

# **CITY OF CONCORD NEW HAMPSHIRE**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended  
June 30, 2014**

# CITY OF CONCORD

## NEW HAMPSHIRE

### Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014



**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

41 GREEN STREET, CONCORD, NH 03301

(603) 225-8560

November 13, 2014

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, 2014.

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 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, management's discussion and analysis (MD&A) report, notes to financial statements, combining and individual financial 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 U.S. Census Bureau, the City has an estimated population of 42,419 as of July 1, 2013, a 0.65% decrease 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 City Charter in the 15-member Council. Under the Charter, originally adopted in 1853, and most recently amended in 2012, the appointed City Manager 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 James P. Bouley who was first elected mayor in November 2007. In November 2013 he was re-elected for his fourth consecutive term. Thomas J. Aspell, Jr., 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, City 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.

## **Local Economy**

Compared to other cities in New Hampshire, New England and the Nation, Concord's has comparably low unemployment. As reported by the New Hampshire Department of Employment Security, Concord's unemployment rate as of June 2014 was 3.9%. This compares favorably to New Hampshire's rate of 4.3% and to the United States rate of 6.3%. Concord's rate also remains the lowest among the top three New Hampshire cities with Manchester at 4.7% and Nashua at 4.8%. Concord's unemployment rates have remained lower than the State since 1992 except for the months of March, April and June, 2005.

For the eleventh consecutive year, in 2014, Policom Corporation rated the City of Concord one of the top ten strongest Micropolitan Statistical Areas in "Economic Strength" in the country, seven years of which being number 1 including 2014. 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 assessed value of taxable property as of April 1, 2013 decreased overall by 1.017% compared to April 1, 2012. The cumulative total of all property types; residential, commercial/industrial, manufactured homes, and condominiums declined in assessed value. The average assessed value of a single family home in Concord as of April 1, 2013 was \$220,782, up slightly from \$217,700 the year before.

Tax collections percentage as of June 30, 2014 for the 2013 Tax Year was 98.3% the same as the previous year. Total tax delinquencies for all years were stated at \$2.8 million, \$0.3 million more 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 Fiscal Year 2014 the City completed some key economic development projects including the Bindery Redevelopment Project, redevelopment of the Endicott Hotel, as well as cleanup of the former Allied Leather Tannery Site.

In April 2012, the City Council entered into a Development Agreement with Bindery Redevelopment LLC to raze and redevelop #43-45 South Main Street into a new 70,000SF, \$8 million mixed use development. The project was completed in September 2013. The City supported the project by providing 125 parking spaces in the Capital Commons Parking Garage at a discounted rate on a long-term basis. The City also waived development impact fees for the project. The project was completed in the spring of 2014.

Redevelopment of the Endicott Hotel was completed by CATCH Neighborhood Housing in November 2013. Specifically, CATCH converted the building from 36 units of low income housing to 24 market rate 1 and 2 bedroom units. In addition, CATCH renovated ground floor commercial space at the property. The City supported the project by providing a RSA 79-E Tax Incentive, as well as a \$150,000 gap loan from its Revolving Loan Fund program.

The City also made significant progress relative to redevelopment of the former Allied Leather Tannery in Penacook. Using funds from the US Environmental Protection Agency, NH Department of Environmental Services, and Capitol Regional Development Council, the City completed the final phase of environmental cleanup of the site in order to prepare the property for redevelopment by a private developer to be selected by the City in the future. Budgeted at \$1.6 million, this work was completed in the summer of 2014.

The City continues to work with developers and Intown 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. On June 11, 2014 the City entered into a Purchase and Sales Agreement with the State to acquire this property. A closing was completed on October 31, 2014.

Other key economic development initiatives which were advanced during Fiscal Year 2014 included the Downtown Complete Streets Project, as well as, the acquisition of the Tsunis Holdings Property for the Storrs Street Extension North connector road to Corporate Park at Horseshoe Pond. A closing on the Tsunis Holdings Property acquisition was completed in September, 2014.

### **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 and Arena Funds received general fund support for their Fiscal Year 2014 operations.

### *Financial Position*

The City Council has adopted a General Fund balanced budget every year since Fiscal Year 2010, with the exception of Fiscal Year 2012. 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. Fiscal Years 2010 through 2013 reported surpluses ranging from \$953,000 to \$1.5 million.

Fiscal Year 2014 General Fund finished the year with budgetary basis expenditures exceeding revenues by \$304,000. This is a direct result of three significant transactions. 1) The City used \$1.55 million from Assigned and Committed Fund Balance to support a transfer to trust fund reserves in the amount of \$545,000 and also used \$1.01 million to increase Overlay and support an increase in the City's Allowance for Abatements; 2) At the close of the Fiscal Year, the City increased Overlay to support another increase in the Allowance for Abatements by an additional \$1.1 million for pending appeals; 3) The City recognized a \$1.57 million refund from the Concord Regional Solid Waste Cooperative as a proportional distribution of reserves that were no longer necessary to remain with the Cooperative.

The total General Fund Unassigned fund balance increased to \$9.9 million after City management assigned \$750,000 which is anticipated to be transferred to trust fund reserve accounts in Fiscal Year 2015. The \$9.9 million Unassigned Fund Balance represents an \$800,000 increase over Fiscal Year 2013. The purposes of the Assigned Fund Balance are for transfers to: Paving Reserve \$580,000; Equipment Reserve \$110,000; Building Improvement Reserve \$60,000;

### *OPEB Action*

The City is in compliance with Government Accounting Standards Board (GASB) Statement No. 45, as reported in Note 17 of this CAFR. As of June 30, 2014 the Unfunded Actuarial Accrued Liability (UAAL) decreased to \$42 million, a \$2.6 million decrease from 2013. Adjustments have been made to the Actuarial Accrued Liability, normal cost, and expected benefit payments for actual premium increases from 2012/13 to 2013/14, which caused a decrease in the City's liabilities.

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 trust; \$300,000 from 2009 surplus and \$200,000 from 2011 surplus. No transfer is anticipated during Fiscal Year 2015.

## **Relevant Financial Policies**

### *Goals*

Introduced in 1996, the City Council adopted a Fiscal Policy Statement which is a series of 31 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; Enterprise, Special Revenue and Other Funds Management; Municipal Services Expenditures and Revenues; and Tax Rate Management. In addition to the cash management goal cited above, another goal that stands out is: Goal F1 under Debt Management that limits debt service to 10% of total expenditures. For Fiscal Year 2014 this amount was 9.8%.

In Fiscal Year 2013, the City adopted a new Fund Balance, Reserves and CIP Spending Priority Policy. The Policy was established following discussions with the City's outside auditors, receipt of their subsequent Management Letter recommendation and in conjunction with GASB Statement #54.

Section IV(A)(1)(a) of the Policy requires that the City achieve a General Fund Unassigned Fund Balance of 17.5% by the end of Fiscal Year 2015. For Fiscal Year ending June 30, 2014 the Unassigned Fund Balance was 19.3%, an increase from Fiscal Year 2013 and higher than the City's Policy requirement of 17.5%.

#### *Credit Rating and Debt Limit*

As of June 2014 Standard and Poor's Rating Group affirmed the City's bond rating of AA+ in conjunction with an \$8.7 million G.O. bond offering and affirmed the AA+ rating on the City's \$75 million of outstanding parity 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 2014 budget was adopted by the City Council with several major initiatives including final funding for the replacement of Sewalls Falls Bridge, Former Allied Leather Tannery Complex Redevelopment Project, major improvements to the downtown through the Downtown Complete Streets Project, Loudon Road Corridor Project, Construction of a Parallel Taxiway at the Airport, and continued funding for the Route 3 Corridor Project.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded nineteen 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, 2013 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 assistance in 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-January 2015. Also displayed are previous CAFR's and other summary financial information.

Sincerely,



Thomas J. Aspell  
City Manager



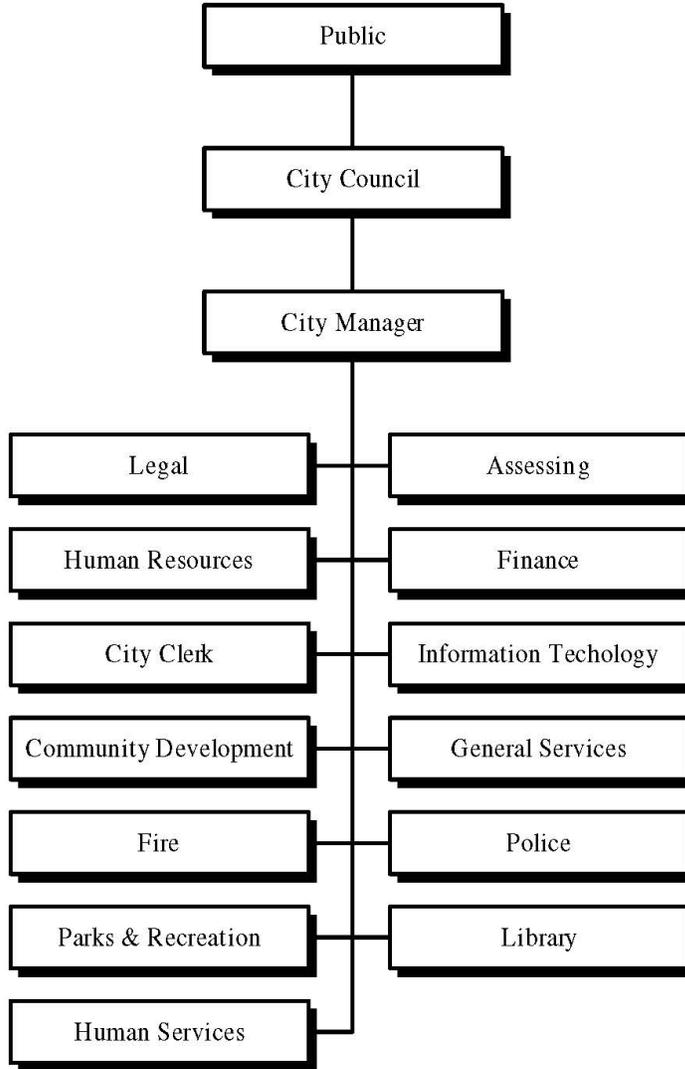
Brian G. LeBrun  
Deputy City Manager – Finance



Katherine A. Graff  
Assistant Finance Director

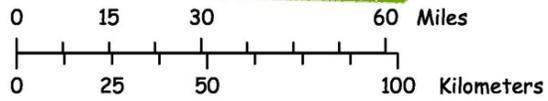
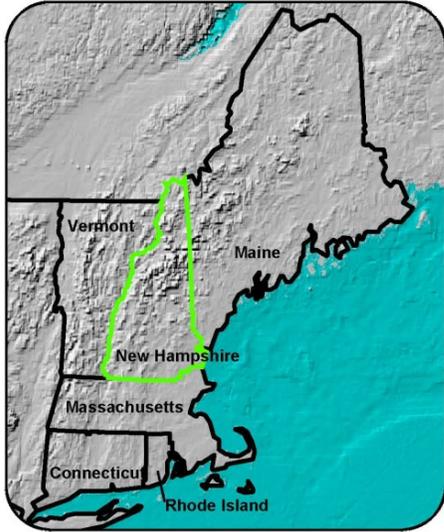
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CITY OF CONCORD, NEW HAMPSHIRE  
TABLE OF ORGANIZATION



# City of Concord, NH

## Geographic Location



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

June 30, 2014

Title	Name
<i><u>Elected by Public:</u></i>	
Mayor	James P. Bouley
Councilor-at-Large	Mark Coen
Councilor-at-Large	Amanda K. Grady Sexton
Councilor-at-Large	Fred Keach
Councilor-at-Large	Stephen J. Shurtleff
Councilor Ward 1	Brent G. Todd
Councilor Ward 2	Allan Herschlag
Councilor Ward 3	Jan W. McClure
Councilor Ward 4	Byron O. Champlin
Councilor Ward 5	Robert Werner
Councilor Ward 6	J. Allen Bennett
Councilor Ward 7	Keith E. Nyhan
Councilor Ward 8	Gail R. Matson
Councilor Ward 9	Candace C.W. Bouchard
Councilor Ward 10	Daniel I. St. Hilaire
<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
Director of Redevelopment, Downtown & Special Projects	Matthew R. Walsh
Fire Chief	Daniel L. Andrus
General Services Director	Earle M. Chesley
Human Services Director	Jacqueline R. Whatmough
Library Director	Andrew T. Fabian
Parks & Recreation Director	David B. Gill
Police Chief	Bradley C. Osgood
Assistant Finance Director	Katherine A. Graff
Budget Director	Robert J. McManus
City Engineer	Edward L. Roberge
Code Administrator	Michael M. Santa
Purchasing Director	Douglas B. Ross
Treasurer / Tax Collector	Michael P. Jache



Government Finance Officers Association

**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, 2013**

Executive Director/CEO

# **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

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

Additional Offices:  
Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

### **Report on the Financial Statements**

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assess

ments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **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, New Hampshire, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and Schedule of Funding Progress 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.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information appearing on pages 82 through 119 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory and Statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Melanson Heath*

November 13, 2014

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## **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 for the fiscal year ended June 30, 2014. 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 Position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 compli-

ance 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 \$222,410,797 (i.e., net position), a change of \$2,947,896 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$39,524,054, a change of \$3,377,975 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,879,330, a change of \$800,080 in comparison to the prior year. In addition, total general fund balance changed by \$(697,171).
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$72,161,009, a change of \$2,998,209 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.

	<b>NET POSITION</b>					
	Governmental Activities		Business-Type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 95,678	\$ 88,565	\$ 13,614	\$ 14,130	\$ 109,292	\$ 102,695
Capital assets	127,027	121,912	128,861	127,598	255,888	249,510
Total assets and deferred outflows	<u>222,705</u>	<u>210,477</u>	<u>142,475</u>	<u>141,728</u>	<u>365,180</u>	<u>352,205</u>
Long-term liabilities outstanding	56,194	50,672	29,289	29,817	85,483	80,489
Deferred inflows	50,027	46,755	114	86	50,141	46,841
Other liabilities	5,556	3,983	1,589	1,429	7,145	5,412
Total liabilities and deferred inflows	<u>111,777</u>	<u>101,410</u>	<u>30,992</u>	<u>31,332</u>	<u>142,769</u>	<u>132,742</u>
Net position:						
Net investment in capital assets	88,865	83,740 <sup>(1)</sup>	103,460	102,153	192,325	185,893
Restricted	14,755	13,113	2,175	718	16,930	13,831
Unrestricted	7,308	12,214 <sup>(1)</sup>	5,848	7,525	13,156	19,739
Total net position	<u>\$ 110,928</u>	<u>\$ 109,067</u>	<u>\$ 111,483</u>	<u>\$ 110,396</u>	<u>\$ 222,411</u>	<u>\$ 219,463</u>

<sup>(1)</sup> as revised

## CHANGES IN NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8,854	\$ 7,666	\$ 16,615	\$ 16,464	\$ 25,469	\$ 24,130
Operating grants and contributions	2,140	2,194	2,020	280	4,160	2,474
Capital grants and contributions	3,354	7,961	86	35	3,440	7,996
General revenues:						
Property taxes	38,520	41,999	-	-	38,520	41,999
Penalties and interest on taxes	914	822	-	-	914	822
Investment income	2,677	1,887	8	251	2,685	2,138
Other	3,125	1,429	289	295	3,414	1,724
Total revenues	<u>59,584</u>	<u>63,958</u>	<u>19,018</u>	<u>17,325</u>	<u>78,602</u>	<u>81,283</u>
Expenses:						
General government	7,834	9,064	-	-	7,834	9,064
Public safety	26,303	24,732	-	-	26,303	24,732
General services	12,194	10,529	-	-	12,194	10,529
Community development	4,763	4,703	-	-	4,763	4,703
Leisure and information services	4,682	4,295	-	-	4,682	4,295
Human services	842	792	-	-	842	792
Interest on long-term debt	1,530	1,406	-	-	1,530	1,406
Water operations	-	-	5,314	5,158	5,314	5,158
Sewer operations	-	-	6,755	6,428	6,755	6,428
Solid Waste operations	-	-	4,375	4,345	4,375	4,345
Other operations	-	-	1,345	1,204	1,345	1,204
Total expenses	<u>58,148</u>	<u>55,521</u>	<u>17,789</u>	<u>17,135</u>	<u>75,937</u>	<u>72,656</u>
Change in net position before transfers and contributions	1,436	8,437	1,229	190	2,665	8,627
Transfers in (out)	142	9	(142)	(9)	-	-
Permanent fund contributions	283	262	-	-	283	262
Change in net position	1,861	8,708	1,087	181	2,948	8,889
Net position - beginning of year	<u>109,067</u>	<u>100,359</u>	<u>110,396</u>	<u>110,215</u>	<u>219,463</u>	<u>210,574</u>
Net position - end of year	<u>\$ 110,928</u>	<u>\$ 109,067</u>	<u>\$ 111,483</u>	<u>\$ 110,396</u>	<u>\$ 222,411</u>	<u>\$ 219,463</u>

As noted earlier, net position 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 position was \$222,410,797, a change of \$2,947,896 from the prior year.

The largest portion of net position \$192,324,526 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 are 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 position \$16,929,463 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$13,156,808 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 position of \$1,861,104. Key elements of this change are as follows:

Capital grants and contributions	\$ 3,353,952
Change in net OPEB obligation	(1,736,553)
Other	<u>243,705</u>
Total	<u>\$ 1,861,104</u>

While total net position of the governmental activities changed by \$1,861,104, unrestricted net position changed \$(4,905,419) principally due to the use of unrestricted revenues to invest in capital assets.

**Business-type activities.** Business-type activities for the year resulted in a change in net position of \$1,086,792. This change primarily results from one time intergovernmental revenues in the Sewer fund of \$1,719,062 used for capital assets. The following is a summary of the changes in net position by fund:

Water operations	\$ (317,873)
Sewer operations	1,688,955
Solid Waste operations	(344,273)
Nonmajor funds	<u>59,983</u>
Total	<u>\$ 1,086,792</u>

**D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental funds.** The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, 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 \$39,524,054, a change of \$3,377,975 in comparison with the prior year.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,879,330, while total fund balance was \$14,199,114. 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>6/30/14</u>	<u>6/30/13</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 9,879,330	\$ 9,079,250	\$ 800,080	19.3%
Total fund balance <sup>(1)</sup>	14,199,114	14,896,285	(697,171)	27.7%

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

The unassigned amount exceeded the City Council Fund Balance Policy minimum requirement of 17.5%.

