

CITY OF CONCORD NEW HAMPSHIRE

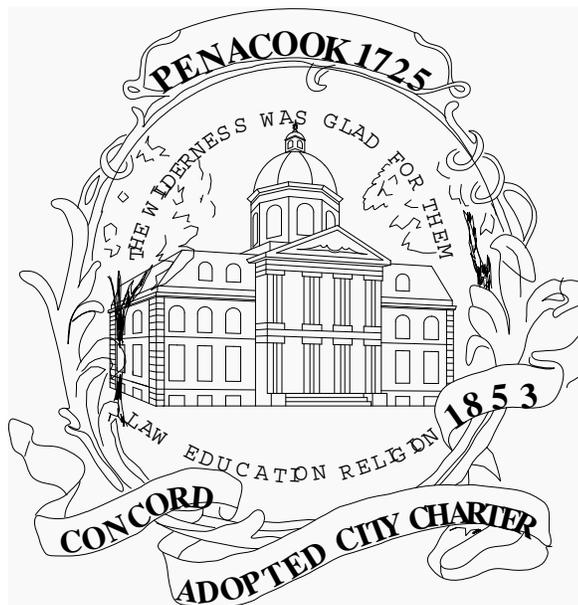


Pictures provided by David Gill and Diane Savoie

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2010

CITY OF CONCORD, NEW HAMPSHIRE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2010



**Prepared by:
The Finance Department**

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

**Diane G. Savoie
Controller**

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INTRODUCTORY SECTION



City of Concord, New Hampshire

FINANCE DEPARTMENT

311 NORTH STATE STREET, CONCORD, NH 03301

(603) 225-8560

December 31, 2010

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

This Comprehensive Annual Financial Report (CAFR) for the City of Concord, New Hampshire is for the fiscal year ending June 30, 2010. Responsibility for both the accuracy of the data, and the completeness and fairness of this report rests with City management. To the best of our knowledge and belief, the following data, including the financial statements, schedules and statistical tables, is accurate in all material respects. This data is reported in a manner designed to fairly present the City's financial position and the results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an accurate understanding of the City's financial activities have been included.

This Comprehensive Annual Financial Report covers the entity's financial performance for the twelve-month fiscal year, July 1, 2009 through June 30, 2010. This CAFR also presents the City's financial statements as required under the Governmental Accounting Standards Board's (GASB) Statement No (s). 34, which established financial reporting model for state and local governments. The Letter of Transmittal is written to be used in conjunction with the "Management's Discussion and Analysis" (MD&A) section starting on page 15.

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

PROFILE OF THE GOVERNMENT

The City of Concord is located in Merrimack County, approximately 70 miles north of Boston, Massachusetts, on the Merrimack River in South Central New Hampshire. The City had a population of 44,358 as of December 31, 2010, a 0.38% increase over the previous year, according to by the City of Concord Community Development Department, Planning Division, and occupies a land area of 64 square miles.

Concord was originally settled in 1727, incorporated in 1765 and established as the state capital in 1808. Government is by an elected 15-member council and an

appointed City Manager. The City also serves as the Merrimack County seat and Federal Court seat. Two separate school districts serve the City - the Concord School District and the Merrimack Valley School District.

Policymaking and legislative authority are vested by adopted City Charter in the 15-member Council. Under the Charter, originally adopted in 1853, and most recently amended in 2001, the Council appoints a City Manager who is solely responsible for carrying out the policies and ordinances of the City Council. The Council is elected on a non-partisan basis. Ten ward councilors, and the mayor, are elected every two years. Two of the four remaining "at-large" councilors are elected to staggered 4-year terms every two years. The current mayor is former City Councilor Jim Bouley who was elected mayor in November 2007. Tom Aspell, the City Manager, was appointed in April 2006. The City has had four City Managers since 1978. The City Manager, pursuant to the City Charter, has all appointive and dismissal powers for paid employees of the City. Appointive authority for boards and commissions are shared between the Mayor, Council and City Manager.

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

INFORMATION USEFUL IN ASSESSING THE GOVERNMENTS ECONOMIC CONDITION

Local Economy

Compared to other cities in NH, New England and the Nation, Concord's employment picture, depicts comparably low unemployment. As reported by the New Hampshire Employment Security, Concord's unemployment rate as of June 2010 was 5.2%. This compares favorably to New Hampshire's overall rate of 5.9% or the United States rate of 9.6%. Concord's rate also remains the lowest among the top three NH cities with Manchester at 6.5% and Nashua at 6.3%. Concord's unemployment rates have remained lower than the State since 1992 except for the months of March, April and June 2005.

For the seventh consecutive year, in 2010, Policom Corporation rated the City of Concord one of the top ten strongest Micropolitan Statistical Areas in "Economic Strength" in the country. Policom Corporation uses more than one hundred economic

measures based on growth rates, consistency trends, industry averages, earnings, jobs and wages; and factoring in the number of welfare and Medicaid recipients; to make their rating determination.

The market value of taxable property as of April 1, 2009 decreased overall by 6.14% compared to April 1, 2008. All segments: residential neighborhoods, commercial/industrial, manufactured homes and condominiums declined in market value. The average assessed value of a single family home in Concord as of April 1, 2009 was \$253,100 down from \$268,900 the year before.

Tax collections percentage as of June 30, 2010, for the 2009 Tax Year was (97.7%) a slight decline from 97.8% the previous year. Total tax delinquencies, for all years, were stated at \$3.1 million, a smaller increase (\$0.4 million) than the previous year's \$0.5 million. Vigorous collection efforts by the Tax Collector's Office have resulted in no material increases in the City taking 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 FY2010 the City made significant progress on key economic development projects including the Sanel Block Project, redevelopment of the former Allied Leather Tannery, Concord Steam, and others.

In September 2010 the City Council entered into a public / private partnership to redevelop a 0.8 acre downtown property known as the Sanel Block. This \$28 million development features an 82,000 SF, 5 story, mixed use building as well as a new 50,000 SF, 45 unit apartment building; half of which are reserved for artists. The office building will be occupied by the League of New Hampshire Craftsmen and Concord Hospital and will bring approximately 300 employees to downtown.

In addition, the City also made significant progress relative to redevelopment of the former Allied Leather Tannery in Penacook. In February 2010 the City Council approved a purchase and sales with DEW Crescent Street Properties LLC involving redevelopment of that portion of the Tannery complex at 4 Crescent Street. The developer plans to construct a \$2 million, 15,000 SF medical office building, the first phase of which will be occupied by Penacook Family Physicians, a subsidiary of Concord Hospital. To support the project, in June 2010 the City created a Tax Increment Financing District and appropriated approximately \$1.1 million dollars to rehabilitate water and sewer mains, relocate aerial utilities, reconstruct roads and sidewalks, as well as build streetscape improvements. Roughly half of this work has been completed, with the balance scheduled for the Spring 2011.

In addition to these two projects, the City continues to work with developers and Main Street Concord, Inc. on redevelopment of vacant upper floors in Downtown Concord.

The Administration is also in dialog with developers about other potential redevelopment projects in the downtown area.

Long-term financial planning

The City Finance Department presents a fiscal monitoring report that addresses current fiscal conditions; national, regional and local economic overviews and a five year projection of both General Fund operations and tax rates. These reports and budget models have become a staple of the annual budget planning and tax rate setting process. Additionally, each year the City prepares a twenty year Capital Improvement Plan and prepares a pro-forma for each enterprise and significant special revenue funds.

Annually, as part of the budget process, the City reviews all revenues to determine the budgetary needs and the competitive market's ability to accept fee increases. All funds are reviewed including General, enterprise and all other special revenue funds. Significant emphasis is placed on providing self supporting programs to the greatest extent possible, although the Solid Waste Fund does have general tax base support as part of its planned operation.

Due to tighter budgeting both for revenues and appropriations, higher utilization of declining fund balance, City reserves and General Fund Balance had been in decline almost continually since 2001 (see the table in statistical section of CAFR). The Undesignated Unreserved Fund Balance (UUFB) was approaching the Council's minimal fiscal goal of 8% of appropriations. In Fiscal Year 2007 a five year administrative plan was developed to reduce reliance upon the use of prior year surplus. Along with the worsening economy FY2008 did not improve this situation. For FY2009 the budgetary fund balance use was nearly halved to \$730,000.

In mid FY2009, the impacts of the severe decline in the availability of credit, near collapse of the banking sector and housing markets, and the forecast of declining revenues, the City Manager re-implemented an organization-wide hiring freeze and directed departments to reduce expenditure plans by 2.5 to 3% for the year. These amounts were intended to counter-balance both the expected revenue shortfall as well as replace the estimated \$730,000 of surplus used in the FY2009 budget. The plan succeeded and ultimately a surplus resulted.

Fiscal Year 2010 was the first year in decades that the City Council adopted a budgetary balanced budget. This continued for FY2011.

While the total General Fund surplus for FY2010 exceeded \$1.5 million, the unreserved undesignated fund balance (UUFB) of \$5,695,545 at fiscal year-end represents an increase of \$393,067 over the previous year. The City designated \$1.3 million mainly for one time expenditures of: paving \$600,000; OPEB contribution \$300,000; equipment purchases \$150,000; pre-funding 53rd week payroll \$125,000; building improvements \$75,000 and \$80,000 for training and parks and grounds improvements. The remaining change in fund balance is due to reduced year end encumbrances and inventory reduction.

This surplus was in large part the result of a budgetary balanced budget, diligent budget management by departments, lower winter maintenance costs than projected and delayed hiring of vacant positions in many departments.

OPEB Action

The City is in compliance with Government Accounting Standards Board (GASB) Statement 45, an actuarially detailed cost of Other Post Employment Benefits (OPEB) plans, reported on Note 17 of this CAFR. The original OPEB Unfunded Actuarially Accrued Liability (UAAL) was in excess of \$60 million for eligible retirees; those hired before January 1991. In fiscal year 2008, the City changed to a less expensive insurance plan for over 65 retirees with the implementation of the Medicare Advantage First Seniority Freedom Plan and reduced this liability to \$32.2 million for Fiscal Year 2009 and \$34 million for Fiscal Year 2010. Subsequent to the close of fiscal year 2010 and effective January 1, 2011 the City was notified by its health insurance carrier that the First Seniority Freedom Plan will be eliminated on December 31, 2010. After reviewing the viable options, its replacement, a Medicare Enhanced Plan with a slightly lower benefit structure will be more expensive. Although the actual numbers are not yet known, it is expected that for Fiscal Year 2011 that the UAAL will show a substantial increase.

Efforts to reduce this liability will continue with benefit management and financing alternatives. At year-end FY2009 the City Council authorized the creation of a revocable trust and deposit of \$300,000 to demonstrate a commitment to meet some level of OPEB pre-funding obligation. While the Fiscal Policy Advisory Committee recommended approval of an additional contribution of \$300,000 for FY2010 year end, the full City Council did not approve the deposit and opted to address the issue again either during or after the completion of the FY2012 budget cycle.

Relevant Financial Policies

Goals

Originally adopted in 1996 and most recently revised in December 2010, the City Council adopted a Fiscal Policy Statement which is a series of goals to help guide the financial direction and management of the City. These goals are regularly reviewed and updated when necessary.

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

In addition to the cash management goal cited above, two Goals that stand out are: Goal E1 under Debt Management that limits debt service to 10% of total expenditures. For FY2010 this limit was 11.5%, in part due to the overall budget reduction that occurred with the adoption of the FY2010 budget. The second is a Goal H1 that targets a General fund undesignated fund balance of 15% by fiscal year 2015. For year ending

June 30, 2010 the Undesignated Unreserved Fund Balance was 13.6%, a slight increase from FY2009 due to reduced expenditures and a slightly higher fund balance.

Credit Rating and Debt Limit

The City's Fiscal Policy Advisory Committee (FPAC) was created to deal with fiscal difficulties arising out of the recession and related General Fund deficits of 1990 and 1991. These difficulties included a credit downgrading to A-1 from Moody's Investor Service.

City Administration and FPAC developed a proposal to change the City's fiscal year to a June 30 year-end and simultaneously convert to quarterly property tax collections. The intent was to eliminate year-end and monthly cash deficits and related liquidity problems. This change was implemented in 1996 and has been a major contributor to subsequent bond rating improvements.

In January 1997, citing a consistently high fund balance, substantial reserves, conversion to quarterly tax billing, and the conversion to a June 30 fiscal year-end, Moody's Investors restored the City to its higher AA3 rating. To improve credit information to investors and improve the interest rate outlook, the City also sought a rating from Standard and Poor's, who, after conducting an analysis, awarded the City a coveted AA rating.

In May of 2001, citing "economic strength and stability", Moody's raised the City's rating to AA2 and Standard and Poor's affirmed its AA rating which remained in effect through FY2009.

While credit ratings were maintained, Moody's placed the City on negative outlook. They indicated that if August projections for fiscal year ending June 30, 2008 and a balanced budget was not achieved by FY2011, a year earlier than the planned FY2012, the City could see its AA2 rating decline. The City did achieve a balanced budget in Fiscal Years 2009 and 2010, and the City's negative outlook was lifted in January 2010 in conjunction with the issuance of \$6.102 Million in General Obligation Capital Improvement Bonds.

Financial Structure and Management

In accordance with the *City Charter and Code of Ordinances*, the Finance-Control Division 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 2010 budget was adopted by the City Council with several changes from business as usual. In addition to significant revenue reduction from the State,

declining revenues in Motor Vehicle Registrations, Building Permits and Investment Income, many expense reductions were required to balance the budget. For the first time in more than a decade, the City Council adopted a balanced budget with the following changes in operations:

Major reductions in service

Fire Department – eliminated Engine 1 from service including five vacant Firefighter/Paramedic Positions and a decrease in overtime.

Police Department – maintain positions but eliminate funding for four vacant police officer positions, Traffic Enforcement Unit and the Community Resources Unit.

Library Department – reduced hours of Main Library from 62.5 hours per week to a spring schedule of 58 hours per week and summer schedule of 54.5 hours per week, eliminated Sunday hours all together and reduced the library materials budget by 45%.

General Services Department – moved costs associated with fall leaf collection to Solid Waste Fund which has implemented a Pay-as-you-throw program for solid waste collection and disposal. Delayed clearