\$ 2,245,446</u> | <u>\$ 498,717</u> | <u>\$ 860,966</u> | <u>\$ 885,763</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, 2006, 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, 2006 are comprised of (in thousands):

|                                    |           |                  |
|------------------------------------|-----------|------------------|
| Property taxes:                    |           |                  |
| Levy of 2006                       | \$ 22,856 |                  |
| Levy of 2005                       | 911       |                  |
| Levy of 2004                       | 342       |                  |
| Levy of 2003                       | 16        |                  |
| Levy of 2002                       | 9         |                  |
| Unredeemed taxes:                  |           |                  |
| Levy of 2001                       | 8         |                  |
| Prior years                        | <u>10</u> |                  |
| Subtotal                           |           | 24,152           |
| Other taxes:                       |           |                  |
| Timber yield taxes                 | 2         |                  |
| Land use change taxes              | 136       |                  |
| Excavation taxes                   | 2         |                  |
| Elderly tax liens                  | <u>62</u> |                  |
| Subtotal                           |           | <u>202</u>       |
| Gross Tax Receivable               |           | 24,354           |
| Allowance for Abatements (overlay) |           | ( <u>1,277</u> ) |
| Net Total Taxes Receivable         |           | \$ <u>23,077</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>112</u> |
| Total          | \$ <u>112</u> |

**6. Loans Receivable**

Loans receivable of \$ 998,398 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>        |
| 2007              | \$                | 113,636          | \$ 56,174         | \$ 169,810          |
| 2008              |                   | 116,357          | 51,665            | 168,022             |
| 2009              |                   | 120,122          | 47,003            | 167,125             |
| 2010              |                   | 122,966          | 42,184            | 165,150             |
| 2011              |                   | 126,858          | 37,205            | 164,063             |
| 2012-2022         |                   | 809,508          | 120,568           | 930,076             |
| Total             | \$                | <u>1,409,447</u> | \$ <u>354,799</u> | \$ <u>1,764,246</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 following is an analysis of the June 30, 2006 balances in interfund receivable and payable accounts.

| <u>Fund</u>   | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|---|-----------------------------|---------------------------|
| General Fund  | \$ 3,392,062                | \$ -                      |
| Nonmajor Governmental Funds:                                |                             |                           |
| Special Revenue Funds:                                      |                             |                           |
| Community Development                                       | -                           | 12,583                    |
| Special Revenue Funds (Previously Reported as Trust Funds): |                             |                           |
| Insured Retention   | -                           | 36,260                    |
| Landfill  | -                           | 135,000                   |
| Forest and Conservation                                     | -                           | 795,327                   |
| Library   | -                           | 8,846                     |

(continued)

(continued)

| <u>Fund</u>                      | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|----------------------------------|---------------------------------|-------------------------------|
| Highway                          | -                               | 300,250                       |
| Economic Development             | -                               | 1,173,829                     |
| Equipment                        | -                               | 25,000                        |
| Mountain Green                   | -                               | 262                           |
| Downtown Economic Development    | -                               | 45,000                        |
| Capital Project Fund:            |                                 |                               |
| Open Space Protection            | -                               | 410,365                       |
| Permanent Funds:                 |                                 |                               |
| Cemetery (Nonexpendable)         | -                               | 132,453                       |
| Library (Nonexpendable)          | -                               | 26,013                        |
| Dedicated Income (Nonexpendable) | -                               | 133,390                       |
| Fiduciary Fund:                  |                                 |                               |
| Agency Fund                      | -                               | 157,484                       |
| Total                            | <u>\$ 3,392,062</u>             | <u>\$ 3,392,062</u>           |

The following is an analysis of interfund transfers made in fiscal year 2006:

| <u>Governmental Fund:</u>          | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------------|---------------------|----------------------|
| Major Fund:                        |                     |                      |
| General Fund                       | \$ 1,501,586        | \$ 3,523,740         |
| Capital Commons Garage Fund        | 1,150,000           | -                    |
| Nonmajor Funds:                    |                     |                      |
| Special Revenue Funds:             |                     |                      |
| Community Development Conservation |                     |                      |
| Property Management                | 507                 | -                    |
| Parking                            | -                   | 319,700              |
| Airport                            | -                   | 47,105               |
| Impact Fee                         | -                   | 180,384              |
| Miscellaneous                      | 128,465             | 4,597                |
| Insured Retention                  | -                   | 72,600               |
| Durgin                             | 10,500              | -                    |
| Landfill                           | -                   | 135,000              |
| Forest and Conservation            | 10,602              | 805,928              |
| Library                            | -                   | 8,846                |
| Highway                            | 1,304,000           | 1,604,250            |
| Economic Development               | 25,816              | 1,199,647            |
| 53 <sup>rd</sup> Week              | 32,804              | -                    |
| Equipment                          | -                   | 25,000               |
| Mountain Green                     | -                   | 262                  |

(continued)

(continued)

|                                       | <u>Transfers In</u> | <u>Transfers Out</u> |
|---------------------------------------|---------------------|----------------------|
| Downtown Economic Development         | -                   | 45,000               |
| SVMS Project                          | -                   | 1,262                |
| Capital Project Funds:                |                     |                      |
| Other Capital Project Funds Pre 2003  | 107,000             | 127,552              |
| Other Capital Project Funds Post 2002 | 2,893,262           | 82,007               |
| Open Space Protection Fund            | 799,622             | -                    |
| Permanent Funds:                      |                     |                      |
| Cemetery (Nonexpendable)              | -                   | 132,453              |
| Library (Nonexpendable)               | -                   | 140,000              |
| Dedicated Income (Nonexpendable)      | -                   | 19,403               |
| <u>Business-Type Funds:</u>           |                     |                      |
| Major Funds:                          |                     |                      |
| Water                                 | -                   | 514,715              |
| Sewer                                 | -                   | 455,760              |
| Solid Waste                           | 1,565,127           | 20,000               |
| Nonmajor Funds:                       |                     |                      |
| Golf                                  | -                   | 54,700               |
| Arena                                 | <u>22,420</u>       | <u>31,800</u>        |
| Total                                 | <u>\$ 9,551,711</u> | <u>\$ 9,551,711</u>  |

## 9. Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows (in thousands):

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|------------------|------------------|---------------------------|
| <b>Governmental Activities:</b>              |                              |                  |                  |                           |
| Capital assets, being depreciated:           |                              |                  |                  |                           |
| Land improvements                            | \$ 4,247                     | \$ -             | \$ -             | \$ 4,247                  |
| Buildings and improvement                    | 16,143                       | 2,533            | -                | 18,676                    |
| Machinery, equipment, and furnishing         | 3,866                        | 1,483            | -                | 5,349                     |
| Infrastructure                               | 30,844                       | 1,695            | -                | 32,539                    |
| Licensed vehicles                            | <u>9,697</u>                 | <u>544</u>       | <u>-</u>         | <u>10,241</u>             |
| Total capital assets, being depreciated      | 64,797                       | 6,255            | -                | 71,052                    |
| Less accumulated depreciation for:           |                              |                  |                  |                           |
| Land improvements                            | ( 3,331)                     | ( 77)            | -                | ( 3,408)                  |
| Buildings and improvements                   | ( 6,398)                     | ( 325)           | -                | ( 6,723)                  |
| Machinery, equipment, and furnishings        | ( 2,268)                     | ( 362)           | -                | ( 2,630)                  |
| Infrastructure                               | ( 7,953)                     | ( 563)           | -                | ( 8,516)                  |
| Licensed vehicles                            | <u>( 6,168)</u>              | <u>( 1,039)</u>  | <u>-</u>         | <u>( 7,207)</u>           |
| Total accumulated depreciation               | <u>(26,118)</u>              | <u>( 2,366)</u>  | <u>-</u>         | <u>(28,484)</u>           |
| Total capital assets, being depreciated, net | 38,679                       | 3,889            | -                | 42,568                    |

(continued)

(continued)

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u>  | <u>Ending<br/>Balance</u> |
|--|------------------------------|------------------|-------------------|---------------------------|
| <b>Governmental Activities:</b>              |                              |                  |                   |                           |
| Capital assets, not being depreciated:       |                              |                  |                   |                           |
| Land   | 8,253                        | 1,593            | -                 | 9,846                     |
| Construction-in-progress                     | <u>11,919</u>                | <u>12,338</u>    | <u>(4,842)</u>    | <u>19,415</u>             |
| Total capital assets, not being depreciated  | <u>20,172</u>                | <u>13,931</u>    | <u>(4,842)</u>    | <u>29,261</u>             |
| Governmental activities capital assets, net  | \$ <u>58,851</u>             | \$ <u>17,820</u> | \$ <u>(4,842)</u> | \$ <u>71,829</u>          |
| <br>   |                              |                  |                   |                           |
|  | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u>  | <u>Ending<br/>Balance</u> |
| <b>Business-Type Activities:</b>             |                              |                  |                   |                           |
| Capital assets, being depreciated:           |                              |                  |                   |                           |
| Land improvements                            | \$ -                         | \$ 100           | \$ -              | \$ 100                    |
| Buildings and improvements                   | 55,135                       | 6                | -                 | 55,141                    |
| Machinery, equipment, and furnishings        | 4,632                        | 27               | -                 | 4,659                     |
| Infrastructure                               | 127,722                      | 66               | -                 | 127,788                   |
| Licensed vehicles                            | <u>812</u>                   | <u>26</u>        | <u>( 23)</u>      | <u>815</u>                |
| Total capital assets, being depreciated      | 188,301                      | 225              | ( 23)             | 188,503                   |
| Less accumulated depreciation for:           |                              |                  |                   |                           |
| Land Improvements                            | -                            | -                | -                 | -                         |
| Buildings and improvements                   | ( 15,464)                    | ( 1,143)         | -                 | ( 16,607)                 |
| Machinery, equipment, and furnishings        | ( 2,084)                     | ( 485)           | -                 | ( 2,569)                  |
| Infrastructure                               | ( 42,809)                    | ( 1,944)         | -                 | ( 44,753)                 |
| Licensed vehicles                            | <u>( 685)</u>                | <u>( 44)</u>     | <u>23</u>         | <u>( 706)</u>             |
| Total accumulated depreciation               | <u>( 61,042)</u>             | <u>( 3,616)</u>  | <u>23</u>         | <u>( 64,635)</u>          |
| Total capital assets, being depreciated, net | 127,259                      | ( 3,391)         | -                 | 123,868                   |
| Capital assets, not being depreciated:       |                              |                  |                   |                           |
| Land   | 1,064                        | -                | -                 | 1,064                     |
| Construction-in-progress                     | <u>4,031</u>                 | <u>3,234</u>     | <u>( 166)</u>     | <u>7,099</u>              |
| Total capital assets, not being depreciated  | <u>5,095</u>                 | <u>3,234</u>     | <u>( 166)</u>     | <u>8,163</u>              |
| Business-type activities capital assets, net | \$ <u>132,354</u>            | \$ <u>( 157)</u> | \$ <u>( 166)</u>  | \$ <u>132,031</u>         |

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

Governmental Activities:

|                                  |          |
|----------------------------------|----------|
| Public safety                    | \$ 681   |
| General services                 | 1,574    |
| Planning and development         | 105      |
| Leisure and information services | <u>6</u> |

Total depreciation expense - governmental activities \$ 2,366

|   |                 |
|---|-----------------|
| Business-Type Activities:                             |                 |
| Water   | \$ 1,720        |
| Sewer   | 1,769           |
| Other   | <u>127</u>      |
| Total depreciation expense - business-type activities | \$ <u>3,616</u> |

**10. Accounts Payable**

Accounts payable represent additional 2006 expenditures paid after July 1, 2006.

**11. Deferred 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, 2006 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, 2006, the City had billed the first two quarterly installments of the tax year 2006 (fiscal year 2007) 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 deferred revenue on both the Government-Wide Statement of Net Assets and the Governmental Funds Balance Sheet.

**12. Notes Payable**

The City had the following notes outstanding at June 30, 2006:

|                      | <u>Interest</u><br><u>Rate</u> | <u>Date of</u><br><u>Issue</u> | <u>Date of</u><br><u>Maturity</u> | <u>Balance at</u><br><u>June 30, 2006</u> |
|----------------------|--------------------------------|--------------------------------|-----------------------------------|---|
| State Revolving Loan | 1.0%                           | 10/01/01                       | 07/01/19                          | \$ 3,993,427                              |
| State Revolving Loan | 1.0%                           | 01/07/04                       | 01/01/20                          | <u>2,300,287</u>                          |
| Total                |                                |                                |                                   | \$ <u>6,293,714</u>                       |

The following is a summary of notes payable activity in fiscal year 2006:

| <u>Balance</u><br><u>Beginning</u><br><u>of Year</u> | <u>New</u><br><u>Issues</u> | <u>Maturities</u>   | <u>Balance</u><br><u>End</u><br><u>of Year</u> |
|--|-----------------------------|---------------------|--|
| \$ 4,233,621   | \$ -                        | \$ 240,194          | \$ 3,993,427                                   |
| <u>3,736,098</u>                                     | <u>82,579</u>               | <u>1,518,390</u>    | <u>2,300,287</u>                               |
| \$ <u>7,969,719</u>                                  | \$ <u>82,579</u>            | \$ <u>1,758,584</u> | \$ <u>6,293,714</u>                            |

### 13. Long-Term Debt

#### A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds currently outstanding are as follows:

| <u>Governmental Funds:</u>               | <u>Original<br/>Amount</u> | <u>Serial<br/>Maturities<br/>Through</u> | <u>Interest<br/>Rate (s)%</u> | <u>Amount<br/>Outstanding<br/>as of<br/>June 30, 2006</u> |
|--|----------------------------|--|-------------------------------|---|
| <b>General Obligation Bonds Payable:</b> |                            |  |                               |   |
| Public improvements                      | \$ 1,685,000               | 07/15/06                                 | 7.50                          | \$ 64,000   |
| Public improvements                      | 11,157,200                 | 01/15/10                                 | 4.20 - 7.00                   | 426,800   |
| Public improvements                      | 3,330,000                  | 04/15/14                                 | 5.45 - 7.75                   | 1,695,000   |
| Public improvements                      | 4,770,000                  | 04/15/15                                 | 4.60 - 6.50                   | 2,640,000   |
| Public improvements                      | 2,463,504                  | 10/15/15                                 | 4.00 - 4.70                   | 2,121,606   |
| Public improvements                      | 8,322,590                  | 10/15/16                                 | 4.00 - 4.70                   | 3,790,000   |
| Public improvements                      | 1,035,000                  | 04/01/10                                 | 4.00 - 5.00                   | 390,000   |
| Public improvements                      | 3,642,514                  | 12/15/10                                 | 3.00                          | 2,108,874   |
| Public improvements                      | 4,829,750                  | 11/15/24                                 | 3.23                          | 4,193,000   |
| Public improvements                      | 6,027,815                  | 07/15/24                                 | 3.00 - 5.00                   | 5,690,110   |
| Public improvements                      | 10,161,000                 | 07/15/25                                 | 3.75 - 5.00                   | 10,161,000  |
| Public improvements                      | 5,920,00                   | 03/15/26                                 | 3.50 - 5.00                   | <u>5,920,000</u>  |
| Total Governmental Funds                 |                            |  |                               | \$ <u>39,200,390</u>                                      |
| <b>Enterprise Funds:</b>                 |                            |  |                               |   |
| <b>Water Fund:</b>                       |                            |  |                               |   |
| Water construction & equip.              | \$ 400,000                 | 07/15/06                                 | 7.50                          | \$ 20,000   |
| Water                                    | 3,537,000                  | 01/15/16                                 | 4.20 - 7.00                   | 178,200   |
| Water                                    | 2,260,000                  | 07/15/13                                 | 3.30 - 6.25                   | 350,000   |
| Water                                    | 3,660,000                  | 04/15/14                                 | 3.65 - 4.50                   | 2,340,000   |
| Water                                    | 1,980,000                  | 04/01/10                                 | 4.60 - 6.50                   | 840,000   |
| Water meters                             | 2,297,279                  | 10/15/16                                 | 4.00 - 4.70                   | 1,155,000   |
| Water                                    | 452,280                    | 10/15/10                                 | 4.00 - 4.70                   | 350,221   |
| Water                                    | 1,730,000                  | 04/01/17                                 | 4.00 - 4.70                   | 1,250,000   |
| Water                                    | 125,604                    | 12/15/10                                 | 3.00                          | 72,720  |
| Water                                    | 3,236,175                  | 01/15/24                                 | 3.23                          | 2,740,000   |
| Water                                    | 2,023,545                  | 07/15/24                                 | 3.00 - 5.00                   | 2,000,405   |
| Water                                    | 1,760,000                  | 03/15/26                                 | 3.50 - 5.00                   | <u>1,760,000</u>  |
| Total Water Fund                         |                            |  |                               | \$ <u>13,056,546</u>                                      |
| <b>Sewer Fund:</b>                       |                            |  |                               |   |
| Sanitary sewer                           | 755,000                    | 07/15/06                                 | 7.50                          | \$ 41,000   |
| Sanitary sewer                           | 1,552,800                  | 07/15/16                                 | 3.30 - 6.25                   | 65,000  |
| Sanitary sewer                           | 3,272,000                  | 04/15/14                                 | 3.65 - 4.50                   | 2,015,000   |

(continued)

(continued)

|                     | <u>Original<br/>Amount</u> | <u>Serial<br/>Maturities<br/>Through</u> | <u>Interest<br/>Rate (s)%</u> | <u>Amount<br/>Outstanding<br/>as of<br/>June 30, 2006</u> |
|---------------------|----------------------------|--|-------------------------------|---|
| <u>Sewer Funds:</u> |                            |  |                               |   |
| Sanitary sewer      | 2,150,000                  | 04/01/17                                 | 4.60 - 6.50                   | 1,090,000   |
| Sanitary sewer      | 910,176                    | 10/15/15                                 | 4.00 - 4.70                   | 395,000   |
| Sanitary sewer      | 312,175                    | 10/15/14                                 | 4.00 - 4.70                   | 242,984   |
| Sanitary sewer      | 169,000                    | 04/01/13                                 | 4.00 - 5.00                   | 105,000   |
| Sanitary sewer      | 482,259                    | 12/15/10                                 | 3.00                          | 283,406   |
| Sanitary sewer      | 1,059,150                  | 01/15/24                                 | 3.23                          | 885,000   |
| Sanitary sewer      | 1,465,790                  | 07/15/24                                 | 3.00 - 5.00                   | 1,430,490   |
| Sanitary sewer      | 2,121,000                  | 03/15/26                                 | 3.50 - 5.00                   | <u>2,121,000</u>  |
| Total Sewer Fund    |                            |  |                               | \$ <u>8,673,880</u>                                       |