The total fund balance of the general fund decreased by \$697,171 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>Non- spendable</u>	<u>Total</u>
Beginning of year	\$ 9,079	\$ 935	\$ 4,729	\$ 153	\$ 14,896
Liquidation	-	619	(619)	-	-
Budgeted use of fund balance	-	(1,554)	-	-	(1,554)
Revenues and transfers over budget	787	-	-	-	787
Expenditures and transfers under budget	463	-	-	-	463
Transfers	(750)	750	-	-	-
Other	300	-	(693)	-	(393)
End of Year	<u>\$ 9,879</u>	<u>\$ 750</u>	<u>\$ 3,417</u>	<u>\$ 153</u>	<u>\$ 14,199</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>6/30/14</u>	<u>6/30/13</u>	<u>Change</u>
Insured retention	\$ 966,002	\$ 959,772	\$ 6,230
Highways	1,130,931	1,294,683	(163,752)
Economic development	73,553	348,453	(274,900)
Equipment	280,237	339,940	(59,703)
ERIP	127	130,089	(129,962)
OPEB	736,365	638,408	97,957
Other cash reserves	229,698	99,031	130,667
Tax Stabilization	-	578,080	(578,080)
Other	-	340,708	(340,708)
Total	<u>\$ 3,416,913</u>	<u>\$ 4,729,164</u>	<u>\$ (1,312,251)</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 position of the enterprise funds at the end of the year amounted to \$5,848,190, a change of \$(1,676,616) 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 \$645,612. The City passed a resolution in January 2014 to amend the budget by increasing transfers out to the capital reserve trust funds by \$545,000, funded by the budgetary use of fund balance. In addition, the resolution authorized \$1,008,788 to the City's overlay appropriation (presented net of the tax levy), also funded by the budgetary use of fund balance.

In fiscal year 2014 the City recognized a substantial amount of tax abatements that results in the unfavorable variance presented on the budget and actual comparative statement, since the supplemental appropriation only covered a portion of the tax abatement liability.

The favorable variance of Miscellaneous Revenues on the budget and actual comparative statement is a result of the City recognizing a \$1,565,970 reimbursement received in August 2015 for the Concord Regional Solid Waste/ Resource Recovery Cooperative. Snow and Ice control expenditures in excess of

appropriations resulted in the majority of the unfavorable variance in General Services expenditures.

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

**Capital assets.** Total investment in capital assets for governmental and business-type activities at year-end amounted to \$255,888,778 (net of accumulated depreciation), a change of \$6,379,542 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. In fiscal year 2014, the City maintained a Standard & Poor's credit rating of AA+.

**Long-term debt.** At the end of the current fiscal year, total bonded debt outstanding was \$72,161,009, 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 11, 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 2014 adopted to the fiscal 2015 adopted City General Fund budget and tax rate:

<u>Use of Funds</u>	2014 COUNCIL <u>ADOPTED</u>	2015 COUNCIL <u>ADOPTED</u>
Budget Appropriations	\$ 53,454,032	\$ 55,005,019
War Credits (1)	267,089	265,150
Overlay	<u>300,000</u>	<u>300,000</u>
Total Uses of Funds	<u>\$ 54,021,121</u>	<u>\$ 55,570,169</u>
 <u>Sources of Funds</u>		
Miscellaneous Revenues	\$ 19,740,202	\$ 20,257,054
Amount to be raised by property taxes	<u>34,280,919</u>	<u>35,313,115</u>
Total Sources of Funds	<u>\$ 54,021,121</u>	<u>\$ 55,570,169</u>
 <u>TAX RATE DETERMINATION</u>		
Assessed Value (A.V.) in thousands of dollars*	\$ 3,834,101	\$ 3,793,126
Amount to be Raised	\$ 34,280,919	\$ 35,313,115
Current Year Recommended Tax Rate/\$ 1,000 A.V.	\$ 8.94	\$ 9.31
Prior Year Tax Rate/\$ 1,000 A.V.	<u>8.67</u>	<u>9.04</u> *
Increase over Prior Year	\$ 0.27	\$ 0.27
% Change	3.11%	2.99%

\* Market and real growth adjustments after budget adoption resulted in a taxable assessed value of \$3,793,125,850 for municipal purposes and a tax rate of \$9.04 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

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## **Basic Financial Statements**

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## CITY OF CONCORD, NEW HAMPSHIRE

## STATEMENT OF NET POSITION

JUNE 30, 2014

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current:			
Cash and short-term equivalents	\$ 46,800,336	\$ 9,452,351	\$ 56,252,687
Investments	16,417,750	-	16,417,750
Receivables, net of allowance for uncollectibles:			
Property taxes	29,396,538	-	29,396,538
Accounts	1,871,376	-	1,871,376
User fees	-	1,771,968	1,771,968
Intergovernmental	-	228,845	228,845
Loans	847,807	-	847,807
Other assets	343,687	214,806	558,493
Total current assets	<u>95,677,494</u>	<u>11,667,970</u>	<u>107,345,464</u>
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	1,945,824	1,945,824
Capital assets:			
Land and construction in progress	31,214,845	7,285,974	38,500,819
Other capital assets, net of accumulated depreciation	<u>95,812,577</u>	<u>121,575,382</u>	<u>217,387,959</u>
Total non-current assets	<u>127,027,422</u>	<u>130,807,180</u>	<u>257,834,602</u>
<b>TOTAL ASSETS</b>	<b>222,704,916</b>	<b>142,475,150</b>	<b>365,180,066</b>
<b>LIABILITIES</b>			
Current:			
Accounts payable	2,022,290	796,151	2,818,441
Retainage payable	418,693	253,816	672,509
Accrued liabilities	2,091,479	365,492	2,456,971
Due to other governments	63,286	-	63,286
Other current liabilities	960,105	173,184	1,133,289
Current portion of long-term liabilities:			
Bonds and loans payable	5,195,123	3,355,927	8,551,050
Other liabilities	1,991,078	206,015	2,197,093
Total current liabilities	<u>12,742,054</u>	<u>5,150,585</u>	<u>17,892,639</u>
Noncurrent:			
Bonds and loans payable, net of current portion	38,930,427	24,679,532	63,609,959
Other liabilities, net of current portion	<u>10,077,068</u>	<u>1,048,000</u>	<u>11,125,068</u>
Total non-current liabilities	<u>49,007,495</u>	<u>25,727,532</u>	<u>74,735,027</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>50,027,341</b>	<b>114,262</b>	<b>50,141,603</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>111,776,890</b>	<b>30,992,379</b>	<b>142,769,269</b>
<b>NET POSITION</b>			
Net investment in capital assets	88,864,614	103,459,912	192,324,526
Restricted for:			
Grants and other statutory restrictions	2,750,271	-	2,750,271
Permanent funds:			
Nonexpendable	12,004,523	-	12,004,523
Debt service	-	2,174,669	2,174,669
Unrestricted	<u>7,308,618</u>	<u>5,848,190</u>	<u>13,156,808</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u>110,928,026</u></b>	<b>\$ <u>111,482,771</u></b>	<b>\$ <u>222,410,797</u></b>

The accompanying notes are an integral part of these financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>	
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General government	\$ 7,833,696	\$ 3,047,065	\$ 1,958,269	\$ 2,608,415
Public safety	26,302,929	3,784,562	152,700	255,603
General services	12,194,315	124,650	-	-
Community development	4,763,024	1,198,302	-	489,934
Leisure and information services	4,681,713	699,419	-	-
Human services	841,942	-	29,273	-
Interest on long-term debt	<u>1,529,922</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	58,147,541	8,853,998	2,140,242	3,353,952
<b>Business-Type Activities:</b>				
Water	5,313,921	5,492,305	44,545	-
Sewer	6,755,444	6,849,496	1,975,362	86,341
Solid Waste	4,375,538	2,798,335	-	-
Golf	871,560	890,190	-	-
Arena	<u>473,728</u>	<u>585,167</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>17,790,191</u>	<u>16,615,493</u>	<u>2,019,907</u>	<u>86,341</u>
Total	<u>\$ 75,937,732</u>	<u>\$ 25,469,491</u>	<u>\$ 4,160,149</u>	<u>\$ 3,440,293</u>

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

**General Revenues:**

Property Taxes  
 Penalties, interest and other taxes  
 Grants and contributions not restricted to specific programs  
 Investment income  
 Miscellaneous

Transfers, net  
 Permanent fund contributions

Total general revenues, transfers, and contributions

Change in Net Position

**Net Position:**

Beginning of year

End of year

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business- Type Activities	Total
\$ (219,947)	\$ -	\$ (219,947)
(22,110,064)	-	(22,110,064)
(12,069,665)	-	(12,069,665)
(3,074,788)	-	(3,074,788)
(3,982,294)	-	(3,982,294)
(812,669)	-	(812,669)
<u>(1,529,922)</u>	<u>-</u>	<u>(1,529,922)</u>
(43,799,349)	-	(43,799,349)
-	222,929	222,929
-	2,155,755	2,155,755
-	(1,577,203)	(1,577,203)
-	18,630	18,630
<u>-</u>	<u>111,439</u>	<u>111,439</u>
<u>-</u>	<u>931,550</u>	<u>931,550</u>
(43,799,349)	931,550	(42,867,799)
38,519,641	-	38,519,641
913,597	-	913,597
209	-	209
2,677,097	7,947	2,685,044
3,125,212	289,329	3,414,541
142,034	(142,034)	-
<u>282,663</u>	<u>-</u>	<u>282,663</u>
<u>45,660,453</u>	<u>155,242</u>	<u>45,815,695</u>
1,861,104	1,086,792	2,947,896
<u>109,066,922</u>	<u>110,395,979</u>	<u>219,462,901</u>
<u>\$ 110,928,026</u>	<u>\$ 111,482,771</u>	<u>\$ 222,410,797</u>

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2014

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>			
Cash and short-term equivalents	\$ 32,522,622	\$ 14,277,717	\$ 46,800,339
Investments	2,915,444	13,502,306	16,417,750
Receivables:			
Property taxes	29,823,367	-	29,823,367
Accounts	1,752,351	119,026	1,871,377
Loans	-	847,807	847,807
Due from other funds	63,526	-	63,526
Inventory	183,298	-	183,298
Other assets	<u>156,877</u>	<u>3,512</u>	<u>160,389</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>67,417,485</u></b>	<b>\$ <u>28,750,368</u></b>	<b>\$ <u>96,167,853</u></b>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable	\$ 400,247	\$ 1,622,042	\$ 2,022,289
Retainage payable	-	418,693	418,693
Accrued liabilities	1,509,767	350,839	1,860,606
Other liabilities	609,267	-	609,267
Due to other funds	-	63,526	63,526
Due to other governments	<u>63,286</u>	<u>-</u>	<u>63,286</u>
<b>TOTAL LIABILITIES</b>	<b>2,582,567</b>	<b>2,455,100</b>	<b>5,037,667</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>50,635,804</b>	<b>970,328</b>	<b>51,606,132</b>
<b>FUND BALANCES</b>			
Nonspendable	152,871	12,004,524	12,157,395
Restricted	-	9,539,642	9,539,642
Committed	3,416,913	5,109,805	8,526,718
Assigned	750,000	-	750,000
Unassigned	<u>9,879,330</u>	<u>(1,329,031)</u>	<u>8,550,299</u>
<b>TOTAL FUND BALANCES</b>	<b><u>14,199,114</u></b>	<b><u>25,324,940</u></b>	<b><u>39,524,054</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ <u>67,417,485</u></b>	<b>\$ <u>28,750,368</u></b>	<b>\$ <u>96,167,853</u></b>

The accompanying notes are an integral part of these financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

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

JUNE 30, 2014

<b>Total governmental fund balances</b>	\$ 39,524,054
<ul style="list-style-type: none"><li>• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</li></ul>	127,027,422
<ul style="list-style-type: none"><li>• Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.</li></ul>	1,151,962
<ul style="list-style-type: none"><li>• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</li></ul>	(581,716)
<ul style="list-style-type: none"><li>• 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.</li></ul>	<u>(56,193,696)</u>
<b>Net position of governmental activities</b>	<u>\$ 110,928,026</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Taxes	\$ 39,222,896	\$ 1,241,381	\$ 40,464,277
Licenses and permits	1,022,818	-	1,022,818
Intergovernmental	2,547,617	2,603,571	5,151,188
Charges for services	4,982,639	2,000,737	6,983,376
Investment income	123,746	2,553,355	2,677,101
Contributions	171,510	454,465	625,975
Miscellaneous	<u>2,964,025</u>	<u>1,074,783</u>	<u>4,038,808</u>
Total Revenues	51,035,251	9,928,292	60,963,543
Expenditures:			
Current:			
General government	6,020,239	1,358,997	7,379,236
Public safety	23,295,798	779,558	24,075,356
General services	6,967,379	474,403	7,441,782
Community development	2,840,979	293,191	3,134,170
Leisure and information services	4,031,719	-	4,031,719
Human services	801,071	-	801,071
Employee benefits	2,209,785	-	2,209,785
Miscellaneous	-	301	301
Debt service			
Principal	3,899,351	1,137,575	5,036,926
Interest	1,114,717	401,182	1,515,899
Capital outlay	<u>-</u>	<u>10,833,357</u>	<u>10,833,357</u>
Total Expenditures	51,181,038	15,278,564	66,459,602
Excess (deficiency) of revenues over expenditures	(145,787)	(5,350,272)	(5,496,059)
Other Financing Sources (Uses):			
Issuance of bonds	-	8,732,000	8,732,000
Transfers in	2,585,896	2,777,487	5,363,383
Transfers out	<u>(3,137,280)</u>	<u>(2,084,069)</u>	<u>(5,221,349)</u>
Total Other Financing Sources (Uses)	(551,384)	9,425,418	8,874,034
Net change in fund balance	(697,171)	4,075,146	3,377,975
Fund Balance, at Beginning of Year	<u>14,896,285</u>	<u>21,249,794</u>	<u>36,146,079</u>
Fund Balance, at End of Year	<u>\$ 14,199,114</u>	<u>\$ 25,324,940</u>	<u>\$ 39,524,054</u>

The accompanying notes are an integral part of these 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, 2014

**Net Changes in Fund Balances - Total Governmental Funds** \$ 3,377,975

- 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:

Capital outlay purchases and contributions, net of disposals	9,645,763
Depreciation	(4,529,985)

- 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. (1,096,835)

- 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 position:

Bond repayments	5,036,926
Issuance of bonds, net of refunding	(8,732,000)

- In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. (14,023)

- 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.

Compensated absences	(120,164)
Landfill liability	30,000
Other post employment benefits	(1,736,553)

**Change in Net Position of Governmental Activities** \$ 1,861,104

The accompanying notes are an integral part of these 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Taxes	\$ 41,729,449	\$ 40,419,667	\$ 39,222,896	\$ (1,196,771)
Licenses and permits	880,065	880,065	1,022,818	142,753
Intergovernmental	2,540,380	2,541,374	2,547,617	6,243
Charges for services	4,748,048	4,748,048	4,957,558	209,510
Investment income	50,000	50,000	22,835	(27,165)
Miscellaneous	946,550	1,257,162	2,989,105	1,731,943
Total Revenues	50,894,492	49,896,316	50,762,829	866,513
<b>Expenditures:</b>				
General government	6,625,533	6,366,933	6,020,240	346,693
Public safety	23,266,548	23,429,348	23,295,799	133,549
General services	6,682,908	6,831,208	6,967,379	(136,171)
Community development	2,908,099	2,918,711	2,840,979	77,732
Leisure and information services	4,014,835	4,049,535	4,031,719	17,816
Human services	808,279	811,079	801,071	10,008
Employee benefits	2,192,900	2,192,900	2,209,784	(16,884)
Debt service	4,980,300	4,980,300	4,938,768	41,532
Total Expenditures	51,479,402	51,580,014	51,105,739	474,275
Excess (Deficiency) of revenue over expenditures	(584,910)	(1,683,698)	(342,910)	1,340,788
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,559,540	2,649,540	2,569,779	(79,761)
Transfers out	(1,974,630)	(2,519,630)	(2,530,880)	(11,250)
Budgetary use of fund balance	-	1,553,788	-	(1,553,788)
Total Other Financing Sources (Uses)	584,910	1,683,698	38,899	(1,644,799)
Excess of expenditures and other financing uses over revenues and other financing sources	\$ -	\$ -	\$ (304,011)	\$ (304,011)

The accompanying notes are an integral part of these financial statements.

## CITY OF CONCORD, NEW HAMPSHIRE

## PROPRIETARY FUNDS

## STATEMENT OF NET POSITION

JUNE 30, 2014

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
<b>ASSETS</b>					
Current:					
Cash and short-term equivalents	\$ 4,720,405	\$ 3,399,047	\$ 925,728	\$ 407,171	\$ 9,452,351
User fees, net of allowance for uncollectibles	564,651	841,609	356,912	8,796	1,771,968
Intergovernmental receivables	-	228,845	-	-	228,845
Prepaid assets	7,206	9,802	1,331	1,064	19,403
Inventory	8,788	-	114,370	72,245	195,403
Total current assets	5,301,050	4,479,303	1,398,341	489,276	11,667,970
Noncurrent:					
Intergovernmental	-	1,945,824	-	-	1,945,824
Capital assets:					
Land and construction in progress	2,843,328	3,851,735	421,243	169,668	7,285,974
Other capital assets, net of accumulated depreciation	61,897,139	58,129,945	108,900	1,439,398	121,575,382
Total noncurrent assets	64,740,467	63,927,504	530,143	1,609,066	130,807,180
<b>TOTAL ASSETS</b>	70,041,517	68,406,807	1,928,484	2,098,342	142,475,150
<b>LIABILITIES</b>					
Current:					
Accounts payable	147,006	196,027	390,940	62,178	796,151
Retainage payable	184,587	68,729	-	500	253,816
Accrued liabilities	170,967	182,236	4,988	7,301	365,492
Other current liabilities	58,218	16,155	98,811	-	173,184
Current portion of long-term liabilities:					
Bonds and loans payable	1,402,960	1,803,430	30,000	119,537	3,355,927
Compensated absences	58,012	113,606	6,731	27,666	206,015
Total current liabilities	2,021,750	2,380,183	531,470	217,182	5,150,585
Noncurrent:					
Bonds and loans payable, net of current portion	11,315,906	12,425,302	339,150	599,174	24,679,532
Other post employment	524,000	524,000	-	-	1,048,000
Total noncurrent liabilities	11,839,906	12,949,302	339,150	599,174	25,727,532
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-	71,900	42,362	114,262
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	13,861,656	15,329,485	942,520	858,718	30,992,379
<b>NET POSITION</b>					
Net investment in capital assets	53,801,185	48,414,634	240,992	1,003,101	103,459,912
Restricted for debt service	-	2,174,669	-	-	2,174,669
Unrestricted	2,378,676	2,488,019	744,972	236,523	5,848,190
<b>TOTAL NET POSITION</b>	\$ 56,179,861	\$ 53,077,322	\$ 985,964	\$ 1,239,624	\$ 111,482,771

The accompanying notes are an integral part of these financial statements.

