

# **CITY OF CONCORD NEW HAMPSHIRE**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended  
June 30, 2012**



# CITY OF CONCORD

NEW HAMPSHIRE

## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012



Prepared by:  
The Finance Department

**Brian G. LeBrun**  
Deputy City Manager -- Finance

**Katherine A. Graff**  
Assistant Finance Director



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# **INTRODUCTORY SECTION**





# City of Concord, New Hampshire

## FINANCE DEPARTMENT

311 NORTH STATE STREET, CONCORD, NH 03301

(603) 225-8560

November 28, 2012

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

The Concord Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Concord, New Hampshire for the fiscal year ending June 30, 2012.

This report is published to provide citizens, City Council, investors and other interested parties with detailed information regarding the financial position of the City. City Management is responsible for both the accuracy of the data, and the completeness and fairness of this report, including all disclosures and schedules.

To the best of our knowledge and belief, the following data is accurate in all material respects and is reported in a manner designed to fairly present the City's financial position and the results of operations of the various Funds of the City. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial activities.

### **The Report**

The CAFR is presented in three main sections: Introductory, Financial and Statistical. The Introductory Section includes the transmittal letter and the Government Finance Officers Association of the United States and Canada's Certificate of Achievement for Excellence in Financial Reporting Award.

The Financial Section contains the City's basic financial statements as required under the Governmental Accounting Standards Board's (GASB) Statement No(s). 34, and is in accordance with Generally Accepted Accounting Principles. It also includes the auditor's opinion, the MD&A letter, notes to the financial statements, combining and individual statements, and schedules for the City's Funds.

The MD&A report is designed to be used in conjunction with this transmittal letter and can be found after the independent auditor's report.

The Statistical Section includes financial and demographic information on a ten-year historical basis.

This CAFR does not report on the Funds of the Concord School District, Merrimack Valley School District or the County of Merrimack. These

governmental units are independent of the City and do not meet established reporting entity criteria for inclusion in this report.

## **Profile of the Government**

The City of Concord is located in Merrimack County, approximately 70 miles north of Boston, Massachusetts, on the Merrimack River in South Central New Hampshire. According to the City of Concord Planning Division, the City has an estimated population of 42,841 as of December 31, 2012, a 0.34% increase over the last official census as of April 1, 2010 number of 42,695, and occupies a land area of 64 square miles.

Concord was originally settled in 1727, 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, 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. The four remaining "at-large" councilors are elected to staggered 4-year terms, two every two years. The current mayor is former City Councilor Jim Bouley who was first elected mayor in November 2007 and in November 2011 he was re-elected for his third consecutive term. Tom Aspell, the City Manager, was appointed in April 2006. The City has had four City Managers since 1978. The City Manager, pursuant to the City Charter, has all appointive and dismissal powers for paid employees of the City. Appointive authority for boards and commissions is shared between the Mayor, Council and City Manager.

In addition to serving as the seat of state and county government, Concord hosts several federal agencies, and 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. The City provides and annually appropriates for the following services: water treatment and supply; wastewater collection and treatment; solid waste collection and recycling; highway construction and maintenance, including snow plowing, storm sewer system and related infrastructure maintenance and construction; prosecutorial, police and fire protective services (including advanced life support); airport, parks, golf course and ice arena; library and recreational facilities and programs; human services; planning, economic and community development, and code enforcement services. As previously stated, the schools are independent political and financial entities in Concord.

## **Local Economy**

Compared to other cities in New Hampshire, New England and the Nation, Concord's employment picture depicts comparably low unemployment. As reported by the New Hampshire Department of Employment Security, Concord's unemployment rate as of June 2012 was 4.9%. This compares favorably to New Hampshire's rate of 5.4% and to the United States rate of 8.4%. Concord's rate also remains the lowest among the top three New Hampshire cities with Manchester at 6.0% and Nashua at 6.1%. Concord's unemployment rates have remained lower than the State since 1992 except for the months of March, April, June, 2005.

For the ninth consecutive year, in 2012, Policom Corporation rated the City of Concord one of the top ten strongest Micropolitan Statistical Areas in "Economic Strength" in the country, five years of which being number 1 including 2012. Policom Corporation uses more than one hundred economic measures based on growth rates, consistency trends, industry averages, earnings, jobs and wages; It also factors in the number of welfare and Medicaid recipients to make its rating determination.

The market value of taxable property as of April 1, 2011 decreased overall by 3.87% compared to April 1, 2010. All segments: residential neighborhoods, commercial/industrial, manufactured homes and condominiums declined in market value. The average assessed value of a single family home in Concord as of April 1, 2011 was \$223,600, down from \$239,500 the year before.

Tax collections percentage as of June 30, 2012, for the 2011 Tax Year was 98.4% a slight increase from 98.0%, the previous year. Total tax delinquencies, for all years, were stated at \$2.4 million, \$.6 million less than the previous year. Vigorous collection efforts by the Tax Collector's Office have resulted in no material increases in the number of properties to which the City takes title through tax deeds. Anticipating increased delinquencies the Collector's Office initiated a significant outreach, communication and visitation program to affect this result. The City Council's Number One Fiscal Goal for collections and cash management is directed towards a targeted property tax collection program which is aimed at maintaining high collection rates.

The City continues to work with existing businesses to maintain and increase their workforce, and has several Economic Development Initiatives underway: During FY2012 the City made significant progress on key economic development projects including the Sanel Block Project, redevelopment of the former Allied Leather Tannery, Concord Steam Power Generation Facility, and others.

In September 2009 the City Council entered into a public / private partnership to redevelop a 0.8 acre downtown property known as the Sanel Block. This \$28 million development was completed in Fall 2011 and features a 91,500 Square Feet (SF), 5 story, mixed use building as well as a new 42,500 SF, 45 unit apartment building; half of which are reserved for artists. The office building is occupied by the League of New Hampshire Craftsmen, Greater Concord Chamber

of Commerce and Concord Hospital and has brought approximately 240 employees to downtown.

In addition, the City also made significant progress relative to redevelopment of the former Allied Leather Tannery in Penacook. In February 2010 the City Council approved a purchase and sales / development agreement with DEW Crescent Street Properties LLC involving redevelopment of that portion of the Tannery complex at 4 Crescent Street. That project was completed in November 2011 and consists of a \$2.6 million, 15,000 SF office building, of which 9,600 SF is occupied by Penacook Family Physicians, a subsidiary of Concord Hospital. To support the project, in June 2010 the City created a Tax Increment Financing District and appropriated approximately \$1.1 million dollars to rehabilitate water and sewer mains, relocate aerial utilities, reconstruct roads and sidewalks, as well as build streetscape improvements. This phase of TIF improvements was completed in September 2011.

In April 2012, the City entered into a public / private partnership to encourage redevelopment of the former NH Book Bindery Property on South Main Street. The project features a new 70,000SF, \$8.6 million building. Construction is underway and the project will be completed in summer 2013.

The City continues to work with developers and Main Street Concord, Inc. on redevelopment of vacant upper floors in Downtown Concord. The Administration is also in dialog with developers about other potential redevelopment projects in the downtown area, including, but not limited to, redevelopment of the State of NH Employment Security Property at 32-34 South Main Street, and the Endicott Hotel.

### **Long-term Financial Planning**

The City Finance Department presents regular financial reports to elected officials and management staff. In addition to these reports, annually and/or as part of the budget process, the City prepares a five year General Fund operating proforma and tax rate projection; a twenty year Capital Improvement Plan; and a pro-forma for each enterprise and major special revenue fund.

Also, as part of the annual budget process, the City reviews all General Fund revenues to determine budgetary needs. Enterprise and special revenue funds are reviewed for competitiveness and support of operations. Most enterprise/special revenue funds are fully self-supporting and provide administrative overhead payments to the General Fund. Exceptions are, the Solid Waste Fund receives general tax base support as part of its planned operation and the Golf Fund received general fund support for its fiscal year 2012 operations.

### ***Financial Position***

Concord, like most communities, has had to make adjustments due to the slowing economy and the higher utilization of fund balance from 2001-2008 to support operations. In Fiscal Year 2007 a five year plan was developed to reduce reliance upon the use of prior year surplus. For Fiscal Year 2009 the budgetary use of

fund balance was nearly halved to \$730,000. As the economy worsened, the City took significant steps to reduce expenditures and ultimately realized a surplus for Fiscal-Year ending June 30, 2009.

Fiscal Years 2010 and 2011, the City Council adopted balanced budgets and produced surpluses in excess of \$1.5 and \$1.3 million, respectively. While the fiscal year 2012 budget was adopted using \$300,000 from prior year surplus to help offset the significant funding changes that were occurring with the State Retirement System, a surplus of \$938,000 was ultimately realized. The fiscal year 2013 budget was adopted as a balanced budget with no anticipated use of surplus.

The total General Fund surplus for FY2012 was \$938,000, excluding Capital Reserve funds that are presented in the General Fund under the GASB 54 reporting module. The City assigned \$894,000 for the purposes listed below and reports an unassigned fund balance of \$8,168,250 which represents an increase of \$1,432,175 over the previous fiscal year's unassigned balance. The purposes of the Assigned Fund Balance are: paving \$300,000; equipment purchases \$155,000; Economic Development Reserve \$150,000 and reserve for funding future years retiree insurance from revenue collected from the Federal Government Early Retiree Reinsurance Program \$289,000. This surplus was the result of revenues stronger than expected in Federal Early Retiree Reinsurance, property taxes, police special duties, and diligent budget management by departments, lower winter maintenance costs than projected, and lower wages and benefits due to delayed hiring, and less winter maintenance overtime.

#### *OPEB Action*

The City is in compliance with Government Accounting Standards Board (GASB) Statement No. 45, as reported on Note 16 of this CAFR. As of June 30, 2012 the Unfunded Actuarially Accrued Liability (UAAL) increased to \$45.3 million, a \$.7 million increase from 2011.

Efforts to reduce this liability will be ongoing with continued benefit management and financing alternatives. To date, the City Council has approved the transfer of \$500,000 to an OPEB reserve; \$300,000 from 2009 surplus and \$200,000 from 2011 surplus. No transfer is anticipated from the FY 2012 surplus.

### **Relevant Financial Policies**

#### *Goals*

Introduced in 1996, the City Council adopted a Fiscal Policy Statement which is a series of 37 goals to help guide the financial direction and management of the City. These goals are regularly reviewed and updated when necessary.

The goals address the topics of: Accounting, Auditing and Financial Reporting; Budgetary and Financial Management; Capital Improvements; Cash Management; Debt Management; Employee Compensation and Benefits; Water and Sewer Enterprise Fund Management; Fund Balances; Municipal Services; Other Funds Management; Revenue Diversification and; Tax Rate Management.

In addition to the cash management goal cited above, two goals that stand out are: Goal E1 under Debt Management that limits debt service to 10% of total expenditures. For FY2012 this amount was 9.8%. The second is Goal H1 that targets a General Fund Unassigned Fund Balance of 15% by fiscal year 2015. For year ending June 30, 2012 the Unassigned Fund Balance was 17%, an increase from FY2011 due to favorable year-end results and is higher than the City's fiscal goal of 15%.

#### *Credit Rating and Debt Limit*

As of January 2012 Moody's rating agency assigned the City a credit rating of Aa1 in conjunction with a \$8.4 million G.O. bond offering and affirmed the Aa1 rating on the City's \$66.6 million of outstanding parity debt. S&P assigned a AA/Positive rating on the same debt offering and affirmed the AA/Positive rating on the City's previously issued G.O. debt.

### **Financial Structure and Management**

In accordance with the *City Charter and Code of Ordinances*, the Finance-Accounting Office is responsible for establishing an accounting and internal control structure designed to ensure that the City's assets are protected from loss, theft, and misuse. It also ensures that adequate accounting information is maintained and reported in conformity with GAAP. The internal control structure is designed to provide reasonable assurances that these objectives are attained. In providing these reasonable assurances, it is recognized that the cost of control should not exceed the benefits and the valuation of costs and benefits requires management's judgment.

#### *Major Initiatives*

The Fiscal Year 2012 budget was adopted by the City Council with several major initiatives including working towards the development of a recreation foundation that will enhance capital resources to help reduce bonding for major recreation capital projects; improving the fiscal condition of the parking fund and increasing library programming hours by nearly 20% from 55 to 65 hours per week.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded seventeen consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Concord, NH for its CAFR beginning with the fiscal year ended December 31, 1995, through June 30, 2011 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.

A Certificate of Achievement is valid for a period of one year only. The City believes this current CAFR conforms to the Certificate of Achievement program requirements, and will be submitted to GFOA.

The timely preparation of this year's CAFR was made possible by the dedicated services provided by the City's Finance Department – Accounting Office staff. We also extend a sincere thanks and appreciation to Melanson Heath & Company, P.C. for their work in conducting the City's audit and preparing this report. Additionally, Administration thanks the Mayor, Members of the City Council and Fiscal Policy Advisory Committee for their leadership, and commitment of transparency for the financial operations of the City. Without their diligence, hard work, professionalism and support, this report would not meet such high standards.

### **Other Information**

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

The City invites you to visit our web site at [www.concordnh.gov](http://www.concordnh.gov), where this CAFR is expected to be prominently displayed by mid-February 2013. Also displayed are previous CAFR's and other summary financial information.

Sincerely,



Thomas J. Aspell  
City Manager



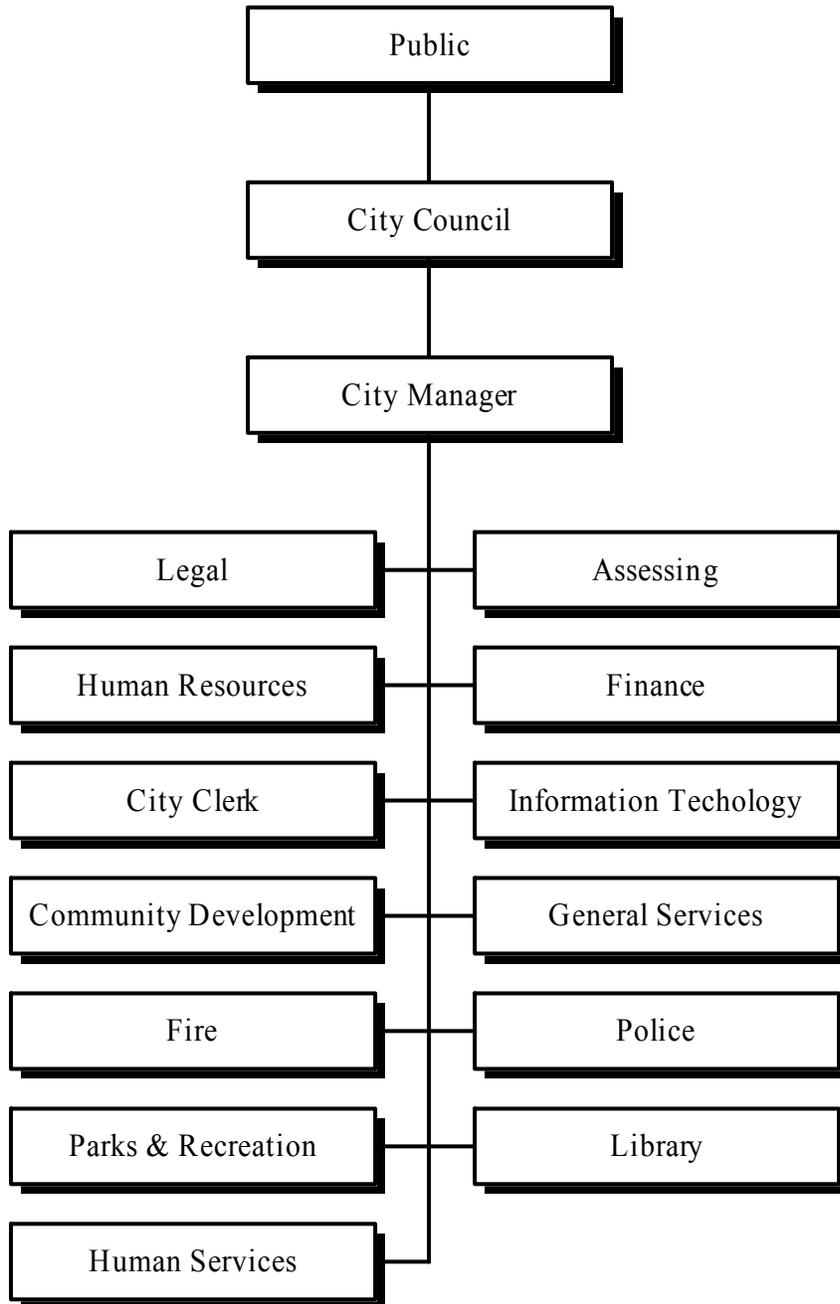
Brian G. LeBrun  
Deputy City Manager – Finance



Katherine A. Graff  
Assistant Finance Director

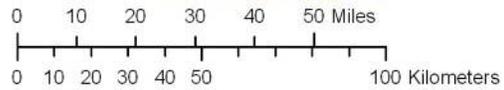
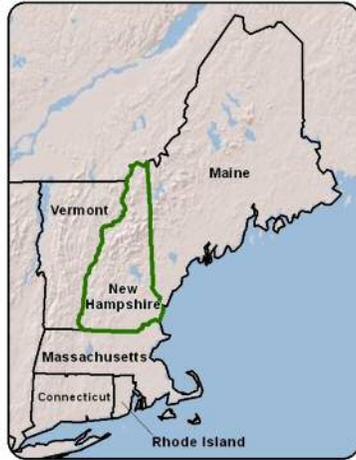
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CITY OF CONCORD, NEW HAMPSHIRE  
TABLE OF ORGANIZATION



# City of Concord, NH

## Geographic Location



**CITY OF CONCORD, NEW HAMPSHIRE  
LIST OF PRINCIPAL OFFICIALS**

June 30, 2012

Title	Name
<i><u>Elected by Public:</u></i>	
Mayor	James P. Bouley
Councilor-at-Large	Mark Coen
Councilor-at-Large	Michael A. Dellolacono
Councilor-at-Large	Stephen J. Shurtleff
Councilor-at-Large	Daniel I. St. Hilaire
Councilor Ward 1	Elizabeth D. Blanchard
Councilor Ward 2	Jennifer Kretovic
Councilor Ward 3	Jan W. McClure
Councilor Ward 4	Amanda K. Grady Sexton
Councilor Ward 5	Robert Werner
Councilor Ward 6	J. Allen Bennett
Councilor Ward 7	Keith E. Nyhan
Councilor Ward 8	Richard W. Patten
Councilor Ward 9	Candace CW Bouchard
Councilor Ward 10	Fred Keach
<i><u>Appointed by Council:</u></i>	
City Manager	Thomas J. Aspell
<i><u>Appointed by City Manager:</u></i>	
Deputy City Manager - Development	Carlos P. Baia
Deputy City Manager - Finance	Brian G. Lebrun
City Clerk	Janice L. Bonenfant
City Solicitor	James W. Kennedy
Director of Personnel and Labor Relations	Jennifer E. Johnston
Director of Real Estate Assessments	Kathryn H. Temchack
Fire Chief	Daniel L. Andrus
General Services Director	Earle M. Chesley
Human Services Director	Jacqueline R. Whatmough
Library Director	Patricia A. Immen
Police Chief	John F. Duval
Parks & Recreation Director	David B. Gill
City Engineer	Edward L. Roberge
Code Administrator	Michael M. Santa
Assistant Finance Director	Katherine A. Graff
Budget Director	Robert J. McManus
Purchasing Director	Douglas B. Ross
Treasurer / Tax Collector	Michael P. Jache

# 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, 2011

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.



*Christopher P. Morrill*

President

*Jeffrey R. Egan*

Executive Director

# **FINANCIAL SECTION**





# MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT ADVISORS

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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord, New Hampshire, as of and for the year ended June 30, 2012, 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America (GAAP).

In accordance with *Government Auditing Standards*, we have also issued a report dated November 28, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe

the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City's basic financial statements. The additional information included in the Supplementary Statements and Schedules section is presented for purposes of additional analysis and is 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. The Introductory Section and the Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Melanson, Heath + Company P. C.*  
Nashua, New Hampshire  
November 28, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Concord, we offer readers of the City of Concord this narrative overview and analysis of the financial activities of the City of Concord for the fiscal year ended June 30, 2012. This section should be read in conjunction with the Letter of Transmittal beginning on page 1.

### **A. OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the general fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single aggregated presentation.

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

**Proprietary funds.** Proprietary funds are maintained as follows:

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

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

## **B. FINANCIAL HIGHLIGHTS**

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 210,573,753 (i.e., net assets), a change of \$ 285,156 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 36,266,916, a change of \$ (618,926) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 8,168,250, a change of \$ 1,432,175 in comparison to the prior year. In addition, total general fund balance changed by \$ 1,563,822.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 67,234,223, a change of \$ 601,630 in comparison to the prior year.

## **C. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
	Current and other assets	\$ 88,094	\$ 86,326	\$ 11,359	\$ 11,277	\$ 99,453
Capital assets	<u>111,151</u>	<u>106,980</u>	<u>128,050</u>	<u>128,476</u>	<u>239,201</u>	<u>235,456</u>
Total assets	<u>199,246</u>	<u>193,306</u>	<u>139,409</u>	<u>139,753</u>	<u>338,654</u>	<u>333,059</u>
Long-term liabilities outstanding	48,475	46,800	27,977	27,281	76,452	74,081
Other liabilities	<u>50,412</u>	<u>46,562</u>	<u>1,217</u>	<u>2,127</u>	<u>51,629</u>	<u>48,689</u>
Total liabilities	<u>98,887</u>	<u>93,362</u>	<u>29,193</u>	<u>29,408</u>	<u>128,081</u>	<u>122,770</u>
Net assets:						
Invested in capital assets, net	71,317	69,643	103,455	103,659	174,771	173,302
Restricted	12,241	12,583	882	1,042	13,124	13,625
Unrestricted	<u>16,801</u>	<u>17,718</u>	<u>5,878</u>	<u>5,644</u>	<u>22,679</u>	<u>23,362</u>
Total net assets	<u>\$ 100,359</u>	<u>\$ 99,944</u>	<u>\$ 110,215</u>	<u>\$ 110,345</u>	<u>\$ 210,574</u>	<u>\$ 210,289</u>

### **CHANGES IN NET ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
	Revenues:					
Program revenues:						
Charges for services	\$ 7,758	\$ 7,455	\$ 16,062	\$ 15,916	\$ 23,820	\$ 23,371
Operating grants and contributions	2,182	739	290	189	2,472	928
Capital grants and contributions	2,401	2,640	41	163	2,442	2,803
General revenues:						
Property taxes	38,875	39,939	-	-	38,875	39,939
Penalties and interest on taxes	1,038	1,268	-	-	1,038	1,268
Grants and contributions not restricted to specific programs	1	1	-	-	1	1
Investment income	611	2,234	69	150	680	2,384
Other	<u>1,487</u>	<u>1,165</u>	<u>342</u>	<u>8</u>	<u>1,829</u>	<u>1,173</u>
Total revenues	<u>54,352</u>	<u>55,441</u>	<u>16,805</u>	<u>16,426</u>	<u>71,157</u>	<u>71,867</u>

(continued)

(continued)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Expenses:						
General government	8,191	7,145	-	-	8,191	7,145
Public safety	24,766	22,585	-	-	24,766	22,585
General services	10,390	11,379	-	-	10,390	11,379
Community development	4,624	4,223	-	-	4,624	4,223
Leisure and information services	4,050	3,889	-	-	4,050	3,889
Human services	774	775	-	-	774	775
Interest on long-term debt	1,448	1,511	-	-	1,448	1,511
Water operations	-	-	5,006	4,883	5,006	4,883
Sewer operations	-	-	6,285	6,247	6,285	6,247
Solid Waste operations	-	-	4,336	4,302	4,336	4,302
Other operations	-	-	1,276	1,324	1,276	1,324
Total expenses	<u>54,242</u>	<u>51,507</u>	<u>16,903</u>	<u>16,756</u>	<u>71,145</u>	<u>68,263</u>
Change in net assets before transfers and contributions	110	3,934	(98)	(330)	12	3,604
Transfers in (out)	32	(44)	(32)	44	-	-
Permanent fund contributions	<u>273</u>	<u>184</u>	<u>-</u>	<u>-</u>	<u>273</u>	<u>184</u>
Increase in net assets	415	4,074	(130)	(286)	285	3,788
Net assets - beginning of year	<u>99,944</u>	<u>95,870</u>	<u>110,345</u>	<u>110,631</u>	<u>210,289</u>	<u>206,501</u>
Net assets - end of year	<u>\$ 100,359</u>	<u>\$ 99,944</u>	<u>\$ 110,215</u>	<u>\$ 110,345</u>	<u>\$ 210,574</u>	<u>\$ 210,289</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 \$ 210,573,753, a change of \$ 285,156 from the prior year.