Nonmajor Funds:

|                                     |         |          |             |                      |
|-------------------------------------|---------|----------|-------------|----------------------|
| Clubhouse improvements              | 365,000 | 04/01/17 | 4.00 - 5.00 | \$ 265,000           |
| Golf course renovation              | 100,000 | 11/15/24 | 3.23        | 80,000               |
| Arena expansion                     | 430,000 | 10/15/15 | 4.00 - 4.70 | 285,000              |
| Arena                               | 39,925  | 01/15/24 | 3.23        | 32,000               |
| Arena                               | 29,700  | 07/15/24 | 3.00 - 5.00 | 24,700               |
| Arena                               | 149,000 | 03/15/26 | 3.50 - 5.00 | <u>149,000</u>       |
| Total Other Enterprise Funds        |         |          |             | \$ <u>835,700</u>    |
| Total Enterprise Fund Bonds Payable |         |          |             | \$ <u>22,566,126</u> |

*B. Future Debt Service*

The annual principal payments to retire all general obligation long-term debt outstanding as of June 30, 2006 are as follows:

| <u>Governmental</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|---------------------|----------------------|----------------------|----------------------|
| 2007                | \$ 4,075,251         | \$ 1,567,444         | \$ 5,642,695         |
| 2008                | 4,064,906            | 1,396,076            | 5,460,982            |
| 2009                | 3,543,738            | 1,250,490            | 4,794,228            |
| 2010                | 3,502,353            | 1,118,310            | 4,620,663            |
| 2011                | 3,002,207            | 985,711              | 3,987,918            |
| 2012-2016           | 12,011,735           | 3,166,879            | 15,178,614           |
| 2017-2021           | 4,649,000            | 1,393,476            | 6,042,476            |
| 2022 - 2026         | 4,351,200            | 445,557              | 4,796,757            |
| Total               | \$ <u>39,200,390</u> | \$ <u>11,323,943</u> | \$ <u>50,524,333</u> |

| <u>Enterprise</u> |    | <u>Principal</u>  |    | <u>Interest</u>  |    | <u>Total</u>      |
|-------------------|----|-------------------|----|------------------|----|-------------------|
| 2007              | \$ | 2,518,328         | \$ | 900,324          | \$ | 3,418,652         |
| 2008              |    | 2,455,844         |    | 792,247          |    | 3,248,091         |
| 2009              |    | 2,399,847         |    | 703,886          |    | 3,103,733         |
| 2010              |    | 2,389,945         |    | 613,506          |    | 3,003,451         |
| 2011              |    | 2,057,493         |    | 521,459          |    | 2,578,952         |
| 2012-2016         |    | 8,231,455         |    | 1,392,639        |    | 9,624,094         |
| 2017-2021         |    | 1,929,414         |    | 309,636          |    | 2,239,050         |
| 2022 - 2026       |    | 583,800           |    | 71,198           |    | 654,998           |
| Total             | \$ | <u>22,566,126</u> | \$ | <u>5,304,895</u> | \$ | <u>27,871,021</u> |

C. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2006 are as follows:

| <u>Purpose</u>          | <u>Amount</u>        |
|-------------------------|----------------------|
| Langley park            | \$ 880,000           |
| Open space              | 4,300,000            |
| ECIS                    | 593,000              |
| Capital commons garage  | 2,319,000            |
| PENA plant modification | 117,672              |
| Water plant             | 150,000              |
| Sludge tank             | 200,000              |
| Improvements            | 10,000               |
| Sewer roof              | 70,000               |
| Paving                  | <u>3,000,000</u>     |
| Total                   | \$ <u>11,639,672</u> |

D. 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, 2006, the amount of defeased debt still outstanding is \$ 12,600,800.

**E. Changes in General Long-Term Liabilities**

During the year ended June 30, 2006, the following changes occurred in long-term liabilities (in thousands):

|                                       | Total<br>Balance<br><u>7/1/05</u> | <u>Additions</u> | <u>Reductions</u> | Total<br>Balance<br><u>6/30/06</u> | Less<br>Current<br>Portion | Equals<br>Long-Term<br>Portion<br><u>6/30/06</u> |
|---------------------------------------|-----------------------------------|------------------|-------------------|------------------------------------|----------------------------|--|
| <b><u>Governmental Activities</u></b> |                                   |                  |                   |                                    |                            |  |
| General obligation debt               | \$ 26,511                         | \$ 16,081        | \$ (3,392)        | \$ 39,200                          | \$ (4,075)                 | \$ 35,125  |
| Other:                                |                                   |                  |                   |                                    |                            |  |
| Accrued employee benefits             | 1,703                             | 1,210            | (1,158)           | 1,755                              | (1,492)                    | 263  |
| Landfill closure                      | <u>600</u>                        | <u>-</u>         | <u>(30)</u>       | <u>570</u>                         | <u>(30)</u>                | <u>540</u>                                       |
| Subtotal                              | <u>2,303</u>                      | <u>1,210</u>     | <u>(1,188)</u>    | <u>2,325</u>                       | <u>(1,522)</u>             | <u>803</u>                                       |
| Totals                                | \$ <u>28,814</u>                  | \$ <u>17,291</u> | \$ <u>(4,580)</u> | \$ <u>41,525</u>                   | \$ <u>(5,597)</u>          | \$ <u>35,928</u>                                 |

|  | Total<br>Balance<br><u>7/1/05</u> | <u>Additions</u> | <u>Reductions</u> | Total<br>Balance<br><u>6/30/06</u> | Less<br>Current<br>Portion | Equals<br>Long-Term<br>Portion<br><u>6/30/06</u> |
|--|-----------------------------------|------------------|-------------------|------------------------------------|----------------------------|--|
| <b><u>Business-Type Activities</u></b> |                                   |                  |                   |                                    |                            |  |
| General obligation debt                | \$ 20,859                         | \$ 4,030         | \$ (2,323)        | \$ 22,566                          | \$ (2,518)                 | \$ 20,048  |
| Other:                                 |                                   |                  |                   |                                    |                            |  |
| Accrued employee benefits              | <u>147</u>                        | <u>118</u>       | <u>(118)</u>      | <u>147</u>                         | <u>(147)</u>               | <u>-</u>   |
| Totals                                 | \$ <u>21,006</u>                  | \$ <u>4,148</u>  | \$ <u>(2,441)</u> | \$ <u>22,713</u>                   | \$ <u>(2,665)</u>          | \$ <u>20,048</u>                                 |

**14. 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 \$ 570,000 as the estimate of the remaining postclosure care liability at June 30, 2006 in the Governmental Activities Statement of Net Assets. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

**15. 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.

**16. 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, 2006:

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.

Unreserved - Designated - represents management's tentative plans to utilize fund balance for future capital projects.

**17. 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.

## **18. 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, 2006, there were 344 retirees, including eligible spouses, receiving health care benefits. The City recognizes the cost of providing these benefits as paid. These costs totaled \$ 647,979 fiscal year ended June 30, 2006.

## **19. 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, 2006, 2005, and 2004 were \$ 2,247,802, \$ 1,821,378, and \$ 1,771,199, respectively, which were equal to its annual required contributions for each of these years.

**20. 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.

**21. 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 | \$ 3,712,634  |              |
| Investment interest    | <u>64,761</u> | \$ 3,777,395 |

Expenditures:

|                  |                |                  |
|------------------|----------------|------------------|
| Principal        | 1,920,000      |                  |
| Interest on debt | 1,187,757      |                  |
| Outside services | <u>103,289</u> | <u>3,211,046</u> |

Excess (Deficiency) of revenue 566,349

Fund Balance Reserved for Debt Service \$ 566,349

(continued)

(continued)

|   |                      |                       |
|---|----------------------|-----------------------|
| Long-Term Debt Payable:                           |                      |                       |
| Principal   | \$ ( 3,260,000)      |                       |
| Interest  | ( <u>798,913</u> )   | (4,058,913)           |
| Available Fund Balance                            |                      | <u>566,349</u>        |
| Deficit to be Raised by Tax<br>Increment District |                      | \$ <u>(3,492,564)</u> |
| Assessment Information:                           |                      |                       |
| Base Value  | \$ <u>4,096,900</u>  |                       |
| Captured Value*                                   | \$ <u>43,089,100</u> |                       |

\* = As of April 1, 2006

## 22. Beginning Fund Balance Reclassification

The City's major governmental funds for fiscal year 2006, as defined by GASB Statement 34, have changed from the previous fiscal year.

|                             | Fund Equity<br>June 30, 2005<br>(as previously<br>reported) | Reclassification | Fund Equity<br>June 30, 2005<br>(as restated) |
|-----------------------------|---|------------------|---|
| Nonmajor funds              | \$ 30,999,311   | \$ (1,210,789)   | \$ 29,788,522                                 |
| Capital Commons Garage Fund | <u>-</u>  | <u>1,210,789</u> | <u>1,210,789</u>                              |
| Total                       | <u>\$ 30,999,311</u>  | <u>\$ -</u>      | <u>\$ 30,999,311</u>                          |

# Combining Financial Statements

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## **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, 2006**

|  | Special Revenue Funds            |                                   |   |   |
|--|----------------------------------|-----------------------------------|---|---|
|  | Community<br>Development<br>Fund | Housing<br>Revolving<br>Loan Fund | Housing<br>Revolving Loan<br>Fund/Post 1992 | Community<br>Development<br>Engineering<br>Inspection<br>Fund |
| <u>ASSETS</u>                          |                                  |                                   |   |   |
| Cash and cash equivalents              | \$ -                             | \$ 222,983                        | \$ 76,269                                   | \$ 556,163  |
| Investments                            | -                                | -                                 | -   | -   |
| Accounts receivable                    | 13,254                           | -                                 | -   | -   |
| Loans receivable                       | -                                | 817,381                           | 181,017                                     | -   |
| Other assets                           | -                                | -                                 | -   | -   |
|  | -                                | -                                 | -   | -   |
| Total Assets                           | <u>\$ 13,254</u>                 | <u>\$ 1,040,364</u>               | <u>\$ 257,286</u>                           | <u>\$ 556,163</u>   |
| <u>LIABILITIES AND FUND BALANCES</u>   |                                  |                                   |   |   |
| Liabilities:                           |                                  |                                   |   |   |
| Accounts payable                       | \$ 1,502                         | \$ 2,085                          | \$ 3,899                                    | \$ -  |
| Retainage payable                      | 16,054                           | -                                 | -   | -   |
| Other liabilities                      | -                                | -                                 | -   | 556,163   |
| Deferred revenue                       | -                                | 817,381                           | 181,017                                     | -   |
| Due to other funds                     | 12,583                           | -                                 | -   | -   |
|  | 12,583                           | -                                 | -   | -   |
| Total Liabilities                      | 30,139                           | 819,466                           | 184,916                                     | 556,163   |
| Fund Balances:                         |                                  |                                   |   |   |
| Reserved for encumbrances              | -                                | -                                 | -   | -   |
| Reserved for perpetual permanent funds | -                                | -                                 | -   | -   |
| Unreserved:                            |                                  |                                   |   |   |
| Undesignated                           |                                  |                                   |   |   |
| Special revenue funds                  | (16,885)                         | 220,898                           | 72,370                                      | -   |
| Capital project funds                  | -                                | -                                 | -   | -   |
| Debt service fund                      | -                                | -                                 | -   | -   |
|  | -                                | -                                 | -   | -   |
| Total Fund Balances                    | <u>(16,885)</u>                  | <u>220,898</u>                    | <u>72,370</u>                               | <u>-</u>  |
| Total Liabilities and<br>Fund Balances | <u>\$ 13,254</u>                 | <u>\$ 1,040,364</u>               | <u>\$ 257,286</u>                           | <u>\$ 556,163</u>   |

Special Revenue Funds

| Community<br>Development<br>Conservation<br>Property<br>Management Fund | Parking<br>Fund     | Airport<br>Fund   | Impact<br>Fee Fund  | Miscellaneous<br>Special Revenue<br>Fund |
|---|---------------------|-------------------|---------------------|--|
| \$ 10,000   | \$ 997,643          | \$ 327,465        | \$ 1,989,484        | \$ 93,640                                |
| -   | -                   | -                 | -                   | -  |
| -   | 32,646              | 1,779             | -                   | 491,510                                  |
| -   | -                   | -                 | -                   | -  |
| <u>-</u>  | <u>6</u>            | <u>5,450</u>      | <u>-</u>            | <u>-</u>                                 |
| <u>\$ 10,000</u>  | <u>\$ 1,030,295</u> | <u>\$ 334,694</u> | <u>\$ 1,989,484</u> | <u>\$ 585,150</u>                        |
|   |                     |                   |                     |  |
| \$ -  | \$ 1,926            | \$ 8,860          | \$ -                | \$ 179,020                               |
| -   | -                   | -                 | -                   | 733                                      |
| -   | -                   | -                 | 202,056             | -  |
| -   | -                   | -                 | -                   | -  |
| <u>-</u>  | <u>-</u>            | <u>-</u>          | <u>-</u>            | <u>-</u>                                 |
| -   | 1,926               | 8,860             | 202,056             | 179,753                                  |
| -   | 70,000              | -                 | -                   | -  |
| -   | -                   | -                 | -                   | -  |
| 10,000  | 958,369             | 325,834           | 1,787,428           | 405,397                                  |
| -   | -                   | -                 | -                   | -  |
| <u>-</u>  | <u>-</u>            | <u>-</u>          | <u>-</u>            | <u>-</u>                                 |
| <u>10,000</u>   | <u>1,028,369</u>    | <u>325,834</u>    | <u>1,787,428</u>    | <u>405,397</u>                           |
| <u>\$ 10,000</u>  | <u>\$ 1,030,295</u> | <u>\$ 334,694</u> | <u>\$ 1,989,484</u> | <u>\$ 585,150</u>                        |

(continued)

(continued)

|  | <u>Special Revenue Funds</u>          |                                   |                          |                        |
|--|---------------------------------------|-----------------------------------|--------------------------|------------------------|
|  | <u>Insured<br/>Retention<br/>Fund</u> | <u>Durgin<br/>Garage<br/>Fund</u> | <u>Landfill<br/>Fund</u> | <u>Nelson<br/>Fund</u> |
| <u>ASSETS</u>                          |                                       |                                   |                          |                        |
| Cash and cash equivalents              | \$ 1,119,788                          | \$ 342,941                        | \$ 142,694               | \$ 38,705              |
| Investments                            | -                                     | -                                 | -                        | -                      |
| Accounts receivable                    | -                                     | -                                 | -                        | -                      |
| Loans receivable                       | -                                     | -                                 | -                        | -                      |
| Other assets                           | -                                     | -                                 | -                        | -                      |
| Total Assets                           | <u>\$ 1,119,788</u>                   | <u>\$ 342,941</u>                 | <u>\$ 142,694</u>        | <u>\$ 38,705</u>       |
| <u>LIABILITIES AND FUND BALANCES</u>   |                                       |                                   |                          |                        |
| Liabilities:                           |                                       |                                   |                          |                        |
| Accounts payable                       | \$ -                                  | \$ -                              | \$ -                     | \$ -                   |
| Retainage payable                      | -                                     | -                                 | -                        | -                      |
| Other liabilities                      | -                                     | -                                 | -                        | -                      |
| Deferred revenue                       | -                                     | -                                 | -                        | -                      |
| Due to other funds                     | <u>36,260</u>                         | <u>-</u>                          | <u>135,000</u>           | <u>-</u>               |
| Total Liabilities                      | 36,260                                | -                                 | 135,000                  | -                      |
| Fund Balances:                         |                                       |                                   |                          |                        |
| Reserved for encumbrances              | -                                     | -                                 | -                        | -                      |
| Reserved for perpetual permanent funds | -                                     | -                                 | -                        | -                      |
| Unreserved:                            |                                       |                                   |                          |                        |
| Undesignated                           |                                       |                                   |                          |                        |
| Special revenue funds                  | 1,083,528                             | 342,941                           | 7,694                    | 38,705                 |
| Capital project funds                  | -                                     | -                                 | -                        | -                      |
| Debt service fund                      | -                                     | -                                 | -                        | -                      |
| Total Fund Balances                    | <u>1,083,528</u>                      | <u>342,941</u>                    | <u>7,694</u>             | <u>38,705</u>          |
| Total Liabilities and<br>Fund Balances | <u>\$ 1,119,788</u>                   | <u>\$ 342,941</u>                 | <u>\$ 142,694</u>        | <u>\$ 38,705</u>       |

Special Revenue Funds

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| Forest &<br>Conservation<br>Fund | Cemetery<br>Fund | Library<br>Fund  | Highway<br>Fund     | Economic<br>Development<br>Fund |
|----------------------------------|------------------|------------------|---------------------|---------------------------------|
| \$ 466,714                       | \$ 16,839        | \$ 5,239         | \$ 1,291,981        | \$ 1,444,241                    |
| 1,532,540                        | 55,292           | 17,204           | -                   | -                               |
| -                                | -                | -                | -                   | -                               |
| -                                | -                | -                | -                   | -                               |
| <u>1,999,254</u>                 | <u>72,131</u>    | <u>22,443</u>    | <u>1,291,981</u>    | <u>1,444,241</u>                |
|                                  |                  |                  |                     |                                 |
| \$ -                             | \$ -             | \$ -             | \$ -                | \$ -                            |
| -                                | -                | -                | -                   | -                               |
| -                                | -                | -                | -                   | -                               |
| -                                | -                | -                | -                   | -                               |
| <u>795,327</u>                   | <u>-</u>         | <u>8,846</u>     | <u>300,250</u>      | <u>1,173,829</u>                |
| 795,327                          | -                | 8,846            | 300,250             | 1,173,829                       |
| -                                | -                | -                | -                   | -                               |
| -                                | -                | -                | -                   | -                               |
| 1,203,927                        | 72,131           | 13,597           | 991,731             | 270,412                         |
| -                                | -                | -                | -                   | -                               |
| -                                | -                | -                | -                   | -                               |
| <u>1,203,927</u>                 | <u>72,131</u>    | <u>13,597</u>    | <u>991,731</u>      | <u>270,412</u>                  |
| <u>\$ 1,999,254</u>              | <u>\$ 72,131</u> | <u>\$ 22,443</u> | <u>\$ 1,291,981</u> | <u>\$ 1,444,241</u>             |