CITY OF CONCORD, NEW HAMPSHIRE  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
<b>Operating Revenues:</b>					
Charges for services	\$ 5,492,305	\$ 6,849,496	\$ 2,798,335	\$ 1,475,357	\$ 16,615,493
Other	86,560	191,756	-	11,013	289,329
Total Operating Revenues	5,578,865	7,041,252	2,798,335	1,486,370	16,904,822
<b>Operating Expenses:</b>					
Operating expenses	3,092,950	4,044,738	4,359,149	1,216,873	12,713,710
Depreciation	1,761,796	2,272,257	-	108,164	4,142,217
Total Operating Expenses	4,854,746	6,316,995	4,359,149	1,325,037	16,855,927
Operating Income (Loss)	724,119	724,257	(1,560,814)	161,333	48,895
<b>Nonoperating Revenues (Expenses):</b>					
Investment income	4,548	3,184	-	215	7,947
Intergovernmental	44,545	1,975,362	-	-	2,019,907
Interest expense	(459,175)	(438,449)	(16,389)	(20,251)	(934,264)
Total Nonoperating Revenues (Expenses), Net	(410,082)	1,540,097	(16,389)	(20,036)	1,093,590
Income (Loss) Before Contributions and Transfers	314,037	2,264,354	(1,577,203)	141,297	1,142,485
Capital contributions	-	86,341	-	-	86,341
Transfers in	-	-	1,232,930	44,596	1,277,526
Transfers out	(631,910)	(661,740)	-	(125,910)	(1,419,560)
Change in Net Position	(317,873)	1,688,955	(344,273)	59,983	1,086,792
Net Position at Beginning of Year	56,497,734	51,388,367	1,330,237	1,179,641	110,395,979
Net Position at End of Year	\$ 56,179,861	\$ 53,077,322	\$ 985,964	\$ 1,239,624	\$ 111,482,771

The accompanying notes are an integral part of these financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

	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	\$ 5,581,159	\$ 7,031,025	\$ 2,808,552	\$ 1,498,263	\$ 16,918,999
Payments to employees	(2,027,824)	(2,310,538)	(2,358,974)	(743,751)	(7,441,087)
Payments to vendors	(762,166)	(1,719,579)	(2,025,683)	(495,068)	(5,002,496)
Net Cash Provided By (Used For) Operating Activities	2,791,169	3,000,908	(1,576,105)	259,444	4,475,416
<b>Cash Flows From Noncapital Financing Activities:</b>					
Intergovernmental revenues	-	256,300	-	-	256,300
Transfers in	-	-	1,232,930	44,596	1,277,526
Transfers out	(631,910)	(661,740)	-	(125,910)	(1,419,560)
Net Cash Provided by (Used For) Noncapital Financing Activities	(631,910)	(405,440)	1,232,930	(81,314)	114,266
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Proceeds from issuance of bonds and notes	1,627,800	1,176,200	-	135,000	2,939,000
Principal payments on bonds and notes	(1,711,275)	(1,767,253)	(30,300)	(127,037)	(3,635,865)
Acquisition and construction of capital assets, net disposals	(2,467,507)	(2,832,995)	(1,436)	(104,042)	(5,405,980)
Capital contributions	44,545	347,366	-	-	391,911
Interest expense	(474,704)	(457,731)	(16,388)	(21,428)	(970,251)
Net Cash (Used For) Capital and Related Financing Activities	(2,981,141)	(3,534,413)	(48,124)	(117,507)	(6,681,185)
<b>Cash Flows From Investing Activities:</b>					
Investment income	4,548	3,184	-	215	7,947
Net Cash Provided by Investing Activities	4,548	3,184	-	215	7,947
Net Change in Cash and Short-Term Equivalents	(817,334)	(935,761)	(391,299)	60,838	(2,083,556)
Cash and Short-Term Equivalents, Beginning of Year	5,537,739	4,334,808	1,317,027	346,333	11,535,907
Cash and Short-Term Equivalents, End of Year	\$ 4,720,405	\$ 3,399,047	\$ 925,728	\$ 407,171	\$ 9,452,351
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:</b>					
Operating income (loss)	\$ 724,119	\$ 724,257	\$ (1,560,814)	\$ 161,333	\$ 48,895
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,761,796	2,272,257	-	108,164	4,142,217
Changes in assets and liabilities:					
User fees	2,294	(10,227)	(12,083)	(27,132)	(47,148)
Inventory	-	-	(62,408)	-	(62,408)
Other assets	(106)	-	(988)	1,204	110
Accounts payable	79,797	(91,397)	17,238	17,530	23,168
Retainage payable	127,400	(11,479)	(3,820)	500	112,601
Compensated absences	(23,905)	15,660	(8,043)	(8,600)	(24,888)
Unearned revenues	-	-	22,300	(6,586)	15,714
Other liabilities	119,774	101,837	32,513	13,031	267,155
Net Cash Provided By (Used For) Operating Activities	\$ 2,791,169	\$ 3,000,908	\$ (1,576,105)	\$ 259,444	\$ 4,475,416

The accompanying notes are an integral part of these financial statements.

CITY OF CONCORD, NEW HAMPSHIRE  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2014

	Agency Fund
<b><u>ASSETS</u></b>	
Cash and short-term equivalents	\$ <u>235,511</u>
Total Assets	\$ <u><u>235,511</u></u>
<b><u>LIABILITIES</u></b>	
Other liabilities	\$ <u>235,511</u>
Total Liabilities	\$ <u><u>235,511</u></u>

The accompanying notes are an integral part of these 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 2014, it was determined that no entities met the required GASB 14 (as amended) 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 Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. With the exception of interfund services provided and used, 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.

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 other organizations. 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).

*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.

Capital assets 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 Position. 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 position”.

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). A resolution, the highest level action, 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’s fund balance policy approved by City Council, permits the City Manager and Finance Director to assign fund balance amounts to a specific purpose. This account also includes fund balance 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 Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment 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 position is 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. The remaining net position is 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.

***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)	\$ 51,035,251	\$ 51,181,038
Other financing sources/uses (GAAP Basis)	<u>2,585,896</u>	<u>3,137,280</u>
Subtotal (GAAP Basis)	53,621,147	54,318,318
Reverse nonbudgeted activity	<u>(288,539)</u>	<u>(681,699)</u>
Budgetary Basis	<u>\$ 53,332,608</u>	<u>\$ 53,636,619</u>

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

*D. Excess of Expenditures Over Appropriations*

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

<u>General Fund:</u>	
Police	\$ (14,011)
General services	\$ (136,171)
Employee benefits	\$ (16,884)
Transfers out	\$ (11,250)

*E. Deficit Fund Equity*

The following funds or projects had deficits as of June 30, 2014:

<u>Nonmajor Governmental Funds:</u>	
Community Development Fund	\$ (1,194)
Miscellaneous Special Revenue Fund	(348,432)
Other Capital Project Funds Post 2008	(889,073)
Open Space Protection Fund	(374)
Manchester Street Fund	(60,174)
Penacook Village Capital Fund	<u>(29,784)</u>
Total	\$ <u>(1,329,031)</u>

The temporary deficits in these funds or projects results from timing issues at year-end and were eliminated revenues or bond proceeds in fiscal year 2015.

### 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, 2014, \$250,558 of the City’s bank balance of \$56,743,374 was exposed to custodial credit risk as uninsured or uncollateralized.

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, 2014 consisted of the following:

State investment pool	\$ 606,238
Certificates of deposit	1,613,080
U.S. government agencies	1,027,970
Corp. and foreign bonds	2,326,987
Common equities	5,691,927
Int'l equity mutual funds pool	3,581,989
Taxable fixed income funds pool	<u>1,569,559</u>
Total investments	<u>\$ 16,417,750</u>

Of the City's total investments, the City has a custodial credit risk exposure of \$14,804,670 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, \$606,238 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</u> <u>(in Years)</u>			<u>Average Rating</u>
		<u>&lt;1</u>	<u>1-5</u>	<u>6-10</u>	
U.S. Government Agencies	\$ 1,028	\$ 156	\$ 370	\$ 502	AAA
Corp. and Foreign Bonds	<u>2,327</u>	<u>102</u>	<u>1,805</u>	<u>420</u>	A1
Total	<u>\$ 3,355</u>	<u>\$ 258</u>	<u>\$ 2,175</u>	<u>\$ 922</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, 2014, 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 ongoing 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, 2014 consist of the following (in thousands):

Property taxes:		
Levy of 2014	\$ 29,453	
Levy of 2013	1,702	
Levy of 2012	856	
Levy of 2011	72	
Levy of 2010	29	
Levy of 2009	78	
Levy of 2008	11	
Levy of 2007	11	
Levy of 2006	10	
Unredeemed taxes:		
Levy of 2005	6	
Prior years	38	
Subtotal		32,266
Other taxes:		
Land use change taxes	18	
Elderly tax liens	39	
Subtotal		57
Gross Tax Receivable		32,323
Allowance for Abatements (overlay)		(2,500)
Net Total Taxes Receivables		\$ <u>29,823</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	\$ 427

## 6. Loans Receivable

Loans receivable of \$847,807 in non-major governmental funds represent the uncollected balance of community development loans.

## 7. Intergovernmental Receivables

Intergovernmental receivables in the sewer fund represent 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 <u>June 30</u>	Reimbursement For		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 228,845	\$ 74,852	\$ 303,697
2016	216,386	69,088	285,474
2017	216,533	62,365	278,898
2018	216,287	55,780	272,067
2019	195,466	48,974	244,440
2020-2024	467,307	163,723	631,030
2025-2029	438,462	77,157	515,619
2030-2034	193,661	20,545	214,206
2035	1,722	70	1,792
Total	<u>\$ 2,174,669</u>	<u>\$ 572,554</u>	<u>\$ 2,747,223</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, 2014 balances in interfund receivable and payable accounts.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 63,526	\$ -
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Community Development	-	1,194
Capital Project Funds:		
Open Space	-	374
Manchester Street	-	61,760
Trust Funds:		
Library	-	83
Other	-	115
Total	<u>\$ 63,526</u>	<u>\$ 63,526</u>

The following is an analysis of interfund transfers made in fiscal year 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Fund:</u>		
Major Funds:		
General Fund	\$ 2,585,896	\$ 3,137,280
Nonmajor Funds:		
Special Revenue Funds:		
Engineering Inspection	-	400
Community Development		
Conservation Property Management	-	23,300
Parking	359,744	167,850
Airport	-	89,119
Impact Fee	180,879	544,953
Durgin Garage	10,500	132,744
Forest and Conservation	7,617	50,000
Library	-	800
SVMS Project Fund	-	13,800
Capital Project Funds:		
Other Capital Project Funds-Post 2008	2,239,510	171,023
Fire Facility Renovations	-	4,466
Open Space	50,000	-
Manchester St	-	80,000
NEOC	450,000	-
Penacook	75,000	-
Permanent Funds:		
Cemetery (Nonexpendable)	4,629	99,510
Other (Nonexpendable)	-	6,036
Dedicated Income (Nonexpendable)	-	179,000
Debt Service Funds:		
NEOC	-	575,850
Sears Block	-	514,430
Penacook	-	31,180

(continued)

(continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Business-Type Funds:</u>		
Major Funds:		
Water	-	631,910
Sewer	-	661,740
Solid Waste	1,232,930	-
Nonmajor Funds:		
Golf	27,886	80,450
Arena	<u>16,710</u>	<u>45,460</u>
Total	<u>\$ 7,241,301</u>	<u>\$ 7,241,301</u>

Of the transfer into the Solid Waste fund, \$1,219,130 was transferred from the General Fund to subsidize the fund operations. In addition, approximately \$441,710 and \$544,040 were transferred from the Water and Sewer funds, respectively, to the General Fund for indirect costs. \$1,170,000 of the transfer into Other Capital Project Funds-Post 2008 was transferred from the Highway Reserve Trust Fund.

In addition, 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, 2014 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	41,548	642	-	42,190
Machinery, equipment, and furnishing	8,375	587	-	8,962
Infrastructure	76,519	4,506	-	81,025
Licensed vehicles	13,509	1,324	(129)	14,704
	<u>145,368</u>	<u>7,059</u>	<u>(129)</u>	<u>152,298</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Land improvements	(4,050)	(96)	-	(4,146)
Buildings and improvement	(14,402)	(1,548)	-	(15,950)
Machinery, equipment, and furnishing	(6,980)	(581)	-	(7,561)
Infrastructure	(16,019)	(1,474)	-	(17,493)
Licensed vehicles	(10,504)	(960)	129	(11,335)
	<u>(51,955)</u>	<u>(4,659)</u>	<u>129</u>	<u>(56,485)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	93,413	2,400	-	95,813
Capital assets, not being depreciated:				
Land	14,883	1,025	-	15,908
Construction in progress	13,616	6,717	(5,027)	15,306
	<u>28,499</u>	<u>7,742</u>	<u>(5,027)</u>	<u>31,214</u>
Total capital assets, not being depreciated				
Governmental activities capital assets, net	<u>\$ 121,912</u>	<u>\$ 10,142</u>	<u>\$ (5,027)</u>	<u>\$ 127,027</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Land improvements	\$ 100	\$ 53	\$ -	\$ 153
Buildings and improvement	63,483	927	-	64,410
Machinery, equipment, and furnishing	6,174	580	-	6,754
Infrastructure	141,060	1,832	-	142,892
Licensed vehicles	1,142	177	(65)	1,254
	<u>211,959</u>	<u>3,569</u>	<u>(65)</u>	<u>215,463</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Land improvements	(35)	(5)	-	(40)
Buildings and improvement	(25,494)	(1,553)	-	(27,047)
Machinery, equipment, and furnishing	(4,564)	(309)	-	(4,873)
Infrastructure	(58,975)	(2,161)	-	(61,136)
Licensed vehicles	(743)	(114)	65	(792)
	<u>(89,811)</u>	<u>(4,142)</u>	<u>65</u>	<u>(93,888)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	122,148	(573)	-	121,575
Capital assets, not being depreciated:				
Land	1,064	-	-	1,064
Construction in progress	4,386	4,991	(3,155)	6,222
	<u>5,450</u>	<u>4,991</u>	<u>(3,155)</u>	<u>7,286</u>
Total capital assets, not being depreciated				
Business-type activities capital assets, net	<u>\$ 127,598</u>	<u>\$ 4,418</u>	<u>\$ (3,155)</u>	<u>\$ 128,861</u>

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

Governmental Activities:	
Public safety	\$ 403
General services	2,625
Community Development	1,342
Leisure and information services	<u>289</u>
Total depreciation expense - governmental activities	<u>\$ 4,659</u>
Business-Type Activities:	
Water	\$ 1,762
Sewer	2,272
Non-major	<u>108</u>
Total depreciation expense - business-type activities	<u>\$ 4,142</u>

**10. Accounts Payables**

Accounts payable represent fiscal year 2014 expenditures paid in July, 2014.

**11. 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 position 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>Through</u>		<u>as of</u>
<u>Bonds Payable:</u>				<u>6/30/14</u>
Public improvements	\$ 4,770,000	04/15/15	4.60 - 6.50	\$ 279,000
Public improvements	2,463,504	10/15/15	4.00 - 4.70	218,731
Public improvements	8,322,590	10/15/16	4.00 - 4.70	612,000
Public improvements	6,027,815	07/15/24	3.00 - 5.00	1,618,810
Public improvements	10,161,000	07/15/25	3.75 - 5.00	5,620,000
Public improvements	5,920,000	03/15/26	3.50 - 5.00	975,000
Public improvements	10,632,960	01/15/27	4.00 - 5.50	5,070,384
Public improvements	4,250,710	08/15/28	3.00 - 5.00	2,740,000
Public improvements	2,949,811	01/15/30	2.00 - 4.00	2,059,355
Public improvements	5,063,000	01/15/26	2.00 - 4.00	3,988,000
Public improvements	2,380,631	07/15/26	2.00 - 3.20	2,046,130
Public improvements	4,333,851	01/15/32	2.00 - 3.00	3,609,200
Public improvements	6,988,240	01/15/33	2.125-4.00	6,556,940
Public improvements	96,500	12/15/25	3.00 - 4.00	96,500
Public improvements	8,635,500	06/15/34	2.00 - 4.00	8,635,500
Total Governmental Funds:				<u>\$ 44,125,550</u>

	Original	Serial	Interest	Amount
<u>Business-Type Activities:</u>	<u>Amount</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
<u>Water Fund:</u>				<u>6/30/14</u>
<u>Bonds Payable:</u>				
Water	\$ 1,980,000	04/01/15	4.60 - 6.50	\$ 20,000
Water meters	2,297,279	10/15/16	4.00 - 4.70	184,000
Water	452,280	10/15/10	4.00 - 4.70	12,725
Water	2,023,545	07/15/24	3.00 - 5.00	342,650
Water	1,760,000	03/15/26	3.50 - 5.00	1,165,000
Water	2,994,840	08/15/29	3.00 - 5.00	2,070,000
Water	1,205,450	01/15/30	2.00 - 4.00	490,645
Water	2,072,500	01/15/26	2.00 - 4.00	1,685,000
Water	1,653,750	01/15/32	2.00 - 3.00	1,445,700
Water	3,766,650	01/15/33	2.125-4.00	3,470,750
Water	1,627,800	12/15/29	3.00 - 4.00	1,627,800
Total Bonds Payable:				12,514,270
Other Long-term Debt:				
Water State Revolving Loan	245,000	05/01/30	0.864	204,596
Total Other Long-term Debt				204,596
Total Water Fund				12,718,866

(continued)

(continued)