The largest portion of net assets \$ 174,771,311 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$ 13,123,599 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$ 22,678,843 may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities for the year resulted in a change in net assets of \$ 414,916. Key elements of this change are as follows:

Capital Grants and Contributions	\$ 2,400,917
Change in OPEB liability	<u>(1,501,061)</u>
Subtotal	899,856
Other	<u>(484,940)</u>
Total	<u><u>\$ 414,916</u></u>

While total net assets of the governmental activities changed by \$ 414,916, unrestricted net assets changed \$ (917,391) principally due to the decrease in current year tax revenues.

**Business-type activities.** Business-type activities for the year resulted in a change in net assets of \$ (129,760). This change primarily results from depreciation expense exceeding long-term debt service pay downs by \$ (164,656) and \$ (65,772) in the Water and Sewer funds, respectively. The following is a summary of the changes in net assets by fund:

Water operations	\$ 25,029
Sewer operations	(33,115)
Solid Waste operations	(147,202)
Nonmajor funds	<u>25,528</u>
Total	<u><u>\$ (129,760)</u></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, unassigned 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 \$ 36,266,916, a change of \$ (618,926) in comparison to the prior year. Most of this change was attributable to an increase in investment income due to market conditions, especially within the *Special Revenue Trust funds*.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$ 8,168,250, while total fund balance was \$ 14,153,990. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/12</u>	<u>6/30/11</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 8,168,250	\$ 6,736,075	\$ 1,432,175	17.0%
Total fund balance <sup>(1)</sup>	14,153,990	12,590,168	1,563,822	29.5%

<sup>(1)</sup> Includes capital reserve funds.

The unassigned amount exceeded the City Council Fiscal Policy minimum of 15%.

The total fund balance of the general fund increased by \$ 1,563,822 during the fiscal year. The following table highlights the change in our general fund balance accounts (in thousands):

	<u>Unassigned</u>	<u>Assigned</u>	<u>Committed</u>	<u>Nonspendable</u>	<u>Total</u>
Beginning of year	\$ 6,736	\$ 1,355	\$ 4,317	\$ 182	\$ 12,590
Revenues and transfers over budget	616	-	-	-	616
Expenditures and transfers under budget	1,628	-	-	-	1,628
Other	(716)	-	65	(29)	(680)
Transfers	798	(1,355)	557	-	-
End of Year	<u>\$ 9,062</u>	<u>\$ -</u>	<u>\$ 4,939</u>	<u>\$ 153</u>	<u>\$ 14,154</u>

Included in the total general fund committed fund balance is the City's capital reserve accounts and other City Council approved reserves with the following balances:

	<u>6/30/12</u>	<u>6/30/11</u>	<u>Change</u>
Capital Reserve trust funds	\$ 4,020,081	\$ 3,398,137	\$ 621,944
Tax Stabilization	578,080	578,080	-
Trust Fund	300,000	300,000	-
Other	40,708	40,708	-
Total	<u>\$ 4,938,869</u>	<u>\$ 4,316,925</u>	<u>\$ 621,944</u>

**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 \$ 5,877,988, a change of \$ 234,322 in comparison to the prior year.

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

## **E. GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$ 1,747,165. The majority of the overall change represents a transfer to the capital reserve trust funds.

Unspent General Fund appropriations were due to several factors including the self-imposed reduction in expenditures mentioned in the transmittal letter and a year-end level of under-expenditures (including transfers) of approximately 3.1%.

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

**Capital assets.** Total investment in capital assets for governmental and business-type activities at year-end amounted to \$ 239,200,992 (net of accumulated depreciation), a change of \$ 3,745,371 from the prior year. This investment in capital assets includes land, buildings, system improvements, and machinery and equipment, park facilities, roads, highways and bridges.

Major capital asset events during the current fiscal year included construction and design costs for the Route 3 corridor, and other on-going infrastructure improvements.

**Change in credit rating.** The City of Concord, New Hampshire has maintained a Moody's credit rating of Aa1 for several years.

**Long-term debt.** At the end of the current fiscal year, total bonded debt outstanding was \$ 67,234,223, 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 Notes 9 and 12, respectively, of this report.

**G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

Following is a comparison of the fiscal 2012 adopted to the fiscal 2013 adopted City General Fund budget and tax rate:

<u>Use of Funds</u>	2012 COUNCIL ADOPTED	2013 COUNCIL ADOPTED
Budget Appropriations	\$ 50,914,738	\$ 51,692,433
War Credits (1)	297,000	265,839
Overlay	<u>317,000</u>	<u>300,000</u>
Total Uses of Funds	<u>\$ 51,528,738</u>	<u>\$ 52,258,272</u>
 <u>Sources of Funds</u>		
Miscellaneous Revenues	\$ 19,055,906	\$ 19,000,600
Surplus (Prior Year Unassigned Fund Balance)	300,000	-
Amount to be raised by property taxes	<u>32,172,832</u>	<u>33,257,672</u>
Total Sources of Funds	<u>\$ 51,528,738</u>	<u>\$ 52,258,272</u>
 <u>TAX RATE DETERMINATION</u>		
Assessed Value (A.V.) in thousands of dollars*	\$ 3,852,000	\$ 3,703,000
Amount to be Raised	\$ 32,172,832	\$ 33,257,672
Current Year Recommended Tax Rate/\$ 1,000 A.V.	\$ 8.35	\$ 8.98
Prior Year Tax Rate/\$ 1,000 A.V.	<u>8.19</u>	<u>8.72</u> *
Increase over Prior Year	\$ 0.16	\$ 0.26
% Change	1.95%	2.98%

\*

Market and real growth adjustments after budget adoption resulted in a taxable assessed value of \$ 3,687,000 for municipal purposes and a tax rate of \$ 8.72 per \$ 1,000 of assessed value.

## **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 Deputy City Manager Finance  
City of Concord, New Hampshire  
41 Green Street  
Concord, New Hampshire 03301

## **Basic Financial Statements**

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CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current:			
Cash and short-term equivalents	\$ 38,593,048	\$ 8,300,927	\$ 46,893,975
Investments	18,302,564	-	18,302,564
Receivables, net of allowance for uncollectibles:			
Property taxes	28,765,341	-	28,765,341
Accounts	1,019,308	-	1,019,308
User fees	-	1,735,826	1,735,826
Intergovernmental	-	164,564	164,564
Loans	1,055,401	-	1,055,401
Other assets	358,619	439,782	798,401
Total current assets	<u>88,094,281</u>	<u>10,641,099</u>	<u>98,735,380</u>
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	717,895	717,895
Capital assets:			
Land and construction in progress	22,288,483	4,959,827	27,248,310
Other capital assets, net of accumulated depreciation	88,862,997	123,089,685	211,952,682
Total non-current assets	<u>111,151,480</u>	<u>128,767,407</u>	<u>239,918,887</u>
<b>TOTAL ASSETS</b>	199,245,761	139,408,506	338,654,267
<b>LIABILITIES</b>			
Current:			
Accounts payable	1,562,421	496,661	2,059,082
Retainage payable	204,710	113,532	318,242
Accrued liabilities	980,193	356,847	1,337,040
Unearned revenues	27,635,976	127,480	27,763,456
Taxes collected in advance	17,853,369	-	17,853,369
Due to other governments	881,653	-	881,653
Other current liabilities	1,293,526	122,198	1,415,724
Current portion of long-term liabilities:			
Bonds and loans payable	4,752,913	3,513,793	8,266,706
Other liabilities	1,776,218	229,742	2,005,960
Total current liabilities	<u>56,940,979</u>	<u>4,960,253</u>	<u>61,901,232</u>
Noncurrent:			
Bonds and loans payable, net of current portion	35,408,338	23,559,179	58,967,517
Other liabilities, net of current portion	6,537,765	674,000	7,211,765
Total non-current liabilities	<u>41,946,103</u>	<u>24,233,179</u>	<u>66,179,282</u>
<b>TOTAL LIABILITIES</b>	98,887,082	29,193,432	128,080,514
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	71,316,684	103,454,627	174,771,311
Restricted for:			
Grants and other statutory restrictions	2,846,914	-	2,846,914
Permanent funds:			
Nonexpendable	9,394,226	-	9,394,226
Debt service	-	882,459	882,459
Unrestricted	16,800,855	5,877,988	22,678,843
<b>TOTAL NET ASSETS</b>	<u>\$ 100,358,679</u>	<u>\$ 110,215,074</u>	<u>\$ 210,573,753</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General government	\$ 8,190,946	\$ 1,930,291	\$ 1,914,807	\$ 2,120,825
Public safety	24,766,159	3,776,767	230,773	264,127
General services	10,390,070	116,418	14,957	-
Community development	4,624,312	1,212,966	-	15,965
Leisure and information services	4,049,606	721,780	-	-
Human services	773,578	-	21,203	-
Interest on long-term debt	<u>1,447,573</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	54,242,244	7,758,222	2,181,740	2,400,917
<b>Business-Type Activities:</b>				
Water	5,005,723	5,339,039	100,502	-
Sewer	6,285,448	6,510,709	189,821	41,241
Solid Waste	4,335,560	2,940,170	-	-
Golf	798,576	749,899	-	-
Arena	<u>477,382</u>	<u>522,284</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>16,902,689</u>	<u>16,062,101</u>	<u>290,323</u>	<u>41,241</u>
Total	<u>\$ 71,144,933</u>	<u>\$ 23,820,323</u>	<u>\$ 2,472,063</u>	<u>\$ 2,442,158</u>

**General Revenues, Transfers &**

**Permanent Fund Contributions:**

Property Taxes

Penalties, interest and other taxes

Grants and contributions not restricted to specific programs

Investment income (Loss)

Miscellaneous

Transfers, net

Permanent fund contributions

Total general revenues, transfers, and contributions

Change in Net Assets

**Net Assets:**

Beginning of year

End of year

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business- Type Activities	Total
\$ (2,225,023)	\$ -	\$ (2,225,023)
(20,494,492)	-	(20,494,492)
(10,258,695)	-	(10,258,695)
(3,395,381)	-	(3,395,381)
(3,327,826)	-	(3,327,826)
(752,375)	-	(752,375)
<u>(1,447,573)</u>	<u>-</u>	<u>(1,447,573)</u>
(41,901,365)	-	(41,901,365)
-	433,818	433,818
-	456,323	456,323
-	(1,395,390)	(1,395,390)
-	(48,677)	(48,677)
<u>-</u>	<u>44,902</u>	<u>44,902</u>
<u>-</u>	<u>(509,024)</u>	<u>(509,024)</u>
(41,901,365)	(509,024)	(42,410,389)
38,875,330	-	38,875,330
1,037,812	-	1,037,812
704	-	704
611,071	68,834	679,905
1,486,553	342,060	1,828,613
31,630	(31,630)	-
<u>273,181</u>	<u>-</u>	<u>273,181</u>
<u>42,316,281</u>	<u>379,264</u>	<u>42,695,545</u>
414,916	(129,760)	285,156
<u>99,943,763</u>	<u>110,344,834</u>	<u>210,288,597</u>
<u>\$ 100,358,679</u>	<u>\$ 110,215,074</u>	<u>\$ 210,573,753</u>

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2012

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>			
Cash and short-term equivalents	\$ 26,695,803	\$ 11,897,245	\$ 38,593,048
Investments	7,396,406	10,906,158	18,302,564
Receivables:			
Property taxes	29,139,182	-	29,139,182
Accounts	140,639	876,338	1,016,977
Loans	-	1,055,401	1,055,401
Due from other funds	211,176	-	211,176
Inventory	163,818	-	163,818
Other assets	<u>187,848</u>	<u>6,954</u>	<u>194,802</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>63,934,872</u></b>	<b>\$ <u>24,742,096</u></b>	<b>\$ <u>88,676,968</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 893,668	\$ 668,754	\$ 1,562,422
Retainage payable	396	204,314	204,710
Other liabilities	1,227,281	339,897	1,567,178
Deferred revenues	28,924,515	1,205,029	30,129,544
Taxes collected in advance	17,853,369	-	17,853,369
Due to other funds	-	211,176	211,176
Due to other governments	<u>881,653</u>	<u>-</u>	<u>881,653</u>
<b>TOTAL LIABILITIES</b>	<b>49,780,882</b>	<b>2,629,170</b>	<b>52,410,052</b>
Fund Balances:			
Nonspendable	152,871	9,394,226	9,547,097
Restricted	-	2,803,781	2,803,781
Committed	4,938,869	9,916,209	14,855,078
Assigned	894,000	-	894,000
Unassigned	<u>8,168,250</u>	<u>(1,290)</u>	<u>8,166,960</u>
<b>TOTAL FUND BALANCES</b>	<b><u>14,153,990</u></b>	<b><u>22,112,926</u></b>	<b><u>36,266,916</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>63,934,872</u></b>	<b>\$ <u>24,742,096</u></b>	<b>\$ <u>88,676,968</u></b>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

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

JUNE 30, 2012

<b>Total governmental fund balances</b>	\$ 36,266,916
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	111,151,480
• Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,122,057
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(706,540)
• Long-term liabilities, including bonds payable, compensated absences, landfill closure liability and net OPEB obligation, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(48,475,234)</u>
<b>Net assets of governmental activities</b>	<u>\$ 100,358,679</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, 2012

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Revenues:</b>			
Taxes	\$ 39,641,233	\$ 789,377	\$ 40,430,610
Licenses and permits	1,119,219	-	1,119,219
Intergovernmental	2,837,481	1,578,409	4,415,890
Charges for services	4,912,901	1,726,102	6,639,003
Investment income	48,779	569,482	618,261
Contributions	64,880	413,151	478,031
Miscellaneous	1,324,643	1,169,913	2,494,556
Total Revenues	<u>49,949,136</u>	<u>6,246,434</u>	<u>56,195,570</u>
<b>Expenditures:</b>			
Current:			
General government	5,823,369	1,969,923	7,793,292
Public safety	21,941,902	774,717	22,716,619
General services	6,083,977	438,487	6,522,464
Community development	2,741,395	278,951	3,020,346
Leisure and information services	3,629,417	-	3,629,417
Human services	735,447	-	735,447
Employee benefits	2,327,580	-	2,327,580
Miscellaneous	-	3,722	3,722
Debt service			
Principal	3,580,484	950,750	4,531,234
Interest	1,101,310	446,131	1,547,441
Capital outlay	10,749	8,341,664	8,352,413
Total Expenditures	<u>47,975,630</u>	<u>13,204,345</u>	<u>61,179,975</u>
Excess (deficiency) of revenues over expenditures	1,973,506	(6,957,911)	(4,984,405)
<b>Other Financing Sources (Uses):</b>			
Issuance of bonds	-	4,333,851	4,333,851
Transfers in	2,524,197	1,518,214	4,042,411
Transfers out	(2,933,881)	(1,076,902)	(4,010,783)
Total Other Financing Sources (Uses)	<u>(409,684)</u>	<u>4,775,163</u>	<u>4,365,479</u>
Net change in fund balance	1,563,822	(2,182,748)	(618,926)
Fund Balance, at Beginning of Year	<u>12,590,168</u>	<u>24,295,674</u>	<u>36,885,842</u>
Fund Balance, at End of Year	<u>\$ 14,153,990</u>	<u>\$ 22,112,926</u>	<u>\$ 36,266,916</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

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

FOR THE YEAR ENDED JUNE 30, 2012

<b>NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (618,926)</b>																		
<ul style="list-style-type: none"> <li>• Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table border="0" style="margin-left: 40px;"> <tr> <td>Capital outlay purchases</td> <td style="text-align: right;">8,402,551</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(4,230,802)</td> </tr> </table> </li>   <li>• Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">(1,562,474)</td> </tr> </table> </li>   <li>• The issuance of long-term debt (i.e., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <table border="0" style="margin-left: 40px;"> <tr> <td>Bond repayments</td> <td style="text-align: right;">4,531,234</td> </tr> <tr> <td>Issuance of bonds, net</td> <td style="text-align: right;">(4,661,366)</td> </tr> </table> </li>   <li>• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">99,868</td> </tr> </table> </li>   <li>• Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table border="0" style="margin-left: 40px;"> <tr> <td>Compensated absences</td> <td style="text-align: right;">(74,108)</td> </tr> <tr> <td>Landfill liability</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Other post employment benefits</td> <td style="text-align: right;"><u>(1,501,061)</u></td> </tr> </table> </li> </ul>		Capital outlay purchases	8,402,551	Depreciation	(4,230,802)		(1,562,474)	Bond repayments	4,531,234	Issuance of bonds, net	(4,661,366)		99,868	Compensated absences	(74,108)	Landfill liability	30,000	Other post employment benefits	<u>(1,501,061)</u>
Capital outlay purchases	8,402,551																		
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	99,868																		
Compensated absences	(74,108)																		
Landfill liability	30,000																		
Other post employment benefits	<u>(1,501,061)</u>																		
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>414,916</u></b>																		

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

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

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Taxes	\$ 39,250,815	\$ 39,267,690	\$ 39,262,964	\$ (4,726)
Licenses and permits	1,059,349	1,059,349	1,119,219	59,870
Intergovernmental	2,820,527	2,883,032	2,837,482	(45,550)
Charges for services	4,314,987	4,656,987	4,912,905	255,918
Investment income	98,380	60,000	44,841	(15,159)
Miscellaneous	860,600	876,765	1,353,737	476,972
<b>Total Revenues</b>	<b>48,404,658</b>	<b>48,803,823</b>	<b>49,531,148</b>	<b>727,325</b>
<b>Expenditures:</b>				
General government	6,383,620	6,331,297	5,770,576	560,721
Public safety	21,459,990	21,937,990	21,920,408	17,583
General services	6,389,011	6,401,126	6,038,948	362,178
Community development	2,881,598	2,881,598	2,723,756	157,842
Leisure and information services	3,697,733	3,718,733	3,632,143	86,590
Human services	784,855	784,855	735,445	49,410
Employee benefits	2,499,610	2,517,933	2,345,207	172,726
Debt service	4,544,206	4,544,206	4,376,181	168,025
<b>Total Expenditures</b>	<b>48,640,623</b>	<b>49,117,738</b>	<b>47,542,664</b>	<b>1,575,074</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,210,080	2,330,080	2,218,583	(111,497)
Transfers out	(2,274,115)	(3,544,165)	(3,490,853)	53,312
Budgetary use of fund balance	300,000	1,528,000	1,528,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>235,965</b>	<b>313,915</b>	<b>255,730</b>	<b>(58,185)</b>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 2,244,214	\$ 2,244,214

See notes to financial statements.