(continued)

(continued)

|  | <u>Special Revenue Funds</u> |                               |                           |                                    |
|--|------------------------------|-------------------------------|---------------------------|------------------------------------|
|  | <u>Revaluation<br/>Fund</u>  | <u>53rd<br/>Week<br/>Fund</u> | <u>Equipment<br/>Fund</u> | <u>Mountain<br/>Green<br/>Fund</u> |
| <u>ASSETS</u>                          |                              |                               |                           |                                    |
| Cash and cash equivalents              | \$ 30,162                    | \$ 460,518                    | \$ 26,481                 | \$ 304,186                         |
| Investments                            | -                            | -                             | -                         | -                                  |
| Accounts receivable                    | -                            | -                             | -                         | -                                  |
| Loans receivable                       | -                            | -                             | -                         | -                                  |
| Other assets                           | -                            | -                             | -                         | -                                  |
|  | <u>-</u>                     | <u>-</u>                      | <u>-</u>                  | <u>-</u>                           |
| Total Assets                           | <u>\$ 30,162</u>             | <u>\$ 460,518</u>             | <u>\$ 26,481</u>          | <u>\$ 304,186</u>                  |
| <u>LIABILITIES AND FUND BALANCES</u>   |                              |                               |                           |                                    |
| Liabilities:                           |                              |                               |                           |                                    |
| Accounts payable                       | \$ -                         | \$ -                          | \$ -                      | \$ -                               |
| Retainage payable                      | -                            | -                             | -                         | -                                  |
| Other liabilities                      | -                            | -                             | -                         | -                                  |
| Deferred revenue                       | -                            | -                             | -                         | -                                  |
| Due to other funds                     | -                            | -                             | 25,000                    | 262                                |
|  | <u>-</u>                     | <u>-</u>                      | <u>25,000</u>             | <u>262</u>                         |
| Total Liabilities                      | -                            | -                             | 25,000                    | 262                                |
| Fund Balances:                         |                              |                               |                           |                                    |
| Reserved for encumbrances              | -                            | -                             | -                         | -                                  |
| Reserved for perpetual permanent funds | -                            | -                             | -                         | -                                  |
| Unreserved:                            |                              |                               |                           |                                    |
| Undesignated                           |                              |                               |                           |                                    |
| Special revenue funds                  | 30,162                       | 460,518                       | 1,481                     | 303,924                            |
| Capital project funds                  | -                            | -                             | -                         | -                                  |
| Debt service fund                      | -                            | -                             | -                         | -                                  |
|  | <u>30,162</u>                | <u>460,518</u>                | <u>1,481</u>              | <u>303,924</u>                     |
| Total Fund Balances                    | <u>30,162</u>                | <u>460,518</u>                | <u>1,481</u>              | <u>303,924</u>                     |
| Total Liabilities and<br>Fund Balances | <u>\$ 30,162</u>             | <u>\$ 460,518</u>             | <u>\$ 26,481</u>          | <u>\$ 304,186</u>                  |

Special Revenue Funds

| Fire<br>Apparatus<br>Replacement<br>Fund | Downtown<br>Economic<br>Development<br>Fund | SVMS<br>Project<br>Fund | Subtotal             |
|--|---|-------------------------|----------------------|
| \$ 44,758                                | \$ 51,389                                   | \$ 102,738              | \$ 10,163,021        |
| -  | -   | -                       | 1,605,036            |
| -  | -   | -                       | 539,189              |
| -  | -   | -                       | 998,398              |
| -  | -   | -                       | 5,456                |
| <u>44,758</u>                            | <u>51,389</u>                               | <u>102,738</u>          | <u>13,311,100</u>    |
| \$ -                                     | \$ -  | \$ -                    | \$ 197,292           |
| -  | -   | -                       | 16,787               |
| -  | -   | -                       | 758,219              |
| -  | -   | -                       | 998,398              |
| -  | 45,000                                      | -                       | 2,532,357            |
| -  | 45,000                                      | -                       | 4,503,053            |
| -  | -   | -                       | 70,000               |
| -  | -   | -                       | -                    |
| 44,758                                   | 6,389                                       | 102,738                 | 8,738,047            |
| -  | -   | -                       | -                    |
| -  | -   | -                       | -                    |
| <u>44,758</u>                            | <u>6,389</u>                                | <u>102,738</u>          | <u>8,808,047</u>     |
| <u>\$ 44,758</u>                         | <u>\$ 51,389</u>                            | <u>\$ 102,738</u>       | <u>\$ 13,311,100</u> |

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(continued)

|  | <u>Capital Project Funds</u>                            |  |   |                      |
|--|---|--|---|----------------------|
|  | <u>Other<br/>Capital Project<br/>Funds<br/>Pre 2003</u> | <u>Other<br/>Capital Project<br/>Funds<br/>Post 2002</u> | <u>Open<br/>Space<br/>Protection<br/>Fund</u> | <u>Subtotal</u>      |
| <u>ASSETS</u>                          |   |  |   |                      |
| Cash and cash equivalents              | \$ 2,780,065  | \$ 11,649,745  | \$ -  | \$ 14,429,810        |
| Investments                            | -   | -  | -   | -                    |
| Accounts receivable                    | 75,352  | 34,036   | -   | 109,388              |
| Loans receivable                       | -   | -  | -   | -                    |
| Other assets                           | -   | -  | -   | -                    |
| Total Assets                           | <u>\$ 2,855,417</u>                                     | <u>\$ 11,683,781</u>                                     | <u>\$ -</u>                                   | <u>\$ 14,539,198</u> |
| <u>LIABILITIES AND FUND BALANCES</u>   |   |  |   |                      |
| Liabilities:                           |   |  |   |                      |
| Accounts payable                       | \$ 80,334   | \$ 1,605,262   | \$ 536  | \$ 1,686,132         |
| Retainage payable                      | 9,316   | 471,213  | -   | 480,529              |
| Other liabilities                      | -   | -  | -   | -                    |
| Deferred revenue                       | -   | -  | -   | -                    |
| Due to other funds                     | -   | -  | 410,365                                       | 410,365              |
| Total Liabilities                      | 89,650  | 2,076,475  | 410,901                                       | 2,577,026            |
| Fund Balances:                         |   |  |   |                      |
| Reserved for encumbrances              | -   | -  | -   | -                    |
| Reserved for perpetual permanent funds | -   | -  | -   | -                    |
| Unreserved:                            |   |  |   |                      |
| Undesignated                           |   |  |   |                      |
| Special revenue funds                  | -   | -  | -   | -                    |
| Capital project funds                  | 2,765,767   | 9,607,306  | (410,901)                                     | 11,962,172           |
| Debt service fund                      | -   | -  | -   | -                    |
| Total Fund Balances                    | <u>2,765,767</u>  | <u>9,607,306</u>   | <u>(410,901)</u>                              | <u>11,962,172</u>    |
| Total Liabilities and<br>Fund Balances | <u>\$ 2,855,417</u>                                     | <u>\$ 11,683,781</u>                                     | <u>\$ -</u>                                   | <u>\$ 14,539,198</u> |

Permanent Funds

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| Cemetery<br>Fund    | Library<br>Fund   | Dedicated<br>Income<br>Fund | Other<br>Fund    | Subtotal            |
|---------------------|-------------------|-----------------------------|------------------|---------------------|
| \$ 1,499,548        | \$ 143,877        | \$ 934,146                  | \$ 17,681        | \$ 2,595,252        |
| 4,829,500           | 472,449           | -                           | 58,059           | 5,360,008           |
| -                   | -                 | -                           | -                | -                   |
| -                   | -                 | -                           | -                | -                   |
| <u>-</u>            | <u>-</u>          | <u>-</u>                    | <u>-</u>         | <u>-</u>            |
| <u>\$ 6,329,048</u> | <u>\$ 616,326</u> | <u>\$ 934,146</u>           | <u>\$ 75,740</u> | <u>\$ 7,955,260</u> |
|                     |                   |                             |                  |                     |
| \$ -                | \$ -              | \$ -                        | \$ -             | \$ -                |
| -                   | -                 | -                           | -                | -                   |
| -                   | -                 | -                           | -                | -                   |
| -                   | -                 | -                           | -                | -                   |
| <u>132,453</u>      | <u>26,013</u>     | <u>133,390</u>              | <u>-</u>         | <u>291,856</u>      |
| 132,453             | 26,013            | 133,390                     | -                | 291,856             |
| -                   | -                 | -                           | -                | -                   |
| 6,196,595           | 590,313           | 800,756                     | 75,740           | 7,663,404           |
| -                   | -                 | -                           | -                | -                   |
| -                   | -                 | -                           | -                | -                   |
| <u>-</u>            | <u>-</u>          | <u>-</u>                    | <u>-</u>         | <u>-</u>            |
| <u>6,196,595</u>    | <u>590,313</u>    | <u>800,756</u>              | <u>75,740</u>    | <u>7,663,404</u>    |
| <u>\$ 6,329,048</u> | <u>\$ 616,326</u> | <u>\$ 934,146</u>           | <u>\$ 75,740</u> | <u>\$ 7,955,260</u> |

(continued)

(continued)

|  | <u>Debt Service Funds</u> |                        |                   | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------------|------------------------|-------------------|--|
|  | <u>NEOC<br/>Fund</u>      | <u>SBTIFD<br/>Fund</u> | <u>Subtotal</u>   |  |
| <u>ASSETS</u>                          |                           |                        |                   |  |
| Cash and cash equivalents              | \$ 566,349                | \$ 25,518              | \$ 591,867        | \$ 27,779,950                              |
| Investments                            | -                         | -                      | -                 | 6,965,044                                  |
| Accounts receivable                    | -                         | -                      | -                 | 648,577                                    |
| Loans receivable                       | -                         | -                      | -                 | 998,398                                    |
| Other assets                           | -                         | -                      | -                 | 5,456                                      |
|  | <u>-</u>                  | <u>-</u>               | <u>-</u>          | <u>-</u>                                   |
| Total Assets                           | <u>\$ 566,349</u>         | <u>\$ 25,518</u>       | <u>\$ 591,867</u> | <u>\$ 36,397,425</u>                       |
| <u>LIABILITIES AND FUND BALANCES</u>   |                           |                        |                   |  |
| Liabilities:                           |                           |                        |                   |  |
| Accounts payable                       | \$ -                      | \$ -                   | \$ -              | \$ 1,883,424                               |
| Retainage payable                      | -                         | -                      | -                 | 497,316                                    |
| Other liabilities                      | -                         | -                      | -                 | 758,219                                    |
| Deferred revenue                       | -                         | -                      | -                 | 998,398                                    |
| Due to other funds                     | -                         | -                      | -                 | 3,234,578                                  |
|  | <u>-</u>                  | <u>-</u>               | <u>-</u>          | <u>-</u>                                   |
| Total Liabilities                      | -                         | -                      | -                 | 7,371,935                                  |
| Fund Balances:                         |                           |                        |                   |  |
| Reserved for encumbrances              | -                         | -                      | -                 | 70,000                                     |
| Reserved for perpetual permanent funds | -                         | -                      | -                 | 7,663,404                                  |
| Unreserved:                            |                           |                        |                   |  |
| Undesignated                           |                           |                        |                   |  |
| Special revenue funds                  | -                         | -                      | -                 | 8,738,047                                  |
| Capital project funds                  | -                         | -                      | -                 | 11,962,172                                 |
| Debt service fund                      | 566,349                   | 25,518                 | 591,867           | 591,867                                    |
|  | <u>566,349</u>            | <u>25,518</u>          | <u>591,867</u>    | <u>591,867</u>                             |
| Total Fund Balances                    | <u>566,349</u>            | <u>25,518</u>          | <u>591,867</u>    | <u>29,025,490</u>                          |
| Total Liabilities and<br>Fund Balances | <u>\$ 566,349</u>         | <u>\$ 25,518</u>       | <u>\$ 591,867</u> | <u>\$ 36,397,425</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, 2006

|  | Special Revenue Funds            |                                   |   |   |
|--|----------------------------------|-----------------------------------|---|---|
|  | Community<br>Development<br>Fund | Housing<br>Revolving<br>Loan Fund | Housing<br>Revolving Loan<br>Fund/Post 1992 | Community<br>Development<br>Engineering<br>Inspection<br>Fund |
| Revenues:  |                                  |                                   |   |   |
| Property taxes                                       | \$ -                             | \$ -                              | \$ -  | \$ -  |
| Intergovernmental                                    | -                                | -                                 | -   | -   |
| Charges for services                                 | -                                | 221,417                           | 15,596                                      | -   |
| Investment income                                    | -                                | 12,004                            | 3,777                                       | -   |
| Contributions  | 383,066                          | -                                 | -   | -   |
| Miscellaneous:                                       |                                  |                                   |   |   |
| Departmental   | -                                | -                                 | -   | -   |
| Interest and penalties                               | -                                | -                                 | -   | -   |
| <b>Total Revenues</b>                                | <b>383,066</b>                   | <b>233,421</b>                    | <b>19,373</b>                               | <b>-</b>  |
| Expenditures:  |                                  |                                   |   |   |
| Current:   |                                  |                                   |   |   |
| General government                                   | 29,451                           | 8,752                             | 2,837                                       | -   |
| Miscellaneous  | -                                | -                                 | -   | -   |
| Debt service:  |                                  |                                   |   |   |
| Principal  | -                                | -                                 | -   | -   |
| Interest   | -                                | -                                 | -   | -   |
| Capital outlay                                       | 342,553                          | 210,083                           | 14,300                                      | -   |
| <b>Total Expenditures</b>                            | <b>372,004</b>                   | <b>218,835</b>                    | <b>17,137</b>                               | <b>-</b>  |
| Excess (deficiency) of revenues<br>over expenditures | 11,062                           | 14,586                            | 2,236                                       | -   |
| Other Financing Sources (Uses):                      |                                  |                                   |   |   |
| Issuance of debt                                     | -                                | -                                 | -   | -   |
| Transfers in   | -                                | -                                 | -   | -   |
| Transfers out  | -                                | -                                 | -   | -   |
| <b>Total Other Financing Sources (Uses)</b>          | <b>-</b>                         | <b>-</b>                          | <b>-</b>                                    | <b>-</b>  |
| Net change in fund balance                           | 11,062                           | 14,586                            | 2,236                                       | -   |
| Fund Balance, beginning                              | (27,947)                         | 206,312                           | 70,134                                      | -   |
| Fund Balance, ending                                 | \$ (16,885)                      | \$ 220,898                        | \$ 72,370                                   | \$ -  |

Special Revenue Funds

| Community<br>Development<br>Conservation<br>Property<br>Management Fund | Parking<br>Fund     | Airport<br>Fund   | Impact<br>Fee Fund  | Miscellaneous<br>Special Revenue<br>Fund |
|---|---------------------|-------------------|---------------------|--|
| \$ -  | \$ -                | \$ -              | \$ -                | \$ -                                     |
| -   | -                   | 2,431             | -                   | 1,876,220                                |
| 10,000  | 578,747             | 296,954           | 477,362             | 153,993                                  |
| -   | 48,414              | 13,879            | 70,687              | -  |
| -   | -                   | -                 | -                   | 36,223                                   |
| -   | 218,877             | 14,700            | -                   | 151,320                                  |
| -   | 317,623             | -                 | -                   | 2,257                                    |
| <u>10,000</u>   | <u>1,163,661</u>    | <u>327,964</u>    | <u>548,049</u>      | <u>2,220,013</u>                         |
| 507   | 692,464             | 185,356           | -                   | 318,308                                  |
| -   | -                   | -                 | -                   | -  |
| -   | -                   | 92,900            | -                   | -  |
| -   | 66,559              | 10,097            | -                   | -  |
| -   | 17,390              | -                 | -                   | 1,658,324                                |
| <u>507</u>  | <u>776,413</u>      | <u>288,353</u>    | <u>-</u>            | <u>1,976,632</u>                         |
| 9,493   | 387,248             | 39,611            | 548,049             | 243,381                                  |
| -   | -                   | -                 | -                   | -  |
| 507   | -                   | -                 | -                   | 128,465                                  |
| <u>-</u>  | <u>(319,700)</u>    | <u>(47,105)</u>   | <u>(180,384)</u>    | <u>(4,597)</u>                           |
| <u>507</u>  | <u>(319,700)</u>    | <u>(47,105)</u>   | <u>(180,384)</u>    | <u>123,868</u>                           |
| 10,000  | 67,548              | (7,494)           | 367,665             | 367,249                                  |
| -   | 960,821             | 333,328           | 1,419,763           | 38,148                                   |
| <u>\$ 10,000</u>  | <u>\$ 1,028,369</u> | <u>\$ 325,834</u> | <u>\$ 1,787,428</u> | <u>\$ 405,397</u>                        |

(continued)