	Original Amount	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/14
<u>Enterprise Funds:</u>				
Sewer Fund:				
Bonds Payable				
Sanitary sewer	2,150,000	04/01/17	4.60 - 6.50	99,000
Sanitary sewer	910,176	10/15/15	4.00 - 4.70	63,000
Sanitary sewer	312,175	10/15/14	4.00 - 4.70	9,543
Sanitary sewer	1,465,790	07/15/24	3.00 - 5.00	282,600
Sanitary sewer	2,121,000	03/15/26	3.50 - 5.00	925,000
Sanitary sewer	2,210,990	01/15/27	4.00 - 5.50	1,365,216
Sanitary sewer	1,754,450	08/15/29	3.00 - 5.00	1,230,000
Sanitary sewer	2,328,700	01/15/30	2.00 - 4.00	1,705,000
Sanitary sewer	213,000	01/15/30	2.00 - 4.00	137,000
Sanitary sewer	78,182	07/15/26	2.00 - 3.20	73,159
Sanitary sewer	1,399,900	01/15/32	2.00 - 3.00	1,162,500
Sanitary sewer	3,080,660	01/15/33	2.125-4.00	2,838,160
Sanitary sewer	1,176,200	12/15/29	3.00 - 4.00	1,176,200
Total Bonds Payable				11,066,378
Other Long-term Debt:				
Sewer State Revolving Loan	2,062,745	07/15/19	1.02	2,062,745
Sewer State Revolving Loan	1,279,126	07/15/19	1.02	1,099,609
Total Other Long-term Debt				3,162,354
Total Sewer Fund				14,228,732
Solid Waste:				
Bonds Payable				
Solid Waste	241,950	01/15/32	2.00 - 3.00	212,000
Solid Waste	172,450	01/15/28	2.125-4.00	157,150
Total Solid Waste Fund				369,150
Nonmajor Funds:				
Bonds Payable:				
Golf equipment	73,100	01/15/30	2.00 - 4.00	10,000
Clubhouse improvements	87,000	01/15/33	2.125-4.00	62,000
Beaver Meadow improvements	52,500	12/15/21	3.00	52,500
Beaver Meadow club house	19,000	06/15/29	2.00 - 4.00	19,000
Arena expansion	430,000	10/15/15	4.00 - 4.70	56,000
Arena	149,000	03/15/26	3.50 - 5.00	30,000
Arena	48,750	01/15/27	4.00 - 5.50	14,400
Arena	1,187	07/15/26	2.00 - 3.20	711
Arena	460,550	01/15/32	2.00 - 3.00	410,600
Arena	63,500	06/15/27	3.00 - 4.00	63,500
Total Other Enterprise Funds				718,711
Total Enterprise Fund Long-Term Debt				\$ 28,035,459

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2014 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 5,195,122	\$ 1,586,807	\$ 6,781,929
2016	4,512,456	1,406,208	5,918,664
2017	3,703,957	1,254,692	4,958,649
2018	3,537,911	1,117,512	4,655,423
2019	3,402,551	988,837	4,391,388
2020-2024	13,846,729	3,146,722	16,993,451
2025-2029	7,500,114	1,045,661	8,545,775
2030-2034	2,426,710	212,668	2,639,378
Total	<u>\$ 44,125,550</u>	<u>\$ 10,759,107</u>	<u>\$ 54,884,657</u>

<u>Enterprise</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 3,356,428	\$ 898,930	\$ 4,255,358
2016	3,122,995	793,475	3,916,470
2017	2,718,950	700,820	3,419,770
2018	2,487,234	618,799	3,106,033
2019	2,358,308	542,232	2,900,540
2020-2024	7,625,653	1,766,732	9,392,385
2025-2029	5,336,931	645,251	5,982,182
2030-2033	1,028,960	58,367	1,087,327
Total	<u>\$ 28,035,459</u>	<u>\$ 6,024,606</u>	<u>\$ 34,060,065</u>

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2014 are as follows:

<u>Purpose</u>	<u>Amount</u>
Open Space	\$ 2,565,626
Eagle Square Renovations	175,000
Downtown Street Improvement	1,285,000
Underground Utility Installation - Sears TIF	2,500,000
Downtown Complete Street Project	975,677
Sewalls Falls Bridge Replacement	140,000
Penacook Village TIF Tannery	170,000
NH Employment Security Building	1,990,000
Whispering Heights	374
Parallel Taxiway	543
Purchase Tsunis Property on Storrs Street	600,000
BMGC Club House & Building	60,000
Total	<u>\$ 10,462,220</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, 2014, the amount of defeased debt still outstanding on the fiscal year 2010 refunding is \$668,972.

F. Changes in General Long-Term Liabilities

During the year ended June 30, 2014, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/13	Additions	Reductions	Total Balance 6/30/14	Less Current Portion	Equals Long-Term Portion 6/30/14
<u>Governmental Activities</u>						
Bonds and loans payable	\$ 40,430	\$ 8,732	\$ (5,037)	\$ 44,125	\$ (5,195)	\$ 38,930
Other:						
Net OPEB obligation <sup>(1)</sup>	7,695	3,347	(1,611)	9,431	-	9,431
Accrued employee benefits	2,187	161	(41)	2,307	(1,961)	346
Landfill closure	360	-	(30)	330	(30)	300
Subtotal	10,242	3,508	(1,682)	12,068	(1,991)	10,077
Totals	\$ 50,672	\$ 12,240	\$ (6,719)	\$ 56,193	\$ (7,186)	\$ 49,007

(1)The City typically uses the General Fund to liquidate governmental activities other post-employment benefit obligations.

	Total Balance 7/1/13	Additions	Reductions	Total Balance 6/30/14	Less Current Portion	Equals Long-Term Portion 6/30/14
<u>Business-Type Activities</u>						
Bonds and loans payable	\$ 28,733	\$ 2,939	\$ (3,637)	\$ 28,035	\$ (3,356)	\$ 24,679
Other:						
Net OPEB obligation <sup>(2)</sup>	854	373	(179)	1,048	-	1,048
Accrued employee benefits	230	16	(40)	206	(206) <sup>(A)</sup>	-
Subtotal	1,084	389	(219)	1,254	(206)	1,048
Totals	\$ 29,817	\$ 3,328	\$ (3,856)	\$ 29,289	\$ (3,562)	\$ 25,727

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

<sup>(2)</sup>The City typically uses the General Fund to liquidate business-type activities other post-employment benefit obligations.

**12. 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 \$330,000 as the estimate of the remaining postclosure care liability at June 30, 2014 in the Governmental Activities Statement of Net Position. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

**13. Deferred Inflows of Resources**

The City implemented GASB 65, *Items Previously Reported as Assets and Liabilities*. Deferred inflows of resources are the acquisition of net position by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

Governmental funds report *Deferred Inflows of Resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. As of June 30, 2014, the balance consisted of the following (in thousands):

	Entity-wide Basis		Fund Basis		Fund Basis	
	Governmental	Business-type	Governmental		Proprietary Funds	
	Activities	Activities	General Fund	Nonmajor	Solid Waste	Nonmajor
Unavailable Revenues	\$ 173	\$ 114	\$ 782	\$ 970	\$ 72	\$ 42
Taxes Collected in Advance	20,401	-	20,401	-	-	-
Taxes Levied in Advance	29,453	-	29,453	-	-	-
	<u>\$ 50,027</u>	<u>\$ 114</u>	<u>\$ 50,636</u>	<u>\$ 970</u>	<u>\$ 72</u>	<u>\$ 42</u>

**14. Restricted Net Position**

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

**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, 2014:

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, 2014:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>			
Inventories	\$ 152,871	\$ -	\$ 152,871
Nonexpendable permanent funds	-	12,004,524	12,004,524
<b>Total Nonspendable</b>	<b>152,871</b>	<b>12,004,524</b>	<b>12,157,395</b>
<b>Restricted</b>			
Other Capital Project Funds Post 2008	-	3,978,808	3,978,808
Route 3 Corridor	-	1,983,934	1,983,934
Community Development	-	1,801	1,801
House Revolving	-	583,786	583,786
Airport	-	623,029	623,029
Impact Fees	-	1,109,509	1,109,509
Miscellaneous Special Revenue	-	432,147	432,147
NEOC TIF	-	455,519	455,519
Penacook Village TIF	-	35,525	35,525
Sears Block TIF	-	335,584	335,584
<b>Total Restricted</b>	<b>-</b>	<b>9,539,642</b>	<b>9,539,642</b>
<b>Committed</b>			
Insured retention	966,002	-	966,002
Highways	1,130,931	-	1,130,931
Economic development	73,553	-	73,553
Equipment	280,237	-	280,237
ERIP	127	-	127
OPEB	736,365	-	736,365
Building Improvement	123,985	-	123,985
Other capital reserves	105,713	-	105,713
Community Development/ Engineering	-	98,067	98,067
Parking	-	132,771	132,771
Community Development/ Property Management	-	110,177	110,177
NEOC Capital	-	459,339	459,339
Penacook Village Capital	-	4,598	4,598
Sears Block Capital	-	3,020	3,020
Capital project funds	-	1,554,308	1,554,308
Expendable permanent funds	-	2,747,525	2,747,525
<b>Total Committed</b>	<b>3,416,913</b>	<b>5,109,805</b>	<b>8,526,718</b>
<b>Assigned</b>			
Paving	750,000	-	750,000
<b>Total Assigned</b>	<b>750,000</b>	<b>-</b>	<b>750,000</b>
<b>Unassigned</b>			
	9,879,330	(1,329,031)	8,550,299
<b>Total Fund Balance</b>	<b>\$ 14,199,114</b>	<b>\$ 25,324,940</b>	<b>\$ 39,524,054</b>

## **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.

Abatements - There are certain cases pending before the BTLA and Superior Court in NH in regard to alleged discrepancies in property assessments. According to the City's counsel, the probable outcome of these cases at the present time is indeterminable.

## **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 with 10 years of service (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, 2014, there were 302 retiree subscribers, including eligible spouses, receiving healthcare benefits through the City. The City recognizes the cost of providing these benefits as paid.

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 Position 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, 2014, the actuarial valuation date, approximately 267 retirees and 420 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 in aggregate 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 2014 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, 2014, 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, 2014.

Annual Required Contribution (ARC)	\$ 3,335,549
Interest on net OPEB obligation	384,680
Adjustment to ARC	<u>(524,802)</u>
Annual OPEB cost	3,195,427
Contributions made	<u>(1,264,874)</u>
Increase in net OPEB obligation	1,930,553
Net OPEB obligation - beginning of year	<u>8,548,445</u>
Net OPEB obligation - end of year	<u>\$ 10,478,998</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>
2014	\$ 3,195,427	39.6%	\$ 10,478,998
2013	\$ 3,423,333	41.4%	\$ 8,548,445
2012	\$ 3,458,108	51.2%	\$ 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, 2014 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, 2014, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 41,977,625
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 41,977,625</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 24,554,737</u>
UAAL as a percentage of covered payroll	<u>171.0%</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, 2014 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 3.0% inflation rate, projected salary increases of 3% per year, and an initial annual healthcare cost trend rate of 10% which decreases to a 5.0% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level dollar amount for a period of 30 years, on an open group.

**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 7%, 11.55% Police, and 11.8% Fire 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 10.77% to 27.74 % of covered compensation. The City's contributions to the System for the years ended June 30, 2014, 2013, and 2012 were \$4,900,889, \$3,939,353, and \$4,020,064, 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, 2014, was \$27,155,200. Contribution requirements for the year ended June 30, 2014, were as follows:

Employees' contributions	\$ 2,479,983
City contributions	<u>4,900,889</u>
Total	<u>\$ 7,380,872</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 Standard

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 of New Hampshire Retirement System (NHRS).

## 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	\$ 8,292,575	
Investment interest	143,876	
Other	<u>164,031</u>	8,600,482
Expenditures:		
Principal	4,740,000	
Interest on debt	1,836,287	
Outside services	<u>1,568,676</u>	<u>8,144,963</u>
Excess (deficiency) of revenue		<u>455,519</u>
Fund Balance Reserved for Debt Service		\$ <u><u>455,519</u></u>
Long-Term Debt Payable:		
Principal	\$ (499,000)	
Interest	<u>(19,208)</u>	(518,208)
Available fund balance		<u>455,519</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>(62,689)</u></u>
Assessment Information:		
Base Value		\$ <u><u>4,842,600</u></u>
Captured Value*		\$ <u><u>50,329,700</u></u>

\* = As of April 1, 2013

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	\$ 2,434,348	
Interest on proceeds from sale of bonds	24,872	
Investment interest	<u>58,348</u>	2,517,568
Expenditures:		
Principal	900,660	
Interest on debt	746,894	
Outside services	<u>534,430</u>	<u>2,181,984</u>
Excess (deficiency) of revenue		<u>335,584</u>
Fund Balance Reserved for Debt Service		\$ <u><u>335,584</u></u>
Long-Term Debt Payable:		
Principal	\$ (7,350,000)	
Interest	<u>(1,782,185)</u>	(9,132,185)
Available fund balance		<u>335,584</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>(8,796,601)</u></u>
Assessment Information:		
Base Value		\$ <u><u>5,784,200</u></u>
Captured Value*		\$ <u><u>22,189,539</u></u>

\* = As of April 1, 2013

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	\$ 108,160	
Investment interest	<u>1,414</u>	109,574
Expenditures:		
Principal	30,000	
Interest on debt	12,769	
Outside services	<u>31,280</u>	<u>74,049</u>
Excess (deficiency) of revenue		<u>35,525</u>
Fund Balance Reserved for Debt Service		\$ <u><u>35,525</u></u>
Long-Term Debt Payable:		
Principal	\$ (246,400)	
Interest	<u>(54,266)</u>	(300,666)
Available fund balance		<u>35,525</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>(265,141)</u></u>
Assessment Information:		
Base Value		\$ <u><u>93,900</u></u>
Captured Value*		\$ <u><u>1,739,800</u></u>
* = As of April 1, 2013		

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

**June 30, 2014  
(Unaudited)**

**Other Post-Employment Benefits**

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]
06/30/14	\$ -	\$ 41,977,625	\$ 41,977,625	0.0%	\$ 24,554,737	171.0%
06/30/13	\$ -	\$ 44,570,306	\$ 44,570,306	0.0%	\$ 23,836,550	187.0%
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.

## 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 - 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.
- Sears Block Capital Fund - to account for the maintenance of landscaping and related public infrastructures associated with the capital common municipal parking garage.
- 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.

## **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.

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## **Combining Financial Statements**

**CITY OF CONCORD, NEW HAMPSHIRE**

**Combining Balance Sheet**

**Nonmajor Governmental Funds**

**June 30, 2014**

	Special Revenue Funds			
	Community Development Fund	Housing Revolving Loan Fund	Community Development Engineering Inspection Fund	Community Development Conservation Property Management Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,801	\$ 583,829	\$ 263,940	\$ 110,177
Investments	-	-	-	-
Accounts receivable	-	-	29,101	-
Loans receivable	-	847,807	-	-
Other assets	-	-	976	-
	-	-	976	-
Total Assets	<u>\$ 1,801</u>	<u>\$ 1,431,636</u>	<u>\$ 294,017</u>	<u>\$ 110,177</u>
 <u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ 43	\$ 182	\$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	195,768	-
Due to other funds	1,194	-	-	-
	1,194	-	-	-
Total Liabilities	1,194	43	195,950	-
 DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	847,807	-	-
	-	847,807	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	847,807	-	-
 Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,801	583,786	-	-
Committed	-	-	98,067	110,177
Unassigned	(1,194)	-	-	-
	607	583,786	98,067	110,177
Total Fund Balances	<u>607</u>	<u>583,786</u>	<u>98,067</u>	<u>110,177</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,801</u>	<u>\$ 1,431,636</u>	<u>\$ 294,017</u>	<u>\$ 110,177</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>
\$ 266,704	\$ 622,838	\$ 1,210,352	\$ 48,979
-	-	-	-
22,407	1,707	-	40,735
-	-	-	-
<u>2,216</u>	<u>320</u>	<u>-</u>	<u>-</u>
<u>\$ 291,327</u>	<u>\$ 624,865</u>	<u>\$ 1,210,352</u>	<u>\$ 89,714</u>
\$ 36,035	\$ 1,836	\$ -	\$ 5,999
-	-	-	-
-	-	100,843	-
-	-	-	-
<u>36,035</u>	<u>1,836</u>	<u>100,843</u>	<u>5,999</u>
<u>122,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
122,521	-	-	-
-	-	-	-
-	623,029	1,109,509	432,147
132,771	-	-	-
-	-	-	(348,432)
<u>132,771</u>	<u>623,029</u>	<u>1,109,509</u>	<u>83,715</u>
<u>\$ 291,327</u>	<u>\$ 624,865</u>	<u>\$ 1,210,352</u>	<u>\$ 89,714</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	\$ 302,813	\$ -	\$ 7,617	\$ 3,563	\$ -
Investments	-	316	1,505,742	9,284	442,194
Accounts receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 302,813</u>	<u>\$ 316</u>	<u>\$ 1,513,359</u>	<u>\$ 12,847</u>	<u>\$ 442,194</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	302,813	316	1,513,359	12,847	442,194
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>302,813</u>	<u>316</u>	<u>1,513,359</u>	<u>12,847</u>	<u>442,194</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 302,813</u>	<u>\$ 316</u>	<u>\$ 1,513,359</u>	<u>\$ 12,847</u>	<u>\$ 442,194</u>

Special Revenue Funds

Mountain Green Fund	Downtown Economic Development Fund	SVMS Project Fund	Subtotal
\$ 452,709	\$ 11,069	\$ 12,218	\$ 3,898,609
-	-	-	1,957,536
-	-	-	93,950
-	-	-	847,807
-	-	-	3,512
<u>\$ 452,709</u>	<u>\$ 11,069</u>	<u>\$ 12,218</u>	<u>\$ 6,801,414</u>
\$ -	\$ -	\$ -	\$ 44,095
-	-	-	-
-	-	-	296,611
-	-	-	1,194
<u>-</u>	<u>-</u>	<u>-</u>	<u>341,900</u>
-	-	-	970,328
<u>-</u>	<u>-</u>	<u>-</u>	<u>970,328</u>
-	-	-	-
-	-	-	2,750,272
452,709	11,069	12,218	3,088,540
-	-	-	(349,626)
<u>452,709</u>	<u>11,069</u>	<u>12,218</u>	<u>5,489,186</u>
<u>\$ 452,709</u>	<u>\$ 11,069</u>	<u>\$ 12,218</u>	<u>\$ 6,801,414</u>

(continued)

(continued)