## CITY OF CONCORD, NEW HAMPSHIRE

## PROPRIETARY FUNDS

## STATEMENT OF NET ASSETS

JUNE 30, 2012

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
<b><u>ASSETS</u></b>					
Current:					
Cash and short-term equivalents	\$ 3,900,114	\$ 2,643,002	\$ 1,407,556	\$ 350,255	\$ 8,300,927
User fees, net of allowance for uncollectibles	544,869	794,052	390,662	6,243	1,735,826
Intergovernmental receivables	-	164,564	-	-	164,564
Prepaid assets	11,952	304,478	681	751	317,862
Inventory	8,788	-	113,132	-	121,920
Total current assets	4,465,723	3,906,096	1,912,031	357,249	10,641,099
Noncurrent:					
Intergovernmental	-	717,895	-	-	717,895
Capital assets:					
Land and construction in progress	1,856,121	2,244,590	309,071	550,045	4,959,827
Other capital assets, net of accumulated depreciation	62,779,700	59,160,272	-	1,149,713	123,089,685
Total noncurrent assets	64,635,821	62,122,757	309,071	1,699,758	128,767,407
<b>TOTAL ASSETS</b>	69,101,544	66,028,853	2,221,102	2,057,007	139,408,506
<b><u>LIABILITIES</u></b>					
Current:					
Accounts payable	32,668	109,697	313,033	41,263	496,661
Retainage payable	94,202	9,632	1,626	8,072	113,532
Accrued liabilities	166,783	180,593	-	9,471	356,847
Unearned revenue	4,391	12,290	97,827	12,972	127,480
Other current liabilities	34,607	17,874	69,717	-	122,198
Current portion of long-term liabilities:					
Bonds and loans payable	1,550,798	1,821,056	14,950	126,989	3,513,793
Compensated absences	94,882	82,927	14,408	37,525	229,742
Total current liabilities	1,978,331	2,234,069	511,561	236,292	4,960,253
Noncurrent:					
Bonds and loans payable, net of current portion	10,379,590	12,238,841	227,000	713,748	23,559,179
Other post employment	337,000	337,000	-	-	674,000
Total noncurrent liabilities	10,716,590	12,575,841	227,000	713,748	24,233,179
<b>TOTAL LIABILITIES</b>	12,694,921	14,809,910	738,561	950,040	29,193,432
<b><u>NET ASSETS</u></b>					
Invested in capital assets, net of related debt	53,343,917	48,792,966	258,818	1,058,926	103,454,627
Restricted for debt service	-	882,459	-	-	882,459
Unrestricted	3,062,706	1,543,518	1,223,723	48,041	5,877,988
<b>TOTAL NET ASSETS</b>	\$ 56,406,623	\$ 51,218,943	\$ 1,482,541	\$ 1,106,967	\$ 110,215,074

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, 2012

	Business-Type Activities				Total
	Enterprise Funds				
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
<b>Operating Revenues:</b>					
Charges for services	\$ 5,339,039	\$ 6,510,709	\$ 2,940,170	\$ 1,272,183	\$ 16,062,101
Other	<u>222,094</u>	<u>53,546</u>	<u>51,202</u>	<u>15,218</u>	<u>342,060</u>
Total Operating Revenues	5,561,133	6,564,255	2,991,372	1,287,401	16,404,161
<b>Operating Expenses:</b>					
Operating expenses	2,922,374	3,739,919	4,335,560	1,136,196	12,134,049
Depreciation	<u>1,656,729</u>	<u>2,053,525</u>	<u>-</u>	<u>116,867</u>	<u>3,827,121</u>
Total Operating Expenses	<u>4,579,103</u>	<u>5,793,444</u>	<u>4,335,560</u>	<u>1,253,063</u>	<u>15,961,170</u>
Operating Income (Loss)	982,030	770,811	(1,344,188)	34,338	442,991
<b>Nonoperating Revenues (Expenses):</b>					
Investment income	4,964	63,596	-	274	68,834
Intergovernmental	100,502	189,821	-	-	290,323
Interest expense	<u>(426,620)</u>	<u>(492,004)</u>	<u>-</u>	<u>(22,895)</u>	<u>(941,519)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(321,154)</u>	<u>(238,587)</u>	<u>-</u>	<u>(22,621)</u>	<u>(582,362)</u>
Income (Loss) Before Contributions and Transfers	660,876	532,224	(1,344,188)	11,717	(139,371)
Capital contributions	-	41,241	-	-	41,241
Transfers in	1,000	-	1,420,200	67,311	1,488,511
Transfers out	<u>(636,847)</u>	<u>(606,580)</u>	<u>(223,214)</u>	<u>(53,500)</u>	<u>(1,520,141)</u>
Change in Net Assets	25,029	(33,115)	(147,202)	25,528	(129,760)
Net Assets at Beginning of Year	<u>56,381,594</u>	<u>51,252,058</u>	<u>1,629,743</u>	<u>1,081,439</u>	<u>110,344,834</u>
Net Assets at End of Year	<u>\$ 56,406,623</u>	<u>\$ 51,218,943</u>	<u>\$ 1,482,541</u>	<u>\$ 1,106,967</u>	<u>\$ 110,215,074</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
<b>Cash Flows From Operating Activities:</b>					
Receipts from customers and users	\$ 5,523,966	\$ 6,574,732	\$ 3,007,017	\$ 1,285,998	\$ 16,391,713
Payments to employees	(2,097,894)	(2,343,855)	(2,411,369)	(682,034)	(7,535,152)
Payments to vendors	<u>(1,331,563)</u>	<u>(1,601,634)</u>	<u>(2,106,680)</u>	<u>(553,914)</u>	<u>(5,593,791)</u>
Net Cash Provided By (Used For) Operating Activities	2,094,509	2,629,243	(1,511,032)	50,050	3,262,770
<b>Cash Flows From Noncapital Financing Activities:</b>					
Intergovernmental revenues	-	189,821	-	-	189,821
Transfers in	1,000	-	1,420,200	67,311	1,488,511
Transfers out	<u>(636,847)</u>	<u>(606,580)</u>	<u>(223,214)</u>	<u>(53,500)</u>	<u>(1,520,141)</u>
Net Cash Provided by (Used For) Noncapital Financing Activities	(635,847)	(416,759)	1,196,986	13,811	158,191
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from issuance of bonds and notes	1,653,750	1,412,198	241,950	460,737	3,768,635
Principal payments on bonds and notes	(1,492,073)	(1,987,753)	-	(102,000)	(3,581,826)
Acquisition and construction of capital assets, net disposals	(2,077,653)	(854,507)	(122,870)	(345,714)	(3,400,744)
Capital contributions	100,502	472,004	-	-	572,506
Interest expense	<u>(424,711)</u>	<u>(491,147)</u>	<u>-</u>	<u>(19,075)</u>	<u>(934,933)</u>
Net Cash (Used For) Capital and Related Financing Activities	(2,240,185)	(1,449,205)	119,080	(6,052)	(3,576,362)
<b>Cash Flows From Investing Activities:</b>					
Investment income	<u>4,964</u>	<u>63,596</u>	<u>-</u>	<u>274</u>	<u>68,834</u>
Net Cash Provided by Investing Activities	<u>4,964</u>	<u>63,596</u>	<u>-</u>	<u>274</u>	<u>68,834</u>
Net Change in Cash and Short-Term Equivalents	(776,559)	826,875	(194,966)	58,083	(86,567)
Cash and Short-Term Equivalents, Beginning of Year	<u>4,676,673</u>	<u>1,816,127</u>	<u>1,602,522</u>	<u>292,172</u>	<u>8,387,494</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 3,900,114</u>	<u>\$ 2,643,002</u>	<u>\$ 1,407,556</u>	<u>\$ 350,255</u>	<u>\$ 8,300,927</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:</b>					
Operating income (loss)	\$ 982,030	\$ 770,811	\$ (1,344,188)	\$ 34,338	\$ 442,991
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,656,729	2,053,525	-	116,867	3,827,121
Changes in assets and liabilities:					
User fees	(41,387)	(66,828)	28,142	(2,858)	(82,931)
Inventory	(172)	-	(118)	-	(290)
Other assets	(4,252)	65,016	(35,077)	1,502	27,189
Accounts payable	(317,735)	(49,316)	(96,822)	(95,587)	(559,460)
Retainage payable	(18,722)	(118,823)	-	(5,290)	(142,835)
Compensated absences	15,708	12,056	2,936	5,622	36,322
Unearned revenues	-	-	-	5,250	5,250
Other liabilities	<u>(177,690)</u>	<u>(37,198)</u>	<u>(65,905)</u>	<u>(9,794)</u>	<u>(290,587)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 2,094,509</u>	<u>\$ 2,629,243</u>	<u>\$ (1,511,032)</u>	<u>\$ 50,050</u>	<u>\$ 3,262,770</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2012

	Agency Fund
<b><u>ASSETS</u></b>	
Cash and short-term equivalents	\$ <u>242,783</u>
Total Assets	\$ <u><u>242,783</u></u>
 <b><u>LIABILITIES</u></b>	
Other liabilities	\$ <u>242,783</u>
Total Liabilities	\$ <u><u>242,783</u></u>

See notes to financial statements.

# CITY OF CONCORD, NEW HAMPSHIRE

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of the City of Concord (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 2012, it was determined that no entities met the required GASB 39 criteria of component units.

#### B. Government-wide and Fund Financial Statements

##### Government-wide Financial Statements

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

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

### Fund Financial Statements

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

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

#### Government-wide Financial Statements

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

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

#### Fund Financial Statements

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

The government reports the following major governmental funds:

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

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

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

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

#### D. Cash and Short-Term Investments

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

Deposit Investment Pool (NHPDIP) operates in accordance with RSA 383:22, and regulations and is under the control of the New Hampshire Banking Commission and Advisory Committee. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes.

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

### ***City Funds***

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

### ***Trust Funds***

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

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

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

*E. Interfund Receivables and Payables*

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

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

*F. Inventories*

Inventories are valued at cost using the cost-averaging method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

*G. Capital Assets*

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

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

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

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

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

*H. Accrued Employee Benefits*

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

*I. Long-Term Obligations*

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

*J. Fund Equity*

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net assets”.

*Fund Balance* - Generally, fund balance represents the difference between the current assets and current liabilities. The City reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The City’s fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e. inventory or prepaid items) or can never be spent (i.e., perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the government (i.e., the City Council). Only the highest level action, such as an ordinance or resolution, that constitutes the most binding constraint should be considered to establish, modify, or rescind a fund balance commitment.
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. The City follows an informal policy that permits management to assign fund balance amounts to a specific purpose. This account also includes fund balance voted to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the City uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

#### *K. Use of Estimates*

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

## 2. Stewardship, Compliance, and Accountability

### A. Budgetary Information

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

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

- After the budget has been adopted no expenditure may be incurred, except pursuant to a budget appropriation unless there is a specific additional appropriation thereof. The head of any department, with the approval of the City Manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within his/her department to another fund or agency within his/her department. The City Manager must report these transfers to the City Council. The City Manager, with the approval of the Council, may transfer any unencumbered appropriation balance or any portion thereof from one department to another. The legal level of control is at the department level.
  
- Budget appropriations lapse at the end of the fiscal year except for any appropriations either supported by formal purchase contracts or approved by the City Council or City Manager to be carried forward.

**B. Budgetary Basis**

The General Fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all reserve fund 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 to 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)	\$ 49,949,136	\$ 47,975,630
Other financing sources/uses (GAAP Basis)	<u>2,524,197</u>	<u>2,933,881</u>
Subtotal (GAAP Basis)	52,473,333	50,909,511

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<u>General Fund</u>	Revenues and Other <u>Financing Sources</u>	Expenditures and Other <u>Financing Uses</u>
Adjust tax revenue to accrual basis	(378,265)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(127,353)
Use of fund balance	1,528,000	-
Reverse nonbudgeted activity	<u>(345,337)</u>	<u>251,359</u>
Budgetary Basis	<u>\$ 53,277,731</u>	<u>\$ 51,033,517</u>

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

*D. Excess of Expenditures Over Appropriations*

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

General Fund:

City Manager	\$ (899)
Fire	\$ (20,338)
Arena	\$ (13,688)

*E. Deficit Fund Equity*

The following funds had deficits as of June 30, 2012:

Nonmajor Governmental Funds:

Community Development (special revenue fund)	\$ <u>(1,290)</u>
Total	\$ <u>(1,290)</u>

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

### 3. Cash and Investments

#### A. Custodial Credit Risk

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

#### **City Funds**

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

As of June 30, 2012, the City’s bank balance of \$ 46,938,567 was fully insured and collateralized.

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

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

Investments at June 30, 2012 included the following:

State investment pool	\$ 2,104,861
Certificates of deposit	4,706,242
U.S. treasury obligations	100,512
U.S. government agencies	347,313
Corp. and foreign bonds	1,012,794
Common equities	4,052,887
Int'l equity mutual funds pool	2,857,639
Taxable fixed income funds pool	<u>3,120,316</u>
Total investments	<u>\$ 18,302,564</u>

Of the City's total investments, the government has a custodial credit risk exposure of \$ 13,596,321 because the related securities are uninsured, unregistered and held by the System's brokerage firm, which is also the Counterparty to these securities. The System manages this risk with SIPC, Excess SIPC and because the assets are held in separately identifiable trust accounts. In addition, \$ 2,104,861 of the pooled funds are invested in MBIA.

**B. Credit Risk**

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. Information regarding the quality and maturity dates of fixed income securities is as follows (in thousands). (All federal agency securities have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Total</u>	<u>Investment Maturities (in Years)</u>		
		<u>&lt;1</u>	<u>1-5</u>	<u>6-10</u>
U.S. Treasury obligations	\$ 101	\$ 101	\$ -	\$ -
U.S. Government Agencies	347	-	167	180
Corp. and Foreign Bonds	<u>1,013</u>	<u>101</u>	<u>625</u>	<u>287</u>
Total	<u>\$ 1,461</u>	<u>\$ 202</u>	<u>\$ 792</u>	<u>\$ 467</u>

**C. Concentration of Credit Risk**

**City Funds**

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

### ***Trust Funds***

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is to not allow more than 5% of the portfolio to be invested in the securities of one issuer, with the exception of the U.S. Government or its agencies. As of and for the fiscal year ended June 30, 2012, the City was in compliance with this limitation policy.

#### ***D. Interest Rate Risk***

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

### ***City Funds***

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

### ***Trust Funds***

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Trustee is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Trustee shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

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

#### ***E. Foreign Currency Risk***

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

#### 4. Property Taxes Receivable

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

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

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

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

Taxes receivable at June 30, 2012 consist of the following (in thousands):

Property taxes:

Levy of 2012	\$ 28,018	
Levy of 2011	1,480	
Levy of 2010	747	
Levy of 2009	121	
Levy of 2008	31	
Levy of 2007	16	
Levy of 2006	10	
Levy of 2005	6	
Levy of 2004	6	
Unredeemed taxes:		
Levy of 2003	8	
Prior years	24	
Subtotal		30,467

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Other taxes:		
Land use change taxes	1	
Timber yield taxes	4	
Elderly tax liens	<u>39</u>	
Subtotal		<u>44</u>
Gross Tax Receivable		30,511
Statutory Allowance for Abatements (overlay)		<u>(1,372)</u>
Net Total Taxes Receivable		<u>\$ 29,139</u>

## 5. Allowance for Doubtful Accounts

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

	<u>Governmental</u>
Property taxes	\$ 373

## 6. Loans Receivable

Loans receivable of \$ 1,055,401 in non-major governmental funds represent the uncollected balance of community development loans.

## 7. Intergovernmental Receivables

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

Fiscal Year Ended	Reimbursement For		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2013	\$ 164,564	\$ 34,656	\$ 199,220
2014	169,652	27,795	197,447
2015	125,712	20,675	146,387
2016	107,444	15,518	122,962
2017	104,566	11,438	116,004
2018-2020	<u>210,521</u>	<u>11,441</u>	<u>221,962</u>
Total	<u>\$ 882,459</u>	<u>\$ 121,523</u>	<u>\$ 1,003,982</u>

## 8. Interfund Fund Receivables/Payables and Transfers

The City maintains self-balancing funds; however, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized when temporary cash deficits exist in individual funds. The following is an analysis of the June 30, 2012 balances in interfund receivable and payable accounts.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 211,176	\$ -
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Community Development	-	1,290
Capital Project Funds:		
Manchester Street	-	202,403
Trust Funds:		
Cemetery	-	7,307
Library	-	51
Other	-	125
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 211,176</u>	<u>\$ 211,176</u>

The following is an analysis of interfund transfers made in fiscal year 2012:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Fund:</u>		
Major Funds:		
General Fund	\$ 2,524,198	\$ 2,933,880
Nonmajor Funds:		
Parking	11,461	140,850
Airport	7,895	121,737
Impact Fee	110,729	310,000
Misc Funds	-	2,005
Durgin Garage	10,500	2,744
Forest and Conservation	5,748	12,973
Library	-	8,300
SVMS Project	-	10,200
Other Capital Project Funds-Pre 2003	-	741
Other Capital Project Funds-Post 2003	-	334,973
Other Capital Project Funds-Post 2008	1,646,667	2,230

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	<u>Transfers In</u>	<u>Transfers Out</u>
Fire Facility Renovations	-	7,038
Open Space	-	5,000
Route 3 Corridor	60,186	-
NEOC Capital	230,000	-
Sears Block Capital	20,000	-
Cemetery (Nonexpendable)	-	174,253
Dedicated Income (Nonexpendable)	-	191,610
NEOC	-	317,220
Sears TIF	-	20,000
 <u>Business-Type Funds:</u>		
Major Funds:		
Water	1,000	636,847
Sewer	-	606,580
Solid Waste	1,420,200	223,214
 Nonmajor Funds:		
Golf	49,271	8,800
Arena	<u>18,040</u>	<u>44,700</u>
Total	<u>\$ 6,115,895</u>	<u>\$ 6,115,895</u>

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

## 9. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Land improvements	\$ 5,417	\$ -	\$ -	\$ 5,417
Buildings and improvement	37,594	424	-	38,018
Machinery, equipment, and furnishing	8,134	146	-	8,280
Infrastructure	71,235	2,225	-	73,460
Licensed vehicles	<u>12,280</u>	<u>413</u>	<u>(596)</u>	<u>12,097</u>
Total capital assets, being depreciated	134,660	3,208	(596)	137,272
Less accumulated depreciation for:				
Land improvements	(3,858)	(96)	-	(3,954)
Buildings and improvement	(11,612)	(1,350)	-	(12,962)
Machinery, equipment, and furnishing	(5,887)	(698)	-	(6,585)
Infrastructure	(13,238)	(1,368)	-	(14,606)
Licensed vehicles	<u>(10,179)</u>	<u>(719)</u>	<u>596</u>	<u>(10,302)</u>
Total accumulated depreciation	<u>(44,774)</u>	<u>(4,231)</u>	<u>596</u>	<u>(48,409)</u>
Total capital assets, being depreciated, net	89,886	(1,023)	-	88,863
Capital assets, not being depreciated:				
Land	11,556	490	-	12,046
Construction in progress	<u>5,538</u>	<u>7,559</u>	<u>(2,855)</u>	<u>10,242</u>
Total capital assets, not being depreciated	<u>17,094</u>	<u>8,049</u>	<u>(2,855)</u>	<u>22,288</u>
Governmental activities capital assets, net	<u>\$ 106,980</u>	<u>\$ 7,026</u>	<u>\$ (2,855)</u>	<u>\$ 111,151</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Land improvements	\$ 100	\$ -	\$ -	\$ 100
Buildings and improvement	60,103	1,219	-	61,322
Machinery, equipment, and furnishing	5,781	72	-	5,853
Infrastructure	139,371	1,556	-	140,927
Licensed vehicles	<u>815</u>	<u>-</u>	<u>-</u>	<u>815</u>
Total capital assets, being depreciated	206,170	2,847	-	209,017
Less accumulated depreciation for:				
Land improvements	(25)	(5)	-	(30)
Buildings and improvement	(22,665)	(1,384)	-	(24,049)
Machinery, equipment, and furnishing	(4,071)	(248)	-	(4,319)
Infrastructure	(54,687)	(2,129)	-	(56,816)
Licensed vehicles	<u>(652)</u>	<u>(61)</u>	<u>-</u>	<u>(713)</u>
Total accumulated depreciation	<u>(82,100)</u>	<u>(3,827)</u>	<u>-</u>	<u>(85,927)</u>
Total capital assets, being depreciated, net	124,070	(980)	-	123,090
Capital assets, not being depreciated:				
Land	1,064	-	-	1,064
Construction in progress	<u>3,342</u>	<u>3,354</u>	<u>(2,800)</u>	<u>3,896</u>
Total capital assets, not being depreciated	<u>4,406</u>	<u>3,354</u>	<u>(2,800)</u>	<u>4,960</u>
Business-type activities capital assets, net	<u>\$ 128,476</u>	<u>\$ 2,374</u>	<u>\$ (2,800)</u>	<u>\$ 128,050</u>

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

Governmental Activities:	
Public safety	\$ 304
General services	2,446
Community Development	1,321
Leisure and information services	<u>160</u>
Total depreciation expense - governmental activities	<u>\$ 4,231</u>
Business-Type Activities:	
Water	\$ 1,657
Sewer	2,053
Non-major	<u>117</u>
Total depreciation expense - business-type activities	<u>\$ 3,827</u>

**10. Accounts Payables**

Accounts payable represent fiscal year 2012 expenditures paid in July, 2012.

**11. Deferred Revenue/Unearned Revenue**

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

The balance of the General Fund *deferred revenues* account is equal to the total of all June 30, 2012 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, 2012, the City had billed the first two quarterly installments of the tax year 2012 (fiscal year 2013) real estate bills. The amount of this billing that is outstanding is included in the receivables on the Statement of Net Assets and is shown as unearned revenue on both the Government-wide Statement of Net Assets and the Governmental Funds Balance Sheet.

## 12. Long-Term Debt

### A. Long-Term Debt Supporting Governmental Activities

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

### B. General Obligation Bonds and Loans

The City 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. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net assets invested in capital assets net of related debt. General obligation bonds currently outstanding are as follows:

	Original	Serial	Interest	Amount
<u>Governmental Funds:</u>	<u>Amount</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
<u>Bonds Payable:</u>		<u>Through</u>		<u>as of</u>
				<u>6/30/12</u>
Public improvements	\$ 3,330,000	04/15/14	5.45 - 7.75	\$ 397,000
Public improvements	4,770,000	04/15/15	4.60 - 6.50	866,000
Public improvements	2,463,504	10/15/15	4.00 - 4.70	668,901
Public improvements	8,322,590	10/15/16	4.00 - 4.70	1,234,000
Public improvements	4,829,750	11/15/24	3.23	2,482,000
Public improvements	6,027,815	07/15/24	3.00 - 5.00	2,362,510
Public improvements	10,161,000	07/15/25	3.75 - 5.00	6,395,000
Public improvements	5,920,000	03/15/26	3.50 - 5.00	2,050,000
Public improvements	10,632,960	01/15/27	4.00 - 5.50	6,474,784
Public improvements	4,250,710	08/15/28	3.00 - 5.00	3,325,000
Public improvements	2,949,811	01/15/30	2.00 - 4.00	2,486,574
Public improvements	5,063,000	01/15/26	2.00 - 4.00	4,705,000
Public improvements	2,380,631	07/15/26	2.00 - 3.20	2,380,631
Public improvements	4,333,851	01/15/32	2.00 - 3.00	4,333,851
Total Governmental Funds:				<u>\$ 40,161,251</u>

<u>Business-Type Activities:</u>	<u>Original</u>	<u>Serial</u>	<u>Interest</u>	<u>Amount</u>
	<u>Amount</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
				<u>6/30/12</u>
<u>Water Fund:</u>				
<u>Bonds Payable:</u>				
Water	\$ 2,260,000	07/15/13	3.30 - 6.25	\$ 70,000
Water	3,660,000	04/15/14	3.65 - 4.50	675,500
Water	1,980,000	04/01/15	4.60 - 6.50	62,000
Water meters	2,297,279	10/15/16	4.00 - 4.70	391,000
Water	452,280	10/15/10	4.00 - 4.70	38,352
Water	1,730,000	04/01/17	4.00 - 4.70	535,000
Water	3,236,175	01/15/24	3.23	1,315,000
Water	2,023,545	07/15/24	3.00 - 5.00	710,095
Water	1,760,000	03/15/26	3.50 - 5.00	1,325,000
Water	2,994,840	08/15/29	3.00 - 5.00	2,365,000
Water	1,205,450	01/15/30	2.00 - 4.00	623,425
Water	2,072,500	01/15/26	2.00 - 4.00	1,942,000
Water	1,653,750	01/15/32	2.00 - 3.00	1,653,750
Total Bonds Payable:				11,706,122
<u>Other Long-term Debt:</u>				
Water State Revolving Loan	245,000	05/01/30	0.86	224,266
Total Other Long-term Debt				224,266
Total Water Fund				11,930,388