(continued)

|  | Special Revenue Funds        |                          |                  |                  |
|--|------------------------------|--------------------------|------------------|------------------|
|  | Insured<br>Retention<br>Fund | Durgin<br>Garage<br>Fund | Landfill<br>Fund | Nelson<br>Fund   |
| Revenues:  |                              |                          |                  |                  |
| Property taxes                                       | \$ -                         | \$ -                     | \$ -             | \$ -             |
| Intergovernmental                                    | -                            | -                        | -                | -                |
| Charges for services                                 | -                            | -                        | -                | -                |
| Investment income                                    | 35,786                       | 10,101                   | 4,389            | 1,785            |
| Contributions  | 36,340                       | -                        | -                | -                |
| Miscellaneous:                                       |                              |                          |                  |                  |
| Departmental   | -                            | -                        | -                | -                |
| Interest and penalties                               | -                            | -                        | -                | -                |
| Total Revenues                                       | <u>72,126</u>                | <u>10,101</u>            | <u>4,389</u>     | <u>1,785</u>     |
| Expenditures:  |                              |                          |                  |                  |
| Current:   |                              |                          |                  |                  |
| General government                                   | -                            | -                        | -                | -                |
| Miscellaneous  | -                            | -                        | -                | 147              |
| Debt service:  |                              |                          |                  |                  |
| Principal  | -                            | -                        | -                | -                |
| Interest   | -                            | -                        | -                | -                |
| Capital outlay                                       | -                            | -                        | -                | -                |
| Total Expenditures                                   | <u>-</u>                     | <u>-</u>                 | <u>-</u>         | <u>147</u>       |
| Excess (deficiency) of revenues<br>over expenditures | 72,126                       | 10,101                   | 4,389            | 1,638            |
| Other Financing Sources (Uses):                      |                              |                          |                  |                  |
| Issuance of debt                                     | -                            | -                        | -                | -                |
| Transfers in   | -                            | 10,500                   | -                | -                |
| Transfers out  | <u>(72,600)</u>              | <u>-</u>                 | <u>(135,000)</u> | <u>-</u>         |
| Total Other Financing Sources (Uses)                 | <u>(72,600)</u>              | <u>10,500</u>            | <u>(135,000)</u> | <u>-</u>         |
| Net change in fund balance                           | (474)                        | 20,601                   | (130,611)        | 1,638            |
| Fund Balance, beginning                              | <u>1,084,002</u>             | <u>322,340</u>           | <u>138,305</u>   | <u>37,067</u>    |
| Fund Balance, ending                                 | <u>\$ 1,083,528</u>          | <u>\$ 342,941</u>        | <u>\$ 7,694</u>  | <u>\$ 38,705</u> |

Special Revenue Funds

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| Forest &<br>Conservation<br><u>Fund</u> | Cemetery<br><u>Fund</u> | Library<br><u>Fund</u> | Highway<br><u>Fund</u> | Economic<br>Development<br><u>Fund</u> |
|---|-------------------------|------------------------|------------------------|--|
| \$ -                                    | \$ -                    | \$ -                   | \$ -                   | \$ -                                   |
| -                                       | -                       | -                      | -                      | -                                      |
| -                                       | -                       | -                      | -                      | -                                      |
| 79,424                                  | 462                     | 1,779                  | 66,651                 | 43,654                                 |
| 425,106                                 | 800                     | 10,000                 | -                      | -                                      |
| -                                       | -                       | -                      | -                      | -                                      |
| -                                       | -                       | -                      | -                      | -                                      |
| <u>504,530</u>                          | <u>1,262</u>            | <u>11,779</u>          | <u>66,651</u>          | <u>43,654</u>                          |
| -                                       | -                       | -                      | -                      | -                                      |
| 4,815                                   | 75                      | 229                    | -                      | -                                      |
| -                                       | -                       | -                      | -                      | -                                      |
| -                                       | -                       | -                      | -                      | -                                      |
| -                                       | -                       | -                      | -                      | -                                      |
| <u>4,815</u>                            | <u>75</u>               | <u>229</u>             | <u>-</u>               | <u>-</u>                               |
| 499,715                                 | 1,187                   | 11,550                 | 66,651                 | 43,654                                 |
| -                                       | -                       | -                      | -                      | -                                      |
| 10,602                                  | -                       | -                      | 1,304,000              | 25,816                                 |
| <u>(805,928)</u>                        | <u>-</u>                | <u>(8,846)</u>         | <u>(1,604,250)</u>     | <u>(1,199,647)</u>                     |
| <u>(795,326)</u>                        | <u>-</u>                | <u>(8,846)</u>         | <u>(300,250)</u>       | <u>(1,173,831)</u>                     |
| (295,611)                               | 1,187                   | 2,704                  | (233,599)              | (1,130,177)                            |
| <u>1,499,538</u>                        | <u>70,944</u>           | <u>10,893</u>          | <u>1,225,330</u>       | <u>1,400,589</u>                       |
| <u>\$ 1,203,927</u>                     | <u>\$ 72,131</u>        | <u>\$ 13,597</u>       | <u>\$ 991,731</u>      | <u>\$ 270,412</u>                      |

(continued)

(continued)

|  | <u>Special Revenue Funds</u>      |   |                                 |  |
|--|-----------------------------------|---|---------------------------------|--|
|  | <u>Revaluation</u><br><u>Fund</u> | <u>53rd</u><br><u>Week</u><br><u>Fund</u> | <u>Equipment</u><br><u>Fund</u> | <u>Mountain</u><br><u>Green</u><br><u>Fund</u> |
| Revenues:  |                                   |   |                                 |  |
| Property taxes                                       | \$ -                              | \$ -                                      | \$ -                            | \$ -   |
| Intergovernmental                                    | -                                 | -   | -                               | -  |
| Charges for services                                 | -                                 | -   | -                               | -  |
| Investment income                                    | 1,408                             | 13,162                                    | 3,959                           | 9,010  |
| Contributions  | -                                 | -   | -                               | 23,445   |
| Miscellaneous:                                       |                                   |   |                                 |  |
| Departmental   | -                                 | -   | -                               | -  |
| Interest and penalties                               | -                                 | -   | -                               | -  |
|  | <u>1,408</u>                      | <u>13,162</u>                             | <u>3,959</u>                    | <u>32,455</u>                                  |
| Total Revenues                                       | 1,408                             | 13,162                                    | 3,959                           | 32,455   |
| Expenditures:  |                                   |   |                                 |  |
| Current:   |                                   |   |                                 |  |
| General government                                   | -                                 | -   | -                               | -  |
| Miscellaneous  | -                                 | -   | -                               | -  |
| Debt service:  |                                   |   |                                 |  |
| Principal  | -                                 | -   | -                               | -  |
| Interest   | -                                 | -   | -                               | -  |
| Capital outlay                                       | -                                 | -   | -                               | -  |
|  | <u>-</u>                          | <u>-</u>                                  | <u>-</u>                        | <u>-</u>                                       |
| Total Expenditures                                   | -                                 | -   | -                               | -  |
| Excess (deficiency) of revenues<br>over expenditures | 1,408                             | 13,162                                    | 3,959                           | 32,455   |
| Other Financing Sources (Uses):                      |                                   |   |                                 |  |
| Issuance of debt                                     | -                                 | -   | -                               | -  |
| Transfers in   | -                                 | 32,804                                    | -                               | -  |
| Transfers out  | -                                 | -   | (25,000)                        | (262)  |
|  | <u>-</u>                          | <u>32,804</u>                             | <u>(25,000)</u>                 | <u>(262)</u>                                   |
| Total Other Financing Sources (Uses)                 | -                                 | 32,804                                    | (25,000)                        | (262)  |
| Net change in fund balance                           | 1,408                             | 45,966                                    | (21,041)                        | 32,193   |
| Fund Balance, beginning                              | <u>28,754</u>                     | <u>414,552</u>                            | <u>22,522</u>                   | <u>271,731</u>                                 |
| Fund Balance, ending                                 | <u>\$ 30,162</u>                  | <u>\$ 460,518</u>                         | <u>\$ 1,481</u>                 | <u>\$ 303,924</u>                              |

Special Revenue Funds

| Fire<br>Apparatus<br>Replacement<br>Fund | Downtown<br>Economic<br>Development<br>Fund | SVMS<br>Project<br>Fund | Subtotal            |
|--|---|-------------------------|---------------------|
| \$ -                                     | \$ -  | \$ -                    | \$ -                |
| -  | -   | -                       | 1,878,651           |
| -  | -   | -                       | 1,754,069           |
| 1,391                                    | 3,690                                       | -                       | 425,412             |
| -  | -   | 104,000                 | 1,018,980           |
| -  | -   | -                       | 384,897             |
| -  | -   | -                       | 319,880             |
| <u>1,391</u>                             | <u>3,690</u>                                | <u>104,000</u>          | <u>5,781,889</u>    |
| -  | -   | -                       | 1,237,675           |
| -  | -   | -                       | 5,266               |
| -  | -   | -                       | 92,900              |
| -  | -   | -                       | 76,656              |
| <u>-</u>                                 | <u>-</u>                                    | <u>-</u>                | <u>2,242,650</u>    |
| <u>-</u>                                 | <u>-</u>                                    | <u>-</u>                | <u>3,655,147</u>    |
| 1,391                                    | 3,690                                       | 104,000                 | 2,126,742           |
| -  | -   | -                       | -                   |
| -  | -   | -                       | 1,512,694           |
| <u>-</u>                                 | <u>(45,000)</u>                             | <u>(1,262)</u>          | <u>(4,449,581)</u>  |
| <u>-</u>                                 | <u>(45,000)</u>                             | <u>(1,262)</u>          | <u>(2,936,887)</u>  |
| 1,391                                    | (41,310)                                    | 102,738                 | (810,145)           |
| <u>43,367</u>                            | <u>47,699</u>                               | <u>-</u>                | <u>9,618,192</u>    |
| <u>\$ 44,758</u>                         | <u>\$ 6,389</u>                             | <u>\$ 102,738</u>       | <u>\$ 8,808,047</u> |

(continued)

(continued)

|  | Capital Project Funds                         |  |                                     |               |
|--|---|--|-------------------------------------|---------------|
|  | Other<br>Capital Project<br>Funds<br>Pre 2003 | Other<br>Capital Project<br>Funds<br>Post 2002 | Open<br>Space<br>Protection<br>Fund | Subtotal      |
| Revenues:  |   |  |                                     |               |
| Property taxes                                       | \$ -  | \$ -   | \$ -                                | \$ -          |
| Intergovernmental                                    | -   | 8,812  | -                                   | 8,812         |
| Charges for services                                 | -   | -  | -                                   | -             |
| Investment income                                    | -   | 38,000   | -                                   | 38,000        |
| Contributions  | 410,694                                       | 225,645  | -                                   | 636,339       |
| Miscellaneous:                                       |   |  |                                     |               |
| Departmental   | -   | 99   | -                                   | 99            |
| Interest and penalties                               | -   | -  | -                                   | -             |
| Total Revenues                                       | 410,694                                       | 272,556  | -                                   | 683,250       |
| Expenditures:  |   |  |                                     |               |
| Current:   |   |  |                                     |               |
| General government                                   | -   | -  | -                                   | -             |
| Miscellaneous  | -   | -  | -                                   | -             |
| Debt service:  |   |  |                                     |               |
| Principal  | -   | -  | -                                   | -             |
| Interest   | -   | -  | -                                   | -             |
| Capital outlay                                       | 529,996                                       | 8,255,150                                      | 1,726,252                           | 10,511,398    |
| Total Expenditures                                   | 529,996                                       | 8,255,150                                      | 1,726,252                           | 10,511,398    |
| Excess (deficiency) of revenues<br>over expenditures | (119,302)                                     | (7,982,594)                                    | (1,726,252)                         | (9,828,148)   |
| Other Financing Sources (Uses):                      |   |  |                                     |               |
| Issuance of debt                                     | -   | 5,920,000                                      | -                                   | 5,920,000     |
| Transfers in   | 107,000                                       | 2,893,262                                      | 799,622                             | 3,799,884     |
| Transfers out  | (127,552)                                     | (82,007)                                       | -                                   | (209,559)     |
| Total Other Financing Sources (Uses)                 | (20,552)                                      | 8,731,255                                      | 799,622                             | 9,510,325     |
| Net change in fund balance                           | (139,854)                                     | 748,661  | (926,630)                           | (317,823)     |
| Fund Balance, beginning                              | 2,905,621                                     | 8,858,645                                      | 515,729                             | 12,279,995    |
| Fund Balance, ending                                 | \$ 2,765,767                                  | \$ 9,607,306                                   | \$ (410,901)                        | \$ 11,962,172 |

Permanent Funds

---

| Cemetery<br>Fund    | Library<br>Fund   | Dedicated<br>Income<br>Fund | Other<br>Fund    | Subtotal            |
|---------------------|-------------------|-----------------------------|------------------|---------------------|
| \$ -                | \$ -              | \$ -                        | \$ -             | \$ -                |
| -                   | -                 | -                           | -                | -                   |
| -                   | -                 | -                           | -                | -                   |
| 252,734             | 36,879            | 33,227                      | 794              | 323,634             |
| 140,349             | -                 | 175,424                     | -                | 315,773             |
| -                   | -                 | -                           | -                | -                   |
| -                   | -                 | -                           | -                | -                   |
| <u>393,083</u>      | <u>36,879</u>     | <u>208,651</u>              | <u>794</u>       | <u>639,407</u>      |
| -                   | -                 | -                           | -                | -                   |
| 61,875              | 2,502             | 2,703                       | 126              | 67,206              |
| -                   | -                 | -                           | -                | -                   |
| -                   | -                 | -                           | -                | -                   |
| -                   | -                 | -                           | -                | -                   |
| <u>61,875</u>       | <u>2,502</u>      | <u>2,703</u>                | <u>126</u>       | <u>67,206</u>       |
| 331,208             | 34,377            | 205,948                     | 668              | 572,201             |
| -                   | -                 | -                           | -                | -                   |
| -                   | -                 | -                           | -                | -                   |
| <u>(132,453)</u>    | <u>(140,000)</u>  | <u>(19,403)</u>             | <u>-</u>         | <u>(291,856)</u>    |
| <u>(132,453)</u>    | <u>(140,000)</u>  | <u>(19,403)</u>             | <u>-</u>         | <u>(291,856)</u>    |
| 198,755             | (105,623)         | 186,545                     | 668              | 280,345             |
| <u>5,997,840</u>    | <u>695,936</u>    | <u>614,211</u>              | <u>75,072</u>    | <u>7,383,059</u>    |
| <u>\$ 6,196,595</u> | <u>\$ 590,313</u> | <u>\$ 800,756</u>           | <u>\$ 75,740</u> | <u>\$ 7,663,404</u> |

(continued)

(continued)

|  | <u>Debt Service Funds</u> |                        |                   | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------------|------------------------|-------------------|--|
|  | <u>NEOC<br/>Fund</u>      | <u>SBTIFD<br/>Fund</u> | <u>Subtotal</u>   |  |
| Revenues:  |                           |                        |                   |  |
| Property taxes                                       | \$ 560,033                | \$ -                   | \$ 560,033        | \$ 560,033                                 |
| Intergovernmental                                    | -                         | -                      | -                 | 1,887,463                                  |
| Charges for services                                 | -                         | -                      | -                 | 1,754,069                                  |
| Investment income                                    | 33,987                    | 25,518                 | 59,505            | 846,551                                    |
| Contributions  | -                         | -                      | -                 | 1,971,092                                  |
| Miscellaneous:                                       |                           |                        |                   |  |
| Departmental   | -                         | -                      | -                 | 384,996                                    |
| Interest and penalties                               | -                         | -                      | -                 | 319,880                                    |
| Total Revenues                                       | <u>594,020</u>            | <u>25,518</u>          | <u>619,538</u>    | <u>7,724,084</u>                           |
| Expenditures:  |                           |                        |                   |  |
| Current:   |                           |                        |                   |  |
| General government                                   | 20,762                    | -                      | 20,762            | 1,258,437                                  |
| Miscellaneous  | -                         | -                      | -                 | 72,472                                     |
| Debt service:  |                           |                        |                   |  |
| Principal  | 345,000                   | -                      | 345,000           | 437,900                                    |
| Interest   | 169,185                   | -                      | 169,185           | 245,841                                    |
| Capital outlay                                       | -                         | -                      | -                 | 12,754,048                                 |
| Total Expenditures                                   | <u>534,947</u>            | <u>-</u>               | <u>534,947</u>    | <u>14,768,698</u>                          |
| Excess (deficiency) of revenues<br>over expenditures | 59,073                    | 25,518                 | 84,591            | (7,044,614)                                |
| Other Financing Sources (Uses):                      |                           |                        |                   |  |
| Issuance of debt                                     | -                         | -                      | -                 | 5,920,000                                  |
| Transfers in   | -                         | -                      | -                 | 5,312,578                                  |
| Transfers out  | -                         | -                      | -                 | (4,950,996)                                |
| Total Other Financing Sources (Uses)                 | <u>-</u>                  | <u>-</u>               | <u>-</u>          | <u>6,281,582</u>                           |
| Net change in fund balance                           | 59,073                    | 25,518                 | 84,591            | (763,032)                                  |
| Fund Balance, beginning                              | <u>507,276</u>            | <u>-</u>               | <u>507,276</u>    | <u>29,788,522</u>                          |
| Fund Balance, ending                                 | <u>\$ 566,349</u>         | <u>\$ 25,518</u>       | <u>\$ 591,867</u> | <u>\$ 29,025,490</u>                       |

**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, 2006**

|  | <u>Final<br/>Budget</u> | <u>Actual<br/>(Budgetary Basis)</u> | Variance<br>Positive<br>(Negative) |
|--|-------------------------|-------------------------------------|------------------------------------|
| <u>Taxes</u>                           |                         |                                     |                                    |
| Property taxes - current               | \$ 23,443,904           | \$ 23,443,904                       | \$ -                               |
| Timber tax yield                       | 15,000                  | 26,010                              | 11,010                             |
| Excavation activity tax                | 100                     | 3,307                               | 3,207                              |
| Motor vehicle registrations            | 5,525,000               | 5,636,297                           | 111,297                            |
| Boat registrations                     | 4,400                   | 4,218                               | (182)                              |
| Rooms and meals                        | 1,550,000               | 1,520,927                           | (29,073)                           |
| Payment in lieu of taxes               | <u>479,670</u>          | <u>529,679</u>                      | <u>50,009</u>                      |
| Total Taxes                            | 31,018,074              | 31,164,342                          | 146,268                            |
| <u>Licenses and Permits</u>            |                         |                                     |                                    |
| Engineering                            | 43,804                  | 58,364                              | 14,560                             |
| City clerk records                     | 30,150                  | 31,720                              | 1,570                              |
| Health services                        | 117,250                 | 100,449                             | (16,801)                           |
| Police/protection/amusement            | 2,500                   | 2,490                               | (10)                               |
| Code enforcement/building permits      | 1,129,500               | 1,280,182                           | 150,682                            |
| General service permits                | <u>5,070</u>            | <u>6,449</u>                        | <u>1,379</u>                       |
| Total Licenses and Permits             | 1,328,274               | 1,479,654                           | 151,380                            |
| <u>Intergovernmental</u>               |                         |                                     |                                    |
| State sharing                          | 1,164,161               | 1,164,121                           | (40)                               |
| Railroad tax                           | 2,710                   | 3,394                               | 684                                |
| Forest loss reimbursement              | 1,150                   | 1,073                               | (77)                               |
| Fire service aid                       | 81,380                  | 81,380                              | -                                  |
| Emergency mgmt. administration - grant | 43,850                  | 43,853                              | 3                                  |
| State election reimbursement           | 3,500                   | 2,557                               | (943)                              |
| Highway block grant                    | <u>728,130</u>          | <u>719,680</u>                      | <u>(8,450)</u>                     |
| Total Intergovernmental                | 2,024,881               | 2,016,058                           | (8,823)                            |
| <u>Charges For Services</u>            |                         |                                     |                                    |
| Finance                                | 129,890                 | 134,008                             | 4,118                              |
| Legal - prosecutor                     | 51,740                  | 51,761                              | 21                                 |
| City clerk                             | 51,310                  | 50,005                              | (1,305)                            |
| Public safety                          | 1,419,400               | 1,662,690                           | 243,290                            |
| General services                       | 207,600                 | 188,980                             | (18,620)                           |
| Planning                               | 462,680                 | 693,140                             | 230,460                            |
| Human services                         | 18,000                  | 31,690                              | 13,690                             |

(continued)

(continued)

|   | <u>Final<br/>Budget</u> | <u>Actual<br/>(Budgetary Basis)</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------------------------|---|
| Library                                       | 20,150                  | 19,095                              | (1,055)                                     |
| Recreation                                    | 275,620                 | 264,822                             | (10,798)                                    |
| Tower lease/ fire hdqtrs                      | 17,000                  | 22,209                              | 5,209                                       |
| Cable franchise fee                           | 556,600                 | 546,414                             | (10,186)                                    |
| Auditorium rental                             | 48,000                  | 41,143                              | (6,857)                                     |
| School district lease                         | 74,580                  | 74,805                              | 225   |
| Storage rental                                | 7,500                   | 6,951                               | (549)                                       |
| Community Center rental                       | 43,660                  | 47,391                              | 3,731                                       |
| Memorial field rental                         | 5,010                   | 6,652                               | 1,642                                       |
| Code prosecution                              | 75,000                  | 49,249                              | (25,751)                                    |
| Restitution                                   | 15,000                  | 7,952                               | (7,048)                                     |
| Parking fines - non meters                    | 200,000                 | 201,799                             | 1,799                                       |
| False alarm penalties                         | 47,000                  | 33,928                              | (13,072)                                    |
| Overdue book fines                            | 51,500                  | 49,781                              | (1,719)                                     |
| Concessions/sponsors                          | 3,400                   | 2,561                               | (839)                                       |
| Total Charges For Services                    | 3,780,640               | 4,187,026                           | 406,386                                     |
| <u>Investment Income</u>                      |                         |                                     |   |
| Earnings on investments                       | 650,000                 | 1,384,616                           | 734,616                                     |
| Total Investment Income                       | 650,000                 | 1,384,616                           | 734,616                                     |
| <u>Miscellaneous</u>                          |                         |                                     |   |
| Miscellaneous revenue not anticipated         | -                       | 159,888                             | 159,888                                     |
| Insurance refunds/dividends                   | 30,000                  | 40,121                              | 10,121                                      |
| Other share of capital debt                   | 54,780                  | 54,779                              | (1)   |
| Sale of city property                         | 20,000                  | 59,160                              | 39,160                                      |
| Timber sales                                  | -                       | 25,099                              | 25,099                                      |
| MV transportation surcharge                   | 174,700                 | 174,464                             | (236)                                       |
| Interest, costs, and penalties                | 307,000                 | 348,474                             | 41,474                                      |
| Total Miscellaneous                           | 586,480                 | 861,985                             | 275,505                                     |
| <u>Other Financing Sources</u>                |                         |                                     |   |
| Transfers in                                  | 1,623,490               | 1,501,586                           | (121,904)                                   |
| Budgetary use of fund balance                 | 1,907,804               | 1,907,804                           | -   |
| Total Other Financing Sources                 | 3,531,294               | 3,409,390                           | (121,904)                                   |
| Total Revenues and Other<br>Financing Sources | <u>\$ 42,919,643</u>    | <u>\$ 44,503,071</u>                | <u>\$ 1,583,428</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, 2006**

|   | Final<br><u>Budget</u> | Actual<br><u>(Budgetary Basis)</u> | Variance<br>Positive<br><u>(Negative)</u> |
|---|------------------------|------------------------------------|---|
| <u>General Government</u>               |                        |                                    |   |
| City Manager                            | \$ 354,485             | \$ 300,690                         | \$ 53,795                                 |
| Legal services                          | 726,735                | 726,483                            | 252                                       |
| Personnel                               | 303,245                | 298,547                            | 4,698                                     |
| Finance:                                |                        |                                    |   |
| Finance department                      | 584,450                | 564,566                            | 19,884                                    |
| Purchasing                              | 162,660                | 153,649                            | 9,011                                     |
| Treasury division                       | 592,699                | 578,850                            | 13,849                                    |
| Audit services                          | 56,300                 | 56,178                             | 122                                       |
| Data processing                         | 490,491                | 469,144                            | 21,347                                    |
| City Council                            | 33,810                 | 33,942                             | (132)                                     |
| City Clerk                              | 238,450                | 234,615                            | 3,835                                     |
| Assessor                                | <u>508,338</u>         | <u>447,676</u>                     | <u>60,662</u>                             |
| Total General Government                | 4,051,663              | 3,864,340                          | 187,323                                   |
| <u>Public Safety</u>                    |                        |                                    |   |
| Police                                  | 7,448,295              | 7,412,266                          | 36,029                                    |
| Fire                                    | 9,601,275              | 9,525,729                          | 75,546                                    |
| Civil Defense                           | <u>31,140</u>          | <u>24,418</u>                      | <u>6,722</u>                              |
| Total Public Safety                     | 17,080,710             | 16,962,413                         | 118,297                                   |
| <u>General Services</u>                 | <u>6,959,425</u>       | <u>6,993,670</u>                   | <u>(34,245)</u>                           |
| Total General Services                  | 6,959,425              | 6,993,670                          | (34,245)                                  |
| <u>Planning and Development</u>         |                        |                                    |   |
| Community development                   | 854,240                | 855,533                            | (1,293)                                   |
| Building & codes                        | 896,580                | 894,377                            | 2,203                                     |
| Engineering                             | 1,114,314              | 958,381                            | 155,933                                   |
| Conservation                            | 25,750                 | 25,684                             | 66  |
| Forestry                                | <u>38,280</u>          | <u>22,475</u>                      | <u>15,805</u>                             |
| Total Planning and Development          | 2,929,164              | 2,756,450                          | 172,714                                   |
| <u>Leisure and Information Services</u> |                        |                                    |   |
| Library                                 | 1,619,725              | 1,600,015                          | 19,710                                    |
| Recreation and parks                    | <u>563,975</u>         | <u>552,475</u>                     | <u>11,500</u>                             |
| Total Leisure and Information Services  | 2,183,700              | 2,152,490                          | 31,210                                    |
| <u>Human Services</u>                   |                        |                                    |   |
| Welfare                                 | 720,786                | 658,831                            | 61,955                                    |
| Social services                         | <u>397,840</u>         | <u>397,840</u>                     | <u>-</u>                                  |
| Total Human Services                    | 1,118,626              | 1,056,671                          | 61,955                                    |

(continued)

|  | <u>Final<br/>Budget</u> | <u>Actual<br/>(Budgetary Basis)</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-------------------------------------|---|
| <u>Employee Benefits</u>                       |                         |                                     |   |
| Employee benefits                              | <u>399,500</u>          | <u>324,855</u>                      | <u>74,645</u>                               |
| Total Employee Benefits                        | 399,500                 | 324,855                             | 74,645                                      |
| <u>Debt Service</u>                            |                         |                                     |   |
| Principal                                      | 2,967,200               | 2,978,687                           | (11,487)                                    |
| Interest                                       | <u>843,100</u>          | <u>797,987</u>                      | <u>45,113</u>                               |
| Total Debt Service                             | 3,810,300               | 3,776,674                           | 33,626                                      |
| <u>Miscellaneous</u>                           | <u>923,396</u>          | <u>829,770</u>                      | <u>93,626</u>                               |
| Total Miscellaneous                            | 923,396                 | 829,770                             | 93,626                                      |
| <u>Other Financing Uses</u>                    |                         |                                     |   |
| Transfers out                                  | <u>3,463,159</u>        | <u>3,523,740</u>                    | <u>(60,581)</u>                             |
| Total Other Financing Uses                     | <u>3,463,159</u>        | <u>3,523,740</u>                    | <u>(60,581)</u>                             |
| Total Expenditures and<br>Other Financing Uses | <u>\$ 42,919,643</u>    | <u>\$ 42,241,073</u>                | <u>\$ 678,570</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, 2006**

|  | Parking       |                             |                                    |
|--|---------------|-----------------------------|------------------------------------|
|  | <u>Budget</u> | Actual<br>(Budgetary Basis) | Variance<br>Positive<br>(Negative) |
| Revenues:  |               |                             |                                    |
| Intergovernmental  | \$ -          | \$ -                        | \$ -                               |
| Charges for services:  |               |                             |                                    |
| Street parking - meters  | 468,000       | 401,868                     | (66,132)                           |
| Firehouse block garage - meters  | 53,400        | 29,281                      | (24,119)                           |
| Durgin block garage - meters   | 110,600       | 100,011                     | (10,589)                           |
| Prepaid parking  | 40,000        | 47,587                      | 7,587                              |
| Fuel flow fees   | -             | -                           | -                                  |
| Rentals  | -             | -                           | -                                  |
| Total Charges for Services   | 672,000       | 578,747                     | (93,253)                           |
| Investment income  | 15,340        | 48,414                      | 33,074                             |
| Miscellaneous:   |               |                             |                                    |
| Capital reserve  | 10,500        | 10,500                      | -                                  |
| Meter parking penalties  | 350,000       | 317,238                     | (32,762)                           |
| Rentals  | 206,749       | 208,225                     | 1,476                              |
| Court fines  | 100           | 385                         | 285                                |
| Miscellaneous  | -             | 152                         | 152                                |
| Total Miscellaneous  | 567,349       | 536,500                     | (30,849)                           |
| Total Revenues   | 1,254,689     | 1,163,661                   | (91,028)                           |
| Expenditures:  |               |                             |                                    |
| General Government:  |               |                             |                                    |
| Compensation   | 360,800       | 373,738                     | (12,938)                           |
| Outside services   | 75,275        | 61,886                      | 13,389                             |
| Fringe benefits  | 120,720       | 124,000                     | (3,280)                            |
| Firehouse block garage   | 42,735        | 37,175                      | 5,560                              |
| Durgin block garage  | 80,153        | 65,065                      | 15,088                             |
| Supplies   | 32,240        | 17,803                      | 14,437                             |
| Utilities  | -             | -                           | -                                  |
| Insurance  | 8,840         | 7,807                       | 1,033                              |
| Debt service   | 250,000       | 66,559                      | 183,441                            |
| Other  | 96,795        | 81,390                      | 15,405                             |
| Total General Government and<br>Total Expenditures   | 1,067,558     | 835,423                     | 232,135                            |
| Other Financing Sources (Uses):  |               |                             |                                    |
| Transfer in  | -             | -                           | -                                  |
| Transfer out   | (316,700)     | (316,700)                   | -                                  |
| Budgetary use of fund balance  | 250,000       | 250,000                     | -                                  |
| Total Other Financing Sources (Uses)   | (66,700)      | (66,700)                    | -                                  |
| Excess of revenues and other financing sources over<br>expenditures and other financing uses | \$ 120,431    | \$ 261,538                  | \$ 141,107                         |

| Airport            |                                     |   | Total               |                                     |   |
|--------------------|-------------------------------------|---|---------------------|-------------------------------------|---|
| <u>Budget</u>      | <u>Actual<br/>(Budgetary Basis)</u> | <u>Variance<br/>Positive<br/>(Negative)</u> | <u>Budget</u>       | <u>Actual<br/>(Budgetary Basis)</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
| \$ 2,200           | \$ 2,431                            | \$ 231                                      | \$ 2,200            | \$ 2,431                            | \$ 231                                      |
| -                  | -                                   | -   | 468,000             | 401,868                             | (66,132)                                    |
| -                  | -                                   | -   | 53,400              | 29,281                              | (24,119)                                    |
| -                  | -                                   | -   | 110,600             | 100,011                             | (10,589)                                    |
| -                  | -                                   | -   | 40,000              | 47,587                              | 7,587                                       |
| 22,000             | 15,679                              | (6,321)                                     | 22,000              | 15,679                              | (6,321)                                     |
| <u>272,834</u>     | <u>281,275</u>                      | <u>8,441</u>                                | <u>272,834</u>      | <u>281,275</u>                      | <u>8,441</u>                                |
| 294,834            | 296,954                             | 2,120                                       | 966,834             | 875,701                             | (91,133)                                    |
| 1,000              | 13,879                              | 12,879                                      | 16,340              | 62,293                              | 45,953                                      |
| -                  | -                                   | -   | 10,500              | 10,500                              | -   |
| -                  | -                                   | -   | 350,000             | 317,238                             | (32,762)                                    |
| -                  | -                                   | -   | 206,749             | 208,225                             | 1,476                                       |
| -                  | -                                   | -   | 100                 | 385                                 | 285   |
| -                  | 14,700                              | 14,700                                      | -                   | 14,852                              | 14,852                                      |
| <u>-</u>           | <u>14,700</u>                       | <u>14,700</u>                               | <u>567,349</u>      | <u>551,200</u>                      | <u>(16,149)</u>                             |
| 298,034            | 327,964                             | 29,930                                      | 1,552,723           | 1,491,625                           | (61,098)                                    |
| 34,170             | 29,515                              | 4,655                                       | 394,970             | 403,253                             | (8,283)                                     |
| 86,400             | 80,877                              | 5,523                                       | 161,675             | 142,763                             | 18,912                                      |
| 19,920             | 17,253                              | 2,667                                       | 140,640             | 141,253                             | (613)                                       |
| -                  | -                                   | -   | 42,735              | 37,175                              | 5,560                                       |
| -                  | -                                   | -   | 80,153              | 65,065                              | 15,088                                      |
| 38,050             | 31,738                              | 6,312                                       | 70,290              | 49,541                              | 20,749                                      |
| 14,760             | 18,171                              | (3,411)                                     | 14,760              | 18,171                              | (3,411)                                     |
| 8,790              | 7,802                               | 988   | 17,630              | 15,609                              | 2,021                                       |
| 103,110            | 102,997                             | 113   | 353,110             | 169,556                             | 183,554                                     |
| <u>-</u>           | <u>-</u>                            | <u>-</u>                                    | <u>96,795</u>       | <u>81,390</u>                       | <u>15,405</u>                               |
| 305,200            | 288,353                             | 16,847                                      | 1,372,758           | 1,123,776                           | 248,982                                     |
| -                  | -                                   | -   | -                   | -                                   | -   |
| (53,105)           | (47,105)                            | 6,000                                       | (369,805)           | (363,805)                           | 6,000                                       |
| <u>2,105</u>       | <u>2,105</u>                        | <u>-</u>                                    | <u>-</u>            | <u>-</u>                            | <u>-</u>                                    |
| <u>(51,000)</u>    | <u>(45,000)</u>                     | <u>6,000</u>                                | <u>(369,805)</u>    | <u>(363,805)</u>                    | <u>6,000</u>                                |
| \$ <u>(58,166)</u> | \$ <u>(5,389)</u>                   | \$ <u>52,777</u>                            | \$ <u>(189,840)</u> | \$ <u>4,044</u>                     | \$ <u>193,884</u>                           |

## **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:

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, 2006**

|  | Business-Type Activities<br>Enterprise Funds |                   |                         |
|--|--|-------------------|-------------------------|
|  | Golf<br>Fund                                 | Arena<br>Fund     | Total<br>Other<br>Funds |
| <b><u>ASSETS</u></b>                                     |  |                   |                         |
| Current:   |  |                   |                         |
| Cash and short-term equivalents                          | \$ 233,469                                   | \$ 187,144        | \$ 420,613              |
| User fees, net of allowance for uncollectibles           | 5,375  | 5,260             | 10,635                  |
| Other assets   | <u>10,281</u>                                | <u>-</u>          | <u>10,281</u>           |
| Total current assets                                     | 249,125                                      | 192,404           | 441,529                 |
| Noncurrent:  |  |                   |                         |
| Capital assets:  |  |                   |                         |
| Land and construction in progress                        | 26,900                                       | 272,864           | 299,764                 |
| Other capital assets, net<br>of accumulated depreciation | <u>851,698</u>                               | <u>680,871</u>    | <u>1,532,569</u>        |
| Total noncurrent assets                                  | <u>878,598</u>                               | <u>953,735</u>    | <u>1,832,333</u>        |
| <b>TOTAL ASSETS</b>                                      | 1,127,723                                    | 1,146,139         | 2,273,862               |
| <b><u>LIABILITIES</u></b>                                |  |                   |                         |
| Current:   |  |                   |                         |
| Accounts payable   | 19,358                                       | 2,046             | 21,404                  |
| Accrued liabilities                                      | 10,047                                       | 5,130             | 15,177                  |
| Unearned revenue   | 17,967                                       | 1,500             | 19,467                  |
| Current portion of long-term liabilities:                |  |                   |                         |
| Bonds payable  | 35,000                                       | 52,000            | 87,000                  |
| Compensated absences                                     | <u>17,089</u>                                | <u>8,936</u>      | <u>26,025</u>           |
| Total current liabilities                                | 99,461                                       | 69,612            | 169,073                 |
| Noncurrent:  |  |                   |                         |
| Bonds payable, net of current portion                    | <u>310,000</u>                               | <u>438,700</u>    | <u>748,700</u>          |
| Total noncurrent liabilities                             | <u>310,000</u>                               | <u>438,700</u>    | <u>748,700</u>          |
| <b>TOTAL LIABILITIES</b>                                 | 409,461                                      | 508,312           | 917,773                 |
| <b><u>NET ASSETS</u></b>                                 |  |                   |                         |
| Invested in capital assets, net of related debt          | 533,598                                      | 540,604           | 1,074,202               |
| Unrestricted   | <u>184,664</u>                               | <u>97,223</u>     | <u>281,887</u>          |
| <b>TOTAL NET ASSETS</b>                                  | <u>\$ 718,262</u>                            | <u>\$ 637,827</u> | <u>\$ 1,356,089</u>     |

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, 2006**

|  | Business-Type Activities<br>Enterprise Funds |                   |                         |
|--|--|-------------------|-------------------------|
|  | Golf<br>Fund                                 | Arena<br>Fund     | Total<br>Other<br>Funds |
| <b>Operating Revenues:</b>                     |  |                   |                         |
| Charges for services                           | \$ 790,087                                   | \$ 418,890        | \$ 1,208,977            |
| Other  | <u>14,556</u>                                | <u>703</u>        | <u>15,259</u>           |
| Total Operating Revenues                       | 804,643                                      | 419,593           | 1,224,236               |
| <b>Operating Expenses:</b>                     |  |                   |                         |
| Operating expenses                             | 730,281                                      | 337,895           | 1,068,176               |
| Depreciation                                   | <u>83,517</u>                                | <u>43,578</u>     | <u>127,095</u>          |
| Total Operating Expenses                       | <u>813,798</u>                               | <u>381,473</u>    | <u>1,195,271</u>        |
| Operating Income (Loss)                        | (9,155)                                      | 38,120            | 28,965                  |
| <b>Nonoperating Revenues (Expenses):</b>       |  |                   |                         |
| Investment income                              | 9,380  | 8,702             | 18,082                  |
| Interest expense                               | <u>(15,065)</u>                              | <u>(16,019)</u>   | <u>(31,084)</u>         |
| Total Nonoperating Revenues<br>(Expenses), Net | <u>(5,685)</u>                               | <u>(7,317)</u>    | <u>(13,002)</u>         |
| Income (Loss) Before Transfers                 | (14,840)                                     | 30,803            | 15,963                  |
| <b>Transfers:</b>                              |  |                   |                         |
| Transfers in                                   | -  | 22,420            | 22,420                  |
| Transfers out                                  | <u>(54,700)</u>                              | <u>(31,800)</u>   | <u>(86,500)</u>         |
| Change in Net Assets                           | (69,540)                                     | 21,423            | (48,117)                |
| Net Assets at Beginning of Year                | <u>787,802</u>                               | <u>616,404</u>    | <u>1,404,206</u>        |
| Net Assets at End of Year                      | <u>\$ 718,262</u>                            | <u>\$ 637,827</u> | <u>\$ 1,356,089</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, 2006

|   | Business-Type Activities<br>Enterprise Funds |                   |                         |
|---|--|-------------------|-------------------------|
|   | Golf<br>Fund                                 | Arena<br>Fund     | Total<br>Other<br>Funds |
| <b><u>Cash Flows From Operating Activities:</u></b>   |  |                   |                         |
| Receipts from customers and users   | \$ 805,320                                   | \$ 400,571        | \$ 1,205,891            |
| Payments to vendors and employees   | <u>(750,305)</u>                             | <u>(337,453)</u>  | <u>(1,087,758)</u>      |
| Net Cash Provided By Operating Activities   | 55,015                                       | 63,118            | 118,133                 |
| <b><u>Cash Flows From Noncapital Financing Activities:</u></b>  |  |                   |                         |
| Transfers in  | -  | 22,420            | 22,420                  |
| Transfers out   | <u>(54,700)</u>                              | <u>(31,800)</u>   | <u>(86,500)</u>         |
| Net Cash (Used For) Noncapital Financing Activities   | (54,700)                                     | (9,380)           | (64,080)                |
| <b><u>Cash Flows From Capital and Related Financing Activities:</u></b>                                       |  |                   |                         |
| Proceeds from issuance of bonds and notes   | -  | 149,000           | 149,000                 |
| Principal payments on bonds and notes   | (40,000)                                     | (38,000)          | (78,000)                |
| Acquisition and construction of capital assets  | (4,908)                                      | (202,151)         | (207,059)               |
| Interest expense  | <u>(15,065)</u>                              | <u>(16,019)</u>   | <u>(31,084)</u>         |
| Net Cash (Used For) Capital and Related Financing Activities  | (59,973)                                     | (107,170)         | (167,143)               |
| <b><u>Cash Flows From Investing Activities:</u></b>   |  |                   |                         |
| Investment income   | <u>9,380</u>                                 | <u>8,702</u>      | <u>18,082</u>           |
| Net Cash Provided by Investing Activities   | <u>9,380</u>                                 | <u>8,702</u>      | <u>18,082</u>           |
| Net Change in Cash and Short-Term Equivalents   | (50,278)                                     | (44,730)          | (95,008)                |
| Cash and Short-Term Equivalents, Beginning of Year  | <u>283,747</u>                               | <u>231,874</u>    | <u>515,621</u>          |
| Cash and Short-Term Equivalents, End of Year  | <u>\$ 233,469</u>                            | <u>\$ 187,144</u> | <u>\$ 420,613</u>       |
| <b><u>Reconciliation of Operating Income to Net Cash<br/>Provided by (Used For) Operating Activities:</u></b> |  |                   |                         |
| Operating income  | \$ (9,155)                                   | \$ 38,120         | \$ 28,965               |
| Adjustments to reconcile operating income (loss) to net<br>cash provided by (used for) operating activities:  |  |                   |                         |
| Depreciation  | 83,516                                       | 43,579            | 127,095                 |
| Changes in assets and liabilities:  |  |                   |                         |
| User fees   | (5,670)                                      | 770               | (4,900)                 |
| Other assets  | -  | -                 | -                       |
| Accounts payable  | (27,503)                                     | 959               | (26,544)                |
| Compensated absences  | 1,889  | 166               | 2,055                   |
| Other liabilities   | <u>11,938</u>                                | <u>(20,476)</u>   | <u>(8,538)</u>          |
| Net Cash Provided By Operating Activities   | <u>\$ 55,015</u>                             | <u>\$ 63,118</u>  | <u>\$ 118,133</u>       |

See notes to financial statements.

**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, 2006**

|                                       |                     | <u>Water Fund</u>              |                                    |
|---------------------------------------|---------------------|--------------------------------|------------------------------------|
|                                       | <u>Budget</u>       | Actual<br>(Budgetary<br>Basis) | Variance<br>Positive<br>(Negative) |
| Operating Revenues:                   |                     |                                |                                    |
| Operating revenue                     | \$ 4,840,290        | \$ 4,885,520                   | \$ 45,230                          |
| Miscellaneous                         | <u>-</u>            | <u>928</u>                     | <u>928</u>                         |
| Total Operating Revenues              | 4,840,290           | 4,886,448                      | 46,158                             |
| Operating Expenses:                   |                     |                                |                                    |
| Administration                        | 765,510             | 674,310                        | 91,200                             |
| Collection                            | -                   | -                              | -                                  |
| Treatment facility/plant operations   | 1,034,940           | 1,170,910                      | (135,970)                          |
| Water supply                          | 249,590             | 155,776                        | 93,814                             |
| Distribution                          | 581,070             | 422,774                        | 158,296                            |
| Pump station                          | -                   | -                              | -                                  |
| Disposal                              | -                   | -                              | -                                  |
| Miscellaneous                         | 49,710              | 55,386                         | (5,676)                            |
| Capital outlay                        | 669,215             | 535,394                        | 133,821                            |
| Debt service                          | <u>1,379,710</u>    | <u>1,379,711</u>               | <u>(1)</u>                         |
| Total Operating Expenses              | <u>4,729,745</u>    | <u>4,394,261</u>               | <u>335,484</u>                     |
| Operating Income (Loss)               | 110,545             | 492,187                        | 381,642                            |
| Non-Operating Income (Expenses):      |                     |                                |                                    |
| Interest expense                      | (497,110)           | (500,498)                      | (3,388)                            |
| Investment income                     | 82,500              | 207,600                        | 125,100                            |
| Intergovernmental                     | -                   | -                              | -                                  |
| Other non-operating income            | <u>138,000</u>      | <u>122,671</u>                 | <u>(15,329)</u>                    |
| Total Non-Operating Income (Expenses) | <u>(276,610)</u>    | <u>(170,227)</u>               | <u>106,383</u>                     |
| Net Income (Loss) Before<br>Transfers | (166,065)           | 321,960                        | 488,025                            |
| Other Financing Sources:              |                     |                                |                                    |
| Transfers in                          | -                   | -                              | -                                  |
| Transfers out                         | <u>(350,500)</u>    | <u>(514,715)</u>               | <u>(164,215)</u>                   |
| Total Other Financing Sources         | <u>(350,500)</u>    | <u>(514,715)</u>               | <u>(164,215)</u>                   |
| Net Income (Loss)                     | \$ <u>(516,565)</u> | \$ <u>(192,755)</u>            | \$ <u>323,810</u>                  |

| Sewer Fund          |   |   | Solid Waste Fund   |   |   |
|---------------------|---|---|--------------------|---|---|
| <u>Budget</u>       | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Variance<br/>Positive<br/>(Negative)</u> | <u>Budget</u>      | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
| \$ 4,922,420        | \$ 4,949,344                            | \$ 26,924                                   | \$ 2,002,180       | \$ 2,031,493                            | \$ 29,313                                   |
| -                   | 3,797                                   | 3,797                                       | -                  | -                                       | -   |
| 4,922,420           | 4,953,141                               | 30,721                                      | 2,002,180          | 2,031,493                               | 29,313                                      |
| 686,890             | 700,652                                 | (13,762)                                    | -                  | -                                       | -   |
| 291,750             | 255,620                                 | 36,130                                      | 1,081,740          | 1,042,072                               | 39,668                                      |
| 2,149,280           | 2,366,840                               | (217,560)                                   | -                  | -                                       | -   |
| -                   | -                                       | -   | -                  | -                                       | -   |
| -                   | -                                       | -   | -                  | -                                       | -   |
| 73,750              | 70,387                                  | 3,363                                       | -                  | -                                       | -   |
| -                   | -                                       | -   | 2,567,520          | 2,502,562                               | 64,958                                      |
| 18,520              | 20,872                                  | (2,352)                                     | -                  | -                                       | -   |
| 277,060             | 136,480                                 | 140,580                                     | -                  | -                                       | -   |
| 1,195,700           | 1,208,234                               | (12,534)                                    | -                  | -                                       | -   |
| <u>4,692,950</u>    | <u>4,759,085</u>                        | <u>(66,135)</u>                             | <u>3,649,260</u>   | <u>3,544,634</u>                        | <u>104,626</u>                              |
| 229,470             | 194,056                                 | (35,414)                                    | (1,647,080)        | (1,513,141)                             | 133,939                                     |
| (492,430)           | (563,828)                               | (71,398)                                    | -                  | -                                       | -   |
| 70,000              | 198,401                                 | 128,401                                     | -                  | -                                       | -   |
| 165,720             | 335,566                                 | 169,846                                     | -                  | -                                       | -   |
| 106,600             | 58,741                                  | (47,859)                                    | -                  | -                                       | -   |
| <u>(150,110)</u>    | <u>28,880</u>                           | <u>178,990</u>                              | <u>-</u>           | <u>-</u>                                | <u>-</u>                                    |
| 79,360              | 222,936                                 | 143,576                                     | (1,647,080)        | (1,513,141)                             | 133,939                                     |
| -                   | -                                       | -   | 1,562,630          | 1,565,127                               | 2,497                                       |
| <u>(409,700)</u>    | <u>(455,760)</u>                        | <u>(46,060)</u>                             | <u>-</u>           | <u>(20,000)</u>                         | <u>(20,000)</u>                             |
| <u>(409,700)</u>    | <u>(455,760)</u>                        | <u>(46,060)</u>                             | <u>1,562,630</u>   | <u>1,545,127</u>                        | <u>(17,503)</u>                             |
| \$ <u>(330,340)</u> | \$ <u>(232,824)</u>                     | \$ <u>97,516</u>                            | \$ <u>(84,450)</u> | \$ <u>31,986</u>                        | \$ <u>116,436</u>                           |

(continued)

**CITY OF CONCORD, NEW HAMPSHIRE**

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

**Enterprise Funds**

**For the Fiscal Year Ended June 30, 2006**

(continued)

|                                       | <u>Golf Fund</u> |   |   |
|---------------------------------------|------------------|---|---|
|                                       | <u>Budget</u>    | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
| Operating Revenues:                   |                  |   |   |
| Operating revenue                     | \$ 794,140       | \$ 790,087                              | \$ (4,053)                                  |
| Miscellaneous                         | <u>-</u>         | <u>14,556</u>                           | <u>14,556</u>                               |
| Total Operating Revenues              | 794,140          | 804,643                                 | 10,503                                      |
| Operating Expenses:                   |                  |   |   |
| Administration                        | 685,390          | 733,533                                 | (48,143)                                    |
| Collection                            | -                | -                                       | -   |
| Treatment facility/plant operations   | -                | -                                       | -   |
| Water supply                          | -                | -                                       | -   |
| Distribution                          | -                | -                                       | -   |
| Pump station                          | -                | -                                       | -   |
| Disposal                              | -                | -                                       | -   |
| Storm sewer maintenance               | -                | -                                       | -   |
| Capital outlay                        | -                | -                                       | -   |
| Debt service                          | <u>40,000</u>    | <u>40,000</u>                           | <u>-</u>                                    |
| Total Operating Expenses              | <u>725,390</u>   | <u>773,533</u>                          | <u>(48,143)</u>                             |
| Operating Income (Loss)               | 68,750           | 31,110                                  | (37,640)                                    |
| Non-Operating Income (Expenses):      |                  |   |   |
| Interest expense                      | (15,480)         | (15,065)                                | 415   |
| Investment income                     | 2,480            | 9,380                                   | 6,900                                       |
| Intergovernmental                     | -                | -                                       | -   |
| Other non-operating income            | <u>-</u>         | <u>-</u>                                | <u>-</u>                                    |
| Total Non-Operating Income (Expenses) | <u>(13,000)</u>  | <u>(5,685)</u>                          | <u>7,315</u>                                |
| Net Income (Loss) Before<br>Transfers | 55,750           | 25,425                                  | (30,325)                                    |
| Other Financing Sources               |                  |   |   |
| Transfers in                          | -                | -                                       | -   |
| Transfers out                         | <u>(51,700)</u>  | <u>(54,700)</u>                         | <u>(3,000)</u>                              |
| Total Other Financing Sources         | <u>(51,700)</u>  | <u>(54,700)</u>                         | <u>(3,000)</u>                              |
| Net Income (Loss)                     | <u>\$ 4,050</u>  | <u>\$ (29,275)</u>                      | <u>\$ (33,325)</u>                          |

|               | Arena Fund                     |                                    |
|---------------|--------------------------------|------------------------------------|
| <u>Budget</u> | Actual<br>(Budgetary<br>Basis) | Variance<br>Positive<br>(Negative) |
| \$ 432,510    | \$ 418,890                     | \$ (13,620)                        |
| -             | 703                            | 703                                |
| 432,510       | 419,593                        | (12,917)                           |
| 352,030       | 348,974                        | 3,056                              |
| -             | -                              | -                                  |
| -             | -                              | -                                  |
| -             | -                              | -                                  |
| -             | -                              | -                                  |
| -             | -                              | -                                  |
| 60,000        | 53,904                         | 6,096                              |
| 44,393        | 38,000                         | 6,393                              |
| 456,423       | 440,878                        | 15,545                             |
| (23,913)      | (21,285)                       | 2,628                              |
| (14,790)      | (16,019)                       | (1,229)                            |
| 1,650         | 8,702                          | 7,052                              |
| -             | -                              | -                                  |
| -             | -                              | -                                  |
| (13,140)      | (7,317)                        | 5,823                              |
| (37,053)      | (28,602)                       | 8,451                              |
| 22,420        | 22,420                         | -                                  |
| (30,800)      | (31,800)                       | (1,000)                            |
| (8,380)       | (9,380)                        | (1,000)                            |
| \$ (45,433)   | \$ (37,982)                    | \$ 7,451                           |

## **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, 2006

|  | Balance<br>July 1,<br>2005 | Additions            | Deductions             | Balance<br>June 30,<br>2006 |
|--|----------------------------|----------------------|------------------------|-----------------------------|
| <u>Agency Fund</u>                       |                            |                      |                        |                             |
| Assets - cash and short-term investments | \$ <u>1,750,393</u>        | \$ <u>76,848,062</u> | \$ <u>(77,458,263)</u> | \$ <u>1,140,192</u>         |
| Liabilities - due to other governments   | 1,026,451                  | 51,218,614           | (51,303,500)           | 941,565                     |
| Liabilities - other liabilities          | <u>723,942</u>             | <u>15,515,630</u>    | <u>(16,040,945)</u>    | <u>198,627</u>              |
| Total liabilities                        | \$ <u>1,750,393</u>        | \$ <u>66,734,244</u> | \$ <u>(67,344,445)</u> | \$ <u>1,140,192</u>         |
| <br><u>Beneflex Fund</u>                 |                            |                      |                        |                             |
| Assets - cash and short-term investments | \$ <u>297,900</u>          | \$ <u>5,304,635</u>  | \$ <u>(5,445,051)</u>  | \$ <u>157,484</u>           |
| Liabilities - due to other funds         | \$ <u>297,900</u>          | \$ <u>5,304,635</u>  | \$ <u>(5,445,051)</u>  | \$ <u>157,484</u>           |
| <br><u>Totals:</u>                       |                            |                      |                        |                             |
| Assets - cash and short-term investments | \$ <u>2,048,293</u>        | \$ <u>82,152,697</u> | \$ <u>(82,903,314)</u> | \$ <u>1,297,676</u>         |
| Liabilities - due to other governments   | 1,026,451                  | 51,218,614           | (51,303,500)           | 941,565                     |
| Liabilities - due to other funds         | 297,900                    | 5,304,635            | (5,445,051)            | 157,484                     |
| Liabilities - other liabilities          | <u>723,942</u>             | <u>15,515,630</u>    | <u>(16,040,945)</u>    | <u>198,627</u>              |
| Total liabilities                        | \$ <u>2,048,293</u>        | \$ <u>72,038,879</u> | \$ <u>(72,789,496)</u> | \$ <u>1,297,676</u>         |

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**STATISTICAL SECTION**

**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<br><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>   | 112-116     |
| Revenue Capacity<br><i>These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.</i>   | 117-120     |
| Debt Capacity<br><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>                            | 121-123     |
| Demographic and Economic Information<br><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>  | 124-125     |
| Operating Information<br><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> | 126-128     |

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                  |
| <b>Governmental Activities</b>                  |                       |                       |                       |                       |
| Invested in capital assets, net of related debt | \$ 27,719,446         | \$ 32,237,423         | \$ 35,137,392         | \$ 43,016,795         |
| Restricted                                      | 10,447,317            | 10,337,347            | 10,411,567            | 11,513,702            |
| Unrestricted                                    | 24,538,884            | 22,220,069            | 23,262,390            | 21,209,276            |
| Total governmental activities net assets        | <u>\$ 62,705,647</u>  | <u>\$ 64,794,839</u>  | <u>\$ 68,811,349</u>  | <u>\$ 75,739,773</u>  |
| <b>Business-type activities</b>                 |                       |                       |                       |                       |
| Invested in capital assets, net of related debt | \$ 72,517,390         | \$ 104,744,370        | \$ 104,436,255        | \$ 104,696,142        |
| Restricted                                      | 1,237,551             | 1,168,856             | 692,378               | 1,409,447             |
| Unrestricted                                    | 5,529,626             | 8,499,449             | 9,617,980             | 7,957,766             |
| Total business-type activities net assets       | <u>\$ 79,284,567</u>  | <u>\$ 114,412,675</u> | <u>\$ 114,746,613</u> | <u>\$ 114,063,355</u> |
| <b>Primary government</b>                       |                       |                       |                       |                       |
| Invested in capital assets, net of related debt | \$ 100,236,836        | \$ 136,981,793        | \$ 139,573,647        | \$ 147,712,937        |
| Restricted                                      | 11,684,868            | 11,506,203            | 11,103,945            | 12,923,149            |
| Unrestricted                                    | 30,068,510            | 30,719,518            | 32,880,370            | 29,167,042            |
| Total primary government net assets             | <u>\$ 141,990,214</u> | <u>\$ 179,207,514</u> | <u>\$ 183,557,962</u> | <u>\$ 189,803,128</u> |

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                   |
| <b>Expenses</b>  |                        |                        |                        |                        |
| Governmental activities:                                     |                        |                        |                        |                        |
| General government   | \$ 4,699,269           | \$ 5,105,363           | \$ 5,852,175           | \$ 5,170,467           |
| Public safety  | 13,275,869             | 15,193,859             | 16,071,793             | 17,832,430             |
| General services   | 8,754,445              | 11,941,871             | 10,873,904             | 10,581,792             |
| Community development  | 2,129,166              | 2,602,838              | 2,991,350              | 3,187,532              |
| Leisure and information services                             | 2,007,340              | 2,053,398              | 2,099,580              | 2,195,694              |
| Human services   | 1,011,854              | 1,071,795              | 1,033,242              | 1,060,845              |
| Interest   | 1,165,149              | 1,098,847              | 954,439                | 1,247,922              |
| Miscellaneous  | 1,018,438              | 1,032,980              | 1,052,586              | 1,047,619              |
| Total governmental activities expenses                       | <u>34,061,530</u>      | <u>40,100,951</u>      | <u>40,929,069</u>      | <u>42,324,301</u>      |
| Business-type activities:                                    |                        |                        |                        |                        |
| Water services   | 3,658,207              | 4,628,608              | 4,833,091              | 5,226,999              |
| Wastewater services  | 4,540,857              | 5,094,614              | 5,536,027              | 6,046,556              |
| Solid waste services   | 2,904,941              | 3,131,745              | 3,224,879              | 3,581,036              |
| Other (nonmajor)   | 1,154,766              | 1,127,928              | 1,166,432              | 1,226,355              |
| Total business-type activities expenses                      | <u>12,258,771</u>      | <u>13,982,895</u>      | <u>14,760,429</u>      | <u>16,080,946</u>      |
| Total primary government expenses                            | <u>\$ 46,320,301</u>   | <u>\$ 54,083,846</u>   | <u>\$ 55,689,498</u>   | <u>\$ 58,405,247</u>   |
| <b>Program Revenues</b>                                      |                        |                        |                        |                        |
| Governmental activities:                                     |                        |                        |                        |                        |
| Charges for services   |                        |                        |                        |                        |
| General government   | \$ 2,591,154           | \$ 2,657,221           | \$ 2,783,810           | \$ 2,625,179           |
| Public safety  | 1,192,461              | 1,351,556              | 1,835,850              | 1,906,741              |
| General services   | -                      | 233,590                | 280,993                | 320,889                |
| Community development  | 1,131,158              | 1,468,925              | 1,468,041              | 2,126,301              |
| Leisure and information services                             | 351,754                | 367,464                | 366,244                | 387,741                |
| Human services   | 125,806                | 34,169                 | 16,258                 | 31,690                 |
| Total charges for services                                   | <u>5,392,333</u>       | <u>6,112,925</u>       | <u>6,751,196</u>       | <u>7,398,541</u>       |
| Operating grants and contributions                           | 445,882                | 246,397                | 701,185                | 542,808                |
| Capital grants and contributions                             | 2,569,350              | 2,781,319              | 2,393,988              | 3,233,739              |
| Total governmental activities program revenues               | <u>8,407,565</u>       | <u>9,140,641</u>       | <u>9,846,369</u>       | <u>11,175,088</u>      |
| Business-type activities:                                    |                        |                        |                        |                        |
| Water services   | 4,449,813              | 4,768,605              | 4,801,521              | 4,885,520              |
| Wastewater services  | 4,475,390              | 4,710,144              | 4,778,328              | 4,949,344              |
| Solid Waste services   | 1,550,437              | 1,675,944              | 1,894,194              | 2,031,493              |
| Other (nonmajor)   | 1,159,247              | 1,273,595              | 1,152,073              | 1,208,977              |
| Total charges for services                                   | <u>11,634,887</u>      | <u>12,428,288</u>      | <u>12,626,116</u>      | <u>13,075,334</u>      |
| Operating grants and contributions                           | 458,121                | 67,487                 | -                      | -                      |
| Capital grants and contributions                             | -                      | -                      | 1,353,013              | 178,634                |
| Total business-type activities program revenues              | <u>12,093,008</u>      | <u>12,495,775</u>      | <u>13,979,129</u>      | <u>13,253,968</u>      |
| 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>   |
| <b>Net (Expenses)Revenue</b>                                 |                        |                        |                        |                        |
| Governmental activities                                      | \$ (25,653,965)        | \$ (30,960,310)        | \$ (31,082,700)        | \$ (31,149,213)        |
| Business-type activities                                     | (165,763)              | (1,487,120)            | (781,300)              | (2,826,978)            |
| 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> |
| <b>General Revenues and Other Changes in Net Assets</b>      |                        |                        |                        |                        |
| Governmental activities:                                     |                        |                        |                        |                        |
| Property tax   | \$ 27,299,574          | \$ 26,732,772          | \$ 30,526,322          | \$ 32,152,307          |
| Penalties, interest and other taxes                          | 705,746                | 627,012                | 619,051                | 668,354                |
| Grants and contributions not restricted to specific programs | 4,239,191              | 3,645,776              | 1,931,245              | 2,220,594              |
| Investment income  | 1,151,559              | 1,030,007              | 1,458,842              | 2,483,994              |
| Miscellaneous  | 609,523                | 636,327                | 945,897                | 747,187                |
| Permanent fund contributions                                 | 288,676                | 368,034                | 121,907                | 315,773                |
| Transfers, net   | (603,720)              | (866,090)              | (504,054)              | (510,572)              |
| Total governmental activities                                | <u>33,690,549</u>      | <u>32,173,838</u>      | <u>35,099,210</u>      | <u>38,077,637</u>      |
| Business-type activities:                                    |                        |                        |                        |                        |
| Grants and contributions not restricted to specific programs | 215,538                | 301,456                | 341,461                | 1,073,384              |
| Investment income  | 160,880                | 117,515                | 189,382                | 435,083                |
| Miscellaneous  | 90,031                 | 12,427                 | 80,341                 | 124,681                |
| Transfers, net   | 603,720                | 866,090                | 504,054                | 510,572                |
| Total business-type activities                               | <u>1,070,169</u>       | <u>1,297,488</u>       | <u>1,115,238</u>       | <u>2,143,720</u>       |
| Total primary government                                     | <u>\$ 34,760,718</u>   | <u>\$ 33,471,326</u>   | <u>\$ 36,214,448</u>   | <u>\$ 40,221,357</u>   |
| <b>Change in Net Assets</b>                                  |                        |                        |                        |                        |
| Governmental activities                                      | \$ 8,036,584           | \$ 1,213,528           | \$ 4,016,510           | \$ 6,928,424           |
| Business-type activities                                     | 904,406                | (189,632)              | 333,938                | (683,258)              |
| Total primary government                                     | <u>\$ 8,940,990</u>    | <u>\$ 1,023,896</u>    | <u>\$ 4,350,448</u>    | <u>\$ 6,245,166</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         |                      |                      |                     |                      |                      |                      |                      |                      |                      |
|---------------------------------|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                 | 1997                | 1998                 | 1999                 | 2000                | 2001                 | 2002                 | 2003                 | 2004                 | 2005                 | 2006                 |
| <b>General Fund</b>             |                     |                      |                      |                     |                      |                      |                      |                      |                      |                      |
| Reserved                        | \$ 3,089,831        | \$ 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         |
| Unreserved                      | 5,827,328           | 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            |
| <b>Total General Fund</b>       | <b>\$ 8,917,159</b> | <b>\$ 10,730,680</b> | <b>\$ 10,055,895</b> | <b>\$ 9,667,335</b> | <b>\$ 10,424,868</b> | <b>\$ 8,995,314</b>  | <b>\$ 8,637,348</b>  | <b>\$ 7,777,170</b>  | <b>\$ 7,305,247</b>  | <b>\$ 7,119,336</b>  |
| <b>Other Governmental Funds</b> |                     |                      |                      |                     |                      |                      |                      |                      |                      |                      |
| Reserved                        | \$ 87,123           | \$ 555,716           | \$ 36,198            | \$ 343,424          | \$ 168,775           | \$ 106,841           | \$ 6,781,340         | \$ 6,960,094         | \$ 7,563,030         | \$ 7,733,404         |
| Unreserved:                     |                     |                      |                      |                     |                      |                      |                      |                      |                      |                      |
| Special Revenue Funds           | 1,698,679           | 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            |
| Capital Project Funds           | 1,171,551           | 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           |
| Debt Service                    | 1,332,637           | 562,965              | 319,327              | 197,981             | 100,255              | 117,861              | 315,549              | 313,569              | 507,276              | 591,867              |
| <b>Total Other Funds</b>        | <b>\$ 4,289,990</b> | <b>\$ 3,103,256</b>  | <b>\$ 5,472,040</b>  | <b>\$ 9,549,263</b> | <b>\$ 13,369,831</b> | <b>\$ 13,727,054</b> | <b>\$ 31,058,234</b> | <b>\$ 31,505,684</b> | <b>\$ 30,999,311</b> | <b>\$ 37,650,983</b> |

Data Source

Audited Financial Statements

## City of Concord, New Hampshire

### Change in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

|   | Fiscal Year         |                     |                     |                     |                     |                       |                    |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|--------------------|---------------------|---------------------|---------------------|
|   | 1997                | 1998                | 1999                | 2000                | 2001                | 2002                  | 2003               | 2004                | 2005                | 2006                |
| <b>Revenues</b>   |                     |                     |                     |                     |                     |                       |                    |                     |                     |                     |
| Taxes   | \$ 22,486,334       | \$ 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       |
| Licenses and permits  | 512,958             | 574,364             | 495,037             | 779,296             | 740,226             | 770,097               | 1,026,830          | 1,072,522           | 1,124,663           | 1,479,654           |
| Intergovernmental   | 3,179,078           | 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           |
| Charges for services  | 2,733,651           | 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           |
| Investment income   | 1,241,159           | 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           |
| Contributions and miscellaneous                                 | 911,305             | 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           |
| <b>Total revenues</b>   | <b>31,064,485</b>   | <b>34,105,010</b>   | <b>33,055,319</b>   | <b>36,120,123</b>   | <b>37,104,286</b>   | <b>38,168,943</b>     | <b>42,578,116</b>  | <b>42,079,815</b>   | <b>45,134,183</b>   | <b>49,119,717</b>   |
| <b>Expenditures by Function</b>                                 |                     |                     |                     |                     |                     |                       |                    |                     |                     |                     |
| General government  | 3,794,159           | 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           |
| Public safety   | 10,326,778          | 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          |
| General services  | 4,781,293           | 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           |
| Community development   | 1,164,069           | 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           |
| Leisure and information services                                | 1,581,634           | 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           |
| Human services  | 1,151,849           | 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           |
| Employee benefits   | 239,750             | 287,721             | 273,052             | 527,751             | 298,973             | 188,402               | 223,763            | 273,821             | 334,904             | 441,505             |
| Debt service  |                     |                     |                     |                     |                     |                       |                    |                     |                     |                     |
| Principal   | 1,493,454           | 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           |
| Interest  | 1,173,461           | 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           |
| Capital outlay  | 5,642,352           | 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          |
| Miscellaneous   | 118,512             | 182,873             | 419,231             | 645,136             | 413,827             | 1,130,071             | 1,024,650          | 1,032,981           | 1,052,585           | 968,568             |
| <b>Total expenditures</b>                                       | <b>31,467,311</b>   | <b>32,171,095</b>   | <b>31,518,141</b>   | <b>36,883,154</b>   | <b>39,336,536</b>   | <b>40,227,648</b>     | <b>43,465,759</b>  | <b>46,559,514</b>   | <b>49,123,625</b>   | <b>58,224,384</b>   |
| <b>Excess of revenues</b>                                       |                     |                     |                     |                     |                     |                       |                    |                     |                     |                     |
| Over(under) expenditures  | (402,826)           | 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)         |
| <b>Other Financing Sources (Uses)</b>                           |                     |                     |                     |                     |                     |                       |                    |                     |                     |                     |
| Bond proceeds   | 9,712,000           | -                   | 3,330,000           | 4,770,000           | 6,626,000           | 1,035,000             | -                  | 4,829,750           | 3,515,200           | 16,081,000          |
| Transfers in  | 7,135,345           | 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           |
| Transfers out   | (7,263,487)         | (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)         |
| <b>Total other financing sources (uses)</b>                     | <b>9,583,858</b>    | <b>(46,697)</b>     | <b>3,207,435</b>    | <b>4,134,283</b>    | <b>5,695,287</b>    | <b>880,278</b>        | <b>(603,720)</b>   | <b>4,066,971</b>    | <b>3,011,146</b>    | <b>15,570,428</b>   |
| <b>Net Change in fund balances</b>                              | <b>\$ 9,181,032</b> | <b>\$ 1,887,218</b> | <b>\$ 4,744,613</b> | <b>\$ 3,371,252</b> | <b>\$ 3,463,037</b> | <b>\$ (1,178,427)</b> | <b>(1,491,363)</b> | <b>\$ (412,728)</b> | <b>\$ (978,296)</b> | <b>\$ 6,465,761</b> |
| Debt Service as a percentage of non-capital outlay expenditures | 10.33%              | 12.85%              | 11.73%              | 11.19%              | 11.42%              | 12.52%                | 11.47%             | 10.25%              | 10.33%              | 10.80%              |

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.

