

CITY OF CONCORD, NEW HAMPSHIRE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
June 30, 2003**

CITY OF CONCORD, NEW HAMPSHIRE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2003



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The Finance Department**

**James R. Howard
Director of Finance**

**Nancy A. Woods
Controller**

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INTRODUCTORY SECTION



City of Concord, New Hampshire

FINANCE DEPARTMENT

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February 23, 2004

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, 2003. 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 and account groups 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, 2002 through June 30, 2003. This CAFR also presents the City 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 and is effective for the first time with this CAFR. 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 Concord within the State of New Hampshire. The financial section contains the independent auditor's report; the new management's discussion and analysis; new 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 new management's discussion and analysis section appearing on page 21.

Due to the receipt of federal government funds, the City is required to undergo a yearly single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Government Office of Management and Budget's Circular A-133, *Audits of States and Local Governments and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, is available in a separately issued single audit report.

This report covers all funds and account groups 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.

GOVERNMENT STRUCTURE

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 2002 population of 41,310 as estimated by its Community Development Department, Planning Division, and occupies a land area of 64 square miles.

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

Policymaking and legislative authority are vested by adopted City Charter in the 15-member council. Under the Charter, which was originally adopted in 1853 and most recently amended in 2001, the Council appoints a City Manager who is solely responsible for carrying out the policies and ordinances of the City Council. The Council is elected on a non-partisan basis. Ten ward councilors, and the mayor, are elected every two years. Two of the four remaining "at-large" councilors are elected to staggered 4-year terms every two years. The current mayor is former City Councilor Michael Donovan who was, elected mayor in November 2001 and re-elected in November 2003. Duncan R. Ballantyne, the current city manager, was appointed in October 1996. The City has had three 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.

ECONOMIC CONDITIONS AND OUTLOOK

During fiscal 2003, the City and state of New Hampshire continued to experience a stronger economic performance than the regional and national economies. But evidence has emerged that the national economic slowdown, particularly from the business and investment marketplace, began to impact both the City and the State during fiscal 2003. Slow revenue growth at the state level in fy2003 with similar prospects for fy2004 along with increasing costs for health insurance and state education funding will emerge as major issues for fy2004 and beyond. State fy2003 general fund revenues fell about ten (10) million dollars short of plan as reported in the final accrual revenue report produced by the State.

The lowest mortgage rates in 40 years have continued the rise in residential property values and will affect a concurrent shift of property tax burden to the residential sector as commercial values have not kept pace.

Buoyed as it is by state and other government employment, the City's average annual unemployment rate remained below the state average for an 11th consecutive year. At June 2003, the U.S. unemployment rate was 6.4%, the New England Region at 5.2%, New Hampshire at 4.0%, and Concord was at 3.0%. The Concord unemployment rate in June of 2003 was third lowest among the 13 cities in the state compared to last year when it had the fourth lowest rate among the thirteen. It remained well below the two larger cities in New Hampshire with Nashua at 5.7% and Manchester at 4.2%. Labor negotiations entering 2003 continued to reflect relatively tight labor markets and corresponding wage pressures with a cost-of-living increase for non-contractual and UAW union employees of 3.75% in February of 2002.

One year ago, the expectation for the twelve months contained in the fy2003 budget recognized the cloud hanging over the national economy, compared to strong local and state economies. The report recommended no specific action at that time with regard to reducing the 2003 budget in the face of slowing revenue growth but advised continued vigilance. These expectations were largely realized as is evidenced by the positive but reduced results of fy2003 general fund operations as measured by general fund equity and the balance designated for transfer to capital reserve funds. The following table presents the comparative history of general fund designations and unreserved balance. As this report goes to printing, the expectation for fy2004, as presented in the November 2003 Fiscal Monitoring Report warns of further slowing of revenue growth and correspondingly weaker operational results.

General Fund Balance Allocation

	FYE1999	FYE2000	FYE2001	FYE2002	FYE2003
Tax Stabilization	\$3,000,000	\$2,500,000	\$2,500,000	\$2,550,000	\$2,500,000
Other Reserves	\$2,541,015	\$1,860,000	\$2,697,229	\$1,464,793	\$1,063,863
Undesignated Fund Balance	\$3,994,408	\$4,693,358	\$4,000,000	\$4,000,000	\$4,360,000
Total	\$9,535,423	\$9,053,358	\$9,197,229	\$8,014,793	\$7,923,863

Other reserves detail

Addition

Highway Economic Development Equip	\$1,400,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,000,000
Fire Equip	\$500,000	\$330,000	\$950,000	\$140,000	\$0
53rd Week	\$216,500	\$50,000	\$50,000		\$0
	\$324,515	\$150,000	\$385,000		\$0
	\$100,000	\$80,000	\$62,229	\$74,793	\$63,863
Total	\$2,541,015	\$1,860,000	\$2,697,229	\$1,464,793	\$1,063,863

Despite signs of improving national economic growth, low interest rates with cost increases in retirement and health benefits, prospects for state budget reductions for local education, and the shift of tax burden to the residential home owner all portray a challenging fiscal environment for fy2005 and fy2006.

SUMMARY OF FINANCIAL POSITION AND OPERATIONS – GENERAL FUND

In addition to the information provided in the management’s discussion and analysis section of this report, the following information is offered on the general fund. The general fund year-end cash balance rebounded to \$16.5 million from last year’s \$12.4 million. The City’s General Fund Current Ratio, i.e., Current Assets to Current Liabilities for fy2003 is 1.3. No comparison to the 1.7 in fy2002 is possible due to the change in the revenue recognition accounting principle associated with GASB Statement No. 34 as applied to taxes collected in advance.

Overall, city revenues and collection of taxes, both tied to the local economy, remained strong. Tax collections as a percent of the current levy were 98.8% comparable with the prior year level of 98.8%. See table 5 of the statistical section for a ten-year comparison of property tax collection rates.

The City Director of Real Estate Appraisal implemented an annual property inspection program in fy2002 along with a revaluation with the intention of bringing property assessments closer to market value. The affect of assessment growth along with an increase in the amount to be raised by taxation resulted in a tax rate for municipal purposes that dropped 20.4%.

In fiscal 2003 real growth of 2% and another assessment update resulted in a total seven and one-half percent (7.5%) increase in assessment. Because of the

relatively higher demand for residential vs. non-residential properties, there was a shift of tax burden from the non-residential sector to the residential sector in both years. Please refer to table 14 in the statistical section for further details.

Delinquent taxes continued their drop to the lowest level ever as a ratio to the total levy of 1.8%, down further from last year's 1.9%. This is a measure of all delinquent taxes as a percent of the total tax levy. See table 5.

The rate and value of properties in bankruptcy remains low. No properties were taken by tax deed for non-payment of taxes. Due largely to the efforts of the Administration's Tax Deeded Property Committee, the backlog of tax-deeded properties was eliminated.

Land Use Change Tax Revenues, reflecting the penalty for taking property out of restricted use far exceeded the anticipated revenue and contributed more than \$651,222 to fund balance replenishment. Motor vehicle revenues again exceeded budgeted 2003 levels but only grew by 2.7% over fy2002 after having increased by 8.6% over the actual 2001 level.

The greatest source of lackluster revenues continues to be related to the decline in interest rates. With the Federal Open Market Committee reducing the Fed Funds rate from 1.75% to 1.00% during the period, despite the City's strong cash position, it continues as no mystery why interest income dropped again in fy2003 to \$472,048 from \$1,615,111 in fy2001 and \$1,143,063 in fy2002. Continued low interest rates through 2003 ran counter to the expectation at the time the fy2003 budget was prepared.

Contrasting with the high level of tax collections propped-up by record mortgage refinancing, revenue from interest, costs and penalties on delinquent taxes continued to decline to its lowest level in more than thirteen years.

Year-end 2003 results showed the second consecutive reduction in Fund Equity position of \$8,637,348 compared to last year's figure of \$8,995,314. This includes the amount of fund balance reserved for tax stabilization purposes, which was decreased \$50,000 by City Council vote to \$2.50 million.

2003 BUDGET - A CONTINUED COMMITMENT TO IMPROVED PUBLIC SAFETY SERVICES

The fy2003 budget increased Public Safety personnel by twelve (12) positions and the total full time equivalent (fte) personnel increased more than in any one year except 2001.

Fire suppression services received the increase as the Council funded the return of a fire engine company number 1 including replacement apparatus effective mid-way through fiscal 2003.

Overall, full-time equivalent (fte) positions as budgeted in the city (including part-time and temporary) of 548 in 1990 dropped to a low of 458 in 1994. By fy1998 there were 465.66 fte. Since then the headcount has further rebounded such that the 2003 adopted budget reached 509.90 fte. This represents the restoration of 44 fte since 1998 of which 34 are in Police and Fire.

PROPERTY TAX RATES

The following table provides a comparison of Concord and Penacook property tax rates (per \$1000 of Assessed Valuation) between fy2003(2002 rate) and fy2002(2001 rate), combining the Statewide Education Property Tax with the local education tax rate for both school districts. Property tax rates in the Concord School District dropped in association with an overall 7.5% increase in assessments attributable to a reassessment and real growth in taxable assessments from new construction. Penacook tax rates increased because school district tax rates increased.

COMPARITIVE PROPERTY TAX RATES

Concord and Penacook

<u>Entity</u>	<u>2002 Rate</u>	<u>2003 Rate</u>	<u>Percent Change</u>
Municipal Government	9.22	8.90	-3.5
Merrimack County	2.37	2.41	+ 1.7
Concord Schools – Local and State	15.75	15.09	-4.2%
Merrimack Valley Schools – Local and State	16.24	17.84	+ 9.9%
Total Concord	27.34	26.40	-3.4%
Total Penacook	27.83	29.15	+ 4.7%

FISCAL MONITORING BY CITY COUNCIL

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 General Fund operations and of the tax rate. These reports and budget models have become a staple of the annual budgetary planning and tax rate setting process. The City Council has also routinely adopted a series of fiscal policy goals to guide the financial direction and management of the City.

Additional goals adopted by the Fiscal Policy Advisory Committee support economic development, as well as fiscal stability, through supporting and funding of capital reserves for several purposes. In 1995, after several years of limited

capital investment, the FPAC established several capital reserve funds from the results of General Fund operations made possible by the expanding economy and improved revenues. Reserves have been created for city-wide and downtown economic development, property revaluation, highway repaving, fire apparatus, highway equipment, limited self-insurance, Tax Stabilization (TSR) and 53-week years (periodically the City experiences a 53 pay week – 2% cost-within a fiscal year). Additions to the reserves were made each year to the 1995 - 2003 budgets after the results of the prior years fiscal operations were known.

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

CREDIT RATING AND DEBT LIMITATIONS

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

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

In May of 2001, after issuance of a ruling by the state supreme court upholding the constitutionality of the state school funding law, Moody's raised the credit rating of the City to AA2 citing... "economic strength and stability, ...consistently good financial results, and manageable debt position along with effective management practices..., and sound budgeting" as reasons for their upgrade. This rating remained in affect through fy2003. Standards and Poors affirmed their consistently high AA rating for the City, which the city has held since February of 1997.

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, 2003 the City has remaining 76% of it debt capacity. Please see table 9 for a complete calculation and explanation of debt capacity and to previous CAFR transmittal letters, Official Bond Statements and credit agency reports, or contact the City Finance Department for more details about city bonds, debt and credit history.

DISCUSSION OF INFRASTRUCTURE ASSET ACCOUNTING

Under GASB Statement No. 34, governmental units are required to include all capital assets, including infrastructure. The City has included fixed assets in its CAFR since 1995. Our current CAFR also includes some infrastructure assets, but they are incomplete. We have until fiscal year ending 6/30/07 to retroactively include all infrastructure assets acquired after 12/31/80. The City chose to depreciate all capital assets using the straight-line method.

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 fy2003 budget, 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. In view of other funding priorities the position was not approved at that time. Again, with the submittal of the fy2004 budget another request was made to fund the position with the result that a full time Senior Accountant was funded.

Single Audit - As a recipient of federal and state assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with laws and regulations applicable to those programs. This internal control structure is subject to periodic evaluation by management and the public accounting firm hired to audit the records and internal control systems of the City.

As part of the City's single audit (described earlier), tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine if the City complied with applicable laws and regulations. The results of the single audit for the fiscal year ended June 30, 2003 provided no instances of material weaknesses in the internal control structure. The single audit will be completed and published in March 2004.

Budgeting Controls - In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions established by state law, city charter and the code of ordinances. Additionally, controls are in place to accomplish the programs and purposes established in the budget by vote of the City Council. Activities of the general fund, certain special revenue funds, and the enterprise and internal service funds are established through a formal annual appropriation process established by the City Charter, section 34 through 39. The level of formal, legal budgetary control by City Council is established pursuant to these sections at the department level. Below this level, the City Manager has the authority to transfer available appropriations. However, as a result of Fiscal Policy Advisory Committee (FPAC) deliberations during the fall of 2002 the City Manager agreed to notify council ahead of time when he is transferring funds within a department when it involves a compensation account. The City also maintains a system of encumbrance accounting to further control budgetary expenditures. Again, as a result of recent FPAC deliberations and council approval, encumbrances at year-end that are rolled forward to subsequent years, will be based upon approval by City Council of a list specifying the purposes of the encumbrance. Unspent or unencumbered funds lapse to fund balance at year-end.

As demonstrated by these financial statements, and the comments of independent credit rating agencies, the City complies with the responsibility for sound fiscal management and budgetary control.

General Governmental Functions - The following is a summary of revenues and operating transfers in the general fund, special revenue funds, and debt service funds for the fiscal year ended June 30, 2003. Comparisons to the previous fiscal year are also included.

<u>Revenues and Transfers</u>	<u>2003 Amount*</u>	<u>Percent of Total</u>	<u>2002 Amount*</u>	<u>Amount of Increase (Decrease)*</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$ 27,851	65.6%	\$ 26,425	\$ 1,426	5.4%
Licenses & Permits	1,027	2.4%	770	257	33.4%
Intergovernmental	5,393	12.7%	3,562	1,831	51.4%
Charges for service	4,368	10.3%	4,192	176	4.2%
Investment income	574	1.4%	1,263	(689)	-54.6%
Miscellaneous	1,554	3.7%	1,338	216	16.1%
Operating Trans In	<u>1,710**</u>	<u>4.0%</u>	<u>2,174</u>	<u>(464)</u>	<u>-21.3%</u>
TOTAL	<u>\$ 42,477</u>	<u>100.0%</u>	<u>\$ 39,724</u>	<u>\$ 2,753</u>	

*amounts expressed in thousands

**includes the general fund, debt service funds, and funds considered to be special revenue funds prior to GASB Statement No. 34

New Hampshire has neither a general sales or income tax. The most significant source of city revenue continues to be derived from property taxes.

The following schedule presents a summary of expenditures and operating transfers in the general fund, special revenue funds and debt service funds for the 12-month fiscal year ended June 30, 2003. Comparisons to the previous fiscal year are also included.

Expenditures and Transfers	2003 Amount*	Percent of Total	2002 Amount*	Amount of Increase (Decrease)*	Percent of Increase (Decrease)
Current:					
General Government	\$ 4,729	11.1%	\$ 3,623	\$ 1,106	30.5%
Public Safety	13,774	32.3%	12,708	1,066	8.4%
General Services	6,260	14.7%	5,744	516	9.0%
Community Development	2,120	5.0%	3,111	(991)	-31.9%
Leisure & Information	1,993	4.7%	2,001	(8)	-0.4%
Human Services	1,007	2.4%	1,063	(56)	-5.3%
Employee Benefits	224	0.5%	188	36	19.1%
Miscellaneous	796	1.9%	787	9	1.1%
Debt Service:					
Principal	2,833	6.6%	2,901	(68)	-2.3%
Interest	1,201	2.8%	1,329	(128)	-9.6%
Capital Outlay	2,508	5.9%	752	1,756	233.5%
Operating Transfers Out	5,230**	12.3%	5,998	(768)	-12.8%
Total	\$ 42,675	100.0%	\$ 40,205	\$ 2,470	

*amounts expressed in thousands

**includes the general fund, debt service funds, and funds considered to be special revenue funds prior to GASB Statement No.34

General Fund Balance - The general fund undesignated fund balance (UFB) of \$4.36 million as of fiscal year end was slightly above the prior year level. This strong UFB and correspondingly strong year-end cash position again enabled the City to avoid entering the short-term market for operating capital. The table below 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.

GENERAL FUND EQUITY AND FUND BALANCE

1993-2003

	<u>Total Fund Equity</u>	<u>Undesignated Fund Balance</u>
1993	\$ 4,549,954	\$ 3,712,934
1994	7,160,770	4,271,143
1995	6,350,421	5,164,144
1996*	9,833,557	3,447,183
1997	8,917,159	3,327,328
1998	10,730,680	4,045,028
1999	10,055,895	3,994,408
2000	9,667,335	4,693,358
2001	10,424,868	4,000,000
2002	8,995,314	4,000,000
2003	8,637,348	4,359,999

*1996 was a 6-month transitional period

Maintenance of a strong fund balance and increased contribution to reserves comes primarily from revenues received in excess of budget and then unspent appropriations. Through fy2003, expenditure controls and stringent budgeting have kept budgetary expenditures from outstripping revenue growth.

Enterprise Operations - The City's enterprise operations are comprised of water and sewer utilities, the Beaver Meadow Golf Course, the Douglas N. Everett Ice Arena and the solid waste fund. Water, sewer, golf and arena funds through fy2003 are fully self-supporting from rates charged customers. The solid waste fund receives a transfer payment from the general fund to cover the residential portion of solid waste collection and disposal. This payment is billed via the property tax levy. It is segregated as an enterprise fund to support the establishment of fair rates for private refuse disposal at the waste-to-energy facility, as well as segregating the cost of this service. Rates at the golf course and arena were increased in 2003 to cover the costs of operations and capital expansion plans as identified in the Capital Improvement Program.

Water and sewer rates were last increased 3% in October 2001 in order to insure these utilities retain the ability to be self-supporting. While both utilities retain positive cumulative earning positions and are highly liquid, concern exists over the ability to continue these positions and provide for capital replacements without additional rate increases. The Fiscal Policy Advisory Committee recognized this need by endorsing another 3% rate increase for fy2003, which was included by the City Manager in his recommended 2003 budget. However, based upon consistent positive operating results, the City Council did not approve the increase in either the adopted 2002 or 2003 budget.

Retirement Obligations - By law, all full-time city employees, excluding the City Manager, are members of the State of New Hampshire Retirement System. This system is a cost sharing, multiple-employer, public employee, defined-benefit retirement system (PERS). No formal early retirement incentive program was offered to city employees in fy2003.

Debt Administration - At June 30, 2003, the City had a number of general obligation debt issues outstanding. These included \$23,936,932 of governmental fund debt, \$19,942,237 of water and sewer fund debt, and \$727,000 of golf and arena fund debt. The total authorized but unissued debt was \$8,152,000. Under state law, changed in 1998, the City's debt limitation for general purposes is established at 3.00% of the Base Valuation for Debt Limits as it appears in the Annual Equalization Survey produced by the State Department of Revenue Administration. At year end 2003, the remaining debt capacity for these purposes was \$67,264,000. Water and sewer purposes are subject to separate legal limitations. Existing debt, and foreseeable plans for future debt, place the City below legal limits for all purposes.

Cash Management - Cash temporarily idle during the year was invested in U.S. Treasury Bills, certificates of deposit, a sweep account of Citizen's Bank (with collateral held in a joint custody account at the Federal Reserve Bank by repurchase agreements), and the Public Deposit Investment Pool (PDIP). The PDIP was created by an act of the New Hampshire State Legislature solely for managing and collateralizing investments of local governmental units of the State. The average yield on invested funds during the year was 1.73%.

City investments are guided by an adopted investment policy. This policy was first adopted by City Council in December 1985 and last adopted in February 2004. No city funds were, or are, invested in derivatives. The policy recognizes safety as the number one tenet. Minimization of credit or market risk is considered before liquidity and yield. Accordingly, deposits at the City's major depository are collateralized in a joint custody account at the Federal Reserve Bank of Boston. Other funds, bid in compliance with the investment and cash management policy, may have uncollateralized deposits and investments. These investments must comply with a multi-step formula that reviews the institution's total capital, its capital/asset ratio, and the City of Concord's investment balances. Remaining investments were held at the NH Public Deposit Investment Pool. The Pool has a credit facility, backed by Municipal Bond Investors Assurance, Inc. (MBIA), which guarantees all deposit principal.

Trust fund investments at year end were invested under the authority of three Trustees of Trust Funds pursuant to RSA 31:19 through 31:38-a. These funds are invested in equity and fixed income securities. At their February 2003 meeting, the Trustees adopted an updated Investment Policy. In addition to objectives, the new policy defined diversification and asset allocation strategies and placed limitations and restrictions on investments. An overriding objective is to ensure that all funds are managed with prudence, skill and compliance with applicable regulations. The Trustees of Trust Funds review and approve the investment manager's activity on a quarterly basis. During the year, overall, the

fund experienced a total (combined equity and fixed income) time-weighted return of 3.18% and Cash and Equivalent return of 1.27%, both as reported by Citizen's Investment Services.

Risk Management - After three years of favorable liability insurance rates ended in fy2001 the City, pursuant to competitive bid, returned its coverage to that provided by the New Hampshire Public Liability Insurance Trust (NHPLIT) for fy2002. NHPLIT is an arm of the New Hampshire Municipal Association. The tight market for liability insurance following the September 11, 2001 World Trade Center bombing and subsequent anthrax scares precluded the NHPLIT from extending a three-year guaranteed rate. Accordingly, the City returned to the market and since has placed liability and property coverage with Primex (formerly Compensation Funds of New Hampshire). Worker's compensation insurance services are also obtained through Primex. Additionally, the City actively pursues certificates from all contractors or related parties.

The City Manager commissioned a joint labor/management review committee, the Health Benefits Review Team (HBRT) with funding provided by City Council in the fy1999 – fy2003 budgets to examine its employee health and dental offerings. The HBRT meets regularly and has had positive impact on the cost and arrangement of coverage since its inception. By a report issued in April 2000, the HBRT has turned its attention to several long-term opportunities to positively affect the health of employees and the cost of health insurance. An HBRT project, developed by the Wellness sub-committee, established "Wellflex", a program aimed at improving employee lifestyle health habits to positively affect costs and quality of personal and worklife. For the first time in fy2002 a financial incentive as a credit against the employees share of the premium was offered for successful participation in wellness activities. A copy of the February 2000 report along with the record of accomplishments by the committee are available from the City Personnel Department.

Health, dental and life insurance benefits were obtained through the New Hampshire Municipal Association Health Insurance Trust through fy2003. As a result of a competitive bid, for the first time in over 30 years the City moved its health insurance for fy2004 from a Blue Cross/Blue Shield product to a new product offered by CIGNA.

The City also has a joint labor/management safety and loss control program to routinely review losses and establish policies to prevent or reduce future claims.

OTHER INFORMATION

Independent Audit - 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 general purpose 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.

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded eight consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Concord for its comprehensive annual financial report beginning for the fiscal year ended December 31, 1995, through June 30, 2002 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.

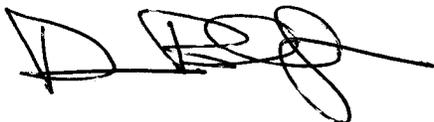
A Certificate of Achievement is valid for a period of one year only. The City believes this current CAFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments - 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 this year, with the implementation of the new accounting requirements under GASB Statement 34, the efforts of Nancy A. Woods, City Controller, and the assistance of Karen Burke and Scott McIntire at the firm of Melanson Heath & Company, PC cannot go unrecognized. Without their diligence and hard work this report would not meet the high standards mentioned.

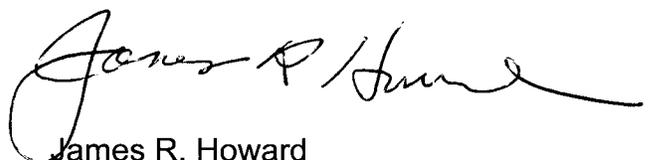
The City invites you to visit our web site at www.ci.concord.nh.us., where this CAFR and other summary financial information, by the end of March 2004, is expected to be prominently displayed.

In closing, the preparation of this report, receipt of the Certificate of Achievement, and the strong financial position of the City would not have been 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,

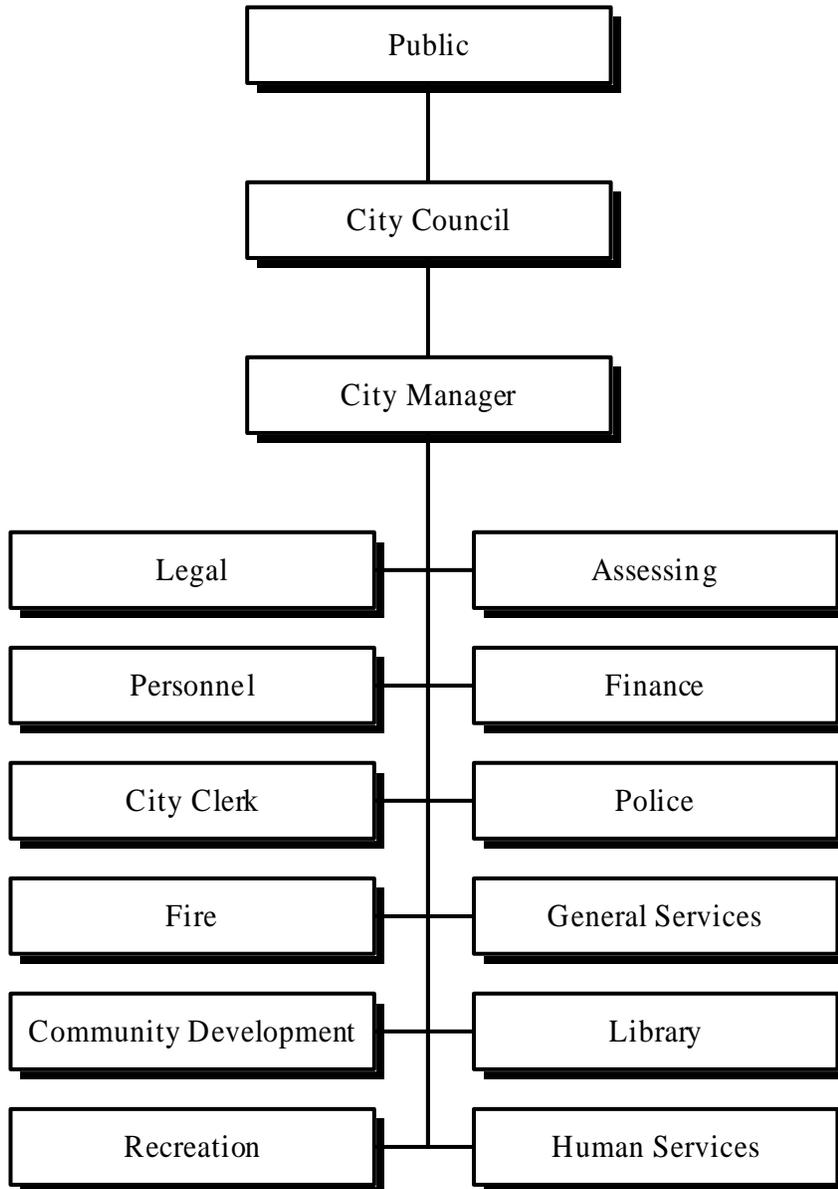


Duncan R. Ballantyne
City Manager



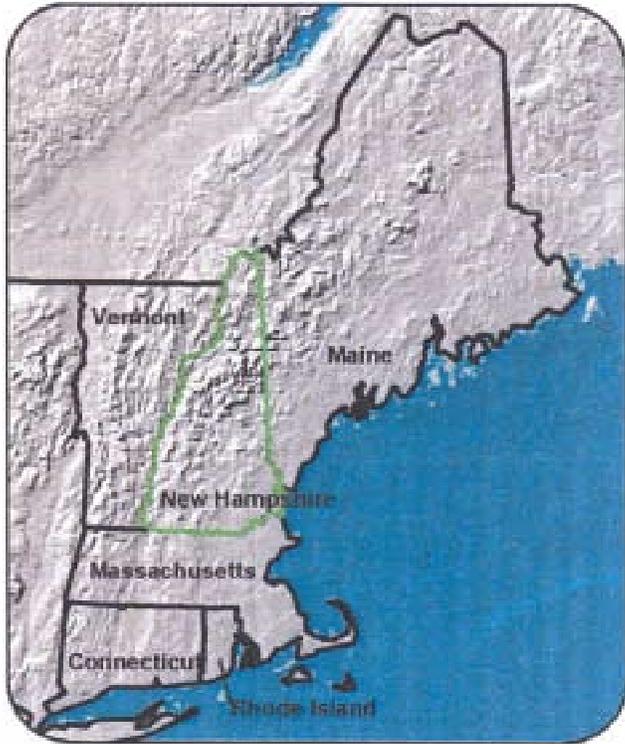
James R. Howard
Finance Director

CITY OF CONCORD, NEW HAMPSHIRE
TABLE OF ORGANIZATION



City of Concord, NH

Geographic Location



0 15 30 60 Miles

0 25 50 100 Kilometers

CITY OF CONCORD, NEW HAMPSHIRE
LIST OF PRINCIPAL OFFICIALS

June 30, 2003

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	Tara Reardon
Councilor-at-Large	Douglas Black
Councilor-at-Large	Doris Ballard
Councilor Ward 1	Elizabeth Blanchard
Councilor Ward 2	Dana C. Lankhorst
Councilor Ward 3	Kipp Cooper
Councilor Ward 4	Jeffrey Bart
Councilor Ward 5	Marjory Swope
Councilor Ward 6	J. Allen Bennett
Councilor Ward 7	William McGonagle
Councilor Ward 8	Keith Allberg
Councilor Ward 9	Katherine D. Rogers
<u>Appointed by Council:</u>	
City Manager	Duncan R. Ballantyne
<u>Appointed by City Manager:</u>	
Assistant City Manager	Thomas J. Aspell
City Solicitor	Paul F. Cavanaugh
Director of Real Estate Assessments	Michael J. Fedele
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	Brent Edmonds
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, 2002

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

FINANCIAL SECTION



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

11 Trafalgar Square • Suite 101
Nashua, NH 03063-1974
Tel (603) 882-1111 • Fax (603) 882-9456

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, 2003, 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, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and applicable Nonmajor Governmental Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 24, the City has implemented several new *Governmental Accounting Standards Board Statements* which has resulted in the restatement of beginning fund equity balances of several funds, and has established net assets for governmental and business-type activities.

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 additional information included in the supplementary statement and schedule section is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 17, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
January 17, 2004

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, 2003. This section should be read in conjunction with the transmittal letter 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 City of Concord's basic financial statements. The basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the 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.

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:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water, sewer, solid waste, golf and arena operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Specifically, internal services funds are used to account for self-insured employee health programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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, which are considered to be 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 the 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*.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 141,990,214 (i.e., net assets), an increase of \$ 8,940,990 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 39,695,582, a decrease of \$ 1,491,363 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 4,359,999, an increase of \$ 359,999 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 44,606,169, a decrease of \$ 5,728,837 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 fiscal year. Because fiscal year 2003 was the first year of GASB 34 implementation, prior year comparative data was not available for presentation. Comparative information will be provided in future years.

	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 76,156,277	\$ 10,508,176	\$ 86,664,453
Capital assets	<u>49,100,142</u>	<u>95,142,178</u>	<u>144,242,320</u>
Total assets	125,256,419	105,650,354	230,906,773
Long-term liabilities outstanding	21,935,818	18,429,367	40,365,185
Other liabilities	<u>40,614,954</u>	<u>7,936,420</u>	<u>48,551,374</u>
Total liabilities	62,550,772	26,365,787	88,916,559
Net assets:			
Invested in capital assets, net	27,719,446	72,517,390	100,236,836
Restricted	7,322,897	1,237,551	8,560,448
Unrestricted	<u>27,663,304</u>	<u>5,529,626</u>	<u>33,192,930</u>
Total net assets	\$ <u>62,705,647</u>	\$ <u>79,284,567</u>	\$ <u>141,990,214</u>

CHANGES IN NET ASSETS

Revenues:

Program revenues:

Charges for services	\$ 5,392,333	\$ 11,634,887	\$ 17,027,220
Operating grants and contributions	445,882	458,121	904,003
Capital grants and contributions	2,569,350	-	2,569,350
General revenues:			
Property taxes	27,299,574	-	27,299,574
Penalties and interest on taxes	705,746	-	705,746
Grants and contributions not restricted to specific programs	4,239,191	215,538	4,454,729
Investment income	1,151,559	160,880	1,312,439
Other	<u>609,523</u>	<u>90,031</u>	<u>699,554</u>
Total revenues	42,413,158	12,559,457	54,972,615

Expenses:

General government	4,680,897	-	4,680,897
Public safety	13,170,818	-	13,170,818
General services	8,686,609	-	8,686,609
Community development	2,110,794	-	2,110,794
Leisure and information services	1,995,092	-	1,995,092
Human services	1,009,970	-	1,009,970
Employee benefits	223,763	-	223,763
Interest on long-term debt	1,165,149	-	1,165,149
Miscellaneous	1,018,438	-	1,018,438
Water operations	-	3,658,207	3,658,207
Sewer operations	-	4,540,857	4,540,857
Solid waste operations	-	2,904,941	2,904,941

(continued)

(continued)

	Governmental Activities	Business-Type Activities	Total
Golf operations	-	761,957	761,957
Arena operations	-	<u>392,809</u>	<u>392,809</u>
Total expenses	<u>34,061,530</u>	<u>12,258,771</u>	<u>46,320,301</u>
Change in net assets before transfers	8,351,628	300,686	8,652,314
Transfers in (out)	(603,720)	603,720	-
Permanent fund contributions	<u>288,676</u>	<u>-</u>	<u>288,676</u>
Change in net assets	8,036,584	904,406	8,940,990
Net assets - beginning of year	<u>54,669,063</u>	<u>78,380,161</u>	<u>133,049,224</u>
Net assets - end of year	<u>\$ 62,705,647</u>	<u>\$ 79,284,567</u>	<u>\$ 141,990,214</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 \$ 141,990,214, an increase of \$ 8,940,990 from the prior year.

By far the largest portion of net assets \$ 100,236,836 (71 percent) 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 \$ 8,560,448 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$ 33,192,930 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities for the year resulted in an increase in net assets of \$ 8,036,584. Key elements of this increase are as follows (in thousands):

General fund expenditures over revenues	\$(358)
Special revenue fund expenditures over revenues	(272)
Fixed assets acquisitions from revenues and transfers	7,839
Debt service principal pay downs	2,845
Depreciation expense	(1,524)
Other changes	<u>(493)</u>
Total	<u>\$ 8,037</u>

Business-type activities. Business-type activities for the year resulted in an increase in net assets of \$ 904,406. This increase primarily results from debt service pay downs exceeding depreciation expense by approximately \$ 473,000 and \$ 124,000 in the Water and Sewer funds, respectively, and the acquisition of capital assets from operating revenues. The following is a summary of the increase in net assets by fund (in thousands):

Water	\$ 710
Sewer	166
Solid Waste	65
Golf	(25)
Arena	(12)
Total	\$ <u>904</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 \$ 39,695,582, a decrease of \$ 1,491,303 in comparison with the prior year. Most of this decrease was attributable to timing of recognizing expenses prior to bond sales on non-major funds.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$ 4,359,999, while total fund balance was \$ 8,637,348. The \$ 359,999 increase in general fund unreserved fund balance over fiscal 2002, resulted from an effort to reduce expenditures in mid-year fiscal 2003 in anticipation of a need to meet increased employer pension contributions in fy2004. The use of unreserved fund balance in fy2004 will increase accordingly.

As a measure of the general fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 13.2 percent of total general fund expenditures, while total fund balance represents 26.2 percent of that same amount. This amount comfortably exceeded the City Council Fiscal Policy minimum of 8%. Other than City Council designation of \$ 2.5 million as a Tax Stabilization Reserve, and the designation of \$ 1.1 million to reserves, there are no significant limitations on the use of general fund resources.

The fund balance of the general fund decreased by \$ 357,967 during the current fiscal year. Key factors in this change are as follows (in thousands):

Use of undesignated fund balance	\$(2,612)
Excess actual revenues over budget estimates	1,179
Unspent and unencumbered appropriations	1,714
Net increase in prior year encumbrances expended in the current year	(291)
Other	(348)
Total	\$ <u>358</u>

Again, the reduction in encumbrances reflects the City's efforts to free resources for current expenses.

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 \$ 5,529,626. 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 increase in appropriations of \$ 1,740,027. The majority of the overall increase (\$ 1,464,793) represents transfers of general fund balance to capital reserve special revenue funds. On a GAAP basis notable revenue receipts in excess of budget were: Land Use Change \$ 433,722; Motor Vehicle Registration Fees \$ 471,868; and Building Permits \$ 356,489. These were partially offset by an under receipt of Interest Income by \$ 442,714. Unspent General Fund appropriations were due to several factors including the self-imposed reduction in expenditures mentioned above, the liquidation of encumbrances after review, and the historical level of year-end underexpenditure (approximately 3%).

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$ 144,242,320 (net of accumulated depreciation), an increase of \$ 7,847,416 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included engineering and design costs for the resurfacing of the runaway at the Concord Airport, acquisition of General Service's vehicles and ongoing infrastructure improvements.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$ 44,606,169, 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 the footnotes to the financial statements.

G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For additional information about economic conditions affecting fiscal 2003 and those expected for fiscal 2004, along with a discussion of tax rates, general revenues and expenditure trends, please refer to the appropriate section of the Transmittal Letter at the beginning of the section.

Of the more significant issues affecting both fy2003 and fy2004 is the impact of investment returns to the City as evidenced by the under receipt of Interest Income in the General Fund shown in section D above. While not as significant in the Proprietary Funds they too experienced Interest Income shortfalls. However, the most significant affect of lower investment results came from the State of New Hampshire Retirement System (NHRS) - defined benefit program - in which all but a few of the City's full-time employees are required to be enrolled. In the fall of fiscal 2003 the NHRS advised participating employers that various employer contribution rates for fy2004 would increase between 42% and 63% due to the drop in returns on NHRS investments. At that time this was estimated to increase the City's contribution to the system on behalf of employees nearly \$ 650,000 in fy2004 over the fy2003 level. In addition, it was anticipated the continued rapid appreciation in home values compared to the appreciation in commercial and industrial property values would affect a shift in the burden of the property tax to the homeowners in Concord. In response to these developments, management and City Council embarked upon an effort to curtail expenditures including freezing some positions and to increase fees to lessen the impact on fy2004. The results of this effort are evident within the excess revenue received in the general fund, as well as, the higher than normal level of underexpenditures, and the increased level of undesignated fund balance as noted previously in this Management Discussion and Analysis.

During the year, City Council did also vote to direct the deposit of 100% - up from 25% - of general fund Land Use Change Tax revenue beginning April 1, 2003 to the Conservation Trust Fund. The general fund revenue amounted to \$ 651,222 in fy2003.

There are no other changes in capital assets, long-term debt including commitments for future capital expenditures, or debt limitation issues that are anticipated to affect planned facilities or services.

For a comparison of the Adopted fy2003 and fy2004 budgets showing expected tax rate impacts, please see the following:

	2003 Council <u>Adopted</u>	2004 Council <u>Adopted</u>
<u>Uses of Funds:</u>		
Budget appropriations	\$ 36,599,738	\$ 38,555,563
War Credits	210,000	210,000
Overlay	<u>300,000</u>	<u>300,000</u>
Total Uses of Funds	\$ <u>37,109,738</u>	\$ <u>39,065,563</u>
<u>Sources of Funds:</u>		
Miscellaneous Revenues	\$ 14,856,788	\$ 15,083,493
Surplus	927,000	1,287,000
Tax Stabilization Reserves	220,000	650,000
Amount to be Raised by Property Taxes	<u>21,105,950</u>	<u>22,045,070</u>
Total Sources of Funds	\$ <u>37,109,738</u>	\$ <u>39,065,563</u>

TAX RATE DETERMINATION:

Assessed Value (A.V.) (in thousands of dollars)	\$ 2,370,963	\$ 2,417,000
Amount to be Raised	\$ 21,105,950	\$ 22,045,070
Current Year Recommended Tax Rate/\$ 1,000 A.V.	\$ 8.90	\$ 9.12
Prior Year Tax Rate/\$ 1,000 A.V.	<u>8.75</u>	<u>8.90</u>
Increase over Prior	<u>\$ 0.15</u>	<u>\$ 0.22</u>
% Change	1.8%	2.5%

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, 2003

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 30,405,592	\$ 8,315,418	\$ 38,721,010
Investments	22,626,651	-	22,626,651
Receivables, net of allowance for uncollectibles:			
Property taxes	20,502,130	-	20,502,130
Accounts	1,188,517	-	1,188,517
User fees	-	935,660	935,660
Departmental and other	264,653	-	264,653
Intergovernmental	-	342,643	342,643
Loans	649,265	-	649,265
Interest	159,952	-	159,952
Other assets	179,847	19,547	199,394
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	179,670	-	179,670
Intergovernmental	-	894,908	894,908
Capital assets, net of accumulated depreciation	<u>49,100,142</u>	<u>95,142,178</u>	<u>144,242,320</u>
TOTAL ASSETS	125,256,419	105,650,354	230,906,773
LIABILITIES			
Current:			
Accounts payable	1,608,215	395,994	2,004,209
Retainage payable	417,173	377,840	795,013
Accrued liabilities	540,645	326,099	866,744
Deferred revenues	20,311,263	162,922	20,474,185
Notes payable	-	4,218,096	4,218,096
Taxes collected in advance	12,732,576	-	12,732,576
Other current liabilities	783,123	71,046	854,169
Due from other governments	5,004	-	5,004
Current portion of long-term liabilities:			
Bonds payable	2,807,263	2,239,870	5,047,133
Other liabilities	1,409,692	144,553	1,554,245
Noncurrent:			
Bonds payable, net of current portion	21,129,669	18,429,367	39,559,036
Other liabilities, net of current portion	<u>806,149</u>	<u>-</u>	<u>806,149</u>
TOTAL LIABILITIES	62,550,772	26,365,787	88,916,559
NET ASSETS			
Invested in capital assets, net of related debt	27,719,446	72,517,390	100,236,836
Restricted for:			
State and federal grants	606,255	-	606,255
Permanent funds:			
Nonexpendable	6,716,642	-	6,716,642
Debt service	-	1,237,551	1,237,551
Unrestricted	<u>27,663,304</u>	<u>5,529,626</u>	<u>33,192,930</u>
TOTAL NET ASSETS	<u>\$ 62,705,647</u>	<u>\$ 79,284,567</u>	<u>\$ 141,990,214</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 4,680,897	\$ 2,591,154	\$ 364,502	\$ -
Public safety	13,170,818	1,192,461	81,380	-
General services	8,686,609	-	-	2,569,350
Community development	2,110,794	1,131,158	-	-
Leisure and information services	1,995,092	351,754	-	-
Human services	1,009,970	125,806	-	-
Employee benefits	223,763	-	-	-
Interest	1,165,149	-	-	-
Miscellaneous	<u>1,018,438</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	34,061,530	5,392,333	445,882	2,569,350
Business-Type Activities:				
Water	3,658,207	4,449,813	-	-
Sewer	4,540,857	4,475,390	458,121	-
Solid waste	2,904,941	1,550,437	-	-
Golf	761,957	786,452	-	-
Arena	<u>392,809</u>	<u>372,795</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>12,258,771</u>	<u>11,634,887</u>	<u>458,121</u>	<u>-</u>
Total	<u>\$ 46,320,301</u>	<u>\$ 17,027,220</u>	<u>\$ 904,003</u>	<u>\$ 2,569,350</u>

General Revenues:

Property taxes
 Penalties, interest and other taxes
 Grants and contributions not restricted to specific programs
 Investment income
 Miscellaneous
 Transfers, net
 Permanent fund contributions

Total general revenues, transfers, and contributions

Change in Net Assets

Net Assets:

Beginning of year

End of year

See notes to financial statements.

<u>Net (Expenses) Revenues and Changes in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (1,725,241)	\$ -	\$ (1,725,241)
(11,896,977)	-	(11,896,977)
(6,117,259)	-	(6,117,259)
(979,636)	-	(979,636)
(1,643,338)	-	(1,643,338)
(884,164)	-	(884,164)
(223,763)	-	(223,763)
(1,165,149)	-	(1,165,149)
<u>(1,018,438)</u>	<u>-</u>	<u>(1,018,438)</u>
(25,653,965)	-	(25,653,965)
-	791,606	791,606
-	392,654	392,654
-	(1,354,504)	(1,354,504)
-	24,495	24,495
<u>-</u>	<u>(20,014)</u>	<u>(20,014)</u>
<u>-</u>	<u>(165,763)</u>	<u>(165,763)</u>
(25,653,965)	(165,763)	(25,819,728)
27,299,574	-	27,299,574
705,746	-	705,746
4,239,191	215,538	4,454,729
1,151,559	160,880	1,312,439
609,523	90,031	699,554
(603,720)	603,720	-
<u>288,676</u>	<u>-</u>	<u>288,676</u>
<u>33,690,549</u>	<u>1,070,169</u>	<u>34,760,718</u>
8,036,584	904,406	8,940,990
<u>54,669,063</u>	<u>78,380,161</u>	<u>133,049,224</u>
<u>\$ 62,705,647</u>	<u>\$ 79,284,567</u>	<u>\$ 141,990,214</u>

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2003

ASSETS	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Cash and cash equivalents	\$ 16,522,172	\$ 13,780,109	\$ 30,302,281
Investments	4,646,194	17,980,457	22,626,651
Receivables:			
Property taxes	20,780,785	-	20,780,785
Accounts	-	1,188,517	1,188,517
Departmental and other	264,652	-	264,652
Loans	-	649,265	649,265
Interest	119,217	40,735	159,952
Due from other funds	459,133	-	459,133
Inventory	169,110	-	169,110
Other assets	<u>-</u>	<u>10,738</u>	<u>10,738</u>
TOTAL ASSETS	\$ <u>42,961,263</u>	\$ <u>33,649,821</u>	\$ <u>76,611,084</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants payable	\$ 554,833	\$ 1,053,382	\$ 1,608,215
Retainage payable	-	417,173	417,173
Other liabilities	783,123	-	783,123
Deferred revenues	20,248,379	649,265	20,897,644
Payments collected in advance	-	12,634	12,634
Taxes collected in advance	12,732,576	-	12,732,576
Due to other funds	-	459,133	459,133
Due to other governments	<u>5,004</u>	<u>-</u>	<u>5,004</u>
TOTAL LIABILITIES	34,323,915	2,591,587	36,915,502
Fund Balances:			
Reserved for:			
Encumbrances	544,376	64,698	609,074
Inventory	169,110	-	169,110
Perpetual (nonexpendable) permanent funds	-	6,716,642	6,716,642
Tax stabilization	2,500,000	-	2,500,000
Unreserved:			
Designated, reported in:			
General fund	1,063,863	-	1,063,863
Undesignated, reported in:			
General fund	4,359,999	-	4,359,999
Special revenue funds	-	15,601,153	15,601,153
Capital project funds	-	8,360,192	8,360,192
Debt service	<u>-</u>	<u>315,549</u>	<u>315,549</u>
TOTAL FUND BALANCES	<u>8,637,348</u>	<u>31,058,234</u>	<u>39,695,582</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>42,961,263</u>	\$ <u>33,649,821</u>	\$ <u>76,611,084</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, 2003

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Property taxes	\$ 27,075,705	\$ 775,318	\$ 27,851,023
Licenses and permits	1,026,830	-	1,026,830
Intergovernmental	3,153,100	2,239,693	5,392,793
Charges for services	2,669,355	1,698,705	4,368,060
Investment income	523,286	628,272	1,151,558
Contributions	5,667	1,326,235	1,331,902
Miscellaneous	842,037	613,913	1,455,950
Total Revenues	<u>35,295,980</u>	<u>7,282,136</u>	<u>42,578,116</u>
Expenditures:			
Current:			
General government	3,387,465	1,341,909	4,729,374
Public safety	13,773,463	-	13,773,463
General services	6,260,496	-	6,260,496
Community development	2,119,951	-	2,119,951
Leisure and information services	1,993,027	-	1,993,027
Human services	1,007,444	-	1,007,444
Employee benefits	223,763	-	223,763
Miscellaneous	795,313	229,337	1,024,650
Debt service			
Principal	2,413,402	420,000	2,833,402
Interest	965,794	234,301	1,200,095
Capital Outlay	24,293	8,275,801	8,300,094
Total Expenditures	<u>32,964,411</u>	<u>10,501,348</u>	<u>43,465,759</u>
Excess (deficiency) of revenues over expenditures	2,331,569	(3,219,212)	(887,643)
Other Financing Sources (Uses):			
Operating transfers in	1,553,364	9,677,800	11,231,164
Operating transfers out	<u>(4,242,900)</u>	<u>(7,591,984)</u>	<u>(11,834,884)</u>
Total Other Financing Sources (Uses)	<u>(2,689,536)</u>	<u>2,085,816</u>	<u>(603,720)</u>
Deficiency of revenues and other sources over expenditures and other uses	(357,967)	(1,133,396)	(1,491,363)
Fund Equity, at Beginning of Year, as restated	<u>8,995,315</u>	<u>32,191,630</u>	<u>41,186,945</u>
Fund Equity, at End of Year	<u>\$ 8,637,348</u>	<u>\$ 31,058,234</u>	<u>\$ 39,695,582</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
 FISCAL YEAR ENDED JUNE 30, 2003

Total governmental fund balances (page 34)	\$ 39,695,582
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	49,100,142
• Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	500,030
• Internal services funds are used by management to account for health insurance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	103,311
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(540,645)
• 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>(26,152,773)</u>
Net assets of governmental activities (page 31)	\$ <u>62,705,647</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

FISCAL YEAR ENDED JUNE 30, 2003

Net change in fund balances - total governmental funds (page 35)	\$(1,491,363)				
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="width: 100%; margin-left: 40px; border-collapse: collapse;"> <tr> <td style="width: 80%;">Capital outlay purchases</td> <td style="text-align: right;">8,134,265</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(1,524,253)</td> </tr> </table> 		Capital outlay purchases	8,134,265	Depreciation	(1,524,253)
Capital outlay purchases	8,134,265				
Depreciation	(1,524,253)				
<ul style="list-style-type: none"> • 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) differ between the two statements. This amount represents the net change in deferred revenue. 129,930 					
<ul style="list-style-type: none"> • The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <table style="width: 100%; margin-left: 40px; border-collapse: collapse;"> <tr> <td style="width: 80%;">Repayment</td> <td style="text-align: right;">2,844,692</td> </tr> </table> 		Repayment	2,844,692		
Repayment	2,844,692				
<ul style="list-style-type: none"> • In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 34,947 					
<ul style="list-style-type: none"> • Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds: <table style="width: 100%; margin-left: 40px; border-collapse: collapse;"> <tr> <td style="width: 80%;">Compensated absences</td> <td style="text-align: right;">(121,634)</td> </tr> <tr> <td>Landfill liability</td> <td style="text-align: right;"><u>30,000</u></td> </tr> </table> 		Compensated absences	(121,634)	Landfill liability	<u>30,000</u>
Compensated absences	(121,634)				
Landfill liability	<u>30,000</u>				
Change in net assets of governmental activities (page 33)	\$ <u>8,036,584</u>				

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES AND USES -
BUDGET AND ACTUAL

GENERAL FUND AND ANNUALLY BUDGETED NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2003

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 25,739,000	\$ 25,889,000	\$ 27,049,183	\$ 1,160,183
Licenses and permits	658,760	658,760	1,026,831	368,071
Intergovernmental	2,988,480	3,006,047	3,153,101	147,054
Charges for services	2,854,308	2,854,308	2,669,355	(184,953)
Investment income	966,000	966,000	523,286	(442,714)
Miscellaneous	710,670	716,337	847,704	131,367
Total Revenues	33,917,218	34,090,452	35,269,460	1,179,008
Expenditures:				
General government	3,381,773	3,434,653	3,399,623	35,030
Public safety	13,933,254	13,869,199	13,681,418	187,781
General services	6,118,171	6,141,583	6,064,335	77,248
Community development	2,434,789	2,425,669	2,121,811	303,858
Leisure and information services	2,073,610	2,069,730	2,008,478	61,252
Human services	1,195,990	1,201,257	1,008,771	192,486
Employee benefits	725,890	577,290	225,815	351,475
Debt service	3,494,110	3,494,110	3,403,596	90,514
Miscellaneous	779,226	1,198,556	784,158	414,398
Total Expenditures	34,136,813	34,412,047	32,698,005	1,714,042
Other Financing Sources (Uses):				
Operating transfers in	1,535,520	1,637,520	1,553,364	(84,156)
Operating transfers out	(2,462,925)	(3,927,718)	(4,218,500)	(290,782)
Budgetary use of fund balance	1,147,000	2,611,793	2,611,793	-
Total Other Financing Sources (Uses)	219,595	321,595	(53,343)	(374,938)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 2,518,112	\$ 2,518,112

See notes to financial statements.