<u>Enterprise Funds:</u>	<u>Original</u>	<u>Serial</u>	<u>Interest</u>	<u>Amount</u>
	<u>Amount</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
				<u>6/30/12</u>
<u>Sewer Fund:</u>				
<u>Bonds Payable</u>				
Sanitary sewer	3,272,000	04/15/14	3.65 - 4.50	581,000
Sanitary sewer	2,150,000	04/01/17	4.60 - 6.50	309,000
Sanitary sewer	910,176	10/15/15	4.00 - 4.70	148,000
Sanitary sewer	312,175	10/15/14	4.00 - 4.70	29,747
Sanitary sewer	169,000	04/01/13	4.00 - 5.00	15,000
Sanitary sewer	1,059,150	01/15/24	3.23	365,000
Sanitary sewer	1,465,790	07/15/24	3.00 - 5.00	573,400
Sanitary sewer	2,121,000	03/15/26	3.50 - 5.00	1,250,000
Sanitary sewer	2,210,990	01/15/27	4.00 - 5.50	1,581,216
Sanitary sewer	1,754,450	08/15/29	3.00 - 5.00	1,435,000
Sanitary sewer	2,328,700	01/15/30	2.00 - 4.00	2,005,000
Sanitary sewer	213,000	01/15/30	2.00 - 4.00	188,000
Sanitary sewer	78,182	07/15/26	2.00 - 3.20	78,182
Sanitary sewer	1,399,900	01/15/32	2.00 - 3.00	1,399,900
Total Bonds Payable				9,958,445

(continued)

(continued)

<u>Enterprise Funds:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/12</u>
Other Long-term Debt:				
Sewer State Revolving Loan	4,465,788	07/01/19	2.45	2,661,994
Sewer State Revolving Loan	2,428,284	01/01/20	2.27	<u>1,439,458</u>
Total Other Long-term Debt				<u>4,101,452</u>
Total Sewer Fund				14,059,897
Solid Waste:				
Bonds Payable				
Solid Waste	241,950	01/15/32	2.00 - 3.00	<u>241,950</u>
Total Solid Waste Fund				241,950
Nonmajor Funds:				
Bonds Payable:				
Clubhouse improvements	365,000	04/01/17	4.00 - 5.00	115,000
Golf course renovation	100,000	11/15/24	3.23	20,000
Golf equipment	73,100	01/15/30	2.00 - 4.00	40,000
Arena expansion	430,000	10/15/15	4.00 - 4.70	112,000
Arena	39,925	01/15/24	3.23	6,000
Arena	29,700	07/15/24	3.00 - 5.00	2,000
Arena	149,000	03/15/26	3.50 - 5.00	60,000
Arena	48,750	01/15/27	4.00 - 5.50	24,000
Arena	1,187	07/15/26	2.00 - 3.20	1,187
Arena	460,550	01/15/32	2.00 - 3.00	<u>460,550</u>
Total Other Enterprise Funds				<u>840,737</u>
Total Enterprise Fund Long-Term Debt				<u>\$ 27,072,972</u>

**C. Future Debt Service**

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2012 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 4,752,913	\$ 1,439,610	\$ 6,192,523
2014	4,594,327	1,300,559	5,894,886
2015	4,206,023	1,128,079	5,334,102
2016	3,563,257	968,461	4,531,718
2017	2,761,757	850,195	3,611,952
2018 - 2022	11,725,889	2,819,174	14,545,063
2023 - 2027	7,178,959	872,573	8,051,532
2028 - 2032	<u>1,378,126</u>	<u>115,710</u>	<u>1,493,836</u>
Total	\$ <u>40,161,251</u>	\$ <u>9,494,361</u>	\$ <u>49,655,612</u>

<u>Enterprise</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,513,792	\$ 926,489	\$ 4,440,281
2014	3,489,240	822,089	4,311,329
2015	2,678,569	711,007	3,389,576
2016	2,446,578	613,790	3,060,368
2017	2,062,297	533,289	2,595,586
2018 - 2022	7,235,776	1,685,894	8,921,670
2023 - 2027	4,009,132	700,925	4,710,057
2028 - 2032	<u>1,637,588</u>	<u>121,539</u>	<u>1,759,127</u>
Total	\$ <u>27,072,972</u>	\$ <u>6,115,022</u>	\$ <u>33,187,994</u>

*D. Bond Authorizations*

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2012 are as follows:

<u>Purpose</u>	<u>Amount</u>
Open Space	\$ 3,800,000
Penacook Village TIF	285,000
BMGC Irrigation	80,000
HVAC Improvements at Hutchins WTP	150,000
Water Storage Tank Repairs - Auburn Street	25,000
Roof	145,000
Penacook Plant	117,672
SCADA	290,000
Arena Bidding piping and Floor Replacement	<u>475,000</u>
Total	\$ <u>5,367,672</u>

E. Prior Year's Debt Defeasance

Prior Year

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. The proceeds from the new issuances of the general obligation bonds were used to purchase U.S. government securities, and those securities were deposited in irrevocable trusts with an escrow agent to provide debt service payments until the refunded bonds mature. 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, 2012, the amount of defeased debt still outstanding on the fiscal year 2010 refunding is \$ 4,197,112.

F. Changes in General Long-Term Liabilities

During the year ended June 30, 2012, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/11</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/12</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/12</u>
<u>Governmental Activities</u>						
Bonds and loans payable	\$ 40,031	\$ 4,661	\$ (4,531)	\$ 40,161	\$ (4,753)	\$ 35,408
Net OPEB obligation	4,369	3,411	(1,910)	5,870	-	5,870
Other:						
Accrued employee benefits	1,980	99	(25)	2,054	(1,746)	308
Landfill closure	420	-	(30)	390	(30)	360
Totals	\$ <u>46,800</u>	\$ <u>8,171</u>	\$ <u>(6,496)</u>	\$ <u>48,475</u>	\$ <u>(6,529)</u>	\$ <u>41,946</u>
	Total Balance <u>7/1/11</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/12</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/12</u>
<u>Business-Type Activities</u>						
Bonds and loans payable	\$ 26,601	\$ 3,769	\$ (3,297)	\$ 27,073	\$ (3,514)	\$ 23,559
Net OPEB obligation	486	345	(157)	674	-	674
Other:						
Accrued employee benefits	193	36	-	229	(229) <sup>(A)</sup>	-
Totals	\$ <u>27,280</u>	\$ <u>4,150</u>	\$ <u>(3,454)</u>	\$ <u>27,976</u>	\$ <u>(3,743)</u>	\$ <u>24,233</u>

<sup>(A)</sup> The City estimates that all of this liability is current.

**13. Landfill Closure 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 \$ 390,000 as the estimate of the remaining postclosure care liability at June 30, 2012 in the Governmental Activities Statement of Net Assets. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

**14. Restricted Net Assets**

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

**15. Governmental Funds - Balances**

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The City implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2012:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved by City Council, capital reserve funds set aside by City Council vote for future capital acquisitions and improvements (now reported as part of the general fund per GASB 54), and various special revenue funds.

Assigned - Represents amounts that are constrained by the City's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various City departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Unassigned - Represents amounts that are available to be spent in future periods.

Following is a breakdown of the City's fund balances at June 30, 2012:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Inventories	\$ 152,871	\$ -	\$ 152,871
Nonexpendable permanent funds	-	9,394,226	9,394,226
	<hr/>	<hr/>	<hr/>
Total Nonspendable	152,871	9,394,226	9,547,097
Restricted			
Bonded projects	-	326,455	326,455
House Revolving	-	364,582	364,582
Impact Fees	-	1,132,762	1,132,762
Other Special Revenue	-	185,201	185,201
NEOC TIF	-	516,708	516,708
Penacook Village TIF	-	7,606	7,606
Sears Block TIF	-	270,467	270,467
	<hr/>	<hr/>	<hr/>
Total Restricted	-	2,803,781	2,803,781

Committed

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	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Committed			
Capital reserve trust funds	4,020,081	-	4,020,081
Tax Stabilization	578,080	-	578,080
Trust Fund	300,000	-	300,000
Other	40,708	-	40,708
Community Development/ Engineering	-	185,676	185,676
Parking	-	286,195	286,195
Airport	-	590,937	590,937
Community Development/ Property Management	-	101,561	101,561
NEOC Capital	-	256,864	256,864
Penacook Village Capital	-	41,300	41,300
Sears Block Capital	-	15,031	15,031
Capital project funds	-	5,893,973	5,893,973
Expendable permanent funds	-	2,544,672	2,544,672
Total Committed	4,938,869	9,916,209	14,855,078
Assigned			
Economic Development Reserve	150,000	-	150,000
Paving Trust Fund Reserve	300,000	-	300,000
Early Retiree Reinsurance			
Program Reserve	289,000	-	289,000
Other Use of Surplus	155,000	-	155,000
Total Assigned	894,000	-	894,000
Unassigned	8,168,250	(1,290)	8,166,960
Total Fund Balance	\$ 14,153,990	\$ 22,112,926	\$ 36,266,916

## 16. Commitments and Contingencies

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

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

## 17. Post-Employment Healthcare and Life Insurance Benefits

The City provides certain healthcare 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.

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.

As of June 30, 2012, there were 262 retiree Subscribers, including eligible spouses, receiving healthcare benefits through the City. The City recognizes the cost of providing these benefits as paid.

During the year, the City implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

### A. Plan Description

In addition to providing the pension benefits described, the City provides post-employment healthcare and life insurance benefits for retired employees through the City's single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50. As of June 30, 2012, the actuarial valuation date, approximately 262 retirees and 355 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

### B. Benefits Provided

The City provides medical, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents. All

active employees who retire from the City and meet the eligibility criteria will receive these benefits.

*C. Funding Policy*

Retirees contribute 17% of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

*D. Annual OPEB Costs and Net OPEB Obligation*

The City's fiscal 2012 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year ending June 30, 2012, the amount actually contributed to the plan, and the change in the City's net OPEB obligation based on an actuarial valuation as of June 30, 2012.

Annual Required Contribution (ARC)	\$ 3,537,681
Interest on net OPEB obligation	218,455
Adjustment to ARC	<u>(298,028)</u>
Annual OPEB cost	3,458,108
Contributions made	<u>(1,769,047)</u>
Increase in net OPEB obligation	1,689,061
Net OPEB obligation - beginning of year	<u>4,854,548</u>
Net OPEB obligation - end of year	<u><u>\$ 6,543,609</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 3,458,108	45.4%	\$ 6,543,609
2011	\$ 3,431,103	43.5%	\$ 4,854,548
2010	\$ 2,748,222	48.6%	\$ 2,916,832
2009	\$ 2,596,459	42.0%	\$ 1,505,193

The City's net OPEB obligation as of June 30, 2012 is recorded as a component of the "other long-term liabilities" line item.

*E. Funded Status and Funding Progress*

The funded status of the plan as of June 30, 2012, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 45,329,899
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 45,329,899</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 22,842,803</u>
UAAL as a percentage of covered payroll	<u>198.4%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*F. Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the plan as understood by the City and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the projected unit credit cost method was used. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions included a 4.5% investment rate of return, a 4.5% inflation rate, projected salary increases of 3% per year, and an initial annual healthcare cost trend rate of 11% which decreases to a 4.5% long-term rate for all health-

care benefits after twelve years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis.

## **18. Retirement System**

The City follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, (as amended by GASB 50) with respect to the employees' retirement funds.

### **A. Plan Description**

Full-time employees participate in the State of New Hampshire Retirement System (the System), a cost-sharing multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State of New Hampshire are eligible and required to participate in the System. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group, funding policies, vesting requirements, contribution requirements and plan assets available to pay benefits are disclosed in the System's annual report available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

### **B. Funding Policy**

Plan members are required to contribute 5% and 9.30% of annual covered compensation to the pension plan. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, which range from 5.85% to 18.52% of covered compensation. The City's contributions to the System for the years ended June 30, 2012, 2011, and 2010 were \$ 4,048,585, \$ 3,214,716, and \$ 2,968,409, respectively, which were equal to its annual required contributions for each of these years.

The payroll for employees covered by the System for the year ended June 30, 2012, was \$ 28,393,338. Contribution requirements for the year ended June 30, 2012, were as follows:

Employees' contributions	\$ 2,465,840
City contributions	<u>4,048,585</u>
Total	<u>\$ 6,514,425</u>

**19. Risk Management**

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

**20. Implementation of New GASB Standards**

- The GASB has issued Statement No. 63, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013. Management's current assessment is that this pronouncement will have a significant impact on the City's basic financial statements by eliminating the deferred charges. The City anticipates that by eliminating the deferred charges, its net assets will be reduced accordingly.
- The Governmental Accounting Standards Board (GASB) has issued Statement 68 Accounting and Financial Reporting for Pensions, which is required to be implemented in fiscal year 2015. Management's current assessment is that this pronouncement will have a significant impact on the City's basic financial statements by recognizing as a liability and expense, the City's applicable portion of the actuarially accrued liability. The City is a New Hampshire Retirement System (NHRS) participating employer, and will have to report a proportional share of the retirement system's unfunded liability on their financial statements. GASB 68 revises and establishes new financial reporting requirements for employers participating in cost-sharing, multi-employer plans such as NHRS. The new GASB standards will change the way pension plans report financial information for accounting purposes, but do not require pension plans to change their funding policies, which are typically defined by statute.

## 21. Tax Increment Districts

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

Revenues:		
Tax increment district	\$ 6,982,328	
Investment interest	142,485	
Other	<u>-</u>	7,124,813
Expenditures:		
Principal	4,032,000	
Interest on debt	1,774,054	
Outside services	<u>887,050</u>	<u>6,693,104</u>
Excess (deficiency) of revenue		<u>431,709</u>
Fund Balance Reserved for Debt Service		<u>\$ 431,709</u>
Long-Term Debt Payable:		
Principal	\$ (1,207,000)	
Interest	<u>(81,440)</u>	(1,288,440)
Available fund balance		<u>431,709</u>
Deficit to be Raised by Tax Increment District		<u>\$ (856,731)</u>
Assessment Information:		
Base Value		<u>\$ 4,043,600</u>
Captured Value*		<u>\$ 44,770,000</u>

\* = As of April 1, 2011

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

Revenues:		
Tax increment district	\$ 1,356,374	
Interest on proceeds from sale of bonds	24,872	
Investment interest	<u>58,007</u>	1,439,253
Expenditures:		
Principal	578,500	
Interest on debt	570,288	
Outside services	<u>20,000</u>	<u>1,168,788</u>
Excess (deficiency) of revenue		<u>270,465</u>
Fund Balance Reserved for Debt Service		\$ <u><u>270,465</u></u>
Long-Term Debt Payable:		
Principal	\$ (8,140,000)	
Interest	<u>(2,584,623)</u>	\$ (10,724,623)
Available fund balance		<u>270,465</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>(10,454,158)</u></u>
Assessment Information:		
Base Value		\$ <u><u>790,000</u></u>
Captured Value*		\$ <u><u>14,977,900</u></u>
* = As of April 1, 2011		

The following represents the Penacook Village 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	\$ 426,273	
Investment interest	<u>513</u>	426,786
Expenditures:		
Principal	-	
Interest on debt	-	
Outside services	<u>382,967</u>	<u>382,967</u>
Excess (deficiency) of revenue		<u>43,819</u>
Fund Balance Reserved for Debt Service		\$ <u><u>43,819</u></u>
Long-Term Debt Payable:		
Principal	\$ <u>-</u>	
Interest	<u>-</u>	\$ -
Available fund balance		<u>43,819</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>43,819</u></u>
Assessment Information:		
Base Value		\$ <u><u>-</u></u>
Captured Value*		\$ <u><u>292,400</u></u>
* = As of April 1, 2011		

**CITY OF CONCORD, NEW HAMPSHIRE**  
**SCHEDULE OF FUNDING PROGRESS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2012**  
**(Unaudited)**

**Other Post-Employment Benefits**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
06/30/12	\$ -	\$ 45,329,899	\$ 45,329,899	0.0%	\$ 22,842,803	198.4%
06/30/11	\$ -	\$ 44,584,170	\$ 44,584,170	0.0%	\$ 22,177,479	201.0%
06/30/10	\$ -	\$ 34,026,431	\$ 34,026,431	0.0%	\$ 21,944,145	155.1%
06/30/09	\$ -	\$ 32,230,706	\$ 32,230,706	0.0%	\$ 21,304,995	151.3%

See Independent Auditors' Report.

## **Combining Financial Statements**

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

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.
- Community Development Engineering Inspection Fund - to account for funds related to providing inspection services funded by developers and contractors for their projects.
- Community Development Conservation Property Management Fund - to account for funds related to operating and managing conservation property purchased by conservation funds including land use change taxes, conservation bonds, and other sources designated for a similar purpose.
- Parking Fund - to account for revenues and expenditures incurred with the collection of City parking meter fees.
- Airport Fund - to account for revenues and expenditures incurred with the operation of the Concord Airport.
- Impact Fee Fund - to account for revenues and expenditures incurred with fees charged on the construction of new buildings.
- Miscellaneous Special Revenue Fund - to account for the various other funds of the City legally restricted for specific purposes.
- Durgin Garage - to account for monies received by the City to fund capital improvements on the Durgin Garage.
- Nelson - to account for monies left to the Concord Public Library for capital improvement or land acquisition.

- Forest and Conservation - to account for revenues collected from the Land Use Charge Tax (used to preserve and protect open space, forests and conservation land in the City) and the option to purchase real property or interests therein.
- Cemetery - to account for expendable gifts to the City designated for the maintenance of cemeteries.
- Library - to account for expendable gifts to the City designated for the libraries.
- Mountain Green - to account for assessment revenues designated for the repair, maintenance, and replacement of the sanitary sewer system.
- Downtown Economic Development - to account for funds transferred from the Community Development Fund for downtown economic development.
- SVMS Project - to account for funds for the purpose of managing the soil vapor management system located at the Old Suncook Road Landfill.

## **CAPITAL PROJECT FUNDS**

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

The current funds were established for the following purposes:

- Other Capital Project Funds - Pre-2003 - to account for various other smaller construction projects and MIS upgrade funded by various sources prior to 6/30/02.
- Other Capital Project Funds - Post-2002 - to account for various other smaller construction projects funded by various sources after 6/30/02.
- Other Capital Project Funds - Post 2008 - to account for various other smaller construction projects funded by various sources after 6/30/08.
- Fire Facility Renovations - to account for the construction and renovation of the City's Fire Department Facility.
- Open Space Protection Fund - to account for annually planned acquisitions of open space and conservation easements in accordance with the priorities of the Master Plan and Vision 2020.
- Capital Commons Garage Fund - to account for the construction of a new parking garage subsequent to the demolition of the former Sears building.
- Route 3 Corridor Fund - to account for the design and construction of roadway improvements in an effort to address existing and future traffic congestion, access and mobility along the Route 3 corridor.
- Manchester Street Fund - to account for the design and construction of roadway improvements in an effort to address existing and future traffic congestion, access and mobility along Manchester Street.
- North End Opportunity Corridor (NEOC) Capital Fund - to account for the construction and redevelopment within the district, including but not limited to public infrastructure improvements to serve new development.
- Penacook Village Capital Fund - to account for the design and construction of a variety of public improvements within the district, including but not limited to roadway reconstruction, sidewalk construction, streetscape amenities, and utility reconstruction and replacement.
- Sears Block Capital Fund - to account for the maintenance of landscaping and related public infrastructures associated with the capital common municipal parking garage.

## **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 City Permanent Funds:

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

## **DEBT SERVICE FUND**

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

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

- North End Opportunity Corridor (NEOC) Tax Increment Financing District (NEOCTIFD) - established in March 1998 to account for related revenues and debt service expenditures by this TIFD.
- Sears Block Tax Increment Financing District (SBTIFD) - to account for funds collected in accordance with the tax increment financing plan dedicated for repayment of bonds issued for construction of the Capital commons Garage.
- Penacook Village Tax Increment Financing District (PVTIFD) - established in June 2010 to account for related revenues and debt service expenditures by this TIFD.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

	<u>Special Revenue Funds</u>			
	<u>Community Development Fund</u>	<u>Housing Revolving Loan Fund</u>	<u>Community Development Engineering Inspection Fund</u>	<u>Community Development Conservation Property Management Fund</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ -	\$ 336,032	\$ 386,655	\$ 101,561
Investments	-	-	-	-
Accounts receivable	-	40,747	5,808	-
Loans receivable	-	1,055,401	-	-
Other assets	-	-	1,456	-
	<u>-</u>	<u>-</u>	<u>1,456</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 1,432,180</u>	<u>\$ 393,919</u>	<u>\$ 101,561</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ -	\$ 75	\$ 2,028	\$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	206,215	-
Deferred revenue	-	1,067,523	-	-
Due to other funds	1,290	-	-	-
	<u>1,290</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	1,290	1,067,598	208,243	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	364,582	-	-
Committed	-	-	185,676	101,561
Unassigned	(1,290)	-	-	-
	<u>(1,290)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>(1,290)</u>	<u>364,582</u>	<u>185,676</u>	<u>101,561</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,432,180</u>	<u>\$ 393,919</u>	<u>\$ 101,561</u>

Special Revenue Funds

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<u>Parking Fund</u>	<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>
\$ 441,690	\$ 581,161	\$ 1,190,125	\$ 105,925
-	-	-	-
3,022	10,063	-	78,526
-	-	-	-
<u>2,005</u>	<u>757</u>	<u>-</u>	<u>1,023</u>
<u>\$ 446,717</u>	<u>\$ 591,981</u>	<u>\$ 1,190,125</u>	<u>\$ 185,474</u>
\$ 23,049	\$ 1,011	\$ -	\$ 273
-	-	-	-
-	-	57,363	-
137,473	33	-	-
-	-	-	-
<u>160,522</u>	<u>1,044</u>	<u>57,363</u>	<u>273</u>
-	-	-	-
-	-	1,132,762	185,201
286,195	590,937	-	-
-	-	-	-
<u>286,195</u>	<u>590,937</u>	<u>1,132,762</u>	<u>185,201</u>
<u>\$ 446,717</u>	<u>\$ 591,981</u>	<u>\$ 1,190,125</u>	<u>\$ 185,474</u>

(continued)

(continued)

Special Revenue Funds

	<u>Durgin Garage Fund</u>	<u>Nelson Fund</u>	<u>Forest &amp; Conservation Fund</u>	<u>Cemetery Fund</u>	<u>Library Fund</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 416,568	\$ 292	\$ 76,938	\$ 891	\$ -
Investments	-	-	1,114,368	72,684	378,267
Accounts receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 416,568</u>	<u>\$ 292</u>	<u>\$ 1,191,306</u>	<u>\$ 73,575</u>	<u>\$ 378,267</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	416,568	292	1,191,306	73,575	378,267
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>416,568</u>	<u>292</u>	<u>1,191,306</u>	<u>73,575</u>	<u>378,267</u>
Total Liabilities and Fund Balances	<u>\$ 416,568</u>	<u>\$ 292</u>	<u>\$ 1,191,306</u>	<u>\$ 73,575</u>	<u>\$ 378,267</u>

Special Revenue Funds

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Mountain Green <u>Fund</u>	Downtown Economic Development <u>Fund</u>	SVMS Project <u>Fund</u>	<u>Subtotal</u>
\$ 433,839	\$ 11,048	\$ 39,777	\$ 4,122,502
-	-	-	1,565,319
-	-	-	138,166
-	-	-	1,055,401
-	-	-	5,241
<u>433,839</u>	<u>11,048</u>	<u>39,777</u>	<u>6,886,629</u>
\$ -	\$ -	\$ -	\$ 26,436
-	-	-	-
-	-	-	263,578
-	-	-	1,205,029
-	-	-	1,290
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,496,333</u>
-	-	-	-
-	-	-	1,682,545
433,839	11,048	39,777	3,709,041
-	-	-	(1,290)
<u>433,839</u>	<u>11,048</u>	<u>39,777</u>	<u>5,390,296</u>
<u>\$ 433,839</u>	<u>\$ 11,048</u>	<u>\$ 39,777</u>	<u>\$ 6,886,629</u>

(continued)

(continued)

Capital Project Funds

	Other Capital Project Funds <u>Pre 2003</u>	Other Capital Project Funds <u>Post 2002</u>	Other Capital Project Funds <u>Post 2008</u>	Fire Facility Renovations	Open Space Protection Fund	Capital Commons Garage Fund
<u>ASSETS</u>						
Cash and cash equivalents	\$ -	\$ -	\$ 4,320,384	\$ 7,717	\$ 526,605	\$ 746
Investments	-	-	-	-	-	-
Accounts receivable	-	-	107,008	-	-	-
Loans receivable	-	-	-	-	-	-
Other assets	-	-	186	-	-	-
	<u>-</u>	<u>-</u>	<u>186</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,427,578</u>	<u>\$ 7,717</u>	<u>\$ 526,605</u>	<u>\$ 746</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 316,627	\$ -	\$ -	\$ -
Retainage payable	-	-	80,981	-	-	-
Other liabilities	-	-	76,319	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	473,927	-	-	-
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	326,455	-
Committed	-	-	3,953,651	7,717	200,150	746
Unassigned	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>3,953,651</u>	<u>7,717</u>	<u>526,605</u>	<u>746</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>3,953,651</u>	<u>7,717</u>	<u>526,605</u>	<u>746</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,427,578</u>	<u>\$ 7,717</u>	<u>\$ 526,605</u>	<u>\$ 746</u>

Capital Project Funds

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Route 3 Corridor Fund	Manchester Street Fund	NEOC Capital Fund	Penacook Village Capital Fund	Sears Block Capital Fund	<u>Subtotal</u>
\$ 1,732,374	\$ -	\$ 257,273	\$ 39,885	\$ 15,031	\$ 6,900,015
-	-	-	-	-	-
-	629,749	-	1,415	-	738,172
-	-	-	-	-	-
<u>1,009</u>	<u>518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,713</u>
<u>\$ 1,733,383</u>	<u>\$ 630,267</u>	<u>\$ 257,273</u>	<u>\$ 41,300</u>	<u>\$ 15,031</u>	<u>\$ 7,639,900</u>
\$ -	\$ 325,282	\$ 409	\$ -	\$ -	\$ 642,318
104,256	-	-	-	-	185,237
-	-	-	-	-	76,319
-	-	-	-	-	-
<u>-</u>	<u>202,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,403</u>
104,256	527,685	409	-	-	1,106,277
-	-	-	-	-	-
-	-	-	-	-	326,455
1,629,127	102,582	256,864	41,300	15,031	6,207,168
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,629,127</u>	<u>102,582</u>	<u>256,864</u>	<u>41,300</u>	<u>15,031</u>	<u>6,533,623</u>
<u>\$ 1,733,383</u>	<u>\$ 630,267</u>	<u>\$ 257,273</u>	<u>\$ 41,300</u>	<u>\$ 15,031</u>	<u>\$ 7,639,900</u>

(continued)

(continued)

	Permanent Funds				
	Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
<u>ASSETS</u>					
Cash and cash equivalents	\$ -	\$ -	\$ 60,870	\$ -	\$ 60,870
Investments	7,313,682	934,358	1,023,355	69,444	9,340,839
Accounts receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>7,313,682</u>	\$ <u>934,358</u>	\$ <u>1,084,225</u>	\$ <u>69,444</u>	\$ <u>9,401,709</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	7,307	51	-	125	7,483
	<u>7,307</u>	<u>51</u>	<u>-</u>	<u>125</u>	<u>7,483</u>
Total Liabilities	7,307	51	-	125	7,483
Fund Balances:					
Nonspendable	7,306,375	934,307	1,084,225	69,319	9,394,226
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>7,306,375</u>	<u>934,307</u>	<u>1,084,225</u>	<u>69,319</u>	<u>9,394,226</u>
Total Liabilities and Fund Balances	\$ <u>7,313,682</u>	\$ <u>934,358</u>	\$ <u>1,084,225</u>	\$ <u>69,444</u>	\$ <u>9,401,709</u>

Debt Service Funds

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<u>NEOC Fund</u>	<u>SBTIFD Fund</u>	<u>PVTIFD Fund</u>	<u>Subtotal</u>	Total Nonmajor Governmental <u>Funds</u>
\$ 516,708	\$ 270,467	\$ 26,683	\$ 813,858	\$ 11,897,245
-	-	-	-	10,906,158
-	-	-	-	876,338
-	-	-	-	1,055,401
-	-	-	-	6,954
<u>\$ 516,708</u>	<u>\$ 270,467</u>	<u>\$ 26,683</u>	<u>\$ 813,858</u>	<u>\$ 24,742,096</u>
\$ -	\$ -	\$ -	\$ -	\$ 668,754
-	-	19,077	19,077	204,314
-	-	-	-	339,897
-	-	-	-	1,205,029
-	-	-	-	211,176
<u>-</u>	<u>-</u>	<u>19,077</u>	<u>19,077</u>	<u>2,629,170</u>
-	-	-	-	9,394,226
516,708	270,467	7,606	794,781	2,803,781
-	-	-	-	9,916,209
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,290)</u>
<u>516,708</u>	<u>270,467</u>	<u>7,606</u>	<u>794,781</u>	<u>22,112,926</u>
<u>\$ 516,708</u>	<u>\$ 270,467</u>	<u>\$ 26,683</u>	<u>\$ 813,858</u>	<u>\$ 24,742,096</u>

**CITY OF CONCORD, NEW HAMPSHIRE**

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

**Nonmajor Governmental Funds**

**For the Fiscal Year Ended June 30, 2012**

	Special Revenue Funds			
	Community Development <u>Fund</u>	Housing Revolving <u>Loan Fund</u>	Community Development Engineering Inspection <u>Fund</u>	Community Development Conservation Property Management <u>Fund</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	15,965	-	-	-
Charges for services	-	139,898	71,231	64,534
Investment income	-	716	597	-
Contributions	-	-	-	-
Miscellaneous:				
Departmental	-	3,000	131,247	-
Interest and penalties	-	-	-	-
	15,965	143,614	203,075	64,534
Total Revenues				
Expenditures:				
Current:				
General government	16,340	442,935	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	202,998	41,227
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
	16,340	442,935	202,998	41,227
Total Expenditures				
Excess (deficiency) of revenues over expenditures	(375)	(299,321)	77	23,307
Other Financing Sources (Uses):				
Issuance of bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total Other Financing Sources (Uses)				
Net change in fund balance	(375)	(299,321)	77	23,307
Fund Balance, beginning	(915)	663,903	185,599	78,254
Fund Balance, ending	\$ (1,290)	\$ 364,582	\$ 185,676	\$ 101,561

Special Revenue Funds

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<u>Parking Fund</u>	<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>
\$ -	\$ -	\$ -	\$ -
-	1,138	-	360,407
821,033	368,797	203,734	56,875
264	833	2,211	-
10,500	-	-	63,127
566,375	4,279	-	-
<u>394,864</u>	<u>-</u>	<u>-</u>	<u>19,665</u>
1,793,036	375,047	205,945	500,074
-	-	62,346	522,236
774,717	-	-	-
206,141	232,240	-	-
-	34,726	-	-
-	-	-	-
449,950	9,300	-	-
289,100	1,645	-	-
7,900	-	-	60,389
<u>1,727,808</u>	<u>277,911</u>	<u>62,346</u>	<u>582,625</u>
65,228	97,136	143,599	(82,551)
-	-	-	-
11,461	7,895	110,729	-
<u>(140,850)</u>	<u>(121,737)</u>	<u>(310,000)</u>	<u>(2,005)</u>
<u>(129,389)</u>	<u>(113,842)</u>	<u>(199,271)</u>	<u>(2,005)</u>
(64,161)	(16,706)	(55,672)	(84,556)
<u>350,356</u>	<u>607,643</u>	<u>1,188,434</u>	<u>269,757</u>
<u>\$ 286,195</u>	<u>\$ 590,937</u>	<u>\$ 1,132,762</u>	<u>\$ 185,201</u>

(continued)

(continued)

Special Revenue Funds

	Durgin Garage Fund	Nelson Fund	Forest & Conservation Fund	Cemetery Fund	Library Fund
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	190	-	54,478	(32,361)	103,491
Contributions	-	-	39,255	891	-
Miscellaneous:					
Departmental	-	-	-	-	-
Interest and penalties	-	-	-	-	-
Total Revenues	190	-	93,733	(31,470)	103,491
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
General services	-	-	-	-	-
Community development	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	190	-	93,733	(31,470)	103,491
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	10,500	-	5,748	-	-
Transfers out	(2,744)	-	(12,973)	-	(8,300)
Total Other Financing Sources (Uses)	7,756	-	(7,225)	-	(8,300)
Net change in fund balance	7,946	-	86,508	(31,470)	95,191
Fund Balance, beginning	408,622	292	1,104,798	105,045	283,076
Fund Balance, ending	\$ 416,568	\$ 292	\$ 1,191,306	\$ 73,575	\$ 378,267

Special Revenue Funds

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Mountain Green <u>Fund</u>	Downtown Economic Development <u>Fund</u>	SVMS Project <u>Fund</u>	<u>Subtotal</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	377,510
-	-	-	1,726,102
191	5	20	130,635
23,280	-	-	137,053
-	-	-	704,901
-	-	-	414,529
<hr/>	<hr/>	<hr/>	<hr/>
23,471	5	20	3,490,730
-	-	-	1,043,857
-	-	-	774,717
-	-	-	438,381
-	-	-	278,951
-	-	-	-
-	-	-	459,250
-	-	-	290,745
-	-	-	68,289
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	3,354,190
<hr/>	<hr/>	<hr/>	<hr/>
23,471	5	20	136,540
-	-	-	-
-	-	-	146,333
<hr/>	<hr/>	<hr/>	<hr/>
-	-	(10,200)	(608,809)
<hr/>	<hr/>	<hr/>	<hr/>
-	-	(10,200)	(462,476)
23,471	5	(10,180)	(325,936)
<hr/>	<hr/>	<hr/>	<hr/>
410,368	11,043	49,957	5,716,232
<hr/>	<hr/>	<hr/>	<hr/>
\$ 433,839	\$ 11,048	\$ 39,777	\$ 5,390,296

(continued)

(continued)

	Capital Project Funds					
	Other Capital Project Funds <u>Pre 2003</u>	Other Capital Project Funds <u>Post 2003</u>	Other Capital Project Funds <u>Post 2008</u>	Fire Facility Renovations	Open Space Protection Fund	Capital Commons Garage Fund
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	571,150	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	96,200	-	10,149	-
Contributions	-	2,917	-	-	-	-
Miscellaneous:						
Departmental	-	-	26,494	-	-	-
Interest and penalties	-	-	-	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>2,917</u>	<u>693,844</u>	<u>-</u>	<u>10,149</u>	<u>-</u>
Expenditures:						
Current:						
General government	-	1,452	704,766	59	-	-
Public safety	-	-	-	-	-	-
General services	-	-	-	-	-	106
Community development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	3,395	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	3,196,241	37,005	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>1,452</u>	<u>3,901,007</u>	<u>37,064</u>	<u>3,395</u>	<u>106</u>
Excess (deficiency) of revenues over expenditures	-	1,465	(3,207,163)	(37,064)	6,754	(106)
Other Financing Sources (Uses):						
Issuance of bonds	-	-	1,863,800	-	329,851	-
Transfers in	-	-	1,646,667	-	-	-
Transfers out	(741)	(334,973)	(2,230)	(7,038)	(5,000)	-
<u>Total Other Financing Sources (Uses)</u>	<u>(741)</u>	<u>(334,973)</u>	<u>3,508,237</u>	<u>(7,038)</u>	<u>324,851</u>	<u>-</u>
Net change in fund balance	(741)	(333,508)	301,074	(44,102)	331,605	(106)
Fund Balance, beginning	741	333,508	3,652,577	51,819	195,000	852
Fund Balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,953,651</u>	<u>\$ 7,717</u>	<u>\$ 526,605</u>	<u>\$ 746</u>

Capital Project Funds

Route 3 Corridor Fund	Manchester Street Fund	NEOC Capital Fund	Penacook Village Capital Fund	Sears Block Capital Fund	Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	629,749	-	-	-	1,200,899
-	-	-	-	-	-
76,200	-	-	-	-	182,549
-	-	-	-	-	2,917
-	-	-	23,989	-	50,483
-	-	-	-	-	-
<u>76,200</u>	<u>629,749</u>	<u>-</u>	<u>23,989</u>	<u>-</u>	<u>1,436,848</u>
184,887	34,902	-	-	-	926,066
-	-	-	-	-	-
-	-	-	-	-	106
-	-	-	-	-	3,395
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,233,546</u>	<u>2,146,827</u>	<u>359,385</u>	<u>295,302</u>	<u>4,969</u>	<u>8,273,275</u>
<u>2,418,433</u>	<u>2,181,729</u>	<u>359,385</u>	<u>295,302</u>	<u>4,969</u>	<u>9,202,842</u>
(2,342,233)	(1,551,980)	(359,385)	(271,313)	(4,969)	(7,765,994)
1,863,800	-	-	276,400	-	4,333,851
60,186	-	230,000	-	20,000	1,956,853
-	-	-	-	-	(349,982)
<u>1,923,986</u>	<u>-</u>	<u>230,000</u>	<u>276,400</u>	<u>20,000</u>	<u>5,940,722</u>
(418,247)	(1,551,980)	(129,385)	5,087	15,031	(1,825,272)
<u>2,047,374</u>	<u>1,654,562</u>	<u>386,249</u>	<u>36,213</u>	<u>-</u>	<u>8,358,895</u>
<u>\$ 1,629,127</u>	<u>\$ 102,582</u>	<u>\$ 256,864</u>	<u>\$ 41,300</u>	<u>\$ 15,031</u>	<u>\$ 6,533,623</u>

(continued)

Permanent Funds

	Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	121,261	107,977	18,720	(249)	247,709
Contributions	55,146	-	218,035	-	273,181
Miscellaneous:					
Departmental	-	-	-	-	-
Interest and penalties	-	-	-	-	-
Total Revenues	<u>176,407</u>	<u>107,977</u>	<u>236,755</u>	<u>(249)</u>	<u>520,890</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
General services	-	-	-	-	-
Community development	-	-	-	-	-
Miscellaneous	151	51	-	125	327
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>151</u>	<u>51</u>	<u>-</u>	<u>125</u>	<u>327</u>
Excess (deficiency) of revenues over expenditures	176,256	107,926	236,755	(374)	520,563
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	<u>(174,253)</u>	<u>-</u>	<u>(191,610)</u>	<u>-</u>	<u>(365,863)</u>
Total Other Financing Sources (Uses)	<u>(174,253)</u>	<u>-</u>	<u>(191,610)</u>	<u>-</u>	<u>(365,863)</u>
Net change in fund balance	2,003	107,926	45,145	(374)	154,700
Fund Balance, beginning	<u>7,304,372</u>	<u>826,381</u>	<u>1,039,080</u>	<u>69,693</u>	<u>9,239,526</u>
Fund Balance, ending	<u>\$ 7,306,375</u>	<u>\$ 934,307</u>	<u>\$ 1,084,225</u>	<u>\$ 69,319</u>	<u>\$ 9,394,226</u>

Debt Service Funds

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<u>NEOC Fund</u>	<u>SBTIFD Fund</u>	<u>PVTIFD Fund</u>	<u>Subtotal</u>	Total Nonmajor Governmental <u>Funds</u>
\$ 420,921	\$ 368,456	\$ -	\$ 789,377	\$ 789,377
-	-	-	-	1,578,409
-	-	-	-	1,726,102
1,133	217	7,239	8,589	569,482
-	-	-	-	413,151
-	-	-	-	755,384
-	-	-	-	<u>414,529</u>
422,054	368,673	7,239	797,966	6,246,434
-	-	-	-	1,969,923
-	-	-	-	774,717
-	-	-	-	438,487
-	-	-	-	278,951
-	-	-	-	3,722
363,000	128,500	-	491,500	950,750
47,122	108,264	-	155,386	446,131
-	-	100	100	<u>8,341,664</u>
<u>410,122</u>	<u>236,764</u>	<u>100</u>	<u>646,986</u>	<u>13,204,345</u>
11,932	131,909	7,139	150,980	(6,957,911)
-	-	-	-	4,333,851
-	-	-	-	2,103,186 <sup>(A)</sup>
<u>(317,220)</u>	<u>(20,000)</u>	<u>-</u>	<u>(337,220)</u>	<u>(1,661,874) <sup>(A)</sup></u>
<u>(317,220)</u>	<u>(20,000)</u>	<u>-</u>	<u>(337,220)</u>	<u>4,775,163</u>
(305,288)	111,909	7,139	(186,240)	(2,182,748)
<u>821,996</u>	<u>158,558</u>	<u>467</u>	<u>981,021</u>	<u>24,295,674</u>
<u>\$ 516,708</u>	<u>\$ 270,467</u>	<u>\$ 7,606</u>	<u>\$ 794,781</u>	<u>\$ 22,112,926</u>

(A) Transfers between nonmajor governmental funds have been netted down on Page 31.

**Detail and Combining Budget  
and Actual Schedules**

### **General Fund**

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

### **Special Revenue Fund**

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

**CITY OF CONCORD, NEW HAMPSHIRE**

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

**For the Fiscal Year Ended June 30, 2012**

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
<u>Taxes</u>				
Property taxes - current	\$ 31,558,832	\$ 31,554,185	\$ 31,554,185	\$ -
Timber tax yield	15,000	15,000	17,648	2,648
Excavation activity tax	100	100	-	(100)
Motor vehicle registrations	5,200,000	5,194,380	5,118,581	(75,799)
Rooms and meals	1,880,000	1,907,135	1,907,135	-
Payment in lieu of taxes	<u>596,883</u>	<u>596,890</u>	<u>665,415</u>	<u>68,525</u>
Total Taxes	39,250,815	39,267,690	39,262,964	(4,726)
<u>Licenses and Permits</u>				
Engineering	5,330	5,330	4,910	(420)
City clerk records	31,300	31,300	65,247	33,947
Health services	121,219	121,219	135,304	14,085
Police/protection/amusement	66,500	66,500	75,675	9,175
Code enforcement/building permits	<u>835,000</u>	<u>835,000</u>	<u>838,083</u>	<u>3,083</u>
Total Licenses and Permits	1,059,349	1,059,349	1,119,219	59,870
<u>Intergovernmental</u>				
Railroad tax	2,000	1,753	1,753	-
Forest loss reimbursement	1,000	832	704	(128)
Fire service aid	125,000	125,000	125,000	-
Highway block grant	867,017	888,937	858,257	(30,680)
Election Reimbursement	127,930	127,930	126,048	(1,882)
Retiree Health Insurance Reimbursements	1,697,580	1,697,580	1,615,639	(81,941)
Other federal	<u>-</u>	<u>41,000</u>	<u>110,081</u>	<u>69,081</u>
Total Intergovernmental	2,820,527	2,883,032	2,837,482	(45,550)
<u>Charges For Services</u>				
Finance	158,500	158,500	156,619	(1,881)
Legal	62,118	62,118	62,352	234
City clerk	38,500	38,500	41,229	2,729
Public safety	2,151,868	2,484,868	2,724,168	239,300
General services	85,600	85,600	104,420	18,820
Community development	167,640	167,640	182,571	14,931
Human services	75,000	75,000	81,596	6,596

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Library	9,000	18,000	18,220	220
Recreation	417,440	417,440	391,729	(25,711)
Tower lease/ fire hdqtrs	24,421	24,421	22,329	(2,092)
Cable franchise fee	700,000	700,000	712,030	12,030
School district lease	98,100	98,100	96,302	(1,798)
Community Center rental	110,500	110,500	116,161	5,661
Code prosecution	34,000	34,000	36,377	2,377
Restitution	13,000	13,000	1,877	(11,123)
Parking fines - non meters	90,000	90,000	94,971	4,971
False alarm penalties	44,000	44,000	38,592	(5,408)
Overdue book fines	35,000	35,000	30,098	(4,902)
Concessions/sponsors	<u>300</u>	<u>300</u>	<u>1,264</u>	<u>964</u>
Total Charges For Services	4,314,987	4,656,987	4,912,905	255,918
<u>Investment Income</u>				
Earnings on investments	<u>98,380</u>	<u>60,000</u>	<u>44,841</u>	<u>(15,159)</u>
Total Investment Income	98,380	60,000	44,841	(15,159)
<u>Miscellaneous</u>				
Miscellaneous revenue not anticipated	82,300	98,465	451,998	353,533
Donations	10,300	10,300	10,549	249
Sale of city property	30,000	30,000	78,985	48,985
MV transportation surcharge	172,000	172,000	168,957	(3,043)
Advertising	11,000	11,000	500	(10,500)
Interest, costs, and penalties	<u>555,000</u>	<u>555,000</u>	<u>642,748</u>	<u>87,748</u>
Total Miscellaneous	860,600	876,765	1,353,737	476,972
<u>Other Financing Sources</u>				
Transfers in	2,210,080	2,330,080	2,218,583	(111,497)
Budgetary use of fund balance	<u>300,000</u>	<u>1,528,000</u>	<u>1,528,000</u>	<u>-</u>
Total Other Financing Sources	<u>2,510,080</u>	<u>3,858,080</u>	<u>3,746,583</u>	<u>(111,497)</u>
Total Revenues and Other Financing Sources	<u>\$ 50,914,738</u>	<u>\$ 52,661,903</u>	<u>\$ 53,277,731</u>	<u>\$ 615,828</u>

**CITY OF CONCORD, NEW HAMPSHIRE**

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

**For the Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>General Government</u>				
City Manager	\$ 1,051,921	\$ 1,076,921	\$ 1,077,820	\$ (899)
Legal services	1,004,981	1,004,981	975,344	29,637
Assessor	667,036	667,036	539,020	128,016
Human resources	380,290	380,290	379,277	1,013
Finance	2,254,819	2,167,496	1,824,693	342,803
Information technology	643,950	643,950	603,947	40,003
City Council	29,820	29,762	26,839	2,924
City Clerk	<u>350,803</u>	<u>360,861</u>	<u>343,636</u>	<u>17,224</u>
Total General Government	6,383,620	6,331,297	5,770,576	560,721
<u>Public Safety</u>				
Police	9,986,067	10,136,067	10,098,146	37,921
Fire	<u>11,473,923</u>	<u>11,801,923</u>	<u>11,822,261</u>	<u>(20,338)</u>
Total Public Safety	21,459,990	21,937,990	21,920,407	17,583
<u>General Services</u>				
Total General Services	<u>6,389,011</u>	<u>6,401,126</u>	<u>6,038,948</u>	<u>362,178</u>
<u>Community Development</u>				
Total Community Development	<u>2,881,598</u>	<u>2,881,598</u>	<u>2,723,756</u>	<u>157,842</u>
<u>Leisure and Information Services</u>				
Library	1,574,735	1,583,735	1,529,758	53,977
Recreation and parks	<u>2,122,998</u>	<u>2,134,998</u>	<u>2,102,385</u>	<u>32,613</u>
Total Leisure and Information Services	3,697,733	3,718,733	3,632,143	86,590
<u>Human Services</u>				
Total Human Services	<u>784,855</u>	<u>784,855</u>	<u>735,446</u>	<u>49,409</u>

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>Employee Benefits</u>				
Employee benefits	<u>2,499,610</u>	<u>2,517,933</u>	<u>2,345,207</u>	<u>172,726</u>
Total Employee Benefits	2,499,610	2,517,933	2,345,207	172,726
<u>Debt Service</u>				
Principal	3,360,580	3,360,580	3,304,284	56,296
Interest	<u>1,183,626</u>	<u>1,183,626</u>	<u>1,071,897</u>	<u>111,729</u>
Total Debt Service	4,544,206	4,544,206	4,376,181	168,025
<u>Other Financing Uses</u>				
Transfers out	<u>2,274,115</u>	<u>3,544,165</u>	<u>3,490,853</u>	<u>53,312</u>
Total Other Financing Uses	<u>2,274,115</u>	<u>3,544,165</u>	<u>3,490,853</u>	<u>53,312</u>
Total Expenditures and Other Financing Uses	<u>\$ 50,914,738</u>	<u>\$ 52,661,903</u>	<u>\$ 51,033,517</u>	<u>\$ 1,628,386</u>

CITY OF CONCORD, NEW HAMPSHIRE

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

Annually Budgeted Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2012

	Parking		Variance Positive (Negative)
	Budget	Actual (Budgetary Basis)	
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services:			
Parking - meters	750,400	757,229	6,829
Prepaid parking	110,000	63,804	(46,196)
Fuel flow fees	-	-	-
Rentals	-	-	-
Total Charges for Services	860,400	821,033	(39,367)
Investment income	1,200	264	(936)
Miscellaneous:			
Meter parking penalties	336,000	394,736	58,736
Rentals	367,597	348,270	(19,327)
Miscellaneous	165,025	228,734	63,709
Total Miscellaneous	868,622	971,740	103,118
Total Revenues	1,730,222	1,793,037	62,815
Expenditures:			
Public Safety:			
Compensation	340,060	334,926	5,134
Outside services	103,360	132,722	(29,362)
Fringe benefits	157,550	157,846	(296)
Supplies	38,800	22,767	16,033
Insurance	6,060	5,598	462
Taxes	40,040	52,929	(12,889)
Capital outlay	750,601	746,950	3,651
General Services:			
Compensation	37,700	38,879	(1,179)
Outside services	72,400	53,975	18,425
Fringe benefits	29,970	26,167	3,803
Supplies	2,250	1,376	874
Utilities	62,524	61,923	601
Insurance	18,540	18,280	260
Taxes	5,540	5,540	-
Community Development:			
Compensation	-	-	-
Outside services	-	-	-
Fringe benefits	-	-	-
Insurance	-	-	-
Debt service	135,000	67,929	67,071
Total Expenditures	1,800,395	1,727,809	72,586
Other Financing Sources (Uses):			
Transfer in	42,744	11,461	(31,283)
Transfer out	(200,850)	(140,850)	60,000
Total Other Financing Sources (Uses)	(158,106)	(129,389)	28,717
Excess of revenues and other financing sources over expenditures and other financing uses	\$ (228,279)	\$ (64,161)	\$ 164,118

Airport			Total		
Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 1,400	\$ 1,138	\$ (262)	\$ 1,400	\$ 1,138	\$ (262)
-	-	-	750,400	757,229	6,829
-	-	-	110,000	63,804	(46,196)
11,000	12,342	1,342	11,000	12,342	1,342
<u>353,101</u>	<u>356,692</u>	<u>3,591</u>	<u>353,101</u>	<u>356,692</u>	<u>3,591</u>
364,101	369,034	4,933	1,224,501	1,190,067	(34,434)
1,140	833	(307)	2,340	1,097	(1,243)
-	-	-	336,000	394,736	58,736
-	-	-	367,597	348,270	(19,327)
-	4,043	4,043	<u>165,025</u>	<u>232,777</u>	<u>67,752</u>
-	4,043	4,043	<u>868,622</u>	<u>975,783</u>	<u>107,161</u>
366,641	375,047	8,406	2,096,863	2,168,085	71,222
-	-	-	340,060	334,926	5,134
-	-	-	103,360	132,722	(29,362)
-	-	-	157,550	157,846	(296)
-	-	-	38,800	22,767	16,033
-	-	-	6,060	5,598	462
-	-	-	40,040	52,929	(12,889)
-	-	-	750,601	746,950	3,651
35,000	35,724	(724)	72,700	74,604	(1,904)
70,303	69,793	510	142,703	123,768	18,935
24,810	23,537	1,273	54,780	49,705	5,075
28,453	22,430	6,023	30,703	23,806	6,897
33,234	24,711	8,523	95,758	86,634	9,124
8,930	6,800	2,130	27,470	25,081	2,389
47,998	49,243	(1,245)	53,538	54,783	(1,245)
21,960	20,012	1,948	21,960	20,012	1,948
-	390	(390)	-	390	(390)
16,530	14,121	2,409	16,530	14,121	2,409
270	203	67	270	203	67
<u>11,000</u>	<u>10,945</u>	<u>55</u>	<u>146,000</u>	<u>78,874</u>	<u>67,126</u>
298,488	277,910	20,578	2,098,883	2,005,719	93,164
-	7,895	7,895	42,744	19,356	(23,388)
<u>(121,737)</u>	<u>(121,737)</u>	<u>-</u>	<u>(322,587)</u>	<u>(262,587)</u>	<u>60,000</u>
<u>(121,737)</u>	<u>(113,842)</u>	<u>7,895</u>	<u>(279,843)</u>	<u>(243,231)</u>	<u>36,612</u>
\$ <u>(53,584)</u>	\$ <u>(16,705)</u>	\$ <u>36,879</u>	\$ <u>(281,863)</u>	\$ <u>(80,866)</u>	\$ <u>200,997</u>

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## **Combining Financial Statements**

## **NONMAJOR BUSINESS-TYPE FUNDS**

### **PROPRIETARY (ENTERPRISE) FUNDS**

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

The City of Concord has the following Nonmajor Enterprise Funds:

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

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

**CITY OF CONCORD, NEW HAMPSHIRE**

**Combining Statement of Net Assets**

**Nonmajor Proprietary Funds**

**June 30, 2012**

	Business-Type Activities Enterprise Funds		
	<u>Golf Fund</u>	<u>Arena Fund</u>	<u>Total Other Funds</u>
<b><u>ASSETS</u></b>			
Current:			
Cash and short-term equivalents	\$ 93,606	\$ 256,649	\$ 350,255
User fees, net of allowance for uncollectibles	-	6,243	6,243
Prepaid assets	-	751	751
	<hr/>	<hr/>	<hr/>
Total current assets	93,606	263,643	357,249
Noncurrent:			
Capital assets:			
Land and construction in progress	61,809	488,236	550,045
Other capital assets, net of accumulated depreciation	514,342	635,371	1,149,713
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	576,151	1,123,607	1,699,758
<b>TOTAL ASSETS</b>	669,757	1,387,250	2,057,007
<b><u>LIABILITIES</u></b>			
Current:			
Accounts payable	36,511	4,752	41,263
Retainage payable	-	8,072	8,072
Accrued liabilities	2,088	7,383	9,471
Unearned revenue	5,872	7,100	12,972
Current portion of long-term liabilities:			
Bonds payable	50,000	76,989	126,989
Compensated absences	23,205	14,320	37,525
	<hr/>	<hr/>	<hr/>
Total current liabilities	117,676	118,616	236,292
Noncurrent:			
Bonds payable, net of current portion	125,000	588,748	713,748
	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	125,000	588,748	713,748
<b>TOTAL LIABILITIES</b>	242,676	707,364	950,040
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	401,151	657,775	1,058,926
Unrestricted	25,930	22,111	48,041
	<hr/>	<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>	\$ 427,081	\$ 679,886	\$ 1,106,967

**CITY OF CONCORD, NEW HAMPSHIRE**

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

**Nonmajor Proprietary Funds**

**For the Fiscal Year Ended June 30, 2012**

	<u>Golf</u> <u>Fund</u>	<u>Arena</u> <u>Fund</u>	<u>Total</u> <u>Other</u> <u>Funds</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 749,899	\$ 522,284	\$ 1,272,183
Other	<u>-</u>	<u>15,218</u>	<u>15,218</u>
Total Operating Revenues	749,899	537,502	1,287,401
<b>Operating Expenses:</b>			
Operating expenses	736,214	399,982	1,136,196
Depreciation	<u>54,187</u>	<u>62,680</u>	<u>116,867</u>
Total Operating Expenses	<u>790,401</u>	<u>462,662</u>	<u>1,253,063</u>
Operating Income (Loss)	(40,502)	74,840	34,338
<b>Nonoperating Revenues (Expenses):</b>			
Investment income	115	159	274
Interest expense	<u>(8,175)</u>	<u>(14,720)</u>	<u>(22,895)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(8,060)</u>	<u>(14,561)</u>	<u>(22,621)</u>
Income (Loss) Before Transfers	(48,562)	60,279	11,717
<b>Transfers:</b>			
Transfers in	49,271	18,040	67,311
Transfers out	<u>(8,800)</u>	<u>(44,700)</u>	<u>(53,500)</u>
Change in Net Assets	(8,091)	33,619	25,528
Net Assets at Beginning of Year	<u>435,172</u>	<u>646,267</u>	<u>1,081,439</u>
Net Assets at End of Year	\$ <u>427,081</u>	\$ <u>679,886</u>	\$ <u>1,106,967</u>

**CITY OF CONCORD, NEW HAMPSHIRE**

**Combining Statement of Cash Flows**

**Nonmajor Proprietary Funds**

**For the Fiscal Year Ended June 30, 2012**

	<u>Golf</u> <u>Fund</u>	<u>Arena</u> <u>Fund</u>	<u>Total</u> <u>Other</u> <u>Funds</u>
<b><u>Cash Flows From Operating Activities:</u></b>			
Receipts from customers and users	\$ 748,811	\$ 537,187	\$ 1,285,998
Payments to employees	(393,422)	(288,612)	(682,034)
Payments to vendors	<u>(335,290)</u>	<u>(218,624)</u>	<u>(553,914)</u>
Net Cash Provided By Operating Activities	20,099	29,951	50,050
<b><u>Cash Flows From Noncapital Financing Activities:</u></b>			
Transfers in	49,271	18,040	67,311
Transfers out	<u>(8,800)</u>	<u>(44,700)</u>	<u>(53,500)</u>
Net Cash (Used For) Noncapital Financing Activities	40,471	(26,660)	13,811
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>			
Proceeds from bonds and notes	-	460,737	460,737
Principal payments on bonds and notes	(50,000)	(52,000)	(102,000)
Acquisition and construction of capital assets, net disposals	(34,910)	(310,804)	(345,714)
Interest expense	<u>(8,750)</u>	<u>(10,325)</u>	<u>(19,075)</u>
Net Cash (Used For) Capital and Related Financing Activities	(93,660)	87,608	(6,052)
<b><u>Cash Flows From Investing Activities:</u></b>			
Investment income	<u>115</u>	<u>159</u>	<u>274</u>
Net Cash Provided by Investing Activities	<u>115</u>	<u>159</u>	<u>274</u>
Net Change in Cash and Short-Term Equivalents	(32,975)	91,058	58,083
Cash and Short-Term Equivalents, Beginning of Year	<u>126,581</u>	<u>165,591</u>	<u>292,172</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 93,606</u>	<u>\$ 256,649</u>	<u>\$ 350,255</u>
<b><u>Reconciliation of Operating Income to Net Cash</u></b>			
<b><u>Provided by (Used For) Operating Activities:</u></b>			
Operating income	\$ (40,502)	\$ 74,840	\$ 34,338
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	54,187	62,680	116,867
Changes in assets and liabilities:			
User fees	2,670	(5,528)	(2,858)
Other assets	1,516	(14)	1,502
Accounts payable	9,105	(104,692)	(95,587)
Retainage payable	-	(5,290)	(5,290)
Compensated absences	2,880	2,742	5,622
Unearned revenues	-	5,250	5,250
Other liabilities	<u>(9,757)</u>	<u>(37)</u>	<u>(9,794)</u>
Net Cash Provided By Operating Activities	<u>\$ 20,099</u>	<u>\$ 29,951</u>	<u>\$ 50,050</u>

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**Detail Combining Budget  
And Actual Schedule**

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## **PROPRIETARY (ENTERPRISE) FUNDS**

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

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

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

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

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

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

**CITY OF CONCORD, NEW HAMPSHIRE**

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

**Enterprise Funds**

**For the Fiscal Year Ended June 30, 2012**

		<u>Water Fund</u>	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 5,586,750	\$ 5,462,455	\$ (124,295)
Miscellaneous	<u>4,000</u>	<u>4,948</u>	<u>948</u>
Total Operating Revenues	5,590,750	5,467,403	(123,347)
Operating Expenses:			
Personnel	2,133,440	2,008,018	125,422
Non-Personnel	866,915	685,722	181,193
Debt service	<u>1,530,590</u>	<u>1,530,573</u>	<u>17</u>
Total Operating Expenses	<u>4,530,945</u>	<u>4,224,313</u>	<u>306,632</u>
Operating Income (Loss)	1,059,805	1,243,090	183,285
Non-Operating Income (Expenses):			
Interest expense	(423,710)	(424,711)	(1,001)
Investment income	<u>5,000</u>	<u>4,944</u>	<u>(56)</u>
Total Non-Operating Income (Expenses)	<u>(418,710)</u>	<u>(419,767)</u>	<u>(1,057)</u>
Net Income (Loss) Before Transfers	641,095	823,323	182,228
Other Financing Sources:			
Use of Fund Balance	100,000	-	(100,000)
Transfers in	-	-	-
Transfers out	<u>(907,453)</u>	<u>(907,453)</u>	<u>-</u>
Total Other Financing Sources	<u>(807,453)</u>	<u>(907,453)</u>	<u>(100,000)</u>
Net Income (Loss)	\$ <u>(166,358)</u>	\$ <u>(84,130)</u>	\$ <u>82,228</u>

Sewer Fund			Solid Waste Fund		
Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 6,972,180	\$ 6,717,396	\$ (254,784)	\$ 3,259,892	\$ 2,983,217	\$ (276,675)
<u>1,250</u>	<u>54,751</u>	<u>53,501</u>	<u>-</u>	<u>105</u>	<u>105</u>
6,973,430	6,772,147	(201,283)	3,259,892	2,983,322	(276,570)
1,666,240	1,579,731	86,509	251,670	270,546	(18,876)
2,243,708	2,043,575	200,133	4,275,069	4,013,705	261,364
<u>1,686,064</u>	<u>1,752,207</u>	<u>(66,143)</u>	<u>223,214</u>	<u>223,214</u>	<u>-</u>
<u>5,596,012</u>	<u>5,375,513</u>	<u>220,499</u>	<u>4,749,953</u>	<u>4,507,465</u>	<u>242,488</u>
1,377,418	1,396,634	19,216	(1,490,061)	(1,524,143)	(34,082)
(492,474)	(491,147)	1,327	-	-	-
<u>25,840</u>	<u>23,649</u>	<u>(2,191)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(466,634)</u>	<u>(467,498)</u>	<u>(864)</u>	<u>-</u>	<u>-</u>	<u>-</u>
910,784	929,136	18,352	(1,490,061)	(1,524,143)	(34,082)
-	-	-	-	-	-
-	-	-	1,420,200	1,420,200	-
<u>(720,558)</u>	<u>(720,558)</u>	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
<u>(720,558)</u>	<u>(720,558)</u>	<u>-</u>	<u>1,385,200</u>	<u>1,385,200</u>	<u>-</u>
\$ <u>190,226</u>	\$ <u>208,578</u>	\$ <u>18,352</u>	\$ <u>(104,861)</u>	\$ <u>(138,943)</u>	\$ <u>(34,082)</u>

(continued)

**CITY OF CONCORD, NEW HAMPSHIRE**

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

**Enterprise Funds**

**For the Fiscal Year Ended June 30, 2012**

(continued)

		<u>Golf Fund</u>	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 958,950	\$ 741,933	\$ (217,017)
Miscellaneous	<u>-</u>	<u>7,966</u>	<u>7,966</u>
Total Operating Revenues	958,950	749,899	(209,051)
Operating Expenses:			
Personnel	425,850	389,111	36,739
Non-Personnel	351,681	345,169	6,512
Debt service	<u>61,550</u>	<u>61,550</u>	<u>-</u>
Total Operating Expenses	<u>839,081</u>	<u>795,830</u>	<u>43,251</u>
Operating Income (Loss)	119,869	(45,931)	(165,800)
Non-Operating Income (Expenses):			
Interest expense	-	-	-
Investment income	<u>380</u>	<u>115</u>	<u>(265)</u>
Total Non-Operating Income (Expenses)	<u>380</u>	<u>115</u>	<u>(265)</u>
Net Income (Loss) Before Transfers	120,249	(45,816)	(166,065)
Other Financing Sources			
Transfers in	-	-	-
Transfers out	<u>(113,100)</u>	<u>(6,000)</u>	<u>107,100</u>
Total Other Financing Sources	<u>(113,100)</u>	<u>(6,000)</u>	<u>107,100</u>
Net Income (Loss)	<u>\$ 7,149</u>	<u>\$ (51,816)</u>	<u>\$ (58,965)</u>

Arena Fund		
<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 493,855	\$ 522,724	\$ 28,869
<u>-</u>	<u>403</u>	<u>403</u>
493,855	523,127	29,272
242,495	253,713	(11,218)
138,878	141,348	(2,470)
<u>64,125</u>	<u>64,125</u>	<u>-</u>
<u>445,498</u>	<u>459,186</u>	<u>(13,688)</u>
48,357	63,941	15,584
490	159	-
<u>490</u>	<u>159</u>	<u>(331)</u>
48,847	64,100	15,253
18,040	18,040	-
<u>(92,900)</u>	<u>(92,900)</u>	<u>-</u>
<u>(74,860)</u>	<u>(74,860)</u>	<u>-</u>
<u>\$ (26,013)</u>	<u>\$ (10,760)</u>	<u>\$ 15,253</u>

## **FIDUCIARY FUNDS**

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

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2012

	Balance July 1, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2012</u>
Assets - cash and short-term investments	\$ 1,721,011	\$ 91,863,291	\$ (93,341,519)	\$ 242,783
Assets - due from other funds	3,832	123,972,812	(123,976,644)	-
Total Assets	<u>\$ 1,724,843</u>	<u>\$ 215,836,103</u>	<u>\$ (217,318,163)</u>	<u>\$ 242,783</u>
Liabilities - due to other governments	\$ 832,213	\$ 58,983,893	\$ (59,816,106)	\$ -
Liabilities - other liabilities	892,630	90,864,593	(91,514,440)	242,783
Total liabilities	<u>\$ 1,724,843</u>	<u>\$ 149,848,486</u>	<u>\$ (151,330,546)</u>	<u>\$ 242,783</u>

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# **STATISTICAL SECTION**



# CITY OF CONCORD, NEW HAMPSHIRE

## STATISTICAL SECTION

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

	<u>Page</u>
<b><i>Financial Trend Data:</i></b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	122 - 125
<b><i>Information on Revenue Capacity:</i></b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	126 - 130
<b><i>Debt Capacity Information:</i></b> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	131 - 133
<b><i>Demographic and Economic Information:</i></b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	134 - 135
<b><i>Operating Information:</i></b> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.	136 - 138

## City of Concord, New Hampshire

### Net Assets by Component

Last Ten Fiscal Years (1)

(accrual basis of accounting)

	2003	2004	2005	2006	Fiscal Year 2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 27,719,446	\$ 32,237,423	\$ 35,137,392	\$ 43,016,795	\$ 53,651,076	\$ 61,819,702	\$ 66,566,664	\$ 70,966,637	\$ 69,642,960	\$ 71,316,684
Restricted	10,447,317	10,337,347	10,411,567	11,513,702	12,132,027	12,970,495	10,576,342	11,614,642	12,582,557	12,241,140
Unrestricted	24,538,884	22,220,069	23,262,390	21,209,276	18,577,263	16,400,737	15,559,497	13,778,355	17,718,246	16,800,855
Total governmental activities net assets	\$ 62,705,647	\$ 64,794,839	\$ 68,811,349	\$ 75,739,773	\$ 84,360,366	\$ 91,190,934	\$ 92,702,503	\$ 96,359,634	\$ 99,943,763	\$ 100,358,679
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 72,517,390	\$ 104,744,370	\$ 104,436,255	\$ 104,696,142	\$ 103,870,146	\$ 104,711,008	\$ 104,127,148	\$ 104,095,897	\$ 103,659,124	\$ 103,454,627
Restricted	1,237,551	1,168,856	692,378	1,409,447	1,604,674	1,467,712	1,326,168	1,180,931	1,042,044	882,459
Unrestricted	5,529,626	8,499,449	9,617,980	7,957,766	7,796,545	5,920,390	5,235,417	4,864,595	5,643,666	5,877,988
Total business-type activities net assets	\$ 79,284,567	\$ 114,412,675	\$ 114,746,613	\$ 114,063,355	\$ 113,271,365	\$ 112,099,110	\$ 110,688,733	\$ 110,141,423	\$ 110,344,834	\$ 110,215,074
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 100,236,836	\$ 136,981,793	\$ 139,573,647	\$ 147,712,937	\$ 157,521,222	\$ 166,530,710	\$ 170,693,812	\$ 175,062,534	\$ 173,302,084	\$ 174,771,311
Restricted	11,684,868	11,506,203	11,103,945	12,923,149	13,736,701	14,438,207	11,902,510	12,795,573	13,624,601	13,123,599
Unrestricted	30,068,510	30,719,518	32,880,370	29,167,042	26,373,808	22,321,127	20,794,914	18,642,950	23,361,912	22,678,843
Total primary government net assets	\$ 141,990,214	\$ 179,207,514	\$ 183,557,962	\$ 189,803,128	\$ 197,631,731	\$ 203,290,044	\$ 203,391,236	\$ 206,501,057	\$ 210,288,597	\$ 210,573,753

Data Source:

Audited Financial Statements

Notes:

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

**City of Concord, New Hampshire**

**Change in Net Assets**

**Last Ten Fiscal Years**

(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,699,269	\$ 5,105,363	\$ 5,852,175	\$ 5,170,467	\$ 5,865,465	\$ 5,248,062	\$ 6,104,117	\$ 6,852,912	\$ 7,145,023	\$ 8,190,946
Public safety	13,275,869	15,193,859	16,071,793	17,832,430	18,989,365	19,958,305	21,144,583	21,069,118	22,584,828	24,766,159
General services	8,754,445	11,941,871	10,873,904	10,581,792	11,211,510	12,186,012	11,572,079	11,290,119	12,693,473	10,390,070
Community development	2,129,166	2,602,838	2,991,350	3,187,532	3,535,844	4,160,643	4,041,973	3,815,308	4,223,189	4,624,312
Leisure and information services	2,007,340	2,053,398	2,099,580	2,195,694	2,368,707	2,276,316	2,459,002	2,142,783	2,574,830	4,049,606
Human services	1,011,854	1,071,795	1,033,242	1,060,845	1,038,484	705,177	807,682	768,564	775,026	773,578
Interest	1,165,149	1,098,847	954,439	1,247,922	1,411,040	1,763,217	1,410,990	1,778,927	1,511,198	1,447,573
Miscellaneous	1,018,438	1,032,980	1,052,586	1,047,619	483,671	195,830	53,928	-	-	-
<b>Total governmental activities expenses</b>	<b>34,061,530</b>	<b>40,100,951</b>	<b>40,929,069</b>	<b>42,324,301</b>	<b>44,904,086</b>	<b>46,491,562</b>	<b>47,594,354</b>	<b>47,717,731</b>	<b>51,507,567</b>	<b>54,242,244</b>
Business-type activities:										
Water services	3,658,207	4,628,608	4,833,091	5,226,999	5,084,681	5,129,399	4,959,863	4,870,370	4,883,528	5,005,723
Wastewater services	4,540,857	5,094,614	5,536,027	6,046,556	5,751,772	6,138,395	6,436,028	6,368,985	6,247,273	6,285,448
Solid waste services	N/A	N/A	N/A	N/A	N/A	N/A	3,729,839	4,085,706	4,301,512	4,335,560
Other (nonmajor)	4,059,707	4,259,673	4,391,311	4,807,391	4,988,056	5,009,056	1,433,136	1,275,645	1,323,741	1,275,958
<b>Total business-type activities expenses</b>	<b>12,258,771</b>	<b>13,982,895</b>	<b>14,760,429</b>	<b>16,080,946</b>	<b>15,824,509</b>	<b>16,276,850</b>	<b>16,558,866</b>	<b>16,600,706</b>	<b>16,756,054</b>	<b>16,902,689</b>
<b>Total primary government expenses</b>	<b>\$ 46,320,301</b>	<b>\$ 54,083,846</b>	<b>\$ 55,689,498</b>	<b>\$ 58,405,247</b>	<b>\$ 60,728,595</b>	<b>\$ 62,768,412</b>	<b>\$ 64,153,220</b>	<b>\$ 64,318,437</b>	<b>\$ 68,263,621</b>	<b>\$ 71,144,933</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 2,591,154	\$ 2,657,221	\$ 2,783,810	\$ 2,625,179	\$ 3,223,376	\$ 2,765,164	\$ 1,458,413	\$ 1,484,734	\$ 1,525,641	\$ 1,930,291
Public safety	1,192,461	1,351,556	1,835,850	1,906,741	2,521,339	2,444,300	3,048,743	3,128,313	3,507,165	3,776,767
General services	-	233,590	280,993	320,889	318,029	325,078	298,694	273,935	451,690	116,418
Community development	1,131,158	1,468,925	1,468,041	2,126,301	1,190,109	1,172,608	1,131,134	1,280,954	1,450,678	1,212,966
Leisure and information services	351,754	367,464	366,244	387,741	426,243	417,470	462,796	523,031	502,022	721,780
Human services	125,806	34,169	16,258	31,690	155,657	176,394	12,330	41,063	17,966	-
<b>Total charges for services</b>	<b>5,392,333</b>	<b>6,112,925</b>	<b>6,751,196</b>	<b>7,398,541</b>	<b>7,834,753</b>	<b>7,301,014</b>	<b>6,412,110</b>	<b>6,732,030</b>	<b>7,455,162</b>	<b>7,758,222</b>
Operating grants and contributions	445,882	246,397	701,185	542,808	488,719	607,301	1,406,391	1,016,770	739,160	2,181,740
Capital grants and contributions	2,569,350	2,781,319	2,393,988	3,233,739	3,266,416	4,350,418	2,004,940	2,199,019	2,640,477	2,400,917
<b>Total governmental activities program revenues</b>	<b>8,407,565</b>	<b>9,140,641</b>	<b>9,846,369</b>	<b>11,175,088</b>	<b>11,589,888</b>	<b>12,258,733</b>	<b>9,823,441</b>	<b>9,947,819</b>	<b>10,834,799</b>	<b>12,340,879</b>
Business-type activities:										
Water services	4,449,813	4,768,605	4,801,521	4,885,520	4,853,295	5,112,600	4,918,822	5,100,517	5,363,947	5,339,039
Wastewater services	4,475,390	4,710,144	4,778,328	4,949,344	5,377,820	5,505,914	5,593,025	5,716,639	6,346,565	6,510,709
Solid waste services	-	-	-	-	-	-	1,761,418	3,213,003	2,895,021	2,940,170
Other (nonmajor)	2,709,684	2,949,539	3,046,267	3,240,470	3,228,133	3,301,298	1,303,735	1,358,042	1,310,157	1,272,183
<b>Total charges for services</b>	<b>11,634,887</b>	<b>12,428,288</b>	<b>12,626,116</b>	<b>13,075,334</b>	<b>13,459,248</b>	<b>13,919,812</b>	<b>13,577,000</b>	<b>15,388,201</b>	<b>15,915,690</b>	<b>16,062,101</b>
Operating grants and contributions	458,121	67,487	-	-	-	-	243,344	228,364	188,926	290,323
Capital grants and contributions	-	-	1,353,013	178,634	337,063	177,098	268,581	201,882	162,701	41,241
<b>Total business-type activities program revenues</b>	<b>12,093,008</b>	<b>12,495,775</b>	<b>13,979,129</b>	<b>13,253,968</b>	<b>13,796,311</b>	<b>14,096,910</b>	<b>14,088,925</b>	<b>15,818,447</b>	<b>16,267,317</b>	<b>16,393,665</b>
<b>Total primary government program revenues</b>	<b>\$ 20,500,573</b>	<b>\$ 21,636,416</b>	<b>\$ 23,825,498</b>	<b>\$ 24,429,056</b>	<b>\$ 25,386,199</b>	<b>\$ 26,355,643</b>	<b>\$ 23,912,366</b>	<b>\$ 25,766,266</b>	<b>\$ 27,102,116</b>	<b>\$ 28,734,544</b>
<b>Net (Expenses)Revenue</b>										
Governmental activities	\$ (25,653,965)	\$ (30,960,310)	\$ (31,082,700)	\$ (31,149,213)	\$ (33,314,198)	\$ (34,232,829)	\$ (37,770,913)	\$ (37,769,912)	\$ (40,672,768)	\$ (41,901,365)
Business-type activities	(165,763)	(1,487,120)	(781,300)	(2,826,978)	(2,028,198)	(2,179,940)	(2,469,941)	(782,259)	(488,737)	(509,024)
<b>Total Primary government net expense</b>	<b>\$ (25,819,728)</b>	<b>\$ (32,447,430)</b>	<b>\$ (31,864,000)</b>	<b>\$ (33,976,191)</b>	<b>\$ (35,342,396)</b>	<b>\$ (36,412,769)</b>	<b>\$ (40,240,854)</b>	<b>\$ (38,552,171)</b>	<b>\$ (41,161,505)</b>	<b>\$ (42,410,389)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property tax	\$ 27,299,574	\$ 26,732,772	\$ 30,526,322	\$ 32,152,307	\$ 33,483,212	\$ 36,055,134	\$ 37,718,000	\$ 37,683,982	\$ 39,939,045	\$ 38,875,330
Penalties, interest and other taxes	705,746	627,012	619,051	668,354	639,602	754,891	804,871	885,170	1,267,571	1,037,812
Grants and contributions not restricted to specific programs	4,239,191	3,645,776	1,931,245	2,220,594	3,502,469	1,694,459	1,165,149	900	832	704
Investment income	1,151,559	1,030,007	1,458,842	2,483,994	3,729,057	1,552,449	(564,036)	1,066,457	2,233,996	611,071
Miscellaneous	609,523	636,327	945,897	747,187	867,053	987,429	743,489	1,563,028	1,165,035	1,486,553
Transfers, net	(603,720)	(866,090)	(504,054)	(510,572)	(447,769)	(451,881)	(830,487)	5,213	(43,843)	31,630
Permanent fund contributions	288,676	368,034	121,907	315,773	161,167	470,916	245,496	222,293	184,261	273,181
<b>Total governmental activities</b>	<b>33,690,549</b>	<b>32,173,838</b>	<b>35,099,210</b>	<b>38,077,637</b>	<b>41,934,791</b>	<b>41,063,397</b>	<b>39,282,482</b>	<b>41,427,043</b>	<b>44,746,897</b>	<b>42,316,281</b>
Business-type activities:										
Grants and contributions not restricted to specific programs	215,538	301,456	341,461	1,073,384	310,313	141,327	-	-	-	-
Investment income	160,880	117,515	189,382	435,083	457,032	345,891	197,313	178,641	150,328	68,834
Miscellaneous	90,031	12,427	80,341	124,681	21,094	68,586	31,764	61,521	7,977	342,060
Transfers, net	603,720	866,090	504,054	510,572	447,769	451,881	830,487	(5,213)	43,843	(31,630)
<b>Total business-type activities</b>	<b>1,070,169</b>	<b>1,297,488</b>	<b>1,115,238</b>	<b>2,143,720</b>	<b>1,236,208</b>	<b>1,007,685</b>	<b>1,059,564</b>	<b>234,949</b>	<b>202,148</b>	<b>379,264</b>
<b>Total primary government</b>	<b>\$ 34,760,718</b>	<b>\$ 33,471,326</b>	<b>\$ 36,214,448</b>	<b>\$ 40,221,357</b>	<b>\$ 43,170,999</b>	<b>\$ 42,071,082</b>	<b>\$ 40,342,046</b>	<b>\$ 41,661,992</b>	<b>\$ 44,949,045</b>	<b>\$ 42,695,545</b>
<b>Change in Net Assets</b>										
Governmental activities	\$ 8,036,584	\$ 1,213,528	\$ 4,016,510	\$ 6,928,424	\$ 8,620,593	\$ 6,830,568	\$ 1,511,569	\$ 3,657,131	\$ 4,074,129	\$ 414,916
Business-type activities	904,406	(189,632)	333,938	(683,258)	(791,990)	(1,172,255)	(1,410,377)	(547,310)	(286,589)	(129,760)
<b>Total primary government</b>	<b>\$ 8,940,990</b>	<b>\$ 1,023,896</b>	<b>\$ 4,350,448</b>	<b>\$ 6,245,166</b>	<b>\$ 7,828,603</b>	<b>\$ 5,658,313</b>	<b>\$ 101,192</b>	<b>\$ 3,109,821</b>	<b>\$ 3,787,540</b>	<b>\$ 285,156</b>

Data Source

Audited Financial Statements

# City of Concord, New Hampshire

## Fund Balances, Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 <sup>(1)</sup>	2012
<b>General Fund</b>										
Reserved	\$ 3,213,486	\$ 2,944,821	\$ 2,666,156	\$ 1,789,574	\$ 2,270,638	\$ 1,300,105	\$ 1,169,269	\$ 966,768	\$ -	
Unreserved	5,423,862	4,832,349	4,639,091	5,329,762	3,453,608	4,447,779	5,302,478	7,025,545	-	
Nonspendable	-	-	-	-	-	-	-	-	181,815	152,871
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	4,316,925	4,938,869
Assigned	-	-	-	-	-	-	-	-	1,355,353	894,000
Unassigned	-	-	-	-	-	-	-	-	6,736,075	8,168,250
<b>Total General Fund</b>	<b>\$ 8,637,348</b>	<b>\$ 7,777,170</b>	<b>\$ 7,305,247</b>	<b>\$ 7,119,336</b>	<b>\$ 5,724,246</b>	<b>\$ 5,747,884</b>	<b>\$ 6,471,747</b>	<b>\$ 7,992,313</b>	<b>\$ 12,590,168</b>	<b>\$ 14,153,990</b>
<b>Other Governmental Funds</b>										
Reserved	\$ 6,781,340	\$ 6,960,094	\$ 7,563,030	\$ 7,733,404	\$ 8,686,203	\$ 13,154,406	\$ 11,784,460	\$ 10,652,150	\$ -	
Unreserved:										
Special Revenue Funds	15,601,153	11,439,627	9,438,221	8,738,047	8,651,431	9,077,496	7,675,674	8,124,307	-	
Capital Project Funds	8,360,192	12,792,394	13,490,784	20,587,665	14,906,493	5,017,047	4,261,481	3,500,587	-	
Debt Service	315,549	313,569	507,276	591,867	657,335	760,163	856,787	1,248,100	-	
Nonspendable	-	-	-	-	-	-	-	-	9,239,526	9,394,226
Restricted	-	-	-	-	-	-	-	-	4,214,191	2,803,781
Committed	-	-	-	-	-	-	-	-	10,842,872	9,916,209
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(915)	(1,290)
<b>Total Other Funds</b>	<b>\$ 31,058,234</b>	<b>\$ 31,505,684</b>	<b>\$ 30,999,311</b>	<b>\$ 37,650,983</b>	<b>\$ 32,901,462</b>	<b>\$ 28,009,112</b>	<b>\$ 24,578,402</b>	<b>\$ 23,525,144</b>	<b>\$ 24,295,674</b>	<b>\$ 22,112,926</b>

Data Source  
Audited Financial Statements

(1) Beginning with FY11, the presentation of Fund Balance conforms with Government Accounting Standards Board Statement No. 54

## City of Concord, New Hampshire

### Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 27,851,023	\$ 27,147,062	\$ 30,179,005	\$ 31,748,630	\$ 33,143,681	\$ 35,087,252	\$ 37,282,375	\$ 37,659,356	\$ 39,407,949	\$ 40,430,610
Licenses and permits	1,026,830	1,072,522	1,124,663	1,479,654	1,020,239	1,089,628	825,833	712,811	1,112,391	1,119,219
Intergovernmental	5,392,793	5,140,299	4,147,436	3,903,521	2,862,450	3,442,121	3,442,953	2,687,051	2,732,763	4,415,890
Charges for services	4,368,060	5,042,083	5,626,533	5,918,886	6,638,525	6,211,386	5,586,277	6,019,719	6,293,673	6,639,003
Investment income	1,151,558	1,030,007	1,540,642	2,508,864	3,729,057	1,552,449	(564,323)	1,066,457	2,234,008	618,261
Contributions and miscellaneous	2,787,852	2,647,842	2,515,904	3,560,162	4,543,349	5,423,293	3,023,671	3,216,792	3,186,673	2,972,587
<b>Total revenues</b>	<b>42,578,116</b>	<b>42,079,815</b>	<b>45,134,183</b>	<b>49,119,717</b>	<b>51,937,301</b>	<b>52,806,129</b>	<b>49,596,786</b>	<b>51,362,186</b>	<b>54,967,457</b>	<b>56,195,570</b>
<b>Expenditures by Function</b>										
General government	4,729,374	5,076,134	5,798,104	5,125,653	5,455,316	5,159,601	5,900,248	6,589,039	6,841,119	7,793,292
Public safety	13,773,463	15,047,387	15,457,287	17,053,365	18,120,382	18,728,040	19,410,584	19,621,616	21,114,273	22,716,619
General services	6,260,496	6,014,020	6,895,328	6,990,518	7,096,899	8,243,164	8,249,971	7,394,625	7,797,609	6,522,464
Community development	2,119,951	2,561,361	2,655,668	3,042,749	2,432,444	3,317,979	3,007,202	2,881,251	2,865,969	3,020,346
Leisure and information services	1,993,027	2,039,864	2,071,709	2,156,899	2,249,001	2,147,886	2,230,489	1,952,782	2,029,908	3,629,417
Human services	1,007,444	1,071,539	1,029,900	1,056,671	1,033,422	697,719	789,101	749,114	752,485	735,447
Employee benefits	223,763	273,821	334,904	441,505	555,182	656,039	328,542	445,033	661,188	2,327,580
Miscellaneous	1,024,650	1,032,981	1,052,585	968,568	1,762,956	195,830	53,929	131,653	45,491	3,722
Debt service										
Principal	2,833,402	2,807,263	3,127,175	3,416,587	4,075,251	4,823,966	4,220,938	4,594,563	4,369,633	4,531,234
Interest	1,200,095	974,982	939,967	1,043,828	1,245,528	1,855,218	1,597,727	1,555,289	1,516,016	1,547,441
Capital outlay	8,300,094	9,660,162	9,760,998	16,928,041	24,240,722	11,397,517	9,935,126	7,479,876	6,624,538	8,352,413
<b>Total expenditures</b>	<b>43,465,759</b>	<b>46,559,514</b>	<b>49,123,625</b>	<b>58,224,384</b>	<b>68,267,103</b>	<b>57,222,959</b>	<b>55,723,857</b>	<b>53,394,841</b>	<b>54,618,229</b>	<b>61,179,975</b>
<b>Excess of revenues</b>										
Over(under) expenditures	(887,643)	(4,479,699)	(3,989,442)	(9,104,667)	(16,329,802)	(4,416,830)	(6,127,071)	(2,032,655)	349,228	(4,984,405)
<b>Other Financing Sources (Uses)</b>										
Bond proceeds	-	4,829,750	3,515,200	16,081,000	10,632,960	-	4,250,710	2,494,750	5,063,000	4,333,851
Transfers in	11,231,164	4,530,751	3,494,232	4,958,316	5,874,169	3,520,143	3,862,715	3,462,513	3,818,374	4,042,411
Transfers out	(11,834,884)	(5,293,530)	(3,998,286)	(5,468,888)	(6,321,938)	(3,972,025)	(4,693,201)	(3,457,300)	(3,862,217)	(4,010,783)
<b>Total other financing sources (uses)</b>	<b>(603,720)</b>	<b>4,066,971</b>	<b>3,011,146</b>	<b>15,570,428</b>	<b>10,185,191</b>	<b>(451,882)</b>	<b>3,420,224</b>	<b>2,499,963</b>	<b>5,019,157</b>	<b>4,365,479</b>
<b>Net Change in fund balances</b>	<b>(1,491,363)</b>	<b>\$ (412,728)</b>	<b>\$ (978,296)</b>	<b>\$ 6,465,761</b>	<b>\$ (6,144,611)</b>	<b>\$ (4,868,712)</b>	<b>\$ (2,706,847)</b>	<b>\$ 467,308</b>	<b>\$ 5,368,385</b>	<b>\$ (618,926)</b>
Debt Service as a percentage of non-capital outlay expenditures	11.47%	10.25%	10.33%	10.80%	12.09%	14.58%	12.71%	13.39%	11.80%	11.52%
Data Source	Audited Financial Statements									
Notes:										

# City of Concord, New Hampshire

## General Government Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Timber Tax	Excavation Tax	Motor Vehicle Registrations	Boat Registrations	Payment in Lieu of Taxes	Total
2012	\$ 34,628,966	\$ 17,648	\$ -	\$ 5,118,581	\$ -	\$ 665,415	\$ 40,430,610
2011	33,748,980	24,146	964	5,023,729	-	610,130	39,407,949
2010	32,012,232	18,310	174	5,001,592	-	627,048	37,659,356
2009	31,459,024	12,107	405	5,192,228	-	618,611	37,282,375
2008	29,233,127	7,582	9	5,326,909	-	519,625	35,087,252
2007	27,057,926	20,398	3,358	5,491,026	-	570,973	33,143,681
2006	25,549,119	26,010	3,307	5,636,297	4,218	529,679	31,748,630
2005	24,158,630	26,337	76	5,508,184	4,602	481,176	30,179,005
2004	21,326,896	22,791	-	5,364,606	2,904	429,865	27,147,062
2003	22,251,895	13,098	5,814	5,181,868	2,600	395,748	27,851,023

Data Source  
Audited Financial Statements

# City of Concord, New Hampshire

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

Fiscal Year	Local Assessed Value (1)				Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/Industrial	Utilities	Total Assessed Value					
2012	\$ 1,906,265,900	\$ 1,347,356,500	\$ 89,655,300	\$ 3,343,277,700	\$ 24,768,929	\$ 3,318,508,771	\$ 21.70	\$ 3,708,962,523	90.1%
2011	2,044,179,500	1,353,777,300	88,363,700	3,486,320,500	28,874,609	3,457,445,891	20.35	3,871,416,766	90.1%
2010	2,233,343,000	1,366,847,500	83,544,100	3,683,734,600	29,018,887	3,654,715,713	18.98	4,044,243,693	91.1%
2009	2,593,546,800	1,601,861,700	146,592,000	4,342,000,500	37,066,758	4,304,933,742	17.99	4,353,125,485	99.7%
2008	2,666,661,400	1,444,077,300	123,884,800	4,234,623,500	38,829,492	4,195,794,008	17.43	4,408,573,930	96.1%
2007	2,715,013,500	1,311,668,800	119,115,400	4,145,797,700	40,371,086	4,105,426,614	17.26	4,269,260,047	97.1%
2006	2,477,724,500	1,170,940,000	111,931,500	3,760,596,000	34,805,148	3,725,790,852	17.66	3,934,309,242	95.6%
2005	2,057,589,800	1,252,139,500	105,362,400	3,415,091,700	26,017,000	3,389,074,700	18.35	3,644,167,000	93.7%
2004	1,538,174,100	718,878,400	86,240,100	2,343,292,600	18,415,000	2,324,877,600	25.55	3,184,764,000	73.6%
2003	1,503,051,700	805,186,600	81,308,800	2,389,547,100	19,169,000	2,370,378,100	23.99	2,855,877,000	83.7%

Data Sources

(1) State MS-1 Report of Assessed Values

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

## City of Concord, New Hampshire

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

Concord Direct Rates							Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2012	\$ 8.72	\$ 8.72	\$ 10.39	\$ 2.59	\$ 12.98	\$ 21.70	\$ 2.90	\$ 24.60
2011	8.19	8.19	9.65	2.51	12.16	20.35	2.81	23.16
2010	7.49	7.49	9.14	2.35	11.49	18.98	2.69	21.67
2009	6.84	6.84	9.01	2.14	11.15	17.99	2.50	20.49
2008	6.55	6.55	8.75	2.13	10.88	17.43	2.20	19.63
2007	6.28	6.28	8.70	2.26	10.98	17.26	1.96	19.22
2006	6.57	6.57	8.61	2.48	11.09	17.66	2.11	19.77
2005	6.82	6.82	8.69	2.84	11.53	18.35	2.02	20.37
2004	9.49	9.49	10.65	5.41	16.06	25.55	2.52	28.07
2003	8.90	8.90	9.73	5.36	15.09	23.99	2.41	26.40