# 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         |
|-------------|----------------|------------|----------------|-----------------------------|--------------------|--------------------------|---------------|
| 2006        | \$ 25,549,119  | \$ 26,010  | \$ 3,307       | \$ 5,636,297.00             | \$ 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    |
| 1997        | 18,259,049     | 40,436     | -              | 3,858,882                   | -                  | 327,967                  | 22,486,334    |

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      |                      |                                       |                                  |   |                          |   |
| 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%   |
| 1997        | 897,202,500              | 566,714,100           | 40,071,800     | 1,503,988,400        | 19,652,000                            | 1,484,336,400                    | 38.24   | 1,469,640,000            | 102.3%  |

#### 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    |
| 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    |
| 1997                 | 11.58   | 11.58      | 24.50        | -            | 24.50        | 36.08        | 2.16             | 38.24    |

| Penacook Direct Rates |         |            |              |              |              |              | Overlapping Rate |          |
|-----------------------|---------|------------|--------------|--------------|--------------|--------------|------------------|----------|
| Fiscal Year           | City    | Total City | Local School | State School | Total School | Total Direct | County           | Total    |
| 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    |
| 1997                  | 11.58   | 11.58      | 21.98        | -            | 21.98        | 33.56        | 2.16             | 35.72    |

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 | 2006                             |      | Percentage of<br>Total Assessed<br>Value | 1997                             |      | Percentage of<br>Net Assessed<br>Value |
|------------------------------------|------------------|----------------------------------|------|--|----------------------------------|------|--|
|                                    |                  | Net Taxable<br>Assessed<br>Value | Rank |  | Net Taxable<br>Assessed<br>Value | Rank |  |
| GGP Steeplegate Inc                | Mall             | \$ 69,097,600                    | 1    | 1.85 %                                   | \$ 42,237,000                    | 1    | 2.85 %                                 |
| Hodges Properties Inc              | Rentals          | 45,645,900                       | 2    | 1.23                                     | 20,556,000                       | 4    | 1.38                                   |
| Wheelabrator Concord Co LP         | Trash to Energy  | 39,039,100                       | 3    | 1.05                                     | 23,400,000                       | 2    | 1.58                                   |
| Concord Electric Co                | Utility          | 36,198,000                       | 4    | 0.97                                     | 23,347,000                       | 3    | 1.57                                   |
| Capital Region Health Care         | Health Care      | 29,957,300                       | 5    | 0.80                                     | -                                | -    | -                                      |
| David Glass/Walmart/Sam's Club     | Retail           | 27,000,400                       | 6    | 0.72                                     | 16,525,000                       | 6    | 1.11                                   |
| St Paul's School                   | Private School   | 23,102,300                       | 7    | 0.62                                     | 12,025,000                       | 9    | 0.81                                   |
| Eddy Plaza Associates Inc          | Retail           | 21,392,000                       | 8    | 0.57                                     | -                                | -    | -                                      |
| EnergyNorth Natural Gas Inc        | Utility          | 20,469,700                       | 9    | 0.55                                     | 12,177,000                       | 8    | 0.82                                   |
| McKerley Healthcare Center/Nursing | Health Care      | 15,583,800                       | 10   | 0.42                                     | 15,168,000                       | 7    | 1.02                                   |
| Chubb Life Properties              | Insurance        | -                                | -    | -  | 17,387,000                       | 5    | 1.17                                   |
| Eaton W. Targell, Jr               | Rentals          | -                                | -    | -  | 8,699,000                        | 10   | 0.59                                   |
| Total Principal Taxpayers          |                  | 327,486,100                      |      | 8.79 %                                   | 191,521,000                      |      | 12.90 %                                |
| Total Net Assessed Taxable Value   |                  | <u>\$ 3,725,790,852</u>          |      |  | <u>\$ 1,484,336,400</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 |
| 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%    |
| 1996         | 56,549,000                          | 54,583,000                                   | 96.5%     | 1,960,000                       | 6,000                                 | 56,543,000                | 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 2006 is the City's tax year 2005.

## 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 Bonds | General Obligation Bonds |                          |            |                               |  |
| 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   |
| 1997        | 22,874,449               | 20,248,551               | 43,123,000               | 1,137      | 4.60                          | 2.91   |

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 |
|--------------------|---|-------------------------------------|---------------------------------|
| 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                      |
| 1997               | 22,874,000                              | 100%                                | 22,874,000                      |

#### Overlapping: Merrimack County

| End of Fiscal Year | Net General Obligation Debt Outstanding | Percentage Applicable to Government | Amount Applicable to Government |
|--------------------|---|-------------------------------------|---------------------------------|
| 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                         |
| 1997               | 1,700,000                               | 25.71%                              | 437,070                         |

#### Overlapping: Concord School District

| End of Fiscal Year | Net General Obligation Debt Outstanding | Percentage Applicable to Government | Amount Applicable to Government |
|--------------------|---|-------------------------------------|---------------------------------|
| 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                      |
| 1997               | 39,554,000                              | 100%                                | 39,554,000                      |

#### Overlapping: Merrimack Valley School District

| End of Fiscal Year | Net General Obligation Debt Outstanding | Percentage Applicable to Government | Amount Applicable to Government |
|--------------------|---|-------------------------------------|---------------------------------|
| 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                         |
| 1997               | 4,300,000                               | 26.60%                              | 1,143,800                       |

## City of Concord, New Hampshire

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

|  | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 1997                 | 1998                 | 1999                 | 2000                 | 2001                 | 2002                 | 2003                 | 2004                 | 2005                 | 2006                 |
| <b>Base Value for Debt Limits (1)</b>      | \$ 1,520,230,000     | \$ 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     |
| <b>Legal Debt Limits (% of Base Value)</b> |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General - 1.75% thru 1998, 3% 1999 on (2)  | \$ 26,604,025        | \$ 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       |
| Water - 10% (2)                            | 152,023,000          | 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          |
| <b>Issued Debt at June 30</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Total Issued Debt at June 30               | \$ 43,123,000        | \$ 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        |
| Less Water Fund                            | (9,643,000)          | (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)         |
| Less Sewer Fund (3)                        | (10,623,000)         | (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)          |
| Less Tax Increment Debt (3)                | (829,000)            | (485,000)            | (200,000)            | (2,785,000)          | (4,990,000)          | (4,640,000)          | (4,295,000)          | (3,950,000)          | (3,605,000)          | (3,260,000)          |
| Less Landfill Debt (3)                     | (3,345,000)          | (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)          |
| <b>Authorized Unissued at June 30</b>      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Total Authorized Unissued Debt at June 30  | 5,395,000            | 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           |
| Less Water Fund                            | (2,300,000)          | (3,460,000)          | (1,570,000)          | (1,565,000)          | (1,575,000)          | (50,000)             | (1,325,000)          | -                    | -                    | -                    |
| Less Sewer Fund (3)                        | (575,000)            | (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)            |
| Less Tax Increment Debt (3)                | -                    | -                    | (2,395,000)          | (2,395,000)          | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total Debt Subject to general limit</b> | <b>\$ 21,203,000</b> | <b>\$ 23,228,000</b> | <b>\$ 19,462,000</b> | <b>\$ 20,336,000</b> | <b>\$ 21,749,000</b> | <b>\$ 21,922,000</b> | <b>\$ 20,898,000</b> | <b>\$ 24,688,000</b> | <b>\$ 39,666,000</b> | <b>\$ 46,258,144</b> |
| <b>Legal Debt Margin</b>                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General                                    | \$ 5,401,025         | \$ 6,066,668         | \$ 33,377,870        | \$ 36,797,890        | \$ 43,967,380        | \$ 55,375,490        | \$ 67,263,720        | \$ 73,440,830        | \$ 71,205,900        | \$ 73,967,307        |
| Water Fund                                 | \$ 140,080,000       | \$ 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       |
| <b>% of Legal Debt Limits Used</b>         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General                                    | 79.7%                | 79.3%                | 36.8%                | 35.6%                | 33.1%                | 28.4%                | 23.7%                | 25.2%                | 35.8%                | 38.5%                |
| Water Fund                                 | 6.3%                 | 5.1%                 | 6.4%                 | 6.3%                 | 5.8%                 | 5.1%                 | 4.0%                 | 4.3%                 | 3.4%                 | 3.3%                 |

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

| <b>Fiscal<br/>Year</b> | <b>Population (1)</b> | <b>Per Capita<br/>Income (1)</b> | <b>Unemployment<br/>Rate</b> |
|------------------------|-----------------------|----------------------------------|------------------------------|
| 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%                        |
| 1997                   | 37,925                | 24,734                           | 2.60%                        |

## City of Concord, New Hampshire

### Principal Employers Current Year and Nine Years Ago

| Employer                          | 2006              |      |                                     | 1997      |      |                                     |   |
|-----------------------------------|-------------------|------|-------------------------------------|-----------|------|-------------------------------------|---|
|                                   | Employees         | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |   |
| State of New Hampshire            | 10,523            | 1    | 48.03 %                             | 10,201    | 1    | -                                   | % |
| Concord Hospital                  | 2,811             | 2    | 12.83                               | 1,400     | 2    | -                                   |   |
| Steeplegate Regional Mall         | 1,233             | 3    | 5.63                                | 1,100     | 3    | -                                   |   |
| Concord School District           | 985               | 4    | 4.50                                | 924       | 4    | -                                   |   |
| Merrimack County                  | 650               | 5    | 2.97                                | 600       | 7    | -                                   |   |
| Lincoln Financial Group           | 652               | 6    | 2.98                                | 641 *     | 6    | -                                   |   |
| City of Concord                   | 505               | 7    | 2.30                                | 465       | 9    | -                                   |   |
| Merrimack Valley School District  | 500               | 8    | 2.28                                | -         | -    | -                                   |   |
| Genesis Elder Care Network        | 392               | 9    | 1.79                                | -         | -    | -                                   |   |
| St Paul's School                  | 307               | 10   | 1.40                                | -         | -    | -                                   |   |
| Federal Government                | -                 |      | -                                   | 915       | 5    | -                                   |   |
| Healthsource of New Hampshire     | -                 |      | -                                   | 485       | 8    | -                                   |   |
| Vishay-Sprague (Sprague Electric) | -                 |      | -                                   | 435       | 10   | -                                   |   |
| Total Principal Employers         | 18,558            |      | 84.70 %                             | 17,166    |      | -                                   | % |
| Total City Employment             | <u>21,910</u> (1) |      |                                     | <u>NA</u> |      |                                     |   |

\*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.

# City of Concord, New Hampshire

## City Government Employees by Division - Full Time Equivalents

Last Ten Fiscal Years

| Departments             | 1997         | 1998         | 1999         | 2000         | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 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          | 8.0          | 9.0          | 9.0          |
| Assessing               | 5.5          | 5.5          | 5.5          | 5.5          | 6.5          | 6.5          | 6.5          | 6.5          | 6.5          | 7.0          |
| Personnel               | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.2          | 3.2          | 3.2          | 3.6          | 4.0          |
| Finance/Control         | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 8.0          | 8.0          | 7.6          |
| Finance/Treas           | 8.2          | 8.2          | 8.2          | 8.2          | 8.5          | 8.5          | 8.6          | 8.6          | 8.6          | 8.6          |
| 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          | 3.0          | 2.0          | 4.0          | 4.0          | 4.0          | 5.0          | 5.0          | 5.0          |
| City Clerk              | 2.5          | 2.7          | 2.7          | 2.7          | 2.7          | 2.7          | 3.0          | 3.0          | 3.6          | 3.6          |
| <b>Gen Gov</b>          | <b>42.2</b>  | <b>42.4</b>  | <b>42.4</b>  | <b>41.4</b>  | <b>44.7</b>  | <b>44.9</b>  | <b>45.3</b>  | <b>47.3</b>  | <b>49.3</b>  | <b>49.8</b>  |
| Police                  | 91.0         | 93.2         | 93.2         | 98.5         | 104.5        | 105.2        | 105.2        | 105.2        | 105.2        | 106.2        |
| Fire                    | 93.0         | 93.0         | 95.0         | 95.5         | 102.7        | 103.7        | 115.7        | 115.7        | 117.7        | 117.7        |
| <b>Public Safety</b>    | <b>184.0</b> | <b>186.2</b> | <b>188.2</b> | <b>194.0</b> | <b>207.2</b> | <b>208.9</b> | <b>220.9</b> | <b>220.9</b> | <b>222.9</b> | <b>223.9</b> |
| Administration          | 29.0         | 30.0         | 30.0         | 19.0         | 18.0         | 20.0         | 19.0         | 19.0         | 18.0         | 17.5         |
| Hwys & Util Sys         | 39.0         | 38.0         | 38.0         | 38.0         | 40.0         | 42.0         | 42.0         | 42.0         | 42.0         | 42.0         |
| Grounds                 | 27.0         | 27.0         | 27.0         | 27.0         | 25.0         | 25.0         | 25.0         | 25.0         | 25.0         | 25.0         |
| Temporary               | 12.7         | 12.7         | 12.7         | 12.7         | 14.7         | 14.7         | 14.7         | 14.7         | 14.7         | 13.7         |
| Public Properties       | 18.0         | 18.0         | 18.0         | 18.0         | 18.0         | 19.0         | 19.0         | 19.0         | 21.0         | 21.0         |
| 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         | 33.0         | 31.0         | 27.0         | 27.0         | 27.0         | 27.0         | 27.0         | 26.0         |
| <b>General Svcs</b>     | <b>171.7</b> | <b>171.7</b> | <b>171.7</b> | <b>158.7</b> | <b>155.7</b> | <b>160.7</b> | <b>159.7</b> | <b>159.7</b> | <b>160.7</b> | <b>158.2</b> |
| Administration          | -            | -            | -            | 2.0          | 1.5          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Planning                | 4.0          | 4.0          | 4.0          | 3.5          | 4.0          | 5.5          | 5.5          | 5.5          | 5.5          | 5.5          |
| Business Devel          | 1.5          | 1.5          | 1.5          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Bldg & Code Svcs        | 6.0          | 10.0         | 10.0         | 10.0         | 12.0         | 11.5         | 11.5         | 11.5         | 11.5         | 11.5         |
| Engineering Svcs        | 7.0          | 7.0          | 7.0          | 18.0         | 18.0         | 18.5         | 18.5         | 18.5         | 17.5         | 17.6         |
| Grants Admin            | 1.5          | 1.5          | 1.5          | 1.5          | 1.5          | 0.5          | 0.5          | 0.5          | 0.5          | 0.5          |
| <b>Comm Devel</b>       | <b>20.0</b>  | <b>24.0</b>  | <b>24.0</b>  | <b>37.0</b>  | <b>39.0</b>  | <b>40.0</b>  | <b>40.0</b>  | <b>40.0</b>  | <b>39.0</b>  | <b>39.1</b>  |
| Library                 | 26.7         | 26.7         | 26.7         | 27.3         | 27.3         | 27.3         | 27.3         | 27.3         | 25.3         | 25.1         |
| Recreation              | 10.8         | 9.8          | 10.0         | 11.0         | 11.0         | 12.2         | 12.2         | 12.2         | 12.5         | 10.7         |
| <b>Leisure Services</b> | <b>37.5</b>  | <b>36.5</b>  | <b>36.7</b>  | <b>38.3</b>  | <b>38.3</b>  | <b>39.5</b>  | <b>39.5</b>  | <b>39.5</b>  | <b>37.8</b>  | <b>35.8</b>  |
| <b>Human Services</b>   | <b>4.5</b>   | <b>4.5</b>   | <b>4.5</b>   | <b>4.5</b>   | <b>4.5</b>   | <b>4.5</b>   | <b>4.7</b>   | <b>4.7</b>   | <b>4.7</b>   | <b>4.7</b>   |
| <b>Grand Totals</b>     | <b>459.9</b> | <b>465.3</b> | <b>467.5</b> | <b>473.9</b> | <b>489.4</b> | <b>498.5</b> | <b>510.1</b> | <b>512.1</b> | <b>514.4</b> | <b>511.5</b> |

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 |        |        |        |        |        |        |        |        |        |
|---|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | 1997        | 1998   | 1999   | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   |
| Police  |             |        |        |        |        |        |        |        |        |        |
| Physical arrests  | 2,521       | 2,495  | 2,271  | 2,573  | 2,166  | 2,254  | 2,864  | 2,770  | 3,215  | 2,978  |
| Traffic violations                                      | 6,196       | 5,582  | 3,205  | 3,349  | 4,089  | 5,757  | 7,031  | 6,041  | 5,950  | 5,768  |
| Parking violations                                      | 33,744      | 34,852 | 33,706 | 37,589 | 39,072 | 44,587 | 44,056 | 44,899 | 43,648 | 49,216 |
| Fire and Rescue   |             |        |        |        |        |        |        |        |        |        |
| Calls answered  | 3,079       | 5,075  | 5,075  | 5,676  | 6,122  | 6,122  | 6,554  | 6,803  | 7,095  | 7,565  |
| General services - Solid waste                          |             |        |        |        |        |        |        |        |        |        |
| Refuse collected (tons)                                 | na          | na     | na     | na     | na     | na     | na     | na     | na     | 17,603 |
| Recycling (tons) Note: Recycle program started Oct 2005 | na          | na     | na     | na     | na     | na     | na     | na     | na     | 1,356  |
| General services - Streets                              |             |        |        |        |        |        |        |        |        |        |
| Streets resurfaced (miles)                              | na          | na     | na     | na     | na     | na     | na     | na     | na     | 16     |
| Potholes repaired                                       | na          | na     | na     | na     | na     | na     | na     | na     | na     | 14,895 |
| Water   |             |        |        |        |        |        |        |        |        |        |
| Average daily consumption (in thousands of gallons)     | 4,550       | 4,630  | 4,655  | 4,972  | 4,972  | 4,972  | 4,639  | 4,840  | 4,840  | 4,910  |
| Sewage System:  |             |        |        |        |        |        |        |        |        |        |
| Daily average treatment (millions of gallons)           |             |        |        |        |        |        |        |        |        |        |
| Concord Plant   | 4,173       | 4,348  | 3,985  | 4,557  | 4,088  | 4,200  | 4,530  | 4,600  | 4,570  | 4,605  |
| Penacook Plant  | 626         | 617    | 514    | 613    | 513    | 435    | 458    | 578    | 573    | 575    |

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 |        |        |        |        |        |        |        |        |        |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 1997        | 1998   | 1999   | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   |
| Police   |             |        |        |        |        |        |        |        |        |        |
| Number of stations   | 1           | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Number of patrol units                                     | 13          | 13     | 13     | 14     | 15     | 15     | 16     | 16     | 16     | 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      | 5      | 6      | 6      | 6      |
| Number of support vehicles                                 | 2           | 2      | 2      | 2      | 2      | 5      | 5      | 5      | 5      | 8      |
| General Services - Streets                                 |             |        |        |        |        |        |        |        |        |        |
| Miles of streets   | 221         | 221    | 271    | 272    | 272    | 272    | 272    | 338    | 338    | 339    |
| Number of traffic lights (in sets)                         | na          | na     | na     | na     | na     | na     | na     | na     | 92     | 92     |
| Number of street lights                                    | 2,087       | 2,138  | 2,138  | 2,138  | 2,068  | 2,068  | 2,068  | 2,178  | 2,183  | 2,183  |
| General Services - Culture and Recreation:                 |             |        |        |        |        |        |        |        |        |        |
| Number of parks  | 16          | 16     | 16     | 16     | 16     | 16     | 16     | 21     | 20     | 20     |
| Swimming pools   | 7           | 7      | 7      | 7      | 7      | 7      | 7      | 7      | 7      | 7      |
| Tennis courts  | 14          | 14     | 14     | 14     | 21     | 21     | 21     | 21     | 21     | 21     |
| Water  |             |        |        |        |        |        |        |        |        |        |
| Water main (miles)   | 218         | 180    | 180    | 181    | 181    | 183    | 183    | 215    | 169    | 169    |
| 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)                                    | 126         | 87     | 116    | 117    | 117    | 120    | 141    | 141    | 141    | 141    |
| 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