Annually Budgeted Nonmajor Governmental Funds

<u>Budgeted Amounts</u>			Variance with Final Budget
<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Positive (Negative)</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
1,500	1,500	3,828	2,328
621,444	621,444	658,842	37,398
35,000	35,000	14,243	(20,757)
<u>470,302</u>	<u>470,302</u>	<u>565,517</u>	<u>95,215</u>
1,128,246	1,128,246	1,242,430	114,184
1,301,062	1,301,062	907,751	393,311
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,301,062</u>	<u>1,301,062</u>	<u>907,751</u>	<u>393,311</u>
-	-	-	-
(127,600)	(127,600)	(127,600)	-
<u>(21,300)</u>	<u>(21,300)</u>	<u>(21,300)</u>	<u>-</u>
<u>(148,900)</u>	<u>(148,900)</u>	<u>(148,900)</u>	<u>-</u>
\$ <u><u>(321,716)</u></u>	\$ <u><u>(321,716)</u></u>	\$ <u><u>185,779</u></u>	\$ <u><u>507,495</u></u>

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2003

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Solid Waste Fund	Golf Fund	Arena Fund	Internal Service Funds
<u>ASSETS</u>						
Current:						
Cash and short-term investments	\$ 3,756,084	\$ 3,319,273	\$ 750,832	\$ 374,163	\$ 115,066	\$ 103,311
User fees, net of allowance for uncollectibles	371,240	403,731	149,914	-	10,775.00	-
Intergovernmental receivables	-	342,643	-	-	-	-
Inventory	10,993	-	-	-	-	-
Other assets	-	-	-	8,554	-	-
Total current assets	4,138,317	4,065,647	900,746	382,717	125,841	103,311
Noncurrent:						
Intergovernmental	-	894,908	-	-	-	-
Capital assets, net of accumulated depreciation	31,346,804	61,732,711	186,200	1,036,677	839,786	-
Total noncurrent assets	31,346,804	62,627,619	186,200	1,036,677	839,786	-
TOTAL ASSETS	35,485,121	66,693,266	1,086,946	1,419,394	965,627	103,311
<u>LIABILITIES</u>						
Current:						
Accounts payable	61,412	176,172	105,403	50,669	2,338.00	-
Retainage payable	49,282	328,558	-	-	-	-
Accrued liabilities	163,141	162,958	-	-	-	-
Deferred revenue	-	-	2,208	154,714	6,000	-
Other current liabilities	27,630	36,200	-	3,840	3,376	-
Notes payable	-	4,218,096	-	-	-	-
Current portion of long-term liabilities:						
Bonds payable	1,119,786	1,061,084	-	30,000	29,000	-
Compensated absences	63,092	53,264	3,058	16,884	8,255	-
Total current liabilities	1,484,343	6,036,332	110,669	256,107	48,969	-
Noncurrent:						
Bonds payable, net of current portion	10,671,935	7,089,432	-	325,000	343,000	-
Total noncurrent liabilities	10,671,935	7,089,432	-	325,000	343,000	-
TOTAL LIABILITIES	12,156,278	13,125,764	110,669	581,107	391,969	-
<u>NET ASSETS</u>						
Invested in capital assets, net of related debt	21,010,659	50,171,068	186,200	681,677	467,786	-
Reserved for debt service	-	1,237,551	-	-	-	-
Unrestricted	2,318,184	2,158,883	790,077	156,610	105,872	103,311
TOTAL NET ASSETS	\$ 23,328,843	\$ 53,567,502	\$ 976,277	\$ 838,287	\$ 573,658	\$ 103,311

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, 2003

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Solid Waste Fund	Golf Fund	Arena Fund	Internal Service Fund
Operating Revenues:						
Charges for services	\$ 4,449,813	\$ 4,475,390	\$ 1,550,437	\$ 786,452	\$ 372,795	\$ -
Other	4,208	75,795	-	7,892	2,136	-
Total Operating Revenues	4,454,021	4,551,185	1,550,437	794,344	374,931	-
Operating Expenses:						
Operating expenses	2,183,829	2,723,599	2,904,941	660,185	315,707	-
Depreciation	881,666	1,346,367	-	85,654	60,753	-
Other	30,891	25,425	-	-	-	-
Total Operating Expenses	3,096,386	4,095,391	2,904,941	745,839	376,460	-
Operating Income (Loss)	1,357,635	455,794	(1,354,504)	48,505	(1,529)	-
Nonoperating Revenues (Expenses):						
Intergovernmental revenue	-	458,121	-	-	-	-
Investment income	83,885	70,250	-	5,249	1,496	-
Interest expense	(561,821)	(445,466)	-	(16,118)	(16,349)	-
Other non-operating income	182,160	33,378	-	-	-	-
Total Nonoperating Revenues (Expenses), Net	(295,776)	116,283	-	(10,869)	(14,853)	-
Income (Loss) Before Transfers	1,061,859	572,077	(1,354,504)	37,636	(16,382)	-
Transfers:						
Operating transfers in	-	-	1,419,520	-	34,400	-
Operating transfers out	(352,000)	(405,600)	-	(62,800)	(29,800)	-
Change in Net Assets	709,859	166,477	65,016	(25,164)	(11,782)	-
Net Assets at Beginning of Year, as restated	22,618,984	53,401,025	911,261	863,451	585,440	103,311
Net Assets at End of Year	\$ 23,328,843	\$ 53,567,502	\$ 976,277	\$ 838,287	\$ 573,658	\$ 103,311

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2003

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Solid Waste Fund	Golf Fund	Arena Fund	Internal Service Fund
<u>Cash Flows From Operating Activities:</u>						
Receipts from customers and users	\$ 4,494,184	\$ 4,537,868	\$ 1,539,105	\$ 787,315	\$ 372,155	\$ -
Payments to vendors and employees	<u>(2,267,678)</u>	<u>(2,289,747)</u>	<u>(2,868,642)</u>	<u>(645,207)</u>	<u>(315,488)</u>	<u>-</u>
Net Cash Provided By (Used For) Operating Activities	2,226,506	2,248,121	(1,329,537)	142,108	56,667	-
<u>Cash Flows From Noncapital Financing Activities:</u>						
Operating transfers in	-	-	1,419,520	-	34,400	-
Operating transfers out	(352,000)	(405,600)	-	(62,800)	(29,800)	-
Other non operating income	<u>182,160</u>	<u>491,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash (Used For) Noncapital Financing Activities	(169,840)	85,899	1,419,520	(62,800)	4,600	-
<u>Cash Flows From Capital and Related Financing Activities:</u>						
Proceeds from issuance of bonds and notes	-	1,871,574	-	-	-	-
Acquisition and construction of capital assets	(997,508)	(2,547,683)	-	(66,650)	-	-
Principal payments on bonds and notes	(1,354,403)	(1,470,742)	-	(30,000)	(29,000)	-
Interest expense	<u>(561,821)</u>	<u>(445,466)</u>	<u>-</u>	<u>(16,118)</u>	<u>(16,349)</u>	<u>-</u>
Net Cash (Used For) Capital and Related Financing Activities	(2,913,732)	(2,592,317)	-	(112,768)	(45,349)	-
<u>Cash Flows From Investing Activities:</u>						
Investment income	<u>83,885</u>	<u>70,250</u>	<u>-</u>	<u>5,249</u>	<u>1,496</u>	<u>-</u>
Net Cash (Used For) Investing Activities	<u>83,885</u>	<u>70,250</u>	<u>-</u>	<u>5,249</u>	<u>1,496</u>	<u>-</u>
Net Change in Cash and Short-Term Investments	(773,181)	(188,047)	89,983	(28,211)	17,414	-
Cash and Short Term Investments, Beginning of Year	<u>4,529,265</u>	<u>3,507,320</u>	<u>660,849</u>	<u>402,374</u>	<u>97,652</u>	<u>103,311</u>
Cash and Short Term Investments, End of Year	<u>\$ 3,756,084</u>	<u>\$ 3,319,273</u>	<u>\$ 750,832</u>	<u>\$ 374,163</u>	<u>\$ 115,066</u>	<u>\$ 103,311</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>						
Operating income (loss)	\$ 1,357,635	\$ 455,795	\$ (1,354,504)	\$ 48,505	\$ (1,529)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	881,666	1,346,367	-	85,654	60,753	-
Changes in assets and liabilities:						
User fees	40,162	(13,317)	(13,540)	-	(8,775)	-
Inventory	10,449	-	-	-	-	-
Other assets	750	2,030,728	-	(349)	-	-
Warrants and accounts payable	(8,851)	(1,728,613)	33,398	17,263	121	-
Compensated absences	4,147	5,596	2,901	798	357	-
Other liabilities	<u>(59,452)</u>	<u>151,565</u>	<u>2,208</u>	<u>(9,763)</u>	<u>5,740</u>	<u>-</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 2,226,506</u>	<u>\$ 2,248,121</u>	<u>\$ (1,329,537)</u>	<u>\$ 142,108</u>	<u>\$ 56,667</u>	<u>\$ -</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2003

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash and short term investments	\$ 3,507,194
Other assets	<u>10,273</u>
Total Assets	3,517,467
 <u>LIABILITIES AND NET ASSETS</u>	
Due to other governments	2,538,919
Other liabilities	<u>978,548</u>
Total Liabilities	<u>3,517,467</u>
 <u>NET ASSETS</u>	
Total net assets held in trust for other purposes	\$ <u><u>-</u></u>

See notes to financial statements.

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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 2003, it was determined that no entities met the required 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. 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 fund:

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise 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 nonoperating 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
- Sewer Fund
- Solid Waste Fund
- Golf Fund
- Arena Fund

The Equipment Reserve Fund is reported as an internal service fund in the accompanying financial statements.

D. Cash and Cash Equivalents

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

The City Treasurer is authorized by State statutes to invest excess funds "in obligations of the U.S. Government, in savings bank deposits of banks incorporated under laws of the State of New Hampshire, or in certificates of deposits of banks incorporated under laws of the State of New Hampshire or in national banks located within the State or the State of Massachusetts".

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue funds and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and cash equivalents". The interest earnings attributable to each fund type is included under earnings on investments.

For the purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be cash equivalents.

E. Investments

Investments are stated at fair value in accordance with Governmental Accounting Standards Board Statement 31.

Under New Hampshire law, the trustees of trust funds may invest: "Only by deposit in a savings bank or in the savings department of a national bank or trust company in this state, or in shares of any building and loan association or cooperative bank, incorporated and doing business under the laws of this state, or in the shares of any federal savings and loan association, located and doing business in this state, or in bonds, notes, or other obligations of the United States government, or in state, county, town, city, school district, water and sewer district bonds and the notes of towns or cities in this state; and such stocks and bonds as are legal for investment by New Hampshire savings banks and when so invested, the trustees shall not be liable for the loss thereof; and in any common trust fund established by the New Hampshire Charitable Fund in accordance with RSA 292.23".

F. 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.

G. 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.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for enterprise funds only) 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
Water/sewer infrastructure	50 - 75
Vehicles	5
Office equipment	5
Computer equipment	5

I. 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, proprietary and fiduciary 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.

J. 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.

K. 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.

L. 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 proprietary 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 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 approval 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 and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 35,295,980	\$ 32,964,411
Other financing sources/uses (GAAP basis)	<u>1,553,364</u>	<u>4,242,900</u>
Subtotal (GAAP Basis)	36,849,344	37,207,311
Adjust tax revenue to accrual basis	(26,520)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(835,182)
Add end of year appropriation carryforwards to expenditures	-	544,376
Recognize use of fund balance as funding source	<u>2,611,793</u>	<u>-</u>
Budgetary basis	\$ <u>39,434,617</u>	\$ <u>36,916,505</u>

<u>Non-Major Governmental Funds</u>	<u>Revenues and other financing sources</u>	<u>Expenditures and other financing uses</u>
Revenue/Expenditures (GAAP basis)	\$ 7,282,136	\$ 10,501,348
Other financing sources/uses (GAAP basis)	<u>9,677,800</u>	<u>7,591,984</u>
Subtotal (GAAP Basis)	16,959,936	18,093,332

(continued)

(continued)

	<u>Revenues and other financing sources</u>	<u>Expenditures and other financing uses</u>
Reverse beginning of year appropriation carryforwards	-	(102,990)
Add end of year appropriation carryforwards	-	64,698
To remove non-budgeted funds	(15,717,506)	(16,998,389)
Budgetary basis	\$ <u>1,242,430</u>	\$ <u>1,056,651</u>

In addition, adjustments were made to the proprietary 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:

General Fund:

Operating transfers out	\$(290,782)
Personnel	\$(2,377)
Civil defense	\$(525)

Auto permit revenues in excess of estimated receipts funded these additional transfers. Revenues in excess of estimated receipts funded the departmental overexpenditures.

3. Cash and Cash Equivalents

At year end, the City's carrying amount of deposits was \$ 42,228,204 and the bank balance was \$ 42,300,385. Of the bank balance, \$ 37,300,385 was covered by federal depository insurance or by collateral held by the government's agent in the City's name, \$ 5,000,000 was collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

4. Investments

The City's investments are categorized into the following three categories of credit risk:

- (1) Insured or registered, or securities held by the City or its agent in the City's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- (3) Uninsured and unregistered, with securities held by the counterparty in the City's name, or held by the counterparty's trust department or agent but not in the City's name.

At year end, the government's investment balances were as follows:

	Category			Fair Value
	1	2	3	
U.S. Government securities	\$ -	\$ 1,032,463	\$ -	\$ 1,032,463
Corporate equity	-	3,339,329	-	3,339,329
Corporate bonds	-	1,208,454	-	1,208,454
Subtotal	\$ -	\$ 5,580,246	\$ -	5,580,246
Investments not subject to categorization:				
State investment pool				4,646,194 *
Mutual funds				12,400,211
Total Investments				\$ 22,626,651

**Fair value is the same as the value of the pool share. The Public Deposit Investment Pool was created under RSA 383:24 beginning on January 1, 1992. The Public Deposit Investment Pool is operated under contract with a private investment advisor, approved by the State Bank Commissioner and advisory committee. The commissioner and advisory committee shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under RSA 383.23.*

5. Taxes Receivable

The City bills property taxes on a quarterly basis and are due in July, October, December 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 budgets an amount (overlay for abatements) for resident and property tax abatements and refunds. All abatements and refunds are charged to overlay.

Taxes receivable at June 30, 2003 are comprised of (in thousands):

Property taxes:		
Levy of 2003	\$ 19,649	
Levy of 2002	796	
Levy of 2001	314	
Unredeemed taxes:		
Levy of 2000	26	
Prior years	<u>10</u>	
Subtotal		20,795
Other taxes:		
Timber yield taxes	4	
Land use change taxes	146	
Excavation	2	
Elderly tax liens	<u>136</u>	
Subtotal		<u>288</u>
Gross Tax Receivable		21,083
Allowance for Uncollectible Taxes		(<u>302</u>)
Net Total Taxes Receivable		\$ <u>20,781</u>

6. Allowance for Doubtful Accounts

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

Property taxes	\$ <u>99</u>
Total	\$ <u>99</u>

7. Loans Receivable

Loans receivable of \$ 649,265 in nonmajor governmental funds represent the uncollected balance of community development loans.

8. Intergovernmental Receivable

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Fund bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

Fiscal Year Ended <u>June 30</u>	Reimbursement For		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 342,643	\$ 67,487	\$ 410,130
2005	259,320	48,838	308,158
2006	58,331	30,077	88,408
2007	60,299	27,499	87,798
2008	61,283	24,804	86,087
2009 - 2019	<u>455,675</u>	<u>90,194</u>	<u>545,869</u>
Total	\$ <u>1,237,551</u>	\$ <u>288,899</u>	\$ <u>1,526,450</u>

9. Interfund Fund Receivables/Payables

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, 2003 balances in interfund receivable and payable accounts.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 459,133	\$ -
Special Revenue Funds:		
Community development	-	177,396
Nelson - Capital Reserve	-	5,151
Fire Apparatus Replacement - Capital Reserve	-	427
Permanent Funds:		
Cemetery (Non-Expendable)	-	156,159
Library (Non-Expendable)	<u>-</u>	<u>120,000</u>
Total	\$ <u>459,133</u>	\$ <u>459,133</u>

10. Capital Assets

Capital asset activity for the year ended June 30, 2003 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 2,730	\$ 327	\$ -	\$ 3,057
Buildings and improvements	15,411	162	-	15,573
Machinery, equipment, and furnishings	3,060	340	-	3,400
Infrastructure	23,832	-	-	23,832
Licensed vehicles	<u>4,326</u>	<u>1,512</u>	<u>-</u>	<u>5,838</u>
Total capital assets, being depreciated	49,359	2,341	-	51,700
Less accumulated depreciation for:				
Land improvements	(2,486)	(54)	-	(2,540)
Buildings and improvements	(5,451)	(296)	-	(5,747)
Machinery, equipment, and furnishings	(1,522)	(233)	-	(1,755)
Infrastructure	(3,785)	(475)	-	(4,260)
Licensed vehicles	<u>(3,049)</u>	<u>(466)</u>	<u>-</u>	<u>(3,515)</u>
Total accumulated depreciation	<u>(16,293)</u>	<u>(1,524)</u>	<u>-</u>	<u>(17,817)</u>
Total capital assets, being depreciated, net	33,066	817	-	33,883
Capital assets, not being depreciated:				
Land	7,428	-	-	7,428
Construction in progress	<u>1,996</u>	<u>5,793</u>	<u>-</u>	<u>7,789</u>
Total capital assets, not being depreciated	<u>9,424</u>	<u>5,793</u>	<u>-</u>	<u>15,217</u>
Governmental activities capital assets, net	<u>\$ 42,490</u>	<u>\$ 6,610</u>	<u>\$ -</u>	<u>\$ 49,100</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 44,560	\$ 416	\$(1,037)	\$ 43,939
Machinery, equipment, and furnishings	5,279	282	(34)	5,527
Infrastructure	<u>75,251</u>	<u>912</u>	<u>(102)</u>	<u>77,061</u>
Total capital assets, being depreciated	126,090	1,610	(1,173)	126,527
Less accumulated depreciation for:				
Buildings and improvements	(6,542)	(847)	(1,037)	(6,352)
Machinery, equipment, and furnishings	(2,269)	(457)	(34)	(2,692)
Infrastructure	<u>(27,047)</u>	<u>(1,070)</u>	<u>(102)</u>	<u>(28,015)</u>
Total accumulated depreciation	<u>(35,858)</u>	<u>(2,374)</u>	<u>(1,173)</u>	<u>(37,059)</u>
Total capital assets, being depreciated, net	90,232	(764)	-	89,468
Capital assets, not being depreciated:				
Land	1,064	-	-	1,064
Construction in progress	<u>2,608</u>	<u>2,002</u>	<u>-</u>	<u>4,610</u>
Total capital assets, not being depreciated	<u>3,672</u>	<u>2,002</u>	<u>-</u>	<u>5,674</u>
Business-type activities capital assets, net	<u>\$ 93,904</u>	<u>\$ 1,238</u>	<u>\$ -</u>	<u>\$ 95,142</u>

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

Governmental Activities:	
General government	\$ 48
Public safety	348
General services	1,115
Community development	<u>13</u>
Total depreciation expense - governmental activities	\$ <u>1,524</u>
Business-Type Activities:	
Water	\$ 882
Sewer	1,346
Golf	86
Arena	<u>60</u>
Total depreciation expense - business-type activities	\$ <u>2,374</u>

11. Accounts Payable

Accounts payable represent 2003 expenditures paid by July 15, 2003 as permitted by law.

12. 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, 2003 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, 2003, the City had billed the first two quarterly installments of the fiscal year 2004 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 Governmental Wide State of Net Assets and the Governmental Funds Balance Sheet.

13. Notes Payable

The City had the following notes outstanding at June 30, 2003:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at June 30, 2003</u>
State Revolving Loan	1.0%	10/01/01	03/01/04	\$ <u>4,218,096</u>
Total				\$ <u>4,218,096</u>

The following is a summary of notes payable activity in fiscal year 2003:

<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
\$ <u>2,346,522</u>	\$ <u>1,871,574</u>	\$ (____ -)	\$ <u>4,218,096</u>

14. 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>Serial Maturities Through</u>	<u>Interest Rate (s)%</u>	<u>Amount Outstanding as of June 30, 2003</u>
<u>General Obligation Bonds Payable:</u>			
Public improvements	07/15/06	7.5	\$ 256,000
Public improvements	01/15/10	2.7 - 5.0	4,232,550
Public improvements	01/15/10	4.20 - 7.00	4,184,200
Public improvements	10/15/14	3.65 - 4.50	465,800
Public improvements	04/15/14	5.45 - 7.75	2,365,000
Public improvements	04/15/15	4.60 - 6.50	3,665,000
Public improvements	10/15/15	4.0 - 4.70	2,424,382
Public improvements	10/15/16	4.0 - 4.70	5,479,000
Public improvements	04/01/10	4.0 - 5.00	<u>865,000</u>
Total Governmental Funds			\$ <u>23,936,932</u>

<u>Enterprise Funds:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate (s)%</u>	<u>Amount Outstanding as of June 30, 2003</u>
<u>Water Fund:</u>			
Water construction & equip.	07/15/06	7.5	101,000
Water	10/15/09	5.45 - 7.75	191,800

(continued)

(continued)

	Serial Maturities Through	Interest Rate (s)%	Amount Outstanding as of June 30, 2003
<u>Enterprise Funds:</u>			
Water/general improvement	01/15/10	2.7 - 5.0	145,950
Water	01/15/16	4.20 - 7.00	2,285,800
Water	07/15/13	3.3 - 6.25	1,069,000
Water	04/15/14	3.65 - 4.50	2,975,000
Water meters	04/01/10	4.60 - 6.50	1,400,000
Water	10/15/16	4.0 - 4.70	1,569,000
Water	10/15/10	4.0 - 4.70	444,171
Water	04/01/17	4.0 - 5.00	<u>1,610,000</u>
Total Water Fund			11,791,721
<u>Sewer Fund:</u>			
Sanitary sewer	07/15/13	2.9 - 5.65	651,000
Sanitary sewer	07/15/04	2.9 - 5.9	575,000
Sanitary sewer	07/15/06	7.5	193,000
Sanitary sewer	10/15/09	5.45 - 7.75	142,400
Sanitary sewer	01/15/10	2.7 - 5.0	71,000
Sanitary sewer	01/15/10	2.7 - 5.0	486,500
Sanitary sewer	07/15/16	3.3 - 6.25	870,000
Sanitary sewer	04/15/14	3.65 - 4.50	2,585,000
Sanitary sewer	04/01/17	4.60 - 6.50	1,605,000
Sanitary sewer	10/15/15	4.0 - 4.70	515,000
Sanitary sewer	10/15/14	4.0 - 4.70	306,616
Sanitary sewer	04/01/13	4.0 - 5.00	<u>150,000</u>
Total Sewer Fund			8,150,516
<u>Golf Fund:</u>			
Clubhouse improvements	10/15/05	4.0 - 4.70	15,000
Clubhouse improvements	04/01/17	4.0 - 5.00	<u>340,000</u>
Total Golf Fund			355,000
<u>Arena Fund:</u>			
Facility expansion	10/15/15	4.0 - 4.70	<u>372,000</u>
Total Enterprise Fund Bonds Payable			<u>\$ 20,669,237</u>

B. Future Debt Service

The annual principal payments to retire all general obligation long-term debt outstanding as of June 30, 2003 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 2,807,263	\$ 1,088,806	\$ 3,896,069
2005	2,762,463	962,025	3,724,488
2006	2,716,550	837,175	3,553,725
2007	2,638,739	715,254	3,353,993
2008	2,380,122	596,959	2,977,081
2009-2013	7,900,594	1,645,438	9,546,032
2014-2017	<u>2,731,201</u>	<u>204,571</u>	<u>2,935,772</u>
Total	\$ <u>23,936,932</u>	\$ <u>6,050,228</u>	\$ <u>29,987,160</u>

<u>Proprietary</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 2,239,870	\$ 925,769	\$ 3,165,639
2005	2,226,817	822,629	3,049,446
2006	1,873,395	729,361	2,602,756
2007	1,881,680	646,403	2,528,083
2008	1,814,428	564,766	2,379,194
2009-2013	7,847,249	1,678,749	9,525,998
2014-2017	<u>2,785,798</u>	<u>235,295</u>	<u>3,021,093</u>
Total	\$ <u>20,669,237</u>	\$ <u>5,602,972</u>	\$ <u>26,272,209</u>

The following governmental funds have been designated as the sources to repay the business-type general obligation long-term debt outstanding as of June 30, 2003.

General fund	\$ 23,931,932
Special revenue fund	<u>5,000</u>
	\$ <u>23,936,932</u> *

* = The Airport Special Revenue Fund bonds are reported as paid from the General Fund since the most Airport Expenditures are subsidized by a transfer from the general fund.

C. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2003 are as follows:

<u>Purpose</u>	<u>Amount</u>
Langley park	\$ 225,000
Water electrical generator	50,000
Sludge stabilization	4,600,000
Police building improvements	55,000
Equipment replacement	162,500
UST program	114,500

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<u>Purpose</u>	<u>Amount</u>
Regional drive	1,000,000
Roof replacement - Hall Street	200,000
Water mains	950,000
Water scada	75,000
Water mains	250,000
Sewer lines	320,000
Chlorine facility	<u>150,000</u>
Total	<u>\$ 8,152,000</u>

D. Overlapping Debt

The City's proportionate share of debt of other governmental units which provide services within the City's boundaries, and which must be borne by the resources of the City, is summarized below (unaudited amounts):

<u>Related Entity</u>	<u>Total Principal</u>	<u>City's Percent</u>	<u>City's Share</u>
Merrimack County (12/31/02)	\$ 2,050,000	26.3%	\$ 540,175
Concord School District (6/30/03)	24,003,831	100%	24,003,831
Merrimack Valley School District (6/30/03)	7,380,000	25.9%	1,911,420

This liability is appropriately not reported in the accompanying financial statements.

E. Prior Year's Debt Defeasance

Current 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, 2003, the amount of defeased debt outstanding but removed from the General Long-Term Debt Account Group and Enterprise was \$ 2,250,100 and \$ 799,900, respectively.

F. Changes in General Long-Term Liabilities

During the year ended June 30, 2003, the following changes occurred long-term liabilities (in thousands):

	Total Balance <u>7/1/02</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/03</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/03</u>
<u>Governmental Activities</u>						
General obligation debt	\$ 26,782	\$ -	\$(2,845)	\$ 23,937	\$(2,807)	\$ 21,130
Other:						
Accrued employee benefits	1,434	122	-	1,556	(1,380)	176
Landfill closure	<u>690</u>	<u>-</u>	<u>(30)</u>	<u>660</u>	<u>(30)</u>	<u>630</u>
Totals	\$ <u>28,906</u>	\$ <u>122</u>	\$ <u>(2,875)</u>	\$ <u>26,153</u>	\$ <u>(4,207)</u>	\$ <u>21,936</u>
	Total Balance <u>7/1/02</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/03</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/03</u>
<u>Business-Type Activities</u>						
General obligation debt	\$ 23,553	\$ -	\$(2,884)	\$ 20,669	\$(2,240)	\$ 18,429
Other:						
Accrued employee benefits	<u>131</u>	<u>14</u>	<u>-</u>	<u>145</u>	<u>(145)</u>	<u>-</u>
Totals	\$ <u>23,684</u>	\$ <u>14</u>	\$ <u>(2,884)</u>	\$ <u>20,814</u>	\$ <u>(2,385)</u>	\$ <u>18,429</u>

15. 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 \$ 660,000 as the estimate of the remaining postclosure care liability at June 30, 2003 in the Governmental Activities Statement of Net Assets. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

16. 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.

Permanent fund restricted net assets represent the nonexpendable portion of the original restricted principal contribution.

17. Reserves 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 at June 30, 2003:

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.

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

18. Subsequent Events

Debt

Subsequent to June 30, 2003, the City has incurred the following additional debt:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
General obligation refunding bonds	\$ 4,800,000	3%	12/02/03	01/15/10
General obligation bonds	9,265,000	2.5 - 4.0%	01/07/04	01/15/19

19. 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.

20. Post-Retirement 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, 2003 there were 377 retirees, including eligible spouses, receiving health care benefits. The City recognizes the cost of providing these benefits as paid. These costs totaled \$ 198,991 fiscal year ended June 30, 2003.

21. 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 at 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, and range from 2.18% to 5.70% of covered compensation. The City’s contributions to the system for the years ended June 30, 2003, 2002 and 2001 were \$ 1,025,326, \$ 943,099 and \$ 850,375, respectively, which were equal to its annual required contributions for each of these years.

22. 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.

23. Tax Increment District

The following represent 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	\$ 1,860,124	
Investment interest	<u>16,572</u>	1,876,696

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<u>Expenditures:</u>		
Principal	885,000	
Interest on debt	633,347	
Outside services	<u>42,800</u>	<u>1,561,147</u>
Excess (Deficiency) of revenue		<u>315,549</u>
Fund Equity Reserved for Debt Service		\$ <u>315,549</u>
Long-Term Debt Payable:		
Principal	\$ 4,295,000	
Interest	<u>1,353,323</u>	<u>5,648,323</u>
Deficit to be Raised by Tax Increment District		\$ <u>(5,332,774)</u>
Assessment Information:		
Base Value	\$ <u>2,791,300</u>	
Captured Value*	\$ <u>27,418,400</u>	

* = As of April 1, 2003

24. Implementation of New GASB Pronouncements

During fiscal year 2003, the following GASB pronouncements were implemented:

- Statement #34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.
- Statement #37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus*.
- Statement #38, *Certain Financial Statement Note Disclosures*.

The pronouncements identified above are all related to the new financial reporting requirements as defined in Statement #34. Fiscal year 2003 is the required implementation date. The most significant changes required by the new financial reporting standards are as follows:

- Management's discussion and analysis.
- Basic financial statements, which include:
 - Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting.

- Fund financial statements, consisting of a series of statements that focus on major governmental and enterprise funds.
- Schedules to reconcile the fund financial statements to the government-wide financial statements.
- Notes to the basic financial statements.

As a result of implementing these pronouncements, the following restatements have been made to the beginning fund balances:

<u>Fund</u>	Fund Balance June 30, 2002 (As previously reported)	<u>Reclassification</u>	Fund Balance June 30, 2002 (As restated)
General Fund	\$ 8,995,315	\$ -	\$ 8,995,315
Special Revenue Fund	3,767,767	(3,767,767)	-
Capital Project Fund	9,841,426	(9,841,426)	-
Trust Fund	18,464,576	(18,464,576)	-
Debt Service Funds	117,861	(117,861)	-
Nonmajor Governmental Funds	<u>-</u>	<u>32,191,630</u>	<u>32,191,630</u>
Total	\$ <u>41,186,945</u>	\$ <u>-</u>	\$ <u>41,186,945</u>

Combining Financial Statements

NONMAJOR 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.
- 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.
- Reappraisal - to account for funds remaining from the 1991 property reappraisal.
- Nelson - to account for monies left to the Concord Public Library for capital improvement or land acquisition.
- 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.

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:

- Bridge Repairs - to account for repairs to the Bridge Street bridge; the London Road bridge over the Merrimack River; and the replacement of the Manchester Street bridge over the Merrimack River and related Route 93 Manchester Street corridor improvements funded by \$ 4,610,000 of bond issue proceeds.
- Airport Business Park Phase 2 and 3 - to account for the construction of improvements to Chenell Drive and Regional Drive extension funded by \$ 925,000 in bond issue proceeds and \$ 1,300,000 in grant funds from the U.S. Economic Development Administration.
- North End Opportunity Corridor - to account for funds used to purchase the Concord Lumber property and construct public improvements to the property for redevelopment.

- 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.
- Sears Block - to account for the demolition of the former Sears building and the construction of a new parking garage.
- Other Capital Project Funds - Post 2002 - to account for various other smaller construction projects funded by various sources after 6/30/02.

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.
- 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.

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CITY OF CONCORD, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2003

	Special Revenue Funds			
	Community Development Fund	Housing Revolving Loan Fund	Housing Revolving Loan Fund/Post 1992	Parking Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 442,203	\$ 118,220	\$ 1,008,354
Investments	-	-	-	-
Accounts receivable	198,276	57	(2,078)	24,659
Loans receivable	-	415,652	233,613	-
Interest receivable	-	-	-	-
Other assets	-	-	-	-
	-	-	-	-
Total Assets	<u>\$ 198,276</u>	<u>\$ 857,912</u>	<u>\$ 349,755</u>	<u>\$ 1,033,013</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 20,880	\$ 51	\$ -	\$ 8,432
Retainage payable	-	-	-	-
Deferred revenue	-	415,652	233,613	-
Payments collected in advance	-	-	-	12,634
Due to other funds	177,396	-	-	-
	177,396	-	-	-
Total Liabilities	198,276	415,703	233,613	21,066
Fund Equity:				
Reserved for encumbrances	-	-	-	64,698
Reserved for endowments	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	-	442,209	116,142	947,249
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
	-	-	-	-
Total Fund Equity	<u>-</u>	<u>442,209</u>	<u>116,142</u>	<u>1,011,947</u>
Total Liabilities and Fund Equity	<u>\$ 198,276</u>	<u>\$ 857,912</u>	<u>\$ 349,755</u>	<u>\$ 1,033,013</u>

Special Revenue Funds

<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>	<u>Insured Retention Fund</u>	<u>Durgin Garage Fund</u>	<u>Landfill Fund</u>
\$ 148,471	\$ 1,408,200	\$ 118,315	\$ 646,487	\$ -	\$ -
-	-	-	1,016,728	292,093	178,428
1,745	-	965,858	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 160,954</u>	<u>\$ 1,408,200</u>	<u>\$ 1,084,173</u>	<u>\$ 1,663,215</u>	<u>\$ 292,093</u>	<u>\$ 178,428</u>
\$ 15,034	\$ -	\$ 370,467	\$ -	\$ -	\$ -
-	-	107,450	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,034</u>	<u>-</u>	<u>477,917</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
145,920	1,408,200	606,256	1,663,215	292,093	178,428
-	-	-	-	-	-
-	-	-	-	-	-
<u>145,920</u>	<u>1,408,200</u>	<u>606,256</u>	<u>1,663,215</u>	<u>292,093</u>	<u>178,428</u>
<u>\$ 160,954</u>	<u>\$ 1,408,200</u>	<u>\$ 1,084,173</u>	<u>\$ 1,663,215</u>	<u>\$ 292,093</u>	<u>\$ 178,428</u>

(continued)

(continued)

Special Revenue Funds

	Reappraisal Fund	Nelson Fund	Conservation Fund	Cemetery Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ -	\$ 250,877	\$ -
Investments	1,327	1,150,616	442,121	66,134
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Interest receivable	-	1,082	855	251
Other assets	-	-	-	-
Total Assets	<u>\$ 1,327</u>	<u>\$ 1,151,698</u>	<u>\$ 693,853</u>	<u>\$ 66,385</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
Deferred revenue	-	-	-	-
Payments collected in advance	-	-	-	-
Due to other funds	-	5,151	-	-
Total Liabilities	-	5,151	-	-
Fund Equity:				
Reserved for encumbrances	-	-	-	-
Reserved for endowments	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	1,327	1,146,547	693,853	66,385
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
Total Fund Equity	<u>1,327</u>	<u>1,146,547</u>	<u>693,853</u>	<u>66,385</u>
Total Liabilities and Fund Equity	<u>\$ 1,327</u>	<u>\$ 1,151,698</u>	<u>\$ 693,853</u>	<u>\$ 66,385</u>

(continued)

	Special Revenue Funds			
	Mountain Green Fund	Fire Apparatus Replacement Fund	Downtown Economic Development Fund	Subtotal
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,156,127
Investments	209,387	42,971	173,434	11,024,308
Accounts receivable	-	-	-	1,188,517
Loans receivable	-	-	-	649,265
Interest receivable	-	-	-	4,083
Other assets	-	-	-	10,738
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,738</u>
Total Assets	\$ <u>209,387</u>	\$ <u>42,971</u>	\$ <u>173,434</u>	\$ <u>17,033,038</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 414,864
Retainage payable	-	-	-	107,450
Deferred revenue	-	-	-	649,265
Payments collected in advance	-	-	-	12,634
Due to other funds	-	427	-	182,974
	<u>-</u>	<u>427</u>	<u>-</u>	<u>182,974</u>
Total Liabilities	-	427	-	1,367,187
Fund Equity:				
Reserved for encumbrances	-	-	-	64,698
Reserved for endowments	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	209,387	42,544	173,434	15,601,153
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
	<u>209,387</u>	<u>42,544</u>	<u>173,434</u>	<u>15,665,851</u>
Total Fund Equity	<u>209,387</u>	<u>42,544</u>	<u>173,434</u>	<u>15,665,851</u>
Total Liabilities and Fund Equity	\$ <u>209,387</u>	\$ <u>42,971</u>	\$ <u>173,434</u>	\$ <u>17,033,038</u>

Capital Project Funds

Bridge Repairs Fund	Airport Business Park Phase 2 & 3	North End Opportunity Corridor Fund	Other Capital Project Funds Pre 2003	Sears Block Fund	Other Capital Project Funds Post 2002	Subtotal
\$ 87,650	\$ -	\$ 132,590	\$ 5,252,354	\$ 76,187	\$ 3,759,652	\$ 9,308,433
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 87,650</u>	<u>\$ -</u>	<u>\$ 132,590</u>	<u>\$ 5,252,354</u>	<u>\$ 76,187</u>	<u>\$ 3,759,652</u>	<u>\$ 9,308,433</u>
\$ -	\$ -	\$ -	\$ 238,013	\$ 1,094	\$ 399,411	\$ 638,518
-	-	59,818	162,538	-	87,367	309,723
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	59,818	400,551	1,094	486,778	948,241
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
87,650	-	72,772	4,851,803	75,093	3,272,874	8,360,192
-	-	-	-	-	-	-
<u>87,650</u>	<u>-</u>	<u>72,772</u>	<u>4,851,803</u>	<u>75,093</u>	<u>3,272,874</u>	<u>8,360,192</u>
<u>\$ 87,650</u>	<u>\$ -</u>	<u>\$ 132,590</u>	<u>\$ 5,252,354</u>	<u>\$ 76,187</u>	<u>\$ 3,759,652</u>	<u>\$ 9,308,433</u>

(continued)

(continued)

Permanent Funds

	<u>Cemetery Fund</u>	<u>Library Fund</u>	<u>Other Fund</u>	<u>Subtotal</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	5,477,512	1,411,535	67,102	6,956,149
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Interest receivable	32,087	4,135	430	36,652
Other assets	-	-	-	-
Total Assets	<u>\$ 5,509,599</u>	<u>\$ 1,415,670</u>	<u>\$ 67,532</u>	<u>\$ 6,992,801</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
Deferred revenue	-	-	-	-
Payments collected in advance	-	-	-	-
Due to other funds	<u>156,159</u>	<u>120,000</u>	<u>-</u>	<u>276,159</u>
Total Liabilities	156,159	120,000	-	276,159
Fund Equity:				
Reserved for encumbrances	-	-	-	-
Reserved for endowments	5,353,440	1,295,670	67,532	6,716,642
Unreserved:				
Undesignated				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
Total Fund Equity	<u>5,353,440</u>	<u>1,295,670</u>	<u>67,532</u>	<u>6,716,642</u>
Total Liabilities and Fund Equity	<u>\$ 5,509,599</u>	<u>\$ 1,415,670</u>	<u>\$ 67,532</u>	<u>\$ 6,992,801</u>

<u>Debt Service Fund</u>		
<u>NEOC Fund</u>	<u>Subtotal</u>	Total Nonmajor Governmental Funds
\$ 315,549	\$ 315,549	\$ 13,780,109
-	-	17,980,457
-	-	1,188,517
-	-	649,265
-	-	40,735
-	-	10,738
<u>\$ 315,549</u>	<u>\$ 315,549</u>	<u>\$ 33,649,821</u>
\$ -	\$ -	\$ 1,053,382
-	-	417,173
-	-	649,265
-	-	12,634
-	-	459,133
<u>-</u>	<u>-</u>	<u>2,591,587</u>
-	-	64,698
-	-	6,716,642
-	-	-
-	-	15,601,153
-	-	8,360,192
<u>315,549</u>	<u>315,549</u>	<u>315,549</u>
<u>315,549</u>	<u>315,549</u>	<u>31,058,234</u>
<u>\$ 315,549</u>	<u>\$ 315,549</u>	<u>\$ 33,649,821</u>

CITY OF CONCORD, NEW HAMPSHIRE

**Combining Statement of Revenues, Expenditures
and Changes in Fund Equity**

Nonmajor Governmental Funds

For Fiscal Year Ended June 30, 2003

	Special Revenue Funds			
	Community Development Fund	Housing Revolving Loan Fund	Housing Revolving Loan Fund/Post 1992	Parking Fund
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	351,845	-	-	-
Charges for services	-	149,891	15,596	389,433
Investment income	-	6,268	1,903	14,243
Contributions	-	-	-	-
Miscellaneous:				
Departmental	-	-	-	187,910
Interest and penalties	-	-	-	377,410
	351,845	156,159	17,499	968,996
Total Revenues				
Expenditures:				
Current:				
General government	24,652	494	-	693,680
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	5,000
Interest	-	-	-	141
Capital outlay	323,341	113,320	-	-
	347,993	113,814	-	698,821
Total Expenditures				
Excess (deficiency) of revenues over expenditures	3,852	42,345	17,499	270,175
Other Financing Sources (Uses):				
Operating transfers in	-	3,852	-	-
Operating transfers out	(3,852)	-	-	(75,600)
	(3,852)	3,852	-	(75,600)
Total Other Financing Sources (Uses)				
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	46,197	17,499	194,575
Fund Equity, beginning	-	396,012	98,643	817,372
Fund Equity, ending	\$ -	\$ 442,209	\$ 116,142	\$ 1,011,947

Special Revenue Funds

Airport Fund	Impact Fee Fund	Miscellaneous Special Revenue Fund	Insured Retention Fund	Durgin Garage Fund	Landfill Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,828	-	1,884,020	-	-	-
269,606	689,468	184,711	-	-	-
-	27,406	-	14,797	4,555	2,333
-	-	141,192	662,900	5,030	2,573
-	-	-	-	-	-
-	-	-	-	-	-
<u>273,434</u>	<u>716,874</u>	<u>2,209,923</u>	<u>677,697</u>	<u>9,585</u>	<u>4,906</u>
158,732	5,000	440,351	-	-	-
-	-	-	16,413	5,030	2,573
70,000	-	-	-	-	-
18,490	-	-	-	-	-
-	-	2,047,336	-	-	-
<u>247,222</u>	<u>5,000</u>	<u>2,487,687</u>	<u>16,413</u>	<u>5,030</u>	<u>2,573</u>
26,212	711,874	(277,764)	661,284	4,555	2,333
-	-	152,366	-	10,500	-
<u>(73,300)</u>	<u>(762,037)</u>	<u>(72,715)</u>	<u>(77,000)</u>	<u>-</u>	<u>-</u>
<u>(73,300)</u>	<u>(762,037)</u>	<u>79,651</u>	<u>(77,000)</u>	<u>10,500</u>	<u>-</u>
<u>(47,088)</u>	<u>(50,163)</u>	<u>(198,113)</u>	<u>584,284</u>	<u>15,055</u>	<u>2,333</u>
<u>193,008</u>	<u>1,458,363</u>	<u>804,369</u>	<u>1,078,931</u>	<u>277,038</u>	<u>176,095</u>
<u>\$ 145,920</u>	<u>\$ 1,408,200</u>	<u>\$ 606,256</u>	<u>\$ 1,663,215</u>	<u>\$ 292,093</u>	<u>\$ 178,428</u>

(continued)

(continued)

	<u>Special Revenue Funds</u>			
	<u>Reappraisal Fund</u>	<u>Nelson Fund</u>	<u>Conservation Fund</u>	<u>Cemetery Fund</u>
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,327	(75,309)	6,521	3,497
Contributions	19	5,151	-	-
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
	<u>1,346</u>	<u>(70,158)</u>	<u>6,521</u>	<u>3,497</u>
Total Revenues	1,346	(70,158)	6,521	3,497
Expenditures:				
Current:				
General government	-	-	-	-
Miscellaneous	19	9,316	1,538	121
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
	<u>19</u>	<u>9,316</u>	<u>1,538</u>	<u>121</u>
Total Expenditures	19	9,316	1,538	121
Excess (deficiency) of revenues over expenditures	1,327	(79,474)	4,983	3,376
Other Financing Sources (Uses):				
Operating transfers in	-	1,312	250,877	-
Operating transfers out	-	(132,109)	(35,000)	-
	<u>-</u>	<u>(130,797)</u>	<u>215,877</u>	<u>-</u>
Total Other Financing Sources (Uses)	-	(130,797)	215,877	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>1,327</u>	<u>(210,271)</u>	<u>220,860</u>	<u>3,376</u>
Fund Equity, beginning	<u>-</u>	<u>1,356,818</u>	<u>472,993</u>	<u>63,009</u>
Fund Equity, ending	<u>\$ 1,327</u>	<u>\$ 1,146,547</u>	<u>\$ 693,853</u>	<u>\$ 66,385</u>

Special Revenue Funds

Library Fund	Highway Fund	Economic Development Fund	Revaluation Fund	53rd Week Fund	Equipment Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
24,551	67,957	33,140	7,926	3,415	8,344
-	75,641	67,476	-	3,717	9,357
-	-	-	-	-	-
-	-	-	-	-	-
<u>24,551</u>	<u>143,598</u>	<u>100,616</u>	<u>7,926</u>	<u>7,132</u>	<u>17,701</u>
-	-	-	-	-	-
1,031	75,641	36,203	15,000	3,718	9,357
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,031</u>	<u>75,641</u>	<u>36,203</u>	<u>15,000</u>	<u>3,718</u>	<u>9,357</u>
23,520	67,957	64,413	(7,074)	3,414	8,344
-	1,643,000	1,400,158	15,000	74,793	-
<u>(33,819)</u>	<u>(2,270,000)</u>	<u>(866,000)</u>	<u>(35,000)</u>	<u>-</u>	<u>(165,000)</u>
<u>(33,819)</u>	<u>(627,000)</u>	<u>534,158</u>	<u>(20,000)</u>	<u>74,793</u>	<u>(165,000)</u>
<u>(10,299)</u>	<u>(559,043)</u>	<u>598,571</u>	<u>(27,074)</u>	<u>78,207</u>	<u>(156,656)</u>
<u>188,245</u>	<u>4,167,482</u>	<u>1,985,235</u>	<u>482,289</u>	<u>204,435</u>	<u>516,572</u>
<u>\$ 177,946</u>	<u>\$ 3,608,439</u>	<u>\$ 2,583,806</u>	<u>\$ 455,215</u>	<u>\$ 282,642</u>	<u>\$ 359,916</u>

(continued)

(continued)

	Special Revenue Funds			
	Mountain Green Fund	Fire Apparatus Replacement Fund	Downtown Economic Development Fund	Subtotal
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	-
Intergovernmental	-	-	-	2,239,693
Charges for services	-	-	-	1,698,705
Investment income	15,402	12,864	3,716	184,856
Contributions	45,084	15,266	4,153	1,037,559
Miscellaneous:				
Departmental	-	-	-	187,910
Interest and penalties	-	-	-	377,410
Total Revenues	<u>60,486</u>	<u>28,130</u>	<u>7,869</u>	<u>5,726,133</u>
Expenditures:				
Current:				
General government	-	-	-	1,322,909
Miscellaneous	2,766	14,839	4,154	197,719
Debt service:				
Principal	-	-	-	75,000
Interest	-	-	-	18,631
Capital outlay	-	-	-	2,483,997
Total Expenditures	<u>2,766</u>	<u>14,839</u>	<u>4,154</u>	<u>4,098,256</u>
Excess (deficiency) of revenues over expenditures	<u>57,720</u>	<u>13,291</u>	<u>3,715</u>	<u>1,627,877</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	3,551,858
Operating transfers out	-	(790,427)	(60,000)	(5,451,859)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(790,427)</u>	<u>(60,000)</u>	<u>(1,900,001)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>57,720</u>	<u>(777,136)</u>	<u>(56,285)</u>	<u>(272,124)</u>
Fund Equity, beginning	<u>151,667</u>	<u>819,680</u>	<u>229,719</u>	<u>15,937,975</u>
Fund Equity, ending	<u>\$ 209,387</u>	<u>\$ 42,544</u>	<u>\$ 173,434</u>	<u>15,665,851</u>

Capital Project Funds

Bridge Repairs Fund	Airport Business Park Phase 2 & 3	North End Opportunity Corridor Fund	Other Capital Project Funds Pre 2003	Sears Block Fund	Other Capital Project Funds Post 2002	Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	48,593	-	-	48,593
-	-	-	-	-	-	-
-	-	-	48,593	-	-	48,593
-	-	-	-	-	-	-
-	-	-	-	-	-	-
21,590	-	56,891	3,071,568	382,652	2,259,103	5,791,804
21,590	-	56,891	3,071,568	382,652	2,259,103	5,791,804
(21,590)	-	(56,891)	(3,022,975)	(382,652)	(2,259,103)	(5,743,211)
-	-	-	200,965	-	5,924,977	6,125,942
-	(378,080)	-	(1,092,885)	-	(393,000)	(1,863,965)
-	(378,080)	-	(891,920)	-	5,531,977	4,261,977
(21,590)	(378,080)	(56,891)	(3,914,895)	(382,652)	3,272,874	(1,481,234)
109,240	378,080	129,663	8,766,698	457,745	-	9,841,426
<u>\$ 87,650</u>	<u>\$ -</u>	<u>\$ 72,772</u>	<u>\$ 4,851,803</u>	<u>\$ 75,093</u>	<u>\$ 3,272,874</u>	<u>\$ 8,360,192</u>

(continued)

(continued)

	Permanent Funds			
	Cemetery Fund	Library Fund	Other Fund	Subtotal
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	382,132	53,236	6,008	441,376
Contributions	82,184	206,492	-	288,676
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	<u>464,316</u>	<u>259,728</u>	<u>6,008</u>	<u>730,052</u>
Expenditures:				
Current:				
General government	-	-	-	-
Miscellaneous	17,367	13,933	318	31,618
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>17,367</u>	<u>13,933</u>	<u>318</u>	<u>31,618</u>
Excess (deficiency) of revenues over expenditures	446,949	245,795	5,690	698,434
Other Financing Sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(156,160)</u>	<u>(120,000)</u>	<u>-</u>	<u>(276,160)</u>
Total Other Financing Sources (Uses)	<u>(156,160)</u>	<u>(120,000)</u>	<u>-</u>	<u>(276,160)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>290,789</u>	<u>125,795</u>	<u>5,690</u>	<u>422,274</u>
Fund Equity, beginning	<u>5,062,651</u>	<u>1,169,875</u>	<u>61,842</u>	<u>6,294,368</u>
Fund Equity, ending	<u>\$ 5,353,440</u>	<u>\$ 1,295,670</u>	<u>\$ 67,532</u>	<u>\$ 6,716,642</u>

<u>Debt Service Fund</u>		Total Nonmajor Governmental Funds
<u>NEOC Fund</u>	<u>Subtotal</u>	<u>Funds</u>
\$ 775,318	\$ 775,318	\$ 775,318
-	-	2,239,693
-	-	1,698,705
2,040	2,040	628,272
-	-	1,326,235
-	-	236,503
-	-	377,410
<u>777,358</u>	<u>777,358</u>	<u>7,282,136</u>
19,000	19,000	1,341,909
-	-	229,337
345,000	345,000	420,000
215,670	215,670	234,301
-	-	8,275,801
<u>579,670</u>	<u>579,670</u>	<u>10,501,348</u>
197,688	197,688	(3,219,212)
-	-	9,677,800
-	-	(7,591,984)
-	-	2,085,816
<u>197,688</u>	<u>197,688</u>	<u>(1,133,396)</u>
<u>117,861</u>	<u>117,861</u>	<u>32,191,630</u>
<u>\$ 315,549</u>	<u>\$ 315,549</u>	<u>\$ 31,058,234</u>

**Detail and Combining Budget
and Actual Statements**

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, community 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.

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, 2003

	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Taxes</u>			
Property taxes - current	\$ 20,595,950	\$ 20,595,950	\$ -
Timber tax yield	20,000	13,098	(6,902)
Excavation activity tax	-	5,814	5,814
Land use change	217,500	854,105	636,605
Auto permits	4,710,000	5,181,868	471,868
Boat registrations	3,500	2,600	(900)
Payment in lieu of taxes	<u>342,050</u>	<u>395,748</u>	<u>53,698</u>
Total Taxes	25,889,000	27,049,183	1,160,183
<u>Licenses and Permits</u>			
Engineering	1,260	1,105	(155)
City clerk records	23,700	32,252	8,552
Health services	83,400	83,768	368
Police/protection/amusement	2,400	3,310	910
Code enforcement/building permits	530,000	886,489	356,489
Public works	<u>18,000</u>	<u>19,907</u>	<u>1,907</u>
Total Licenses and Permits	658,760	1,026,831	368,071
<u>Intergovernmental</u>			
State sharing	2,229,640	2,336,085	106,445
Railroad tax	3,600	5,703	2,103
Forest loss reimbursement	1,000	1,206	206
Fire service aid	81,380	81,380	-
Emergency mgmt. administration - grant	34,567	34,567	-
State election reimbursement	-	8,830	8,830
Highway block grant	<u>655,860</u>	<u>685,330</u>	<u>29,470</u>
Total Intergovernmental	3,006,047	3,153,101	147,054
<u>Charges For Services</u>			
Finance	41,000	39,472	(1,528)
Legal - prosecutor	39,000	37,833	(1,167)
City clerk	59,600	55,472	(4,128)
Public safety	1,048,000	1,020,962	(27,038)
Code enforcement	15,500	20,575	5,075
General services	166,408	162,637	(3,771)
Planning	364,600	158,692	(205,908)
Human services	43,000	42,038	(962)

(continued)

(continued)

	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
Library	17,500	22,176	4,676
Recreation	277,510	244,855	(32,655)
Cable franchise fee	378,920	413,135	34,215
Auditorium rental	28,250	32,894	4,644
School district lease	78,000	79,145	1,145
Storage rental	2,700	10,936	8,236
Community Center rental	39,640	39,778	138
Memorial field rental	20,080	12,051	(8,029)
Code prosecution	31,000	44,390	13,390
Restitution	8,500	8,260	(240)
Parking fines - non meters	116,000	145,886	29,886
False alarm penalties	28,100	22,303	(5,797)
Overdue book fines	45,000	46,263	1,263
Concessions/sponsors	6,000	9,602	3,602
	<hr/>	<hr/>	<hr/>
Total Charges For Services	2,854,308	2,669,355	(184,953)
<u>Investment Income</u>			
Earnings on investments	966,000	523,286	(442,714)
	<hr/>	<hr/>	<hr/>
Total Investment Income	966,000	523,286	(442,714)
<u>Miscellaneous</u>			
Miscellaneous revenue not anticipated	-	93,940	93,940
Contributions	5,667	5,667	-
Insurance refunds/dividends	70,000	70,781	781
Other share of capital debt	60,670	60,670	-
Sale of city property	10,000	49,468	39,468
Timber sales	-	67,064	67,064
MV transportation surcharge	170,000	171,778	1,778
Interest, costs, and penalties	400,000	328,336	(71,664)
	<hr/>	<hr/>	<hr/>
Total Miscellaneous	716,337	847,704	131,367
<u>Other Financing Sources</u>			
Operating transfers in	1,637,520	1,553,364	(84,156)
Budgetary use of fund balance	2,611,793	2,611,793	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	4,249,313	4,165,157	(84,156)
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	\$ 38,339,765	\$ 39,434,617	\$ 1,094,852

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, 2003

	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>General Government</u>			
City Manager	\$ 330,192	\$ 327,308	\$ 2,884
Legal services	605,870	595,616	10,254
Finance department	1,534,473	1,517,400	17,073
Personnel	239,450	241,827	(2,377)
City Council	30,540	28,434	2,106
City Clerk	204,428	202,739	1,689
Assessor	<u>489,700</u>	<u>486,299</u>	<u>3,401</u>
Total General Government	3,434,653	3,399,623	35,030
<u>Public Safety</u>			
Police	6,184,402	6,148,101	36,301
Fire	7,662,707	7,510,702	152,005
Civil Defense	<u>22,090</u>	<u>22,615</u>	<u>(525)</u>
Total Public Safety	13,869,199	13,681,418	187,781
<u>General Services</u>	<u>6,141,583</u>	<u>6,064,335</u>	<u>77,248</u>
Total General Services	6,141,583	6,064,335	77,248
<u>Community Development</u>			
Engineering	1,534,920	1,510,311	24,609
Conservation commission	48,740	37,885	10,855
Planning	<u>842,009</u>	<u>573,615</u>	<u>268,394</u>
Total Planning and Development	2,425,669	2,121,811	303,858
<u>Leisure and Information Services</u>			
Library	1,526,290	1,477,169	49,121
Recreation and parks	<u>543,440</u>	<u>531,309</u>	<u>12,131</u>
Total Leisure and Information Services	2,069,730	2,008,478	61,252
<u>Human Services</u>			
Welfare	793,797	601,311	192,486
Social services	<u>407,460</u>	<u>407,460</u>	<u>-</u>
Total Human Services	1,201,257	1,008,771	192,486

(continued)

(continued)

	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Employee Benefits</u>			
Employee benefits	<u>577,290</u>	<u>225,815</u>	<u>351,475</u>
Total Employee Benefits	577,290	225,815	351,475
<u>Debt Service</u>			
Principal	2,413,410	2,413,402	8
Interest	<u>1,080,700</u>	<u>990,194</u>	<u>90,506</u>
Total Debt Service	3,494,110	3,403,596	90,514
<u>Miscellaneous</u>	<u>1,198,556</u>	<u>784,158</u>	<u>414,398</u>
Total Miscellaneous	1,198,556	784,158	414,398
<u>Other Financing Uses</u>			
Operating transfers out	<u>3,927,718</u>	<u>4,218,500</u>	<u>(290,782)</u>
Total Other Financing Uses	<u>3,927,718</u>	<u>4,218,500</u>	<u>(290,782)</u>
Total Expenditures and Other Financing Uses	<u>\$ 38,339,765</u>	<u>\$ 36,916,505</u>	<u>\$ 1,423,260</u>

CITY OF CONCORD, NEW HAMPSHIRE

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

Annually Budgeted Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2003

	Parking		
	Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services:			
Street parking - meters	250,000	257,942	7,942
Firehouse block garage - meters	34,500	42,662	8,162
Durgin block garage - meters	75,000	88,829	13,829
Fuel flow fees	-	-	-
Rentals	-	-	-
Total Charges for Services	359,500	389,433	29,933
Investment income	35,000	14,243	(20,757)
Miscellaneous:			
Capital reserve	10,500	10,500	-
Meter parking penalties	300,000	376,927	76,927
Rentals	159,302	162,406	3,104
Court fines	500	483	(17)
Miscellaneous	-	15,004	15,004
Total Miscellaneous	470,302	565,320	95,018
Total Revenues	864,802	968,996	104,194
Expenditures:			
General Government:			
Compensation	325,240	321,979	3,261
Outside services	405,420	90,808	314,612
Fringe benefits	100,640	95,237	5,403
Firehouse block garage	84,681	61,967	22,714
Durgin block garage	25,376	21,639	3,737
Supplies	32,340	19,936	12,404
Utilities	-	-	-
Insurance	8,510	6,517	1,993
Debt service	5,150	5,141	9
Other	103,945	76,877	27,068
Total General Government and Total Expenditures	1,091,302	700,101	391,201
Other Financing Sources (Uses):			
Operating transfer out	(75,600)	(75,600)	-
Budgetary use of fund balance	-	-	-
Total Other Financing Sources (Uses)	(75,600)	(75,600)	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (302,100)	\$ 193,295	\$ 495,395

Airport			Total		
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 1,500	\$ 3,828	\$ 2,328	\$ 1,500	\$ 3,828	\$ 2,328
-	-	-	250,000	257,942	7,942
-	-	-	34,500	42,662	8,162
-	-	-	75,000	88,829	13,829
21,500	19,724	(1,776)	21,500	19,724	(1,776)
<u>240,444</u>	<u>249,685</u>	<u>9,241</u>	<u>240,444</u>	<u>249,685</u>	<u>9,241</u>
261,944	269,409	7,465	621,444	658,842	37,398
-	-	-	35,000	14,243	(20,757)
-	-	-	10,500	10,500	-
-	-	-	300,000	376,927	76,927
-	-	-	159,302	162,406	3,104
-	-	-	500	483	(17)
-	197	197	-	15,201	15,201
<u>-</u>	<u>197</u>	<u>197</u>	<u>470,302</u>	<u>565,517</u>	<u>95,215</u>
263,444	273,434	9,990	1,128,246	1,242,430	114,184
31,500	36,764	(5,264)	356,740	358,743	(2,003)
29,910	31,802	(1,892)	435,330	122,610	312,720
15,250	19,733	(4,483)	115,890	114,970	920
-	-	-	84,681	61,967	22,714
-	-	-	25,376	21,639	3,737
15,700	580	15,120	48,040	20,516	27,524
16,500	20,833	(4,333)	16,500	20,833	(4,333)
11,100	9,448	1,652	19,610	15,965	3,645
89,800	88,490	1,310	94,950	93,631	1,319
<u>-</u>	<u>-</u>	<u>-</u>	<u>103,945</u>	<u>76,877</u>	<u>27,068</u>
209,760	207,650	2,110	1,301,062	907,751	393,311
(52,000)	(52,000)	-	(127,600)	(127,600)	-
<u>(21,300)</u>	<u>(21,300)</u>	<u>-</u>	<u>(21,300)</u>	<u>(21,300)</u>	<u>-</u>
<u>(73,300)</u>	<u>(73,300)</u>	<u>-</u>	<u>(148,900)</u>	<u>(148,900)</u>	<u>-</u>
\$ <u>(19,616)</u>	\$ <u>(7,516)</u>	\$ <u>12,100</u>	\$ <u>(321,716)</u>	\$ <u>185,779</u>	\$ <u>507,495</u>

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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 Enterprise 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.

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 ice arena.

CITY OF CONCORD, NEW HAMPSHIRE

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

Enterprise Funds

For the Fiscal Year Ended June 30, 2003

	<u>Budget</u>	<u>Water Fund Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues:			
Operating revenue	\$ 4,406,760	\$ 4,449,813	\$ 43,053
Miscellaneous	<u>-</u>	<u>4,208</u>	<u>4,208</u>
Total Operating Revenues	4,406,760	4,454,021	47,261
Operating Expenses:			
Administration	802,000	770,906	31,094
Collection	-	-	-
Treatment facility/plant operations	940,990	774,745	166,245
Water supply	242,800	201,485	41,315
Distribution	449,430	417,713	31,717
Pump station	-	-	-
Disposal	-	-	-
Miscellaneous	25,250	40,891	(15,641)
Capital outlay	246,870	136,400	110,470
Debt service	<u>1,354,403</u>	<u>1,354,403</u>	<u>-</u>
Total Operating Expenses	<u>4,061,743</u>	<u>3,696,543</u>	<u>365,200</u>
Operating Income (Loss)	345,017	757,478	412,461
Non-Operating Income (Expenses):			
Interest expense	(587,540)	(561,821)	25,719
Investment income	112,000	83,885	(28,115)
Intergovernmental	-	-	-
Other non-operating income	<u>100,000</u>	<u>182,160</u>	<u>82,160</u>
Total Non-Operating Income (Expenses)	<u>(375,540)</u>	<u>(295,776)</u>	<u>79,764</u>
Net Income (Loss) Before Operating Transfers	(30,523)	461,702	492,225
Operating Transfers In (Out):			
Transfers in	-	-	-
Transfers out	<u>(352,000)</u>	<u>(352,000)</u>	<u>-</u>
Total Operating Transfers In (Out)	<u>(352,000)</u>	<u>(352,000)</u>	<u>-</u>
Net Income (Loss)	\$ <u>(382,523)</u>	\$ <u>109,702</u>	\$ <u>492,225</u>

Sewer Fund			Solid Waste Fund		
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 4,617,330	\$ 4,475,390	\$ (141,940)	\$ 1,628,200	\$ 1,550,437	\$ (77,763)
-	75,795	75,795	-	-	-
4,617,330	4,551,185	(66,145)	1,628,200	1,550,437	(77,763)
805,700	734,010	71,690	-	-	-
285,180	227,745	57,435	899,810	898,745	1,065
1,693,660	1,705,547	(11,887)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
64,890	67,378	(2,488)	-	-	-
50	7,500	(7,450)	2,211,660	1,992,786	218,874
22,500	25,424	(2,924)	-	-	-
506,850	473,233	33,617	-	-	-
1,475,472	1,470,743	4,729	-	-	-
4,854,302	4,711,580	142,722	3,111,470	2,891,531	219,939
(236,972)	(160,395)	76,577	(1,483,270)	(1,341,094)	142,176
(471,313)	(403,285)	68,028	-	-	-
91,000	70,250	(20,750)	-	-	-
566,780	687,623	120,843	-	-	-
22,500	33,378	10,878	-	-	-
208,967	387,966	178,999	-	-	-
(28,005)	227,571	255,576	(1,483,270)	(1,341,094)	142,176
-	-	-	1,419,520	1,419,520	-
(405,600)	(405,600)	-	-	-	-
(405,600)	(405,600)	-	1,419,520	1,419,520	-
\$ (433,605)	\$ (178,029)	\$ 255,576	\$ (63,750)	\$ 78,426	\$ 142,176

(continued)

CITY OF CONCORD, NEW HAMPSHIRE

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

Enterprise Funds

For the Fiscal Year Ended June 30, 2003

(continued)

	<u>Budget</u>	<u>Golf Fund Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues:			
Operating revenue	\$ 823,980	\$ 786,452	\$ (37,528)
Miscellaneous	<u>-</u>	<u>7,892</u>	<u>7,892</u>
Total Operating Revenues	823,980	794,344	(29,636)
Operating Expenses:			
Administration	763,720	718,545	45,175
Collection	-	-	-
Treatment facility/plant operations	-	-	-
Water supply	-	-	-
Distribution	-	-	-
Pump station	-	-	-
Disposal	-	-	-
Storm sewer maintenance	-	-	-
Capital outlay	-	-	-
Debt service	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total Operating Expenses	<u>793,720</u>	<u>748,545</u>	<u>45,175</u>
Operating Income (Loss)	30,260	45,799	15,539
Non-Operating Income (Expenses):			
Interest expense	(16,440)	(16,118)	322
Investment income	6,300	5,249	(1,051)
Intergovernmental	-	-	-
Other non-operating income	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(10,140)</u>	<u>(10,869)</u>	<u>(729)</u>
Net Income (Loss) Before Operating Transfers	20,120	34,930	14,810
Operating Transfers In (Out):			
Transfers in	-	-	-
Transfers out	<u>(62,800)</u>	<u>(62,800)</u>	<u>-</u>
Total Operating Transfers In (Out)	<u>(62,800)</u>	<u>(62,800)</u>	<u>-</u>
Net Income (Loss)	<u>\$ (42,680)</u>	<u>\$ (27,870)</u>	<u>\$ 14,810</u>

	Arena Fund	
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 386,330	\$ 372,795	\$ (13,535)
-	2,136	2,136
386,330	374,931	(11,399)
337,830	315,351	22,479
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
29,000	29,000	-
366,830	344,351	22,479
19,500	30,580	11,080
(17,540)	(16,349)	1,191
3,000	1,496	(1,504)
-	-	-
-	-	-
(14,540)	(14,853)	(313)
4,960	15,727	10,767
24,400	34,400	10,000
(29,800)	(29,800)	-
(5,400)	4,600	10,000
\$ (440)	\$ 20,327	\$ 20,767

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STATISTICAL SECTION

CITY OF CONCORD, NEW HAMPSHIRE
 GOVERNMENT-WIDE EXPENSES BY FUNCTION
 (in thousands)

Fiscal Year	Governmental Activities										Business-Type Activities					Subtotal	Total
	General Government	Public Safety	General Services	Community Development	Leisure and Information Services	Human Services	Employees Benefits	Interest	Miscellaneous	Subtotal	Water Services	Sewer Services	Solid Waste Services	Golf Services	Arena Services		
2003	\$ 4,681	\$ 13,171	\$ 8,686	\$ 2,111	\$ 1,995	\$ 1,010	\$ 224	\$ 1,165	\$ 1,018	\$ 34,061	\$ 3,658	\$ 4,541	\$ 2,905	\$ 762	\$ 393	\$ 12,259	\$ 46,320

Note: Only fiscal year 2003 information is provided because in fiscal year 2003 the City implemented the reporting requirements of GASB 34. In future years, the City intends on reporting additional year comparative information on this table so that after fiscal year 2012 there will be ten years presented.

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENT-WIDE REVENUES
(in thousands)

Fiscal Year	Program Revenues			General Revenues							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Penalties, interest, and other taxes	Grants and Contributions Not Restricted to Specific Programs	Investment income	Miscellaneous revenues	Permanent Fund Contributions		
2003	\$ 17,027	\$ 904	\$ 2,569	\$ 27,299	\$ 706	\$ 4,455	\$ 1,312	\$ 700	\$ 289	\$ 55,261	

Note: Only fiscal year 2003 information is provided because in fiscal year 2003 the City implemented the reporting requirements of GASB 34. In future years, the City intends on reporting additional year comparative information on this table so that after fiscal year 2012 there will be ten years presented.

CITY OF CONCORD, NEW HAMPSHIRE
 General Governmental Expenditures by Function (1)
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year Ended	General Government	Public Safety	General Services	Community Development	Leisure and Information Services	Human Services	Employees Benefits	Debt Service	Capital Outlay	Miscellaneous	Total
December 31, 1994	\$ 3,160	\$ 9,670	\$ 4,522	\$ 1,081	\$ 1,509	\$ 955	\$ 290	\$ 2,502 (2)	\$ 1,159	\$ 323	\$ 25,171
December 31, 1995	3,446	9,720	4,546	1,037	1,543	1,000	162	3,140	1,247	310 (3)	26,151
June 30, 1996	(4) 1,565	5,333	2,530	565	796	546	106	1,359	437	6	13,243
June 30, 1997	3,794	10,327	4,781	1,164	1,582	1,152	240	2,667	1,159	93	26,959
June 30, 1998	3,778	10,505	4,611	1,184	1,602	1,045	288	3,419	1,308	157	27,897
June 30, 1999	3,862	10,991	4,952	1,098	1,705	1,015	273	3,221	1,265	332	28,714
June 30, 2000	4,090	10,874	4,949	1,962	1,780	1,036	289	3,258	1,017	239	29,494
June 30, 2001	3,519	12,115	5,601	2,857	1,923	1,127	299	3,591	1,815	275	33,122
June 30, 2002	3,623	12,708	5,744	3,111	2,001	1,063	188	4,230	752	787 (5)	34,207
June 30, 2003	4,729	13,774	6,260	2,120	1,993	1,007	224	4,034	2,508	796 (5)	37,445

(1) Includes general, debt service funds, and funds considered to be special revenue funds prior to GASB 34.

(2) The City issued general obligation refunding bonds.

(3) Includes miscellaneous and capital leases.

(4) Six month transitional fiscal period.

(5) Includes expenditures previously included in Planning and Development.

CITY OF CONCORD, NEW HAMPSHIRE
 General Governmental Revenues by Source (1)
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year Ended	Taxes	Licenses and Permits	Intergovern- mental	Charges for Services	Investment Income	Miscellaneous	Total
December 31, 1994	\$ 21,385	\$ 471	\$ 2,705	\$ 2,251	\$ 506	\$ 823	\$ 28,141
December 31, 1995	20,394	653	2,896	2,383	880	909	28,115
June 30, 1996 (2)	14,554	294	392	1,308	372	1,948	18,868
June 30, 1997	22,486	513	2,609	2,734	876	853	30,071
June 30, 1998	23,200	574	3,196	2,721	1,146	2,046	32,883
June 30, 1999	22,819	495	3,662	2,897	1,058	941	31,872
June 30, 2000 (3)	23,570	779	3,747	3,536	1,281	949	33,862
June 30, 2001	25,138	740	3,804	3,610	1,733	937	35,962
June 30, 2002	26,425	770	3,562	4,192	1,263	1,338	37,550
June 30, 2003	27,851	1,027	5,393	4,368	574	1,554 (4)	40,767

(1) Includes general, debt service funds, and funds considered to be special revenue funds prior to GASB 34.

(2) Six month transitional fiscal period.

(3) In fiscal year 2000 the State of New Hampshire instituted a statewide property tax for education.

(4) Includes amounts reported as contributions from general fund and funds considered to be special revenue funds prior to GASB 34.

CITY OF CONCORD, NEW HAMPSHIRE
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended	City Current Tax Levy (1)	Total Current Tax Levy (2)	Current Tax Collections	Percent of Current Taxes Collected	Supplemental Tax Levy and Lien Costs Added To Delinquent Tax Levy	Abatements To Delinquent Tax Levy	Total Tax Levy	Delinquents Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes To Total Tax Levy
December 31, 1994	\$ 17,203	\$ 51,841	\$ 47,290	91.2 %	\$ 247	\$ 1,178	\$ 50,910	\$ 5,655	\$ 52,945	104.0 %	\$ 7,760	15.2 %
December 31, 1995	17,113	54,270	49,626	91.4	171	1,011	53,430	3,877	53,503	100.1	7,687	14.4
June 30, 1996	(3) 12,564	13,362	12,383	92.7	225	1,206	12,381	3,203	15,586	125.9	4,482	36.2
June 30, 1997	17,188	56,549	54,583	96.5	16	226	56,299	1,664	56,247	99.9	4,534	8.1
June 30, 1998	17,451	58,336	56,987	97.7	351	336	58,351	3,385	60,372	103.5	2,513	4.3
June 30, 1999	17,603	60,293	59,049	97.9	92	245	60,140	1,350	60,399	100.4	2,254	3.7
June 30, 2000	18,040	51,444	50,602	98.3	98	95	51,447	1,521	52,123	101.3	1,578	3.1
June 30, 2001	19,229	56,374	55,465	98.4	96	136	56,334	996	56,462	100.2	1,450	2.6
June 30, 2002	20,326	60,477	59,737	98.8	64	38	60,503	1,064	60,801	100.5	1,152	1.9
June 30, 2003	21,107	63,416	62,681	98.8	66	127	63,355	680	63,361	100.0	1,146	1.8

(1) Includes taxes levied for the City of Concord, per N.H. Department of Revenue Administration Tax Rate Calculator

(2) Includes taxes levied for the City of Concord, the Concord School District, the Merrimack Valley School District, and Merrimack County. The City of Concord is unique in New Hampshire in that it has the only separate school districts with separate taxing authorities for which tax revenues are collected by the City. School and county revenues are not included in the City's general fund.

(3) Includes six month transitional fiscal period.

CITY OF CONCORD, NEW HAMPSHIRE
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended	Assessed Value	Exemptions	Net Assessed Value	Estimated Actual Value	Ratio of Net Assessed Value To Estimated Actual Value
December 31, 1994	\$ 1,850,944	\$ 21,218	\$ 1,829,726	\$ 1,463,781	125 %
December 31, 1995 (1)	1,497,771	19,983	1,477,788	1,507,947	98
June 30, 1996 (2)	1,497,771	19,983	1,477,788	1,507,947	98
June 30, 1997	1,503,988	19,652	1,484,336	1,469,640	101
June 30, 1998	1,573,072	15,583	1,557,489	1,622,384	96
June 30, 1999	1,589,680	15,539	1,574,141	1,692,625	93
June 30, 2000	1,628,808	15,100	1,613,708	1,854,837	87
June 30, 2001	1,672,985	14,160	1,658,825	2,154,318	77
June 30, 2002 (3)	2,222,083	17,735	2,204,348	2,504,941	88
June 30, 2003	2,389,547	19,169	2,370,378	2,855,877	83

- (1) Across-the-board 20% adjustment
(2) Six month transitional fiscal period
(3) Initiated annual assessment update

CITY OF CONCORD, NEW HAMPSHIRE
Property Tax Rates Per \$ 1,000 Assessed Valuation
All Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended	Concord Tax Rate					Penacook Tax Rate				
	City	Concord School District Local Education	Concord School District State Education	Merrimack County	Total	City	Merrimack Valley Sch Dist Local Education	Merrimack Valley Sch Dist State Education	Merrimack County	Total
December 31, 1994	\$ 9.40	\$ 17.17	\$ -	\$ 1.67	\$ 28.24	\$ 9.40	\$ 14.54	\$ -	\$ 1.67	\$ 25.61
December 31, 1995 (1)	11.58	22.83	-	2.16	36.57	11.58	19.96	-	2.16	33.70
June 30, 1996 (2) (3)	8.60	-	-	0.54	9.14	8.29	-	-	0.54	8.83
June 30, 1997	11.58	24.50	-	2.16	38.24	11.58	21.98	-	2.16	35.72
June 30, 1998	11.20	24.51	-	2.04	37.75	11.20	22.52	-	2.04	35.76
June 30, 1999	11.18	25.00	-	2.31	38.49	11.18	23.89	-	2.31	37.38
June 30, 2000 (4)	11.18	11.61	7.27	2.30	32.36	11.18	9.02	7.54	2.30	30.04
June 30, 2001	11.59	12.75	7.11	2.51	33.96	11.59	13.46	7.22	2.51	34.78
June 30, 2002 (5)	9.22	9.95	5.80	2.37	27.34	9.22	10.55	5.69	2.37	27.83
June 30, 2003	8.90	9.73	5.36	2.41	26.40	8.90	12.40	5.44	2.41	29.15

(1) Across-the-board 25% property valuation reduction to offset tax rate increase.

(2) Six month transitional fiscal period.

(3) Pursuant to Chapter 203 of the laws of 1994, the City was authorized to issue a quarterly property tax bill which funded the six month fiscal year conversion. By law, this bill was equal to one quarter of the 1995 tax bill exclusive of the County. The rate displayed is implied from that law and process appertaining thereto.

(4) RSA 76:3 enacted on November 3, 1999 under Chapter 338, Laws of 1999, established a State Education Property Tax.

(5) Initiated annual assessment update.

CITY OF CONCORD, NEW HAMPSHIRE
Principal Taxpayers
June 30, 2003
(amounts expressed in thousands)

Taxpayer	Type of Business	Assessed Value	Percentage of net Assessed Value (1)
GGP Steeplegate Inc	Mall	\$ 58,318	2.46 %
Hodges Properties Inc	Rentals	32,847	1.39
Concord Electric Company	Utility	29,521	1.25
David Glass-Walmart/Sam's Club	Retail	26,732	1.13
Capital Region Health Care	Health Care	24,706	1.04
SES Concord Company LP	Trash to Energy	23,533	0.99
St Paul's School	Private School	22,073	0.93
Eddy Plaza Associates LLC	Retail	14,361	0.61
EnergyNorth Natural Gas Inc	Utility	14,117	0.60
McKerley Health Care Ctr-Concord	Health Care	<u>11,550</u>	<u>0.49</u>
Total		<u>\$ 257,758</u>	<u>10.89 %</u>

(1) From Table 6

CITY OF CONCORD, NEW HAMPSHIRE
 Computation of Legal Debt Margin
 June 30, 2003
 (amounts expressed in thousands)

Modified local assessed valuation (2)		\$ 2,414,137
Department of Revenue Administration inventory adjustment (2)		<u>468,282</u>
Equalized assessed valuation (2)		2,882,419
Adjustment: RSA 31-A (2)		<u>56,305</u>
Base valuation for debt limits (1) (2)		<u>\$ 2,938,724</u>
Bonded debt limit - 3.00% of base (3)		\$ 88,162
Gross bonded debt June 30, 2003	44,606	
Less: Water bonds (4) (5)	(11,792)	
Sewer bonds (4) (6)	(8,150)	
Tax Increment District (7)	(4,295)	
Landfill closure bonds (8)	<u>(2,392)</u>	17,977
Authorized but unissued	9,516	
Less: Water bonds (4) (5)	(1,325)	
Sewer bonds (4) (6)	<u>(5,270)</u>	<u>2,921</u>
Total debt applicable to limitation		<u>20,898</u>
Legal debt margin		<u>\$ 67,264</u>

- (1) The equalization of all taxable property in the State of New Hampshire is conducted annually by the New Hampshire Department of Revenue Administration under the provisions of RSA 21-J: 3(XIII).
- (2) The 2002 Equalization Survey, New Hampshire Department of Revenue Admin. Per RSA 33:4-l
- (3) Per RSA 33:4-a.
- (4) An enterprise fund.
- (5) Subject to a separate debt limit of 10% of the City's base valuation per RSA 33:5-a.
- (6) Exempt per RSA 33:5-b.
- (7) North End Opportunity Corridor Tax Increment District exempt per RSA 162-k:8.
- (8) Exempt per RSA 33:6-d.

CITY OF CONCORD, NEW HAMPSHIRE
 Ratio of Net General Obligation Bonded Debt
 To Net Assessed Value and Net Bonded Debt Per Capita
 Last Ten Fiscal Years

Fiscal Year Ended	Population*	Net Assessed Value * (3)	Gross Bonded Debt All Funds *	Less Debt Service Fund * (4)	Less Debt Payable From Enterprise Revenues * (5)	Net Bonded Debt *	Ratio of Net Bonded Debt To Net Assessed Value	Net Bonded Debt Per Capita
December 31, 1994	37 (1)	\$ 1,829,726	\$ 32,056 (6)	\$ 1,190	\$ 17,008	\$ 13,858	0.76%	375
December 31, 1995	37 (1)	1,477,788	35,411	1,062	17,330	17,019	1.15%	460
June 30, 1996 (7)	38 (1)	1,477,788	34,071	1,062	16,893	16,116	1.09%	424
June 30, 1997	38 (1)	1,484,336	43,123	773	20,248	22,102	1.49%	582
June 30, 1998	38 (1)	1,557,489	38,396	485	17,830	20,081	1.29%	528
June 30, 1999	38 (2)	1,574,141	44,043	200	22,366	21,477	1.36%	565
June 30, 2000	39 (2)	1,613,708	48,101	2,785	23,911	21,405	1.33%	549
June 30, 2001	41 (8)	1,658,825	52,783	4,990	23,680	24,113	1.45%	588
June 30, 2002	41 (2)	2,204,348	50,335	4,640	22,767	22,928	1.04%	559
June 30, 2003	42 (2)	2,370,378	44,606	4,295	19,942	20,369	0.86%	485

* Amounts expressed in thousands.

(1) N.H. Office of State Planning.

(2) City of Concord, Community Development Department, Planning Division estimates.

(3) From Table 6.

(4) Amount available from the North End Opportunity Corridor Tax Increment District for repayment of General obligation bonds.

(5) These amounts include the general obligation bonds that are being repaid from the water and sewer funds, but not the golf and arena funds.

(6) The City issued general obligations refunding bonds.

(7) Six month transitional fiscal period.

(8) 2000 Census.

CITY OF CONCORD, NEW HAMPSHIRE
 Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt (1)
 to Total General Governmental Expenditures
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year Ended		Principal	Interest (2)	Total Debt Service	Total General Governmental Expenditures (3)	Ratio of Debt Service To General Governmental Expenditures
December 31, 1994	(4)	\$ 1,754	\$ 748	\$ 2,502	\$ 25,171	9.9 %
December 31, 1995		2,177	963	3,140	26,151	12.0
June 30, 1996	(5)	902	457	1,359	13,243	10.3
June 30, 1997		1,493	1,174	2,667	26,959	9.9
June 30, 1998		2,296	1,123	3,419	27,897	12.3
June 30, 1999		2,219	1,002	3,221	28,714	11.2
June 30, 2000		2,245	1,013	3,258	29,494	11.0
June 30, 2001		2,370	1,221	3,591	33,121	10.8
June 30, 2002		2,901	1,329	4,230	34,207	12.4
June 30, 2003		2,833	1,201	4,034	37,445	10.8

(1) General obligation bonds reported in the enterprise funds have been excluded.

(2) Excludes bond issuance and other costs.

(3) Includes general, debt service funds, and funds considered to be special revenue funds prior to GASB 34.

(4) The City issued general obligation refunding bonds.

(5) Six month transitional fiscal period.

CITY OF CONCORD, NEW HAMPSHIRE
 Computation of Direct and Overlapping Bonded Debt
 General Obligation Bonds
 June 30, 2003
 (amounts expressed in thousands)

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable To City of Concord	Amount Applicable To City of Concord
Direct:			
City of Concord	\$ 23,937 (1)	100.00 %	\$ 23,937
Overlapping:			
Merrimack County (12/31/02)	2,050	26.35	540
Concord School District (6/30/03)	24,004	100.00	24,004
Merrimack Valley School District (6/30/03)	<u>7,380</u>	25.90	<u>1,911</u>
Total	<u>\$ 57,371</u>		<u>\$ 50,392</u>

(1) Excluding general obligation bonds reported in the enterprise funds.

CITY OF CONCORD, NEW HAMPSHIRE
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ended	Population	Per Capita Personal Income (Estimate)	Concord School District Total Enrollment (4)	Merrimack Valley School District Average Enrollment (5)	Annual Average Unemployment Rate (6)	Retail Sales (Estimate) (3) *	Number of Retail Establishments (Estimate) (3)
December 31, 1994	37,010 (1)	\$ 23,679 (8)	5,392	640	3.6 %	\$ 727,989	250
December 31, 1995	37,290 (1)	25,151 (8)	5,393	668	2.7	810,121	250
June 30, 1996 (9)	37,850 (1)	23,084 (3)	5,393	668	3.0	808,586	312
June 30, 1997	37,925 (1)	24,734 (10)	5,337	757	2.6	- (7)	- (7)
June 30, 1998	38,180 (1)	25,943 (3)	5,444	639	2.3	877,926	317
June 30, 1999	38,356 (2)	20,401 (3)	5,613	716	2.0	911,493	312
June 30, 2000	39,023 (2)	20,632 (3)	5,584	777	1.8	983,488	403
June 30, 2001	40,687 (11)	21,114 (3)	5,564	721	1.9	609,593	206
June 30, 2002	41,310 (2)	23,745 (3)	5,550	743	2.2	617,518	206
June 30, 2003	42,116 (2)	25,157 (3)	5,360	772	2.7	641,755	206

* Amounts expressed in thousands.

(1) N.H. Office of State Planning.

(2) City of Concord, Community Development Department, Planning Division estimate.

(3) "Editor & Publisher Market Guide", The Editor & Publisher Co.

(4) N.H. Department of Education.

(5) Merrimack Valley School District, Superintendent's Office - Concord residents in M.V.S.D.

(6) N.H. Department of Employment Security.

(7) Not available.

(8) "Survey of Current Business", U.S. Dept. of Commerce/Bureau of Economic Analysis, April 1995 issue for 1989, May 1996 issue for 1990-1995.

(9) Six month transitional fiscal period.

(10) "American Demographics", January 1998 issue.

(11) 2000 Census.

CITY OF CONCORD, NEW HAMPSHIRE
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years

Fiscal Year Ended	Estimated Actual Value (1) *	Building Permits (2)						Total Value of Building Permits Issued *	Bank Deposits (3) *
		Non-Residential Commercial		Residential		Alterations and Other			
		No.	Value *	No.	Value *	No.	Value *		
December 31, 1994	\$ 1,463,781	8	\$ 10,594	71	\$ 7,029	379	\$ 16,253	\$ 33,876	\$ 2,625,587
December 31, 1995	1,507,947	5	4,204	60	6,773	418	45,207	56,184	3,223,870
June 30, 1996	(4) 1,507,947	5	4,611	32	3,526	180	19,588	27,725	3,223,870
June 30, 1997	1,469,640	8	1,762	40	9,473	177	23,154	34,389	1,869,264
June 30, 1998	1,622,384	15	17,343	67	5,783	338	26,716	49,843	1,563,597
June 30, 1999	1,692,625	6	11,093	96	10,029	386	17,301	38,424	1,626,363
June 30, 2000	1,854,837	20	22,902	148	22,021	333	17,750	62,673	1,533,550
June 30, 2001	2,154,318	21	16,419	125	16,149	426	30,843	63,411	2,291,801
June 30, 2002	2,504,941	10	7,459	162	19,859	452	41,176	68,494	210,562
June 30, 2003	2,855,877	10	25,983	170	25,407	489	59,600	110,990	240,402

* Amounts expressed in thousands.

(1) From Table 6.

(2) City of Concord, Code Enforcement Department.

(3) Source: Annual Report of the Bank Commissioner of the State of New Hampshire/Commercial Banks, Fiduciary Trust Companies, Mutual & Guaranty Savings Bank and Credit Unions listed under Concord.

(4) Six month transitional fiscal period.

CITY OF CONCORD, NEW HAMPSHIRE

Miscellaneous Statistics

June 30, 2003

Originally Settled:	1727
Date of Incorporation:	1765
Established as State Capital:	1808
Date First Charter Adopted:	1853
Date of Present Charter Adopted:	1993
Form of Government:	Council/Manager
Elections:	
Number of registered voters	20,734 *
Number of votes cast in last election:	
1998 State General (47%)	11,661
1999 Municipal (26%)	6,800
2000 Federal (1st in the nation) Primary (53%)	13,862
2000 State Primary (30%)	7,593
2000 General (66%)	18,256
2001 Municipal (30%)	5,934
2002 State Primary (40%)	8,114
2002 General (70%)	14,610
* at the 11/5/02 election	
Number of full-time budgeted employees (excluding police and fire)	255
Area in square miles	64
<u>City of Concord facilities and services:</u>	
Miles of streets	
Paved	251
Unpaved	21
Number of Street Lights	2,068
<u>Fire Protection/Emergency Medical Service:</u>	
Headquarters	1
Number of stations	4
Number of rescue/ambulances: Full time (3) Reserve (2)	5
Number of employees:	
Chief	1
Division Commanders	2
Battalion Chiefs	4
EMS and Professional Standards Officer	1
Fire Captains	5
Life Safety Officer and Asst Life Safety Officer	2
Paramedic Lieutenants	4
Fire Lieutenants	12
Fire Alarm/Traffic Supervisor	1
Communications Supervisor	1
Public Safety Educator	1
Paramedics	20
Fire Alarm/Traffic Technician	2
Firefighters/EMTs	40
Dispatchers	5
Administrative Specialists	2.75
Call Firefighters	4

(continued)

Table 15
(continued)

Fire Protection/Emergency Medical Service (Cont.):

Number of calls for service:	
Unit operations	6,554
EMS calls:	4,414
Transports	2,597

Police Protection:

Number of stations	1
Number of sub-stations	5
Number of vehicles:	
Patrol units	16
Unmarked	12
Jeeps - parking	2
Vans	1
Number of employees:	
Sworn personnel - budgeted	79
Sworn personnel - grants	1
Civilian personnel - police	16
Civilian personnel - parking	8
Number of calls for service:	
Part I offenses	1,678
Part II offenses	7,109
Non-criminal	35,269
Number of arrests (per 3,276 offenses)	2,864
Number of parking garages	2
Number of parking lots	2
Number of traffic violations:	
Summonses	7,031
Accidents	2,579
DWI arrests	311

General Aviation (G.A.) Airport:

Number of based planes	68
Number of paved tie-downs	77
Number of landings/takeoffs (est.)	34,675
Number of notices issued to airmen	64

Sewerage System:

Miles of sanitary sewers (approx.)	141
Miles of storm sewers	92
Number of treatment plants	2
Number of service connections - sewer (approx. 70% of all residential and commercial properties)	9,848
Number of service connections - steam condensate	205
Daily average treatment in gallons:	
Concord plant (in service 1981)	4,530,000
Penacook plant (in service 1973)	458,000
Maximum daily capacity gallons:	
Concord plant	10,100,000
Penacook plant	4,200,000
Number of pump stations	8

(continued)

Table 15
(continued)

Water System:

Miles of water mains	183
Number of treatment plants:	1
Surface water treatment facility with design capacity	10,000,000
Ground water treatment facility with design capacity (off line since 4/96)	1,000,000
Number of service connections	11,324
Daily average consumption in gallons	4,639,000
Maximum daily capacity of plant in gallons	10,000,000
Number of pump stations	3
Number of storage tanks	
Water distribution system	5
4.7 mg clearwell at plant	1
Number of Fire Hydrants:	
Public	1,316
Private	415

Culture and Recreation:

Number of libraries	2
Number of auditoriums	1
Number of communities centers	4
Number of squares (with fountains)	2
Number of golf courses:	1
(Beaver Meadow is the oldest municipal course in New Hampshire)	
Number of ice arenas:	1
(Everett Arena is home to Tara Mounsey *, 1998 U.S.A. Women's Olympic Hockey Team Gold Medallist.)	
Boat ramp	1
Skateboard park	1
Number of parks and playlots:	16
White Park:	
Water playground	
Ballfields	
Basketball court (lighted)	
Soccer fields	
Pond - winter ice skating	
Hockey rink	
Winter sledding hill	
"Monkey Around" playground	
Memorial Field:	
Track	
Tennis courts (10 all purpose)	
Ballfields	
Basketball courts	
Soccer and lacrosse fields	
Football field (lighted)	
Merrill Park:	
Pool	
Tennis courts (3 lighted)	
Ballfields	
Basketball court	

* Tara's mom works in the Finance Department.

(continued)

Facilities and services not included in the reporting entity (Cont.):

Refuse to Energy:

Number of incinerators (in service 1989)	1
Number of communities serviced (Co-op)	27
Daily average tons processed	550

News Media:

Newspapers (Daily and Sunday):	
Concord Monitor (Local and Lakes Region)	
Manchester Union Leader (state-wide)	
Number of radio stations located in Concord	3

Transportation:

Number of Bus Lines:	
Local service	1
Interstate service	4

* There are four other elementary schools in this school district which do not serve the Concord/Penacook area.