Penacook Direct Rates							Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2012	\$ 8.72	\$ 8.72	\$ 12.57	\$ 2.56	\$ 15.13	\$ 23.85	\$ 2.90	\$ 26.75
2011	8.19	8.19	12.11	2.57	14.68	22.87	2.81	25.68
2010	7.49	7.49	11.41	2.42	13.83	21.32	2.69	24.01
2009	6.84	6.84	11.22	2.18	13.40	20.24	2.50	22.74
2008	6.55	6.55	10.18	2.16	12.34	18.89	2.20	21.09
2007	6.28	6.28	9.14	2.43	11.57	17.85	1.96	19.81
2006	6.57	6.57	9.84	2.46	12.30	18.87	2.11	20.98
2005	6.82	6.82	11.08	2.91	13.99	20.81	2.02	22.83
2004	9.49	9.49	14.33	5.19	19.52	29.01	2.52	31.53
2003	8.90	8.90	12.40	5.44	17.84	26.74	2.41	29.15

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

**City of Concord, New Hampshire**

**Principal Taxpayers**

**Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2012 Net Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>2003 Net Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Net Assessed Value</u>
Wheelabrator Concord Co LP (formerly SES Concord Company, LP)	Mall	\$ 67,489,900	1	1.76 %	\$ 23,533,000	6	0.99 %
Steeplegate mall, LLC	Trash to Energy	65,583,400	2	1.71	58,318,000	1	2.46
UNITIL Energy Systems, Inc (formerly Concord Electric Company. LP)	Utility	45,453,900	3	1.19	29,521,000	3	1.25
EnergyNorth Natural Gas Inc	Utility	31,380,500	4	0.82	14,117,000	9	0.60
Walmart/Sam's Club	Retail	31,060,500	5	0.81	26,732,000	4	1.13
St Paul's School	Private School	28,540,300	6	0.74	22,073,000	7	0.93
Capital Region Health Care Development	Health Care	26,048,900	7	0.68	24,706,000	5	1.04
Hodges Properties Inc	Rentals	25,684,200	8	0.67	32,847,000	2	1.39
Hodges Development Corp	Rentals	23,080,000	9	0.60	-	-	-
Eddy Plaza Associates Inc	Retail	22,220,100	10	0.58	14,361,000	8	0.61
McKerley Healthcare Center/Nursing	Health Care	-	-	-	11,550,000	10	0.49
Total Principal Taxpayers		<u>366,541,700</u>		<u>11.04 %</u>	<u>257,758,000</u>		<u>10.89 %</u>
Total Net Assessed Taxable Value		<u>\$ 3,318,508,771</u>			<u>\$ 2,370,378,000</u>		

Data Source  
City of Concord Tax Warrant

# City of Concord, New Hampshire

## Property Tax Levies and Collections Last Ten Fiscal Years

Tax Year (1)	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Tax lien Collections	Balance at end of Current Fiscal year	Total Collections to Date		
		Amount	% of Levy			Amount	% of Levy	
2011	\$ 92,246,890	\$ 90,471,786	98.1%	\$ 295,163	\$ 1,479,941	\$ 90,766,949	98.4	%
2010	90,288,009	88,050,231	97.5%	388,256	1,849,522	88,438,487	98.0	
2009	89,364,495	87,058,646	97.4%	262,295	2,043,554	87,320,941	97.7	
2008	89,495,403	87,291,314	97.5%	270,475	1,933,614	87,561,789	97.8	
2007	83,179,918	81,235,289	97.7%	346,868	1,597,761	81,582,157	98.1	
2006	79,322,705	78,171,510	98.5%	-	1,151,195	78,171,510	98.5	
2005	74,270,000	73,359,000	98.8%	-	911,000	73,359,000	98.8	
2004	70,219,000	69,625,000	99.2%	252,000	342,000	69,877,000	99.5	
2003	66,169,000	65,582,000	99.1%	569,000	18,000	66,151,000	100.0	
2002	63,416,000	62,681,000	98.8%	714,000	21,000	63,395,000	100.0	

Data Source:

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

Notes:

Once a lien is executed a taxpayer has 2 years and 1 day to redeem the taxes before a Deed is executed

Amounts are estimated to the nearest thousand

(1) Fiscal year 2012 is the City's tax year 2011.

## City of Concord, New Hampshire

### Ratios of Outstanding Debt by Debt Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Per Capita	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property
	General Obligation Bonds	General Obligation Bonds				
2012	\$ 40,161,251	\$ 27,072,972	\$ 67,234,223	\$ 1,569	5.36 %	2.03 %
2011	40,031,119	26,601,474	66,632,593	1,557	5.45	1.93
2010	38,882,692	27,547,146	66,429,838	1,503	6.84	1.82
2009	40,860,105	27,175,987	68,036,092	1,540	7.01	1.58
2008	40,934,133	25,377,493	66,311,626	1,509	6.87	1.58
2007	45,758,099	28,369,871	74,127,970	1,687	7.68	1.81
2006	39,200,390	22,566,126	61,766,516	1,431	5.53	1.66
2005	26,510,977	20,858,880	47,369,857	1,105	4.27	1.40
2004	26,087,136	22,886,280	48,973,416	1,154	4.42	2.11
2003	23,936,932	20,669,237	44,606,169	1,067	4.24	1.88

Data Sources:

Audited Financial Statements

U.S. Census Bureau

Assessors Department MS-1 Report

## City of Concord, New Hampshire

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Direct Debt:</b>										
<b>City of Concord</b>										
Net General Obligation Debt Outstanding	\$ 23,937,000	\$ 26,087,000	\$ 26,511,000	\$ 39,200,390	\$ 45,758,099	\$ 40,934,133	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 23,937,000	\$ 26,087,000	\$ 26,511,000	\$ 39,200,390	\$ 45,758,099	\$ 40,934,133	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251
Subtotal Direct Debt	\$ 23,937,000	\$ 26,087,000	\$ 26,511,000	\$ 39,200,390	\$ 45,758,099	\$ 40,934,133	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251
<b>Overlapping Debt:</b>										
<b>Merrimack County</b>										
Net General Obligation Debt Outstanding	\$ 2,050,000	\$ 13,650,000	\$ 27,850,000	\$ 26,240,000	\$ 47,630,000	\$ 68,100,000	\$ 64,650,000	\$ 61,200,000	\$ 58,000,000	\$ 54,800,000
Percentage Applicable to Government (1)	26.35%	26.12%	25.88%	25.27%	25.56%	25.87%	26.13%	25.71%	25.44%	25.14%
Amount Applicable to Government	\$ 540,175	\$ 3,565,380	\$ 7,207,580	\$ 6,630,848	\$ 12,174,228	\$ 17,617,470	\$ 16,893,045	\$ 15,734,520	\$ 14,755,200	\$ 13,774,254
<b>Concord School District</b>										
Net General Obligation Debt Outstanding	\$ 24,004,000	\$ 21,586,000	\$ 19,289,000	\$ 16,929,484	\$ 14,867,062	\$ 12,977,812	\$ 11,116,401	\$ 9,913,895	\$ 66,958,729	\$ 64,151,495
Percentage Applicable to Government (1)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 24,004,000	\$ 21,586,000	\$ 19,289,000	\$ 16,929,484	\$ 14,867,062	\$ 12,977,812	\$ 11,116,401	\$ 9,913,895	\$ 66,958,729	\$ 64,151,495
<b>Merrimack Valley School District</b>										
Net General Obligation Debt Outstanding	\$ 7,380,000	\$ 5,940,000	\$ 6,831,000	\$ 19,840,000	\$ 19,760,000	\$ 16,865,000	\$ 13,890,000	\$ 9,910,000	\$ 5,940,000	\$ 3,960,000
Percentage Applicable to Government (1)	25.90%	25.86%	25.67%	25.24%	25.51%	25.24%	25.18%	25.36%	25.79%	26.24%
Amount Applicable to Government	\$ 1,911,420	\$ 1,536,084	\$ 1,753,518	\$ 5,007,616	\$ 5,040,776	\$ 4,256,726	\$ 3,497,502	\$ 2,513,176	\$ 1,531,926	\$ 1,038,954
Subtotal Overlapping Debt	\$ 26,455,595	\$ 26,687,464	\$ 28,250,098	\$ 28,567,948	\$ 32,082,066	\$ 34,852,008	\$ 31,506,948	\$ 28,161,591	\$ 83,245,855	\$ 78,964,703
<b>Grand Total</b>	<b>\$ 50,392,595</b>	<b>\$ 52,774,464</b>	<b>\$ 54,761,098</b>	<b>\$ 67,768,338</b>	<b>\$ 77,840,165</b>	<b>\$ 75,786,141</b>	<b>\$ 72,367,053</b>	<b>\$ 67,044,283</b>	<b>\$ 123,276,974</b>	<b>\$ 119,125,954</b>

Data Source:  
School District Finance Departments.

## City of Concord, New Hampshire

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Base Value for Debt Limits (1)</b>	\$ 2,938,724,000	\$ 3,270,961,000	\$ 3,695,730,000	\$ 4,007,515,023	\$ 4,286,124,163	\$ 4,436,535,484	\$ 4,390,660,275	\$ 4,020,634,140	\$ 3,851,394,810	\$ 3,688,748,087
<b>Legal Debt Limits (% of Base Value)</b>										
General - 1.75% thru 1998, 3% 1999 on (2)	\$ 88,161,720	\$ 98,128,830	\$ 110,871,900	\$ 120,225,451	\$ 128,583,725	\$ 133,096,065	\$ 131,719,808	\$ 120,619,024	\$ 115,541,844	\$ 110,662,443
Water - 10% (2)	293,872,400	327,096,100	369,573,000	400,751,502	428,612,416	443,653,548	439,066,028	402,063,414	385,139,481	368,874,809
<b>Issued Debt at June 30</b>										
Total Issued Debt at June 30	\$ 44,606,000	\$ 48,973,000	\$ 47,370,000	\$ 61,766,516	\$ 74,127,970	\$ 66,311,626	\$ 68,036,092	\$ 66,429,838	\$ 66,632,593	\$ 67,234,223
Less Water Fund	(11,792,000)	(13,912,000)	(12,676,000)	(13,056,546)	(11,760,598)	(10,305,044)	(11,855,335)	(11,435,119)	(11,768,711)	(11,930,388)
Less Sewer Fund (3)	(8,150,000)	(8,166,000)	(7,418,000)	(8,673,880)	(15,811,823)	(14,367,749)	(14,707,852)	(15,519,027)	(14,350,763)	(14,059,897)
Less Tax Increment Debt (3)	(4,295,000)	(3,950,000)	(3,605,000)	(13,421,000)	(12,975,000)	(12,280,000)	(11,570,000)	(10,899,000)	(10,130,000)	(9,347,000)
Less Landfill Debt (3)	(2,392,000)	(2,187,000)	(1,981,000)	(1,769,946)	(1,560,291)	(1,621,196)	(1,375,946)	(1,136,332)	(900,425)	(668,901)
<b>Authorized Unissued at June 30</b>										
Total Authorized Unissued Debt at June 30	9,516,000	12,710,000	26,681,000	11,639,672	5,167,672	14,161,972	9,008,972	7,850,672	5,367,672	6,033,172
Less Golf Fund	-	-	-	-	-	-	-	-	(80,000)	(80,000)
Less Arena Fund	-	-	-	-	-	-	-	-	(475,000)	-
Less Water Fund	(1,325,000)	-	-	-	(1,150,000)	(3,017,000)	(1,130,500)	(697,000)	(175,000)	(150,000)
Less Sewer Fund (3)	(5,270,000)	(8,780,000)	(8,705,000)	(387,672)	(117,672)	(2,570,672)	(1,390,672)	(392,672)	(552,672)	(2,168,172)
Less Tax Increment Debt (3)	-	-	-	-	-	-	-	(285,000)	(285,000)	-
<b>Total Debt Subject to general limit</b>	<b>\$ 20,898,000</b>	<b>\$ 24,688,000</b>	<b>\$ 39,666,000</b>	<b>\$ 36,097,144</b>	<b>\$ 35,920,258</b>	<b>\$ 36,311,937</b>	<b>\$ 35,014,759</b>	<b>\$ 33,916,360</b>	<b>\$ 33,282,694</b>	<b>\$ 34,863,037</b>
<b>Legal Debt Margin</b>										
General	\$ 67,263,720	\$ 73,440,830	\$ 71,205,900	\$ 84,128,307	\$ 92,663,467	\$ 96,784,128	\$ 96,705,049	\$ 86,702,664	\$ 82,259,150	\$ 75,799,406
Water Fund	\$ 280,755,400	\$ 313,184,100	\$ 356,897,000	\$ 387,694,956	\$ 415,701,818	\$ 430,331,504	\$ 426,080,193	\$ 389,931,295	\$ 373,195,770	\$ 356,794,421
<b>% of Legal Debt Limits Used</b>										
General	23.7%	25.2%	35.8%	30.0%	27.9%	27.3%	26.6%	28.1%	28.8%	31.5%
Water Fund	4.0%	4.3%	3.4%	3.3%	2.7%	2.3%	2.7%	2.8%	3.1%	3.2%

Data Source  
Audited Financial Statements

Notes:

(1) Base Value for Debt Limits computed by the NH Department of Revenue Administration

(2) Legal debt limit percentage rates set by NH State statute

(3) Debt exempt from Debt limits consists of Landfills, Tax Increment Financing and Sewer debt.

# City of Concord, New Hampshire

## Demographic Statistics Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>
2012	42,841 *	\$ 1,255,156	\$ 29,298 **	4.90 % ***
2011	42,807	1,222,011	28,547	4.80
2010	44,358	974,811	21,976	5.20
2009	44,186	971,032	21,976	6.40
2008	44,140	970,021	21,976	3.80
2007	43,935	965,516	21,976	2.70
2006	43,170	1,117,110	25,877	3.20
2005	42,887	1,109,787	25,877	3.10
2004	42,440	1,107,047	26,085	3.00
2003	41,792	1,051,361	25,157	2.70

\* Population as of December 31, 2011 as estimated by Concord Planning Division.

\*\* Based on 2010 census -- American Community Survey by the US Census

\*\*\* Unemployment rate is based on June of every year and is not seasonably adjusted.

## City of Concord, New Hampshire

### Principal Employers Current Year and Nine Years Ago

Employer	2012			2006 <sup>(2)</sup>		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of New Hampshire	7,300	1	34.21 %	10,523	1	48.03 %
Concord Hospital	3,400	2	15.93	2,811	2	12.83
Steeplegate Regional Mall	1,233	3	5.78	1,233	3	5.63
Concord School District	892	4	4.18	985	4	4.50
Lincoln Financial Group (formerly Jefferson-Pilot Financial)	581	5	2.72	652	5	2.98
Sanel Auto Parts	540	6	2.53			-
Market Basket	513	7	2.40			-
Merrimack Valley School District	500	8	2.34	500	8	2.28
City of Concord	451	9	2.11	505	7	2.30
Genesis Care - (formerly Pleasant View Retirement)	425	10	1.99	392	9	1.79
Merrimack County	-		-	650	6	2.97
Total Principal Employers	15,835		74.19 %	18,251		83.31 %
Total City Employment	<u>21,340</u> (1)			<u>21,910</u>		

#### Data Source

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

NA = Information is not available.

(1) Based on labor force residing in Concord - NHDES September 2012

(2) Principal Employer information was unavailable for 2003, 2004 & 2005

# City of Concord, New Hampshire

## City Government Employees by Division - Full Time Equivalents

Last Ten Fiscal Years

Departments	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
City Manager	3.0	3.0	3.0	3.0	3.0	4.0	3.5	3.2	3.2	3.0
Legal	8.0	8.0	9.0	9.0	9.0	9.0	9.0	9.6	9.6	9.6
Assessing	6.5	6.5	6.5	7.0	6.5	6.5	6.5	6.3	6.0	6.0
Personnel	3.2	3.2	3.6	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance/Control	7.0	8.0	8.0	7.6	7.6	7.6	7.6	6.0	5.5	6.0
Finance/Treas	8.6	8.6	8.6	8.6	8.0	8.0	8.0	7.7	7.5	7.5
Finance/Purch	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance/OMB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	3.5	3.5
Info Technology	4.0	5.0	5.0	5.0	6.0	6.0	6.0	5.0	6.0	6.0
City Clerk	3.0	3.0	3.6	3.6	3.6	3.6	3.6	3.5	3.6	3.6
<b>Gen Gov</b>	<b>45.3</b>	<b>47.3</b>	<b>49.3</b>	<b>49.8</b>	<b>49.7</b>	<b>50.7</b>	<b>50.2</b>	<b>50.2</b>	<b>50.9</b>	<b>51.2</b>
Police	105.2	105.2	105.2	106.2	105.0	98.2	98.1	96.5	97.7	99.7
Police-Parking	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	8.6	8.6
Fire	115.7	115.7	117.7	117.7	115.2	115.0	114.7	107.0	107.0	106.0
<b>Public Safety</b>	<b>230.5</b>	<b>230.5</b>	<b>232.5</b>	<b>233.5</b>	<b>229.8</b>	<b>222.8</b>	<b>222.4</b>	<b>213.1</b>	<b>213.3</b>	<b>214.3</b>
Administration	19.0	19.0	18.0	17.5	17.5	17.5	17.5	16.5	16.5	16.5
Hwys & Util Sys	42.0	42.0	42.0	42.0	42.0	43.0	44.0	41.0	41.0	41.0
Grounds	25.0	25.0	25.0	25.0	25.0	24.0	23.0	21.0	21.0	21.0
Temporary	14.7	14.7	14.7	13.7	12.8	13.1	12.9	11.9	11.9	11.9
Public Properties	19.0	19.0	21.0	21.0	20.5	21.0	21.5	19.0	19.0	19.0
Vehicle Maint	13.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0
Water & Sewer	27.0	27.0	27.0	26.0	26.0	26.0	26.0	26.0	24.0	24.0
<b>General Svcs</b>	<b>159.7</b>	<b>159.7</b>	<b>160.7</b>	<b>158.2</b>	<b>156.8</b>	<b>157.6</b>	<b>157.9</b>	<b>147.4</b>	<b>145.4</b>	<b>145.4</b>
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	5.5	5.5	5.5	5.5	4.5	4.0	4.0	4.0	4.0	4.0
Business Devel	2.0	2.0	2.0	2.0	2.0	1.0	0.6	0.0	0.0	0.0
Bldg & Code Svcs	11.5	11.5	11.5	11.5	11.5	11.5	11.8	10.3	10.3	10.1
Engineering Svcs	18.5	18.5	17.5	17.6	18.6	19.6	19.6	18.0	18.0	17.0
Grants Admin	0.5	0.5	0.5	0.5	0.5	1.0	0.5	0.2	0.2	0.0
<b>Comm Devel</b>	<b>40.0</b>	<b>40.0</b>	<b>39.0</b>	<b>39.1</b>	<b>39.1</b>	<b>39.1</b>	<b>38.5</b>	<b>34.5</b>	<b>34.5</b>	<b>33.1</b>
Library	27.3	27.3	25.3	25.1	25.1	24.5	23.5	20.2	19.6	19.6
Recreation	12.2	12.2	12.5	10.7	10.0	9.7	10.0	9.8	10.0	10.6
<b>Leisure Services</b>	<b>39.5</b>	<b>39.5</b>	<b>37.8</b>	<b>35.8</b>	<b>35.1</b>	<b>34.2</b>	<b>33.5</b>	<b>30.0</b>	<b>29.6</b>	<b>30.2</b>
<b>Human Services</b>	<b>4.7</b>	<b>4.5</b>	<b>4.7</b>	<b>4.7</b>						
<b>Grand Totals</b>	<b>519.7</b>	<b>521.7</b>	<b>524.0</b>	<b>521.1</b>	<b>515.1</b>	<b>509.1</b>	<b>507.1</b>	<b>479.7</b>	<b>478.3</b>	<b>478.8</b>

Data Source

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

# City of Concord, New Hampshire

## Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Physical arrests	2,864	2,770	3,215	2,978	2,928	2,749	3,095	3,044	2,796	2,837
Traffic violations	7,031	6,041	5,950	5,768	5,548	4,535	5,455	5,325	3,993	3,576
Parking violations	44,056	44,899	43,648	49,216	39,318	40,625	37,749	34,860	28,458	25,541
Fire and Rescue										
Calls answered	6,554	6,803	7,095	7,565	7,875	7,529	7,321	6,882	7,327	7,182
General services - Solid waste										
Refuse collected (tons)	na	na	na	17,603	17,081	16,370	10,884	8,311	11,722	11,478
Recycling (tons) Note: Recycle program started Oct 2005	na	na	na	1,356	1,962	1,976	2,063	3,391	3,555	3,677
General services - Streets										
Streets resurfaced (miles)	na	na	na	16	18	23	4	3	6	1
Potholes repaired	na	na	na	14,895	7,934	11,335	10,100	4,176	7,780	5,210
Water										
Average daily consumption (in thousands of gallons)	4,639	4,840	4,840	4,910	4,910	3,740	3,744	3,348	3,761	3,792
Sewage System:										
Daily average treatment (millions of gallons)										
Concord Plant	4,530	4,600	4,570	4,605	4,680	4,730	4,540	4,360	4,580	4,100
Penacook Plant	458	578	573	575	585	610	570	530	460	490

Data Source

Various city departments

Notes:

na = Information is not available.

## City of Concord, New Hampshire

### Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	16	16	16	15	15	15	15	15	15	15
Fire and Rescue										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of ladder trucks	2	2	2	2	2	2	2	2	2	2
Number of pumpers	5	6	6	6	6	6	5	5	5	5
Number of support vehicles	5	5	5	8	7	7	6	6	6	6
General Services - Streets										
Miles of streets	272	338	338	339	340	341	327	327	327	327
Number of traffic lights (in sets)	na	na	92	92	97	97	75	77	77	71
Number of street lights	2,068	2,178	2,183	2,183	2,128	2,130	2,130	2,130	2,130	*2,213
General Services - Culture and Recreation:										
Number of parks	16	21	20	20	20	20	20	20	20	20
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	21	21	21	21	21	21	21	21	21	21
Water										
Water main (miles)	183	215	169	169	170	171	172	172	172	172
Maximum daily capacity (thousands of gallons)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sewage System:										
Sanitary sewers (miles)	141	141	141	141	142	142	152	152	152	155
Maximum daily capacity of treatment (thousands of gallons)										
Concord Plant	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100
Penacook Plant	4,200	4,200	4,200	4,200	4,200	2,370	2,370	2,370	2,370	2,370

Data Source

Various city departments

\* Includes ornamental lights