	<u>Capital Project Funds</u>			
	<u>Other Capital Project Funds Post 2008</u>	<u>Fire Facility Renovations</u>	<u>Open Space Protection Fund</u>	<u>Capital Commons Garage Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 5,918,200	\$ 258	\$ -	\$ 746
Investments	-	-	-	-
Accounts receivable	23,490	-	-	-
Loans receivable	-	-	-	-
Other assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,941,690</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ 746</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,274,614	\$ -	\$ -	\$ -
Retainage payable	262,286	-	-	-
Other liabilities	54,228	-	-	-
Due to other funds	-	-	374	-
	<u>-</u>	<u>-</u>	<u>374</u>	<u>-</u>
Total Liabilities	1,591,128	-	374	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	3,978,808	-	-	-
Committed	1,260,827	258	-	746
Unassigned	(889,073)	-	(374)	-
	<u>-</u>	<u>-</u>	<u>(374)</u>	<u>-</u>
Total Fund Balances	<u>4,350,562</u>	<u>258</u>	<u>(374)</u>	<u>746</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,941,690</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ 746</u>

Capital Project Funds

Route 3 Corridor Fund	Manchester Street Fund	NEOC Capital Fund	Sears Block Capital Fund	Penacook Village Capital Fund	Subtotal
\$ 2,641,449	\$ -	\$ 463,757	\$ 3,920	\$ 64,198	\$ 9,092,528
-	-	-	-	-	-
-	1,586	-	-	-	25,076
-	-	-	-	-	-
<u>2,641,449</u>	<u>1,586</u>	<u>463,757</u>	<u>3,920</u>	<u>64,198</u>	<u>9,117,604</u>
\$ 214,654	\$ -	\$ -	\$ -	\$ 88,679	\$ 1,577,947
150,384	-	4,418	900	705	418,693
-	-	-	-	-	54,228
-	61,760	-	-	-	62,134
365,038	61,760	4,418	900	89,384	2,113,002
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,983,934	-	-	-	-	5,962,742
292,477	-	459,339	3,020	4,598	2,021,265
-	(60,174)	-	-	(29,784)	(979,405)
<u>2,276,411</u>	<u>(60,174)</u>	<u>459,339</u>	<u>3,020</u>	<u>(25,186)</u>	<u>7,004,602</u>
<u>\$ 2,641,449</u>	<u>\$ 1,586</u>	<u>\$ 463,757</u>	<u>\$ 3,920</u>	<u>\$ 64,198</u>	<u>\$ 9,117,604</u>

(continued)

(continued)

Permanent Funds

	<u>Cemetery Fund</u>	<u>Library Fund</u>	<u>Dedicated Income Fund</u>	<u>Other Fund</u>	<u>Subtotal</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 413,852	\$ -	\$ 46,100	\$ -	\$ 459,952
Investments	8,930,330	1,207,735	1,385,040	21,665	11,544,770
Accounts receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>9,344,182</u>	\$ <u>1,207,735</u>	\$ <u>1,431,140</u>	\$ <u>21,665</u>	\$ <u>12,004,722</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due to other funds	-	83	-	115	198
	<u>-</u>	<u>83</u>	<u>-</u>	<u>115</u>	<u>198</u>
Total Liabilities	-	83	-	115	198
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
Fund Balances:					
Nonspendable	9,344,182	1,207,652	1,431,140	21,550	12,004,524
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>9,344,182</u>	<u>1,207,652</u>	<u>1,431,140</u>	<u>21,550</u>	<u>12,004,524</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>9,344,182</u>	\$ <u>1,207,735</u>	<u>1,431,140</u>	\$ <u>21,665</u>	\$ <u>12,004,722</u>

Debt Service Funds

<u>NEOC Fund</u>	<u>SBTIFD Fund</u>	<u>PVTIFD Fund</u>	<u>Subtotal</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 455,519	\$ 335,584	\$ 35,525	\$ 826,628	\$ 14,277,717
-	-	-	-	13,502,306
-	-	-	-	119,026
-	-	-	-	847,807
-	-	-	-	3,512
<u>\$ 455,519</u>	<u>\$ 335,584</u>	<u>\$ 35,525</u>	<u>\$ 826,628</u>	<u>\$ 28,750,368</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,622,042
-	-	-	-	418,693
-	-	-	-	350,839
-	-	-	-	63,526
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,455,100</u>
-	-	-	-	970,328
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>970,328</u>
-	-	-	-	12,004,524
455,519	335,584	35,525	826,628	9,539,642
-	-	-	-	5,109,805
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,329,031)</u>
<u>455,519</u>	<u>335,584</u>	<u>35,525</u>	<u>826,628</u>	<u>25,324,940</u>
<u>\$ 455,519</u>	<u>\$ 335,584</u>	<u>\$ 35,525</u>	<u>\$ 826,628</u>	<u>\$ 28,750,368</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, 2014

	Special Revenue Funds			
	Community Development Fund	Housing Revolving Loan Fund	Community Development Engineering Inspection Fund	Community Development Conservation Property Management Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	489,933	-	-	-
Charges for services	-	86,588	102,389	66,793
Investment income (loss)	-	465	309	-
Contributions	-	-	-	-
Miscellaneous:				
Departmental	-	-	105,840	-
Interest and penalties	-	-	-	-
<b>Total Revenues</b>	<b>489,933</b>	<b>87,053</b>	<b>208,538</b>	<b>66,793</b>
Expenditures:				
Current:				
General government	21,500	39,028	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	236,826	11,180
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	468,433	-	-	-
<b>Total Expenditures</b>	<b>489,933</b>	<b>39,028</b>	<b>236,826</b>	<b>11,180</b>
Excess (deficiency) of revenues over expenditures	-	48,025	(28,288)	55,613
Other Financing Sources (Uses):				
Issuance of bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(400)	(23,300)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(400)</b>	<b>(23,300)</b>
Net change in fund balance	-	48,025	(28,688)	32,313
Fund Balance, beginning	607	535,761	126,755	77,864
Fund Balance, ending	\$ 607	\$ 583,786	\$ 98,067	\$ 110,177

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>
\$ -	\$ -	\$ -	\$ -
-	2,130	-	301,679
845,879	377,672	507,731	13,685
84	545	795	-
10,500	-	-	81,454
509,842	699	-	6,539
<u>369,073</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,735,378	381,046	508,526	403,357
-	-	109,606	255,708
779,558	-	-	-
215,005	259,398	-	-
-	45,185	-	-
-	-	-	-
609,175	9,200	-	-
279,316	1,941	-	-
1,600	-	-	288,416
<u>1,884,654</u>	<u>315,724</u>	<u>109,606</u>	<u>544,124</u>
(149,276)	65,322	398,920	(140,767)
-	-	-	-
359,744	-	180,879	-
<u>(167,850)</u>	<u>(89,119)</u>	<u>(544,953)</u>	<u>-</u>
191,894	(89,119)	(364,074)	-
42,618	(23,797)	34,846	(140,767)
<u>90,153</u>	<u>646,826</u>	<u>1,074,663</u>	<u>224,482</u>
<u>\$ 132,771</u>	<u>\$ 623,029</u>	<u>\$ 1,109,509</u>	<u>\$ 83,715</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 (loss)	350	8	186,322	942	32,646
Contributions	-	-	51,285	3,563	8,000
Miscellaneous:					
Departmental	-	-	-	-	-
Interest and penalties	-	-	-	-	-
Total Revenues	<u>350</u>	<u>8</u>	<u>237,607</u>	<u>4,505</u>	<u>40,646</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
General services	-	-	-	-	-
Community development	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	350	8	237,607	4,505	40,646
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	10,500	-	7,617	-	-
Transfers out	<u>(132,744)</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>(800)</u>
Total Other Financing Sources (Uses)	<u>(122,244)</u>	<u>-</u>	<u>(42,383)</u>	<u>-</u>	<u>(800)</u>
Net change in fund balance	(121,894)	8	195,224	4,505	39,846
Fund Balance, beginning	<u>424,707</u>	<u>308</u>	<u>1,318,135</u>	<u>8,342</u>	<u>402,348</u>
Fund Balance, ending	<u>\$ 302,813</u>	<u>\$ 316</u>	<u>\$ 1,513,359</u>	<u>\$ 12,847</u>	<u>\$ 442,194</u>

Special Revenue Funds

Mountain Green Fund	Downtown Economic Development Fund	SVMS Project Fund	Subtotal
\$ -	\$ -	\$ -	\$ -
-	-	-	793,742
-	-	-	2,000,737
473	11	16	222,966
-	-	-	154,802
-	-	-	622,920
-	-	-	369,073
<u>473</u>	<u>11</u>	<u>16</u>	<u>4,164,240</u>
-	-	-	425,842
-	-	-	779,558
-	-	-	474,403
-	-	-	293,191
-	-	-	-
-	-	-	618,375
-	-	-	281,257
-	-	-	758,449
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,631,075</u>
-	-	-	-
473	11	16	533,165
-	-	-	-
-	-	-	558,740
<u>-</u>	<u>-</u>	<u>(13,800)</u>	<u>(1,022,966)</u>
-	-	(13,800)	(464,226)
473	11	(13,784)	68,939
<u>452,236</u>	<u>11,058</u>	<u>26,002</u>	<u>5,420,247</u>
\$ <u>452,709</u>	\$ <u>11,069</u>	\$ <u>12,218</u>	\$ <u>5,489,186</u>

(continued)

(continued)

Capital Project Funds

	Other Capital Project Funds Post 2008	Fire Facility Renovations	Open Space Protection Fund	Capital Commons Garage Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,729,203	-	80,626	-
Charges for services	-	-	-	-
Investment income (loss)	349,600	-	58,000	-
Contributions	-	-	-	-
Miscellaneous:				
Departmental	2,934	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	<u>2,081,737</u>	<u>-</u>	<u>138,626</u>	<u>-</u>
Expenditures:				
Current:				
General government	808,663	37	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	-	-
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>6,338,827</u>	<u>1,885</u>	<u>1,025,000</u>	<u>-</u>
Total Expenditures	<u>7,147,490</u>	<u>1,922</u>	<u>1,025,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(5,065,753)	(1,922)	(886,374)	-
Other Financing Sources (Uses):				
Issuance of bonds	4,216,400	-	836,000	-
Transfers in	2,239,510	-	50,000	-
Transfers out	<u>(171,023)</u>	<u>(4,466)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>6,284,887</u>	<u>(4,466)</u>	<u>886,000</u>	<u>-</u>
Net change in fund balance	1,219,134	(6,388)	(374)	-
Fund Balance, beginning	<u>3,131,428</u>	<u>6,646</u>	<u>-</u>	<u>746</u>
Fund Balance, ending	<u>\$ 4,350,562</u>	<u>\$ 258</u>	<u>\$ (374)</u>	<u>\$ 746</u>

Capital Project Funds

Route 3 Corridor Fund	Manchester Street Fund	NEOC Capital Fund	Sears Block Capital Fund	Penacook Village Capital Fund	Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,809,829
255,400	-	-	-	-	663,000
17,000	-	-	-	-	17,000
-	-	-	-	-	-
-	-	-	-	-	2,934
-	-	-	-	-	-
<u>272,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,492,763</u>
124,360	95	-	-	-	933,155
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,480,463</u>	<u>-</u>	<u>71,159</u>	<u>9,000</u>	<u>132,638</u>	<u>10,058,972</u>
<u>2,604,823</u>	<u>95</u>	<u>71,159</u>	<u>9,000</u>	<u>132,638</u>	<u>10,992,127</u>
(2,332,423)	(95)	(71,159)	(9,000)	(132,638)	(8,499,364)
3,679,600	-	-	-	-	8,732,000
-	-	450,000	-	75,000	2,814,510
-	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255,489)</u>
<u>3,679,600</u>	<u>(80,000)</u>	<u>450,000</u>	<u>-</u>	<u>75,000</u>	<u>11,291,021</u>
1,347,177	(80,095)	378,841	(9,000)	(57,638)	2,791,657
<u>929,234</u>	<u>19,921</u>	<u>80,498</u>	<u>12,020</u>	<u>32,452</u>	<u>4,212,945</u>
<u>\$ 2,276,411</u>	<u>\$ (60,174)</u>	<u>\$ 459,339</u>	<u>\$ 3,020</u>	<u>\$ (25,186)</u>	<u>\$ 7,004,602</u>

(continued)

(continued)

Permanent Funds

	Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income (loss)	1,376,992	176,855	110,018	2,608	1,666,473
Contributions	36,258	-	246,405	-	282,663
Miscellaneous:					
Departmental	-	-	-	-	-
Interest and penalties	-	-	-	-	-
Total Revenues	1,413,250	176,855	356,423	2,608	1,949,136
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
General services	-	-	-	-	-
Community development	-	-	-	-	-
Miscellaneous	139	47	-	115	301
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	139	47	-	115	301
Excess (deficiency) of revenues over expenditures	1,413,111	176,808	356,423	2,493	1,948,835
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	4,629	-	-	-	4,629
Transfers out	(99,510)	(6,036)	(179,000)	-	(284,546)
Total Other Financing Sources (Uses)	(94,881)	(6,036)	(179,000)	-	(279,917)
Net change in fund balance	1,318,230	170,772	177,423	2,493	1,668,918
Fund Balance, beginning	8,025,952	1,036,880	1,253,717	19,057	10,335,606
Fund Balance, ending	\$ 9,344,182	\$ 1,207,652	\$ 1,431,140	\$ 21,550	\$ 12,004,524

Debt Service Funds

NEOC Fund	SBTIFD Fund	PVTIFD Fund	Subtotal	Total Nonmajor Governmental Funds
\$ 622,727	\$ 567,608	\$ 51,046	\$ 1,241,381	\$ 1,241,381
-	-	-	-	2,603,571
-	-	-	-	2,000,737
636	229	51	916	2,553,355
-	-	-	-	454,465
79,031	-	825	79,856	705,710
-	-	-	-	369,073
<u>702,394</u>	<u>567,837</u>	<u>51,922</u>	<u>1,322,153</u>	<u>9,928,292</u>
-	-	-	-	1,358,997
-	-	-	-	779,558
-	-	-	-	474,403
-	-	-	-	293,191
-	-	-	-	301
350,000	154,200	15,000	519,200	1,137,575
26,170	87,484	6,271	119,925	401,182
15,936	-	-	15,936	10,833,357
<u>392,106</u>	<u>241,684</u>	<u>21,271</u>	<u>655,061</u>	<u>15,278,564</u>
310,288	326,153	30,651	667,092	(5,350,272)
-	-	-	-	8,732,000
-	-	-	-	3,377,879 <sup>(A)</sup>
<u>(575,850)</u>	<u>(514,430)</u>	<u>(31,180)</u>	<u>(1,121,460)</u>	<u>(2,684,461) <sup>(A)</sup></u>
<u>(575,850)</u>	<u>(514,430)</u>	<u>(31,180)</u>	<u>(1,121,460)</u>	<u>9,425,418</u>
(265,562)	(188,277)	(529)	(454,368)	4,075,146
<u>721,081</u>	<u>523,861</u>	<u>36,054</u>	<u>1,280,996</u>	<u>21,249,794</u>
<u>\$ 455,519</u>	<u>\$ 335,584</u>	<u>\$ 35,525</u>	<u>\$ 826,628</u>	<u>\$ 25,324,940</u>

(A) Transfers between nonmajor governmental funds have been netted down on Page 34.

**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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>Taxes</u>				
Property taxes - current	\$ 33,713,830	\$ 32,403,375	\$ 30,943,887	\$ (1,459,488)
Timber tax yield	15,000	15,000	20,516	5,516
Excavation activity tax	100	100	39	(61)
Motor vehicle registrations	5,425,900	5,425,900	5,662,857	236,957
Rooms and meals	1,896,000	1,896,673	1,896,673	-
Payment in lieu of taxes	<u>678,619</u>	<u>678,619</u>	<u>698,924</u>	<u>20,305</u>
 Total Taxes	 41,729,449	 40,419,667	 39,222,896	 (1,196,771)
<u>Licenses and Permits</u>				
Engineering	4,640	4,640	5,590	950
City clerk records	32,660	32,660	30,652	(2,008)
Health services	131,365	131,365	148,206	16,841
Police/protection/amusement	68,400	68,400	83,407	15,007
Code enforcement/building permits	<u>643,000</u>	<u>643,000</u>	<u>754,963</u>	<u>111,963</u>
 Total Licenses and Permits	 880,065	 880,065	 1,022,818	 142,753
<u>Intergovernmental</u>				
Railroad tax	1,000	2,354	2,416	62
Forest loss reimbursement	700	447	209	(238)
Fire service aid	125,000	125,000	125,000	-
State election reimbursement	4,500	4,500	3,677	(823)
Highway block grant	750,000	749,893	752,608	2,715
School District	135,320	135,320	135,322	2
Retiree health insurance reimbursements	1,523,860	1,523,860	1,511,185	(12,675)
Other federal	<u>-</u>	<u>-</u>	<u>17,200</u>	<u>17,200</u>
 Total Intergovernmental	 2,540,380	 2,541,374	 2,547,617	 6,243
<u>Charges For Services</u>				
Finance	160,200	160,200	158,615	(1,585)
Legal	63,360	63,360	62,360	(1,000)
City clerk	38,000	38,000	60,195	22,195
Public safety	2,475,048	2,475,048	2,692,500	217,452
General services	77,800	77,800	120,362	42,562
Community development	31,300	31,300	68,550	37,250
Human services	<u>100,000</u>	<u>100,000</u>	<u>101,664</u>	<u>1,664</u>

(continued)

(continued)

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
Library	8,000	8,000	8,280	280
Recreation	623,020	623,020	508,421	(114,599)
Tower lease/ fire hdqtrs	24,000	24,000	24,120	120
Cable franchise fee	730,000	730,000	749,281	19,281
School district lease	56,100	56,100	56,100	-
Community Center rental	176,820	176,820	148,861	(27,959)
Memorial field rental	1,400	1,400	-	(1,400)
Code prosecution	15,000	15,000	20,601	5,601
Restitution	2,000	2,000	5,135	3,135
Parking fines - non meters	100,000	100,000	101,610	1,610
False alarm penalties	36,000	36,000	37,045	1,045
Overdue book fines	30,000	30,000	33,858	3,858
<b>Total Charges For Services</b>	<b>4,748,048</b>	<b>4,748,048</b>	<b>4,957,558</b>	<b>209,510</b>
<u>Investment Income</u>				
Earnings on investments	50,000	50,000	22,835	(27,165)
<b>Total Investment Income</b>	<b>50,000</b>	<b>50,000</b>	<b>22,835</b>	<b>(27,165)</b>
<u>Miscellaneous</u>				
Miscellaneous revenue not anticipated	198,540	509,152	2,171,661	1,662,509
Other share of capital debt	38,730	38,730	38,728	(2)
Sale of city property	30,000	30,000	36,978	6,978
MV transportation surcharge	174,000	174,000	172,134	(1,866)
Advertising	30,280	30,280	25,080	(5,200)
Interest, costs, and penalties	475,000	475,000	544,524	69,524
<b>Total Miscellaneous</b>	<b>946,550</b>	<b>1,257,162</b>	<b>2,989,105</b>	<b>1,731,943</b>
<u>Other Financing Sources</u>				
Transfers in	2,559,540	2,649,540	2,569,779	(79,761)
Budgetary use of fund balance	-	1,553,788	-	(1,553,788)
<b>Total Other Financing Sources</b>	<b>2,559,540</b>	<b>4,203,328</b>	<b>2,569,779</b>	<b>(1,633,549)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 53,454,032</b>	<b>\$ 54,099,644</b>	<b>\$ 53,332,608</b>	<b>\$ (767,036)</b>

**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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>General Government</u>				
City Manager	\$ 1,098,050	\$ 1,118,050	\$ 1,109,020	\$ 9,030
Legal services	1,087,330	1,087,330	1,064,932	22,398
Assessor	627,515	627,515	626,959	556
Human resources	396,931	396,931	389,139	7,792
Finance	2,410,563	2,119,463	1,856,926	262,537
Information technology	643,870	643,870	617,025	26,845
City Council	30,340	30,340	26,443	3,897
City Clerk	<u>330,934</u>	<u>343,434</u>	<u>329,796</u>	<u>13,638</u>
Total General Government	6,625,533	6,366,933	6,020,240	346,693
<u>Public Safety</u>				
Police	10,809,924	10,957,724	10,971,735	(14,011)
Fire	<u>12,456,624</u>	<u>12,471,624</u>	<u>12,324,064</u>	<u>147,560</u>
Total Public Safety	23,266,548	23,429,348	23,295,799	133,549
<u>General Services</u>				
Total General Services	<u>6,682,908</u>	<u>6,831,208</u>	<u>6,967,379</u>	<u>(136,171)</u>
<u>Community Development</u>				
Total Community Development	<u>2,908,099</u>	<u>2,918,711</u>	<u>2,840,979</u>	<u>77,732</u>
<u>Leisure and Information Services</u>				
Library	1,591,418	1,591,418	1,581,123	10,295
Recreation and parks	<u>2,423,417</u>	<u>2,458,117</u>	<u>2,450,596</u>	<u>7,521</u>
Total Leisure and Information Services	4,014,835	4,049,535	4,031,719	17,816
<u>Human Services</u>				
Total Human Services	<u>808,279</u>	<u>811,079</u>	<u>801,071</u>	<u>10,008</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>2,192,900</u>	<u>2,192,900</u>	<u>2,209,784</u>	<u>(16,884)</u>
Total Employee Benefits	2,192,900	2,192,900	2,209,784	(16,884)
<u>Debt Service</u>				
Principal	3,824,050	3,824,050	3,824,050	-
Interest	<u>1,156,250</u>	<u>1,156,250</u>	<u>1,114,718</u>	<u>41,532</u>
Total Debt Service	4,980,300	4,980,300	4,938,768	41,532
<u>Other Financing Uses</u>				
Transfers out	<u>1,974,630</u>	<u>2,519,630</u>	<u>2,530,880</u>	<u>(11,250)</u>
Total Other Financing Uses	<u>1,974,630</u>	<u>2,519,630</u>	<u>2,530,880</u>	<u>(11,250)</u>
Total Expenditures and Other Financing Uses	<u>\$ 53,454,032</u>	<u>\$ 54,099,644</u>	<u>\$ 53,636,619</u>	<u>\$ 463,025</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, 2014**

	Parking		Variance Positive (Negative)
	Budget	Actual (Budgetary Basis)	
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services:			
Parking - meters	770,600	759,124	(11,476)
Prepaid parking	65,000	86,755	21,755
Fuel flow fees	-	-	-
Rentals	-	-	-
Total Charges for Services	<u>835,600</u>	<u>845,879</u>	10,279
Investment income	600	84	(516)
Miscellaneous:			
Meter parking penalties	360,000	340,205	(19,795)
Rentals	477,848	509,842	31,994
Miscellaneous	11,000	39,368	28,368
Total Miscellaneous	<u>848,848</u>	<u>889,415</u>	40,567
Total Revenues	<u>1,685,048</u>	<u>1,735,378</u>	50,330
Expenditures:			
Public Safety:			
Compensation	351,210	322,014	29,196
Outside services	182,750	155,297	27,453
Fringe benefits	123,050	130,990	(7,940)
Supplies	38,400	30,965	7,435
Insurance	4,330	4,160	170
Taxes	77,260	136,131	(58,871)
Capital outlay	918,500	890,091	28,409
General Services:			
Compensation	48,007	45,132	2,875
Outside services	96,595	75,298	21,297
Fringe benefits	25,803	22,405	3,398
Supplies	6,280	4,159	2,121
Utilities	53,710	45,072	8,638
Insurance	17,210	17,210	-
Taxes	5,730	5,730	-
Community Development:			
Compensation	-	-	-
Outside services	-	-	-
Fringe benefits	-	-	-
Debt service	-	-	-
Total Expenditures	<u>1,948,835</u>	<u>1,884,654</u>	64,181
Other Financing Sources (Uses):			
Transfer in	359,744	359,744	-
Transfer out	(167,850)	(167,850)	-
Total Other Financing Sources (Uses)	<u>191,894</u>	<u>191,894</u>	-
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ (71,893)</u>	<u>\$ 42,618</u>	<u>\$ 114,511</u>

Airport			Total		
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
\$ 2,400	\$ 2,130	\$ (270)	\$ 2,400	\$ 2,130	\$ (270)
-	-	-	770,600	759,124	(11,476)
-	-	-	65,000	86,755	21,755
12,250	10,047	(2,203)	12,250	10,047	(2,203)
<u>368,024</u>	<u>367,625</u>	<u>(399)</u>	<u>368,024</u>	<u>367,625</u>	<u>(399)</u>
380,274	377,672	(2,602)	1,215,874	1,223,551	7,677
1,400	545	(855)	2,000	629	(1,371)
-	-	-	360,000	340,205	(19,795)
-	-	-	477,848	509,842	31,994
-	699	699	11,000	40,067	29,067
<u>-</u>	<u>699</u>	<u>699</u>	<u>848,848</u>	<u>890,114</u>	<u>41,266</u>
384,074	381,046	(3,028)	2,069,122	2,116,424	47,302
-	-	-	351,210	322,014	29,196
-	-	-	182,750	155,297	27,453
-	-	-	123,050	130,990	(7,940)
-	-	-	38,400	30,965	7,435
-	-	-	4,330	4,160	170
-	-	-	77,260	136,131	(58,871)
-	-	-	918,500	890,091	28,409
45,950	52,048	(6,098)	93,957	97,180	(3,223)
82,794	80,447	2,347	179,389	155,745	23,644
22,840	23,773	(933)	48,643	46,178	2,465
44,405	28,817	15,588	50,685	32,976	17,709
21,952	21,202	750	75,662	66,274	9,388
7,670	7,240	430	24,880	24,450	430
42,185	45,871	(3,686)	47,915	51,601	(3,686)
26,792	34,753	(7,961)	26,792	34,753	(7,961)
600	1,200	(600)	600	1,200	(600)
10,738	9,232	1,506	10,738	9,232	1,506
10,260	11,141	(881)	10,260	11,141	(881)
<u>316,186</u>	<u>315,724</u>	<u>462</u>	<u>2,265,021</u>	<u>2,200,378</u>	<u>64,643</u>
-	-	-	359,744	359,744	-
<u>(95,156)</u>	<u>(89,119)</u>	<u>(6,037)</u>	<u>(263,006)</u>	<u>(256,969)</u>	<u>(6,037)</u>
<u>(95,156)</u>	<u>(89,119)</u>	<u>(6,037)</u>	<u>96,738</u>	<u>102,775</u>	<u>(6,037)</u>
\$ <u>(27,268)</u>	\$ <u>(23,797)</u>	\$ <u>3,471</u>	\$ <u>(99,161)</u>	\$ <u>18,821</u>	\$ <u>117,982</u>

## **Combining Financial Statements**

## **NONMAJOR BUSINESS-TYPE FUNDS**

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

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

The City of Concord has the following Nonmajor Enterprise Funds:

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

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

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Net Position

Nonmajor Proprietary Funds

June 30, 2014

	Business-Type Activities Enterprise Funds		
	Golf Fund	Arena Fund	Total Other Funds
<b>ASSETS</b>			
Current:			
Cash and short-term equivalents	\$ 67,716	\$ 339,455	\$ 407,171
User fees, net of allowance for uncollectibles	438	8,358	8,796
Prepaid assets	737	327	1,064
Inventory	<u>72,245</u>	<u>-</u>	<u>72,245</u>
Total current assets	141,136	348,140	489,276
Noncurrent:			
Capital assets:			
Land and construction in progress	62,061	107,607	169,668
Other capital assets, net of accumulated depreciation	<u>489,126</u>	<u>950,272</u>	<u>1,439,398</u>
Total noncurrent assets	<u>551,187</u>	<u>1,057,879</u>	<u>1,609,066</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	692,323	1,406,019	2,098,342
<b>LIABILITIES</b>			
Current:			
Accounts payable	57,075	5,103	62,178
Retainage payable	500	-	500
Accrued liabilities	1,342	5,959	7,301
Current portion of long-term liabilities:			
Bonds payable	43,000	76,537	119,537
Compensated absences	<u>20,377</u>	<u>7,289</u>	<u>27,666</u>
Total current liabilities	122,294	94,888	217,182
Noncurrent:			
Bonds payable, net of current portion	<u>100,500</u>	<u>498,674</u>	<u>599,174</u>
Total noncurrent liabilities	<u>100,500</u>	<u>498,674</u>	<u>599,174</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>39,872</u>	<u>2,490</u>	<u>42,362</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	262,666	596,052	858,718
<b>NET POSITION</b>			
Net investment in capital assets	407,687	595,414	1,003,101
Unrestricted	<u>21,970</u>	<u>214,553</u>	<u>236,523</u>
<b>TOTAL NET POSITION</b>	<u>\$ 429,657</u>	<u>\$ 809,967</u>	<u>\$ 1,239,624</u>

**CITY OF CONCORD, NEW HAMPSHIRE**

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

**Nonmajor Proprietary Funds**

**For the Fiscal Year Ended June 30, 2014**

	<u>Golf Fund</u>	<u>Arena Fund</u>	<u>Total Other Funds</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 890,190	\$ 585,167	\$ 1,475,357
Other	<u>3,500</u>	<u>7,513</u>	<u>11,013</u>
Total Operating Revenues	893,690	592,680	1,486,370
<b>Operating Expenses:</b>			
Operating expenses	812,405	404,468	1,216,873
Depreciation	<u>54,772</u>	<u>53,392</u>	<u>108,164</u>
Total Operating Expenses	<u>867,177</u>	<u>457,860</u>	<u>1,325,037</u>
Operating Income	26,513	134,820	161,333
<b>Nonoperating Revenues (Expenses):</b>			
Investment income	40	175	215
Interest expense	<u>(4,383)</u>	<u>(15,868)</u>	<u>(20,251)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(4,343)</u>	<u>(15,693)</u>	<u>(20,036)</u>
Income Before Transfers	22,170	119,127	141,297
<b>Transfers:</b>			
Transfers in	27,886	16,710	44,596
Transfers out	<u>(80,450)</u>	<u>(45,460)</u>	<u>(125,910)</u>
Change in Net Position	(30,394)	90,377	59,983
Net Position at Beginning of Year	<u>460,051</u>	<u>719,590</u>	<u>1,179,641</u>
Net Position at End of Year	<u>\$ 429,657</u>	<u>\$ 809,967</u>	<u>\$ 1,239,624</u>

**CITY OF CONCORD, NEW HAMPSHIRE**

**Combining Statement of Cash Flows**

**Nonmajor Proprietary Funds**

**For the Fiscal Year Ended June 30, 2014**

	<u>Golf</u>	<u>Arena</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Other</u>
			<u>Funds</u>
<b><u>Cash Flows From Operating Activities:</u></b>			
Receipts from customers and users	\$ 907,153	\$ 591,110	\$ 1,498,263
Payments to employees	(450,913)	(292,838)	(743,751)
Payments to vendors	<u>(374,790)</u>	<u>(120,278)</u>	<u>(495,068)</u>
Net Cash Provided By Operating Activities	81,450	177,994	259,444
<b><u>Cash Flows From Noncapital Financing Activities:</u></b>			
Transfers in	27,886	16,710	44,596
Transfers out	<u>(80,450)</u>	<u>(45,460)</u>	<u>(125,910)</u>
Net Cash (Used For) Noncapital Financing Activities	(52,564)	(28,750)	(81,314)
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>			
Proceeds from bonds and notes	71,500	63,500	135,000
Principal payments on bonds and notes	(50,000)	(77,037)	(127,037)
Acquisition and construction of capital assets, net disposals	(65,333)	(38,709)	(104,042)
Interest expense	<u>(4,853)</u>	<u>(16,575)</u>	<u>(21,428)</u>
Net Cash (Used For) Capital and Related Financing Activities	(48,686)	(68,821)	(117,507)
<b><u>Cash Flows From Investing Activities:</u></b>			
Investment income	<u>40</u>	<u>175</u>	<u>215</u>
Net Cash Provided by Investing Activities	<u>40</u>	<u>175</u>	<u>215</u>
Net Change in Cash and Short-Term Equivalents	(19,760)	80,598	60,838
Cash and Short-Term Equivalents, Beginning of Year	<u>87,476</u>	<u>258,857</u>	<u>346,333</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 67,716</u>	<u>\$ 339,455</u>	<u>\$ 407,171</u>
<b><u>Reconciliation of Operating Income to Net Cash</u></b>			
<b><u>Provided by (Used For) Operating Activities:</u></b>			
Operating income	\$ 26,513	\$ 134,820	\$ 161,333
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	54,772	53,392	108,164
Changes in assets and liabilities:			
User fees	(32,148)	5,016	(27,132)
Other assets	961	243	1,204
Accounts payable	19,375	(1,845)	17,530
Retainage payable	500	-	500
Compensated absences	(1,554)	(7,046)	(8,600)
Unearned revenues	-	(6,586)	(6,586)
Other liabilities	<u>13,031</u>	<u>-</u>	<u>13,031</u>
Net Cash Provided By Operating Activities	<u>\$ 81,450</u>	<u>\$ 177,994</u>	<u>\$ 259,444</u>

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**Detail Combining Budget  
And Actual Schedule**

## **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, 2014**

		<u>Water Fund</u>	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 5,529,940	\$ 5,559,249	\$ 29,309
Miscellaneous	<u>4,000</u>	<u>13,961</u>	<u>9,961</u>
Total Operating Revenues	5,533,940	5,573,210	39,270
Operating Expenses:			
Personnel	1,772,945	1,773,444	(499)
Non-personnel	1,209,322	1,203,863	5,459
Capital outlay	104,201	40,555	63,646
Debt service	<u>1,746,480</u>	<u>1,746,475</u>	<u>5</u>
Total Operating Expenses	<u>4,832,948</u>	<u>4,764,337</u>	<u>68,611</u>
Operating Income (Loss)	700,992	808,873	107,881
Non-Operating Income (Expenses):			
Interest expense	(468,890)	(495,902)	(27,012)
Investment income	7,000	4,392	(2,608)
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(461,890)</u>	<u>(491,510)</u>	<u>(29,620)</u>
Net Income (Loss) Before Transfers	239,102	317,363	78,261
Other Financing Sources:			
Transfers in	-	-	-
Transfers out	<u>(715,710)</u>	<u>(728,467)</u>	<u>(12,757)</u>
Total Other Financing Sources	<u>(715,710)</u>	<u>(728,467)</u>	<u>(12,757)</u>
Net Income (Loss)	<u>\$ (476,608)</u>	<u>\$ (411,104)</u>	<u>\$ 65,504</u>

Sewer Fund			Solid Waste Fund		
<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 6,852,310	\$ 7,086,956	\$ 234,646	\$ 2,904,234	\$ 2,798,055	\$ (106,179)
8,100	24,416	16,316	-	280	280
<u>6,860,410</u>	<u>7,111,372</u>	<u>250,962</u>	<u>2,904,234</u>	<u>2,798,335</u>	<u>(105,899)</u>
2,187,135	2,155,410	31,725	275,770	251,370	24,400
1,840,643	1,706,984	133,659	4,166,999	4,095,429	71,570
51,500	38,827	12,673	-	-	-
<u>2,093,940</u>	<u>1,803,153</u>	<u>290,787</u>	<u>30,300</u>	<u>30,300</u>	<u>-</u>
<u>6,173,218</u>	<u>5,704,374</u>	<u>468,844</u>	<u>4,473,069</u>	<u>4,377,099</u>	<u>95,970</u>
687,192	1,406,998	719,806	(1,568,835)	(1,578,764)	(9,929)
(538,360)	(472,899)	65,461	(11,410)	(11,401)	9
46,000	42,487	(3,513)	-	-	-
<u>197,450</u>	<u>92,476</u>	<u>(104,974)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(294,910)</u>	<u>(337,936)</u>	<u>(43,026)</u>	<u>(11,410)</u>	<u>(11,401)</u>	<u>9</u>
392,282	1,069,062	676,780	(1,580,245)	(1,590,165)	(9,920)
-	-	-	1,232,930	1,261,357	28,427
<u>(770,840)</u>	<u>(770,219)</u>	<u>621</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(770,840)</u>	<u>(770,219)</u>	<u>621</u>	<u>1,232,930</u>	<u>1,261,357</u>	<u>28,427</u>
<u>\$ (378,558)</u>	<u>\$ 298,843</u>	<u>\$ 677,401</u>	<u>\$ (347,315)</u>	<u>\$ (328,808)</u>	<u>\$ 18,507</u>

(continued)

**CITY OF CONCORD, NEW HAMPSHIRE**

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

**Enterprise Funds**

**For the Fiscal Year Ended June 30, 2014**

(continued)

		<u>Golf Fund</u>	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 918,110	\$ 887,244	\$ (30,866)
Miscellaneous	<u>-</u>	<u>2,812</u>	<u>2,812</u>
Total Operating Revenues	918,110	890,056	(28,054)
Operating Expenses:			
Personnel	475,930	449,358	26,572
Non-personnel	331,460	335,747	(4,287)
Capital outlay	-	-	-
Debt service	<u>52,500</u>	<u>52,500</u>	<u>-</u>
Total Operating Expenses	<u>859,890</u>	<u>837,605</u>	<u>22,285</u>
Operating Income (Loss)	58,220	52,451	(5,769)
Non-Operating Income (Expenses):			
Interest expense	(4,060)	(4,853)	(793)
Investment income	<u>280</u>	<u>40</u>	<u>(240)</u>
Total Non-Operating Income (Expenses)	<u>(3,780)</u>	<u>(4,813)</u>	<u>(1,033)</u>
Net Income (Loss) Before Transfers	54,440	47,638	(6,802)
Other Financing Sources			
Transfers in	29,100	28,104	(996)
Transfers out	<u>(77,950)</u>	<u>(77,950)</u>	<u>-</u>
Total Other Financing Sources	<u>(48,850)</u>	<u>(49,846)</u>	<u>(996)</u>
Net Income (Loss)	<u>\$ 5,590</u>	<u>\$ (2,208)</u>	<u>\$ (7,798)</u>

Arena Fund		
<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 587,790	\$ 586,179	\$ (1,611)
<u>-</u>	<u>-</u>	<u>-</u>
587,790	586,179	(1,611)
267,240	239,924	27,316
166,518	163,851	2,667
3,350	693	2,657
<u>78,740</u>	<u>78,737</u>	<u>3</u>
<u>515,848</u>	<u>483,205</u>	<u>32,643</u>
71,942	102,974	31,032
(16,580)	(16,575)	5
<u>390</u>	<u>175</u>	<u>(215)</u>
<u>(16,190)</u>	<u>(16,400)</u>	<u>(210)</u>
55,752	86,574	30,822
16,710	16,710	-
<u>(142,260)</u>	<u>(142,260)</u>	<u>-</u>
<u>(125,550)</u>	<u>(125,550)</u>	<u>-</u>
<u>\$ (69,798)</u>	<u>\$ (38,976)</u>	<u>\$ 30,822</u>

## **FIDUCIARY FUNDS**

Agency Funds are established to account for fiduciary assets held by the City in a custodial capacity.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2014

	Balance July 1, <u>2013</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2014</u>
Assets - cash and short-term investments	\$ 224,501	\$ 8,753,801	\$ (8,742,791)	\$ 235,511
Assets - due from other funds	-	9,283,716	(9,283,716)	-
Total Assets	<u>\$ 224,501</u>	<u>\$ 18,037,517</u>	<u>\$ (18,026,507)</u>	<u>\$ 235,511</u>
Liabilities - other liabilities	<u>\$ 224,501</u>	<u>\$ 16,921,744</u>	<u>\$ (16,910,734)</u>	<u>\$ 235,511</u>
Total liabilities	<u>\$ 224,501</u>	<u>\$ 16,921,744</u>	<u>\$ (16,910,734)</u>	<u>\$ 235,511</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.

	<b><u>Page</u></b>
<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 Position by Component**

**Last Ten Fiscal Years**

(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 35,137,392	\$ 43,016,795	\$ 53,651,076	\$ 61,819,702	\$ 66,566,664	\$ 70,966,637	\$ 69,642,960	\$ 71,316,684	\$ 81,481,167	\$ 88,864,614
Restricted	10,411,567	11,513,702	12,132,027	12,970,495	10,576,342	11,614,642	12,582,557	12,241,140	13,112,717	14,754,794
Unrestricted	23,262,390	21,209,276	18,577,263	16,400,737	15,559,497	13,778,355	17,718,246	16,800,855	14,473,038	7,308,618
Total governmental activities net position	\$ 68,811,349	\$ 75,739,773	\$ 84,360,366	\$ 91,190,934	\$ 92,702,503	\$ 96,359,634	\$ 99,943,763	\$ 100,358,679	\$ 109,066,922	\$ 110,928,026
<b>Business-type activities</b>										
Net investment in capital assets	\$ 104,436,255	\$ 104,696,142	\$ 103,870,146	\$ 104,711,008	\$ 104,127,148	\$ 104,095,897	\$ 103,659,124	\$ 103,454,627	\$ 102,153,278	\$ 103,459,912
Restricted	692,378	1,409,447	1,604,674	1,467,712	1,326,168	1,180,931	1,042,044	882,459	717,895	2,174,669
Unrestricted	9,617,980	7,957,766	7,796,545	5,920,390	5,235,417	4,864,595	5,643,666	5,877,988	7,524,806	5,848,190
Total business-type activities net position	\$ 114,746,613	\$ 114,063,355	\$ 113,271,365	\$ 112,099,110	\$ 110,688,733	\$ 110,141,423	\$ 110,344,834	\$ 110,215,074	\$ 110,395,979	\$ 111,482,771
<b>Primary government</b>										
Net investment in capital assets	\$ 139,573,647	\$ 147,712,937	\$ 157,521,222	\$ 166,530,710	\$ 170,693,812	\$ 175,062,534	\$ 173,302,084	\$ 174,771,311	\$ 183,634,445	\$ 192,324,526
Restricted	11,103,945	12,923,149	13,736,701	14,438,207	11,902,510	12,795,573	13,624,601	13,123,599	13,830,612	16,929,463
Unrestricted	32,880,370	29,167,042	26,373,808	22,321,127	20,794,914	18,642,950	23,361,912	22,678,843	21,997,844	13,156,808
Total primary government net position	\$ 183,557,962	\$ 189,803,128	\$ 197,631,731	\$ 203,290,044	\$ 203,391,236	\$ 206,501,057	\$ 210,288,597	\$ 210,573,753	\$ 219,462,901	\$ 222,410,797

Data Source:

Audited Financial Statements

**City of Concord, New Hampshire**

**Change in Net Position**

**Last Ten Fiscal Years**

(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 5,852,175	\$ 5,170,467	\$ 5,865,465	\$ 5,248,062	\$ 6,104,117	\$ 6,852,912	\$ 7,145,023	\$ 8,190,946	\$ 9,064,401	\$ 7,833,696
Public safety	16,071,793	17,832,430	18,989,365	19,956,305	21,144,583	21,069,118	22,584,828	24,766,159	24,731,680	26,302,929
General services	10,873,904	10,581,792	11,211,510	12,186,012	11,572,079	11,290,119	12,693,473	10,390,070	10,528,936	12,194,315
Community development	2,991,350	3,187,532	3,535,844	4,160,643	4,041,973	3,815,308	4,223,189	4,624,312	4,703,083	4,763,024
Leisure and information services	2,099,580	2,195,694	2,368,707	2,276,316	2,459,002	2,142,783	2,574,830	4,049,606	4,295,029	4,681,713
Human services	1,033,242	1,060,845	1,038,484	705,177	807,682	768,564	775,026	773,578	792,040	841,942
Interest	954,439	1,247,922	1,411,040	1,763,217	1,410,990	1,778,927	1,511,198	1,447,573	1,406,011	1,529,922
Miscellaneous	1,052,586	1,047,619	483,671	195,830	53,928	-	-	-	-	-
<b>Total governmental activities expenses</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>	<b>55,521,180</b>	<b>58,147,541</b>
Business-type activities:										
Water services	4,833,091	5,226,999	5,084,681	5,129,399	4,959,863	4,870,370	4,883,528	5,005,723	5,158,308	5,313,921
Wastewater services	5,536,027	6,046,556	5,751,772	6,138,395	6,436,028	6,368,985	6,247,273	6,285,448	6,427,740	6,755,444
Solid waste services	N/A	N/A	N/A	N/A	3,729,839	4,085,706	4,301,512	4,335,560	4,345,130	4,375,538
Other (nonmajor)	4,391,311	4,807,391	4,988,056	5,009,056	1,433,136	1,275,645	1,323,741	1,275,958	1,203,522	1,345,288
<b>Total business-type activities expenses</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>17,134,700</b>	<b>17,790,191</b>
<b>Total primary government expenses</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>\$ 72,655,880</b>	<b>\$ 75,937,732</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 2,783,810	\$ 2,625,179	\$ 3,223,376	\$ 2,765,164	\$ 1,458,413	\$ 1,484,734	\$ 1,525,641	\$ 1,930,291	\$ 2,236,423	\$ 3,047,065
Public safety	1,835,850	1,906,741	2,521,339	2,444,300	3,048,743	3,128,313	3,507,165	3,776,767	3,567,993	3,784,562
General services	280,993	320,889	318,029	325,078	298,694	273,935	451,690	116,418	111,015	124,650
Community development	1,468,041	2,126,301	1,190,109	1,172,608	1,131,134	1,280,954	1,450,678	1,212,966	1,014,926	1,198,302
Leisure and information services	366,244	387,741	426,243	417,470	462,796	523,031	502,022	721,780	735,989	699,419
Human services	16,258	31,690	155,657	176,394	12,330	41,063	17,966	-	-	-
<b>Total charges for services</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>	<b>7,666,346</b>	<b>8,853,998</b>
Operating grants and contributions	701,185	542,808	488,719	607,301	1,406,391	1,016,770	739,160	2,181,740	2,194,049	2,140,242
Capital grants and contributions	2,393,988	3,233,739	3,266,416	4,350,418	2,004,940	2,199,019	2,640,477	2,400,917	7,960,947	3,353,952
<b>Total governmental activities program revenues</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>	<b>17,821,342</b>	<b>14,348,192</b>
Business-type activities:										
Water services	4,801,521	4,885,520	4,853,295	5,112,600	4,918,822	5,100,517	5,363,947	5,339,039	5,509,247	5,492,305
Wastewater services	4,778,328	4,949,344	5,377,820	5,505,914	5,593,025	5,716,639	6,346,565	6,510,709	6,703,482	6,849,496
Solid waste services	-	-	-	-	1,761,418	3,213,003	2,895,021	2,940,170	2,906,546	2,798,335
Other (nonmajor)	3,046,267	3,240,470	3,228,133	3,301,298	1,303,735	1,358,042	1,310,157	1,272,183	1,345,171	1,475,357
<b>Total charges for services</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>	<b>16,464,446</b>	<b>16,615,493</b>
Operating grants and contributions	-	-	-	-	243,344	228,364	188,926	290,323	279,414	2,019,907
Capital grants and contributions	1,353,013	178,634	337,063	177,098	268,581	201,882	162,701	41,241	34,657	86,341
<b>Total business-type activities program revenues</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>16,778,517</b>	<b>18,721,741</b>
<b>Total primary government program revenues</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>\$ 34,599,859</b>	<b>\$ 33,069,933</b>
<b>Net (Expenses)Revenue</b>										
Governmental activities	\$ (31,082,700)	\$ (31,149,213)	\$ (33,314,198)	\$ (34,232,829)	\$ (37,770,913)	\$ (37,769,912)	\$ (40,672,768)	\$ (41,901,365)	\$ (37,699,838)	\$ (43,799,349)
Business-type activities	(781,300)	(2,826,978)	(2,028,198)	(2,179,940)	(2,469,941)	(782,259)	(488,737)	(509,024)	(356,183)	931,550
<b>Total Primary government net expense</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>\$ (38,056,021)</b>	<b>\$ (42,867,799)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property tax	\$ 30,526,322	\$ 32,152,307	\$ 33,483,212	\$ 36,055,134	\$ 37,718,000	\$ 37,683,982	\$ 39,939,045	\$ 38,875,330	\$ 41,999,202	\$ 38,519,641
Penalties, interest and other taxes	619,051	668,354	639,602	754,891	804,871	885,170	1,267,571	1,037,812	821,981	913,597
Grants and contributions not restricted to specific programs	1,931,245	2,220,594	3,502,469	1,694,459	1,165,149	900	832	704	461	209
Investment income	1,458,842	2,483,994	3,729,057	1,552,449	(564,036)	1,066,457	2,233,996	611,071	1,886,501	2,677,097
Miscellaneous	945,897	747,187	867,053	987,429	743,489	1,563,028	1,165,035	1,486,553	1,428,889	3,125,212
Transfers, net	(504,054)	(510,572)	(447,769)	(451,881)	(830,487)	5,213	(43,843)	31,630	8,677	142,034
Permanent fund contributions	121,907	315,773	161,167	470,916	245,496	222,293	184,261	273,181	262,370	282,663
<b>Total governmental activities</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>	<b>46,408,081</b>	<b>45,660,453</b>
Business-type activities:										
Grants and contributions not restricted to specific programs	341,461	1,073,384	310,313	141,327	-	-	-	-	-	-
Investment income	189,382	435,083	457,032	345,891	197,313	178,641	150,328	68,834	251,110	7,947
Miscellaneous	80,341	124,681	21,094	68,586	31,764	61,521	7,977	342,060	294,655	289,329
Transfers, net	504,054	510,572	447,769	451,881	830,487	(5,213)	43,843	(31,630)	(8,677)	(142,034)
<b>Total business-type activities</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>537,088</b>	<b>155,242</b>
<b>Total primary government</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>\$ 46,945,169</b>	<b>\$ 45,815,695</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 4,016,510	\$ 6,928,424	\$ 8,620,593	\$ 6,830,568	\$ 1,511,569	\$ 3,657,131	\$ 4,074,129	\$ 414,916	\$ 8,708,243	\$ 1,861,104
Business-type activities	333,938	(683,258)	(791,990)	(1,172,255)	(1,410,377)	(547,310)	(286,589)	(129,760)	180,905	1,086,792
<b>Total primary government</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>	<b>\$ 8,889,148</b>	<b>\$ 2,947,896</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									
	2005	2006	2007	2008	2009	2010	2011 <sup>(1)</sup>	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 2,666,156	\$ 1,789,574	\$ 2,270,638	\$ 1,300,105	\$ 1,169,269	\$ 966,768	\$ -	\$ -	\$ -	\$ -
Unreserved	4,639,091	5,329,762	3,453,608	4,447,779	5,302,478	7,025,545	-	-	-	-
Nonspendable	-	-	-	-	-	-	181,815	152,871	152,871	152,871
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	4,316,925	4,938,869	4,729,164	3,416,913
Assigned	-	-	-	-	-	-	1,355,353	894,000	935,000	750,000
Unassigned	-	-	-	-	-	-	6,736,075	8,168,250	9,079,250	9,879,330
<b>Total General Fund</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>\$ 14,896,285</b>	<b>\$ 14,199,114</b>
<b>Other Governmental Funds</b>										
Reserved	\$ 7,563,030	\$ 7,733,404	\$ 8,686,203	\$ 13,154,406	\$ 11,784,460	\$ 10,652,150	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	9,438,221	8,738,047	8,651,431	9,077,496	7,675,674	8,124,307	-	-	-	-
Capital Project Funds	13,490,784	20,587,665	14,906,493	5,017,047	4,261,481	3,500,587	-	-	-	-
Debt Service	507,276	591,867	657,335	760,163	856,787	1,248,100	-	-	-	-
Nonspendable	-	-	-	-	-	-	9,239,526	9,394,226	10,335,606	12,004,524
Restricted	-	-	-	-	-	-	4,214,191	2,803,781	3,148,961	9,539,642
Committed	-	-	-	-	-	-	10,842,872	9,916,209	7,765,227	5,109,805
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(915)	(1,290)	-	(1,329,031)
<b>Total Other Funds</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>	<b>\$ 21,249,794</b>	<b>\$ 25,324,940</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 30,179,005	\$ 31,748,630	\$ 33,143,681	\$ 35,087,252	\$ 37,282,375	\$ 37,659,356	\$ 39,407,949	\$ 40,430,610	\$ 41,872,465	\$ 40,464,277
Licenses and permits	1,124,663	1,479,654	1,020,239	1,089,628	825,833	712,811	1,112,391	1,119,219	896,393	1,022,818
Intergovernmental	4,147,436	3,903,521	2,862,450	3,442,121	3,442,953	2,687,051	2,732,763	4,415,890	4,723,291	5,151,188
Charges for services	5,626,533	5,918,886	6,638,525	6,211,386	5,586,277	6,019,719	6,293,673	6,639,003	6,769,954	6,983,376
Investment income	1,540,642	2,508,864	3,729,057	1,552,449	(564,323)	1,066,457	2,234,008	618,261	1,630,988	2,677,101
Contributions and miscellaneous	2,515,904	3,560,162	4,543,349	5,423,293	3,023,671	3,216,792	3,186,673	2,972,587	2,688,069	4,664,783
<b>Total revenues</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>58,581,160</b>	<b>60,963,543</b>
<b>Expenditures by Function</b>										
General government	5,798,104	5,125,653	5,455,316	5,159,601	5,900,248	6,589,039	6,841,119	7,793,292	8,591,958	7,379,236
Public safety	15,457,287	17,053,365	18,120,382	18,728,040	19,410,584	19,621,616	21,114,273	22,716,619	22,571,706	24,075,356
General services	6,895,328	6,990,518	7,096,899	8,243,164	8,249,971	7,394,625	7,797,609	6,522,464	6,878,891	7,441,782
Community development	2,655,668	3,042,749	2,432,444	3,317,979	3,007,202	2,881,251	2,865,969	3,020,346	3,119,704	3,134,170
Leisure and information services	2,071,709	2,156,899	2,249,001	2,147,886	2,230,489	1,952,782	2,029,908	3,629,417	3,829,765	4,031,719
Human services	1,029,900	1,056,671	1,033,422	697,719	789,101	749,114	752,485	735,447	748,690	801,071
Employee benefits	334,904	441,505	555,182	656,039	328,542	445,033	661,188	2,327,580	2,281,856	2,209,785
Miscellaneous	1,052,585	968,568	1,762,956	195,830	53,929	131,653	45,491	3,722	1,186	301
Debt service										
Principal	3,127,175	3,416,587	4,075,251	4,823,966	4,220,938	4,594,563	4,369,633	4,531,234	4,744,015	5,036,926
Interest	939,967	1,043,828	1,245,528	1,855,218	1,597,727	1,555,289	1,516,016	1,547,441	1,544,862	1,515,899
Capital outlay	9,760,998	16,928,041	24,240,722	11,397,517	9,935,126	7,479,876	6,624,538	8,352,413	9,666,796	10,833,357
<b>Total expenditures</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>63,979,429</b>	<b>66,459,602</b>
<b>Excess of revenues</b>										
Over(under) expenditures	(3,989,442)	(9,104,667)	(16,329,802)	(4,416,830)	(6,127,071)	(2,032,655)	349,228	(4,984,405)	(5,398,269)	(5,496,059)
<b>Other Financing Sources (Uses)</b>										
Bond proceeds	3,515,200	16,081,000	10,632,960	-	4,250,710	2,494,750	5,063,000	4,333,851	5,164,900	8,732,000
Refunding, net	-	-	-	-	-	-	-	-	103,855	-
Transfers in	3,494,232	4,958,316	5,874,169	3,520,143	3,862,715	3,462,513	3,818,374	4,042,411	3,550,609	5,363,383
Transfers out	(3,998,286)	(5,468,888)	(6,321,938)	(3,972,025)	(4,693,201)	(3,457,300)	(3,862,217)	(4,010,783)	(3,541,932)	(5,221,349)
<b>Total other financing sources (uses)</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>5,277,432</b>	<b>8,874,034</b>
<b>Net Change in fund balances</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>	<b>\$ (120,837)</b>	<b>\$ 3,377,975</b>

Debt Service as a percentage of non-capital outlay expenditures	10.33%	10.80%	12.09%	14.58%	12.71%	13.39%	11.80%	11.52%	12.88%	11.56%
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Data Source  
Audited Financial Statements

# 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
2014	\$ 34,081,941	\$ 20,516	\$ 39	\$ 5,662,857	\$ -	\$ 698,924	\$ 40,464,277
2013	35,810,332	7,917	-	5,415,538	-	638,678	41,872,465
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

Data Source  
Audited Financial Statements

## City of Concord, New Hampshire

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

Fiscal Year	Local Assessed Value (1)			Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/ Industrial	Utilities						
2014	\$ 2,074,759,050	\$ 1,584,155,007	\$ 167,511,600	\$ 3,826,425,657	\$ 33,299,807	\$ 3,793,125,850	\$ 22.59	\$ 4,074,453,253	93.9%
2013	2,087,208,900	1,614,705,822	166,101,300	3,868,016,022	35,915,240	3,832,100,782	21.61	3,899,194,377	99.2%
2012	2,139,560,300	1,419,233,200	165,340,900	3,724,134,400	37,130,879	3,687,003,521	20.35	3,708,962,523	100.4%
2011	2,299,881,800	1,424,486,800	152,774,300	3,877,142,900	42,168,733	3,834,974,167	20.35	3,871,416,766	100.1%
2010	2,508,467,100	1,434,618,400	152,792,400	4,095,877,900	42,345,930	4,053,531,970	18.98	4,044,243,693	101.3%
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	2,666,662,100	1,444,077,300	123,884,800	4,234,624,200	38,830,192	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	17.24	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	26,016,600	3,389,075,100	18.35	3,644,167,000	93.7%

#### 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
2014	\$ 9.04	\$ 9.04	\$ 11.14	\$ 2.41	\$ 13.55	\$ 22.59	\$ 2.99	\$ 25.58
2013	8.67	8.67	10.50	2.44	12.94	21.61	2.76	24.37
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	10.96	17.24	1.96	19.20
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

Penacook Direct Rates							Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2014	\$ 9.04	\$ 9.04	\$ 14.93	\$ 2.38	\$ 17.31	\$ 26.35	\$ 2.99	\$ 29.34
2013	8.67	8.67	13.62	2.47	16.09	24.76	2.76	27.52
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

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

## City of Concord, New Hampshire

### Principal Taxpayers

#### Current Year and Nine Years Ago

Taxpayer	Type of Business	2014			2005		
		Net Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Net Taxable Assessed Value	Rank	Percentage of Net Assessed Value
Wheelabrator Concord Co LP (formerly SES Concord Company, LP)	Trash to Energy	\$ 67,426,900	1	1.78 %	\$ 33,759,000	4	1.00 %
Steeplegate Mall, LLC	Mall	52,000,000	2	1.37	69,645,000	1	2.05
UNITIL Energy Systems, Inc (formerly Concord Electric Company. LP)	Utility	46,199,100	3	1.22	35,563,000	3	1.05
EnergyNorth Natural Gas Inc	Utility	32,408,300	4	0.85	17,484,000	9	0.52
Walmart/Sam's Club	Retail	31,789,850	5	0.84	28,550,000	5	0.84
Hodges Properties Inc	Rentals	25,391,600	8	0.67	43,545,000	2	1.28
Hodges Development Corp	Rentals	24,245,100	9	0.64	-	-	-
St Paul's School	Private School	23,850,800	6	0.63	25,188,000	7	0.74
Capital Region Health Care Development	Health Care	22,300,000	7	0.59	28,495,000	6	0.84
Eddy Plaza Associates Inc	Retail	21,859,500	10	0.58	21,431,000	8	0.63
Dayton Hudson Corporation	Retail				12,322,000	10	0.36
Total Principal Taxpayers		347,471,150		9.17 %	315,982,000		9.31 %
Total Net Assessed Taxable Value		<u>\$ 3,793,125,850</u>			<u>\$ 3,389,075,000</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	
2013	\$ 99,543,287	\$ 97,564,510	98.0%	\$ 276,816	\$ 1,701,961	\$ 97,841,326	98.3	%
2012	95,589,658	93,738,015	98.1%	333,022	1,518,621	94,071,037	98.4	
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	

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 2013 is the City's tax year 2012.

## 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				
2014	\$ 44,125,550	\$ 28,035,460	\$ 72,161,010	\$ 1,701	5.65 %	2.11 %
2013	40,430,476	28,732,324	69,162,800	1,615	5.51	2.00
2012	40,161,251	27,072,972	67,234,223	1,569	5.50	2.03
2011	40,031,119	26,601,474	66,632,593	1,557	5.45	1.74
2010	38,882,692	27,547,146	66,429,838	1,503	6.84	1.64
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

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Direct Debt:</b>										
<b>City of Concord</b>										
Net General Obligation Debt Outstanding	\$ 26,511,000	\$ 39,200,390	\$ 45,758,099	\$ 40,934,133	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251	\$ 40,430,476	\$ 44,125,550
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 26,511,000	\$ 39,200,390	\$ 45,758,099	\$ 40,934,133	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251	\$ 40,430,476	\$ 44,125,550
Subtotal Direct Debt	\$ 26,511,000	\$ 39,200,390	\$ 45,758,099	\$ 40,934,133	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251	\$ 40,430,476	\$ 44,125,550
<b>Overlapping Debt:</b>										
<b>Merrimack County</b>										
Net General Obligation Debt Outstanding	\$ 27,850,000	\$ 26,240,000	\$ 47,630,000	\$ 68,100,000	\$ 64,650,000	\$ 61,200,000	\$ 58,000,000	\$ 54,800,000	\$ 51,195,000	\$ 47,995,000
Percentage Applicable to Government (1)	25.88%	25.27%	25.56%	25.87%	26.13%	25.71%	25.44%	25.14%	26.85%	27.40%
Amount Applicable to Government	\$ 7,207,580	\$ 6,630,848	\$ 12,174,228	\$ 17,617,470	\$ 16,893,045	\$ 15,734,520	\$ 14,755,200	\$ 13,774,254	\$ 13,748,315	\$ 13,149,382
<b>Concord School District</b>										
Net General Obligation Debt Outstanding	\$ 19,289,000	\$ 16,929,484	\$ 14,867,062	\$ 12,977,812	\$ 11,116,401	\$ 9,913,895	\$ 66,958,729	\$ 64,151,495	\$ 60,303,640	\$ 56,476,940
Percentage Applicable to Government (1)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 19,289,000	\$ 16,929,484	\$ 14,867,062	\$ 12,977,812	\$ 11,116,401	\$ 9,913,895	\$ 66,958,729	\$ 64,151,495	\$ 60,303,640	\$ 56,476,940
<b>Merrimack Valley School District</b>										
Net General Obligation Debt Outstanding	\$ 6,831,000	\$ 19,840,000	\$ 19,760,000	\$ 16,865,000	\$ 13,890,000	\$ 9,910,000	\$ 5,940,000	\$ 3,960,000	\$ 1,980,000	\$ 1,980,000
Percentage Applicable to Government (1)	25.67%	25.24%	25.51%	25.24%	25.18%	25.36%	25.79%	26.24%	26.68%	29.83%
Amount Applicable to Government	\$ 1,753,518	\$ 5,007,616	\$ 5,040,776	\$ 4,256,726	\$ 3,497,502	\$ 2,513,176	\$ 1,531,926	\$ 1,038,954	\$ 528,307	\$ 590,535
Subtotal Overlapping Debt	\$ 28,250,098	\$ 28,567,948	\$ 32,082,066	\$ 34,852,008	\$ 31,506,948	\$ 28,161,591	\$ 83,245,855	\$ 78,964,703	\$ 74,580,261	\$ 70,216,857
<b>Grand Total</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>	<b>\$ 115,010,737</b>	<b>\$ 114,342,407</b>

Data Source:  
School District Finance Departments.  
Merrimack County Finance Department.  
Audited Financial Statements.

Notes:  
(1) NH Department of Revenue Administration Equalization Survey with Utilities & Railroad Summary

**City of Concord, New Hampshire**

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Base Value for Debt Limits (1)</b>	\$ 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	\$ 3,877,480,169	\$ 4,050,513,509
<b>Legal Debt Limits (% of Base Value)</b>										
General - 1.75% thru 1998, 3% 1999 on (2)	\$ 110,871,900	\$ 120,225,451	\$ 128,583,725	\$ 133,096,065	\$ 131,719,808	\$ 120,619,024	\$ 115,541,844	\$ 110,662,443	\$ 116,324,405	\$ 121,515,405
Water - 10% (2)	369,573,000	400,751,502	428,612,416	443,653,548	439,066,028	402,063,414	385,139,481	368,874,809	387,748,017	405,051,351
<b>Issued Debt at June 30</b>										
Total Issued Debt at June 30	\$ 47,370,000	\$ 61,766,516	\$ 74,127,970	\$ 66,311,626	\$ 68,036,092	\$ 66,429,838	\$ 66,632,593	\$ 67,234,223	\$ 69,162,800	\$ 72,161,009
Less Water Fund	(12,676,000)	(13,056,546)	(11,760,598)	(10,305,044)	(11,855,335)	(11,435,119)	(11,768,711)	(11,930,388)	(12,802,341)	(12,718,866)
Less Sewer Fund (3)	(7,418,000)	(8,673,880)	(15,811,823)	(14,367,749)	(14,707,852)	(15,519,027)	(13,973,463)	(14,059,897)	(14,819,785)	(14,228,732)
Less Tax Increment Debt (3)	(3,605,000)	(13,421,000)	(12,975,000)	(12,280,000)	(11,570,000)	(10,899,000)	(10,130,000)	(9,347,000)	(8,965,400)	(8,095,400)
Less Landfill Debt (3)	(1,981,000)	(1,769,946)	(1,560,291)	(1,621,196)	(1,375,946)	(1,136,332)	(900,425)	(668,901)	(442,001)	(218,732)
<b>Authorized Unissued at June 30</b>										
Total Authorized Unissued Debt at June 30	26,681,000	11,639,672	5,167,672	14,161,972	9,008,972	7,850,672	5,367,672	6,033,172	5,495,000	10,462,220
Less Golf Fund	-	-	-	-	-	-	(80,000)	(80,000)	(80,000)	(60,000)
Less Arena Fund	-	-	-	-	-	-	(475,000)	-	-	-
Less Water Fund	-	-	(1,150,000)	(3,017,000)	(1,130,500)	(697,000)	(175,000)	(150,000)	-	-
Less Sewer Fund (3)	(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>\$ 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>\$ 33,659,994</b>	<b>\$ 34,863,037</b>	<b>\$ 37,548,273</b>	<b>\$ 47,301,499</b>
<b>Legal Debt Margin</b>										
General	\$ 71,205,900	\$ 84,128,307	\$ 92,663,467	\$ 96,784,128	\$ 96,705,049	\$ 86,702,664	\$ 81,881,850	\$ 75,799,406	\$ 78,776,132	\$ 74,213,906
Water Fund	\$ 356,897,000	\$ 387,694,956	\$ 415,701,818	\$ 430,331,504	\$ 426,080,193	\$ 389,931,295	\$ 373,195,770	\$ 356,794,421	\$ 374,945,676	\$ 392,332,485
<b>% of Legal Debt Limits Used</b>										
General	35.8%	30.0%	27.9%	27.3%	26.6%	28.1%	29.1%	31.5%	32.3%	38.9%
Water Fund	3.4%	3.3%	2.7%	2.3%	2.7%	2.8%	3.1%	3.2%	3.3%	3.1%

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>
2014	42,419 *	\$ 1,278,127	\$ 30,131 **	3.90 % ***
2013	42,834	1,254,951	29,298	4.80
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

\* Population as of July 1, 2013 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	2014			2006 (2)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of New Hampshire	5,740	1	26.78 %	10,523	1	48.03 %
Concord Hospital Capital Region Health Care	3,324	2	15.51	2,811	2	12.83
Steeplegate Regional Mall	1,200	3	5.60	1,233	3	5.63
Concord School District	952	4	4.44	985	4	4.50
Lincoln Financial Group (formerly Jefferson-Pilot Financial)	588	5	2.74	652	5	2.98
Sanel Auto Parts	540	6	2.52	500	8	2.28
Market Basket	470	7	2.19			
City of Concord	454	8	2.12	505	7	2.30
Genesis Health Care Systems - (formerly Pleasant View Retirement)	411	9	1.92	392	9	1.79
Concord Regional Visiting Nurse Association	350	10	1.63			
St. Pauls School				307	10	1.40
Merrimack County				650	6	2.97
Total Principal Employers	14,029		65.45 %	18,558		84.71 %
Total City Employment	<u>21,430</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 August 2014

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

# City of Concord, New Hampshire

## City Government Employees by Division - Full Time Equivalents Last Ten Fiscal Years

Departments	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City Manager	3.0	3.0	3.0	4.0	3.5	3.2	3.2	3.0	3.0	3.0
Legal	9.0	9.0	9.0	9.0	9.0	9.6	9.6	9.6	9.6	9.5
Assessing	6.5	7.0	6.5	6.5	6.5	6.3	6.0	6.0	6.0	6.0
Personnel	3.6	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance/Control	8.0	7.6	7.6	7.6	7.6	6.0	5.5	6.0	6.0	6.0
Finance/Treas	8.6	8.6	8.0	8.0	8.0	7.7	7.5	7.5	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	-	-	-	-	-	3.0	3.5	3.5	3.5	3.7
Info Technology	5.0	5.0	6.0	6.0	6.0	5.0	6.0	6.0	6.0	6.0
City Clerk	3.6	3.6	3.6	3.6	3.6	3.5	3.6	3.6	3.6	3.6
<b>Gen Gov</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>	<b>51.2</b>	<b>51.3</b>
Police	105.2	106.2	105.0	98.2	98.1	96.5	97.7	99.7	100.1	99.5
Police-Parking	9.6	9.6	9.6	9.6	9.6	9.6	8.6	8.6	8.6	8.6
Fire	117.7	117.7	115.2	115.0	114.7	107.0	107.0	106.0	105.0	104.0
<b>Public Safety</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>	<b>213.7</b>	<b>212.1</b>
Administration	18.0	17.5	17.5	17.5	17.5	16.5	16.5	16.5	15.5	15.5
Hwys & Util Sys	42.0	42.0	42.0	43.0	44.0	41.0	41.0	41.0	44.0	41.5
Grounds	25.0	25.0	25.0	24.0	23.0	21.0	21.0	-	-	-
Temporary	14.7	13.7	12.8	13.1	12.9	11.9	11.9	11.9	13.0	13.0
Public Properties	21.0	21.0	20.5	21.0	21.5	19.0	19.0	19.0	18.0	18.0
Vehicle Maint	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0
Water & Sewer	27.0	26.0	26.0	26.0	26.0	26.0	24.0	24.0	24.0	24.0
<b>General Svcs</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>124.4</b>	<b>126.5</b>	<b>124.0</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	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Bldg & Code Svcs	11.5	11.5	11.5	11.5	11.8	10.3	10.3	10.1	10.1	10.1
Engineering Svcs	17.5	17.6	18.6	19.6	19.6	18.0	18.0	17.0	17.0	17.0
<b>Comm Devel</b>	<b>36.5</b>	<b>36.6</b>	<b>36.6</b>	<b>37.1</b>	<b>37.4</b>	<b>34.3</b>	<b>34.3</b>	<b>33.1</b>	<b>33.1</b>	<b>33.1</b>
Library	25.3	25.1	25.1	24.5	23.5	20.2	19.6	19.6	19.6	19.7
Recreation	12.5	10.7	10.0	9.7	10.0	9.8	10.0	10.6	11.6	13.7
Recreation - Grounds	-	-	-	-	-	-	-	18.5	17.5	20.0
<b>Leisure Services</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>48.7</b>	<b>48.7</b>	<b>53.4</b>
<b>Human Services</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.5</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.4</b>
<b>Grand Totals</b>	<b>521.5</b>	<b>518.6</b>	<b>512.6</b>	<b>507.1</b>	<b>506.0</b>	<b>479.5</b>	<b>478.1</b>	<b>476.3</b>	<b>477.8</b>	<b>478.3</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Physical arrests	3,215	2,978	2,928	2,749	3,095	3,044	2,796	2,837	2,787	2,716
Traffic violations	5,950	5,768	5,548	4,535	5,455	5,325	3,993	3,576	3,596	3,993
Parking violations	43,648	49,216	39,318	40,625	37,749	34,860	28,458	25,541	24,519	23,259
Fire and Rescue										
Calls answered	7,095	7,565	7,875	7,529	7,321	6,882	7,327	7,182	7,217	7,431
General services - Solid waste										
Refuse collected (tons)	na	17,603	17,081	16,370	10,884	8,311	11,722	11,478	12,074	12,630
Recycling (tons) Note: Recycle program started Oct 2005	na	1,356	1,962	1,976	2,063	3,391	3,555	3,677	4,440	4,855
General services - Streets										
Streets resurfaced (miles)	na	16	18	23	4	3	6	1	6	4
Potholes repaired	na	14,895	7,934	11,335	10,100	4,176	7,780	5,210	7,115	11,547
Water										
Average daily consumption (in thousands of gallons)	4,840	4,910	4,910	3,740	3,744	3,348	3,761	3,792	3,560	3,564
Sewage System:										
Daily average treatment (millions of gallons)										
Concord Plant	4,570	4,605	4,680	4,730	4,540	4,360	4,580	4,100	3,850	3,780
Penacook Plant	573	575	585	610	570	530	460	490	420	470

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	16	15	15	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	6	6	6	6	5	5	5	5	5	5
Number of support vehicles	5	8	7	7	6	6	6	6	6	6
General Services - Streets										
Miles of streets	338	339	340	341	327	327	327	327	327	327
Number of traffic lights (in sets)	92	92	97	97	75	77	77	71	71	71
Number of street lights	2,183	2,183	2,128	2,130	2,130	2,130	2,130	*2,213	*2,213	*2,213
General Services - Culture and Recreation:										
Number of parks	20	20	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)	169	169	170	171	172	172	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	142	142	152	152	152	155	155	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	2,370	2,370	2,370	2,370	2,370	2,370	2,370

\* Includes ornamental lights

Data Source

Various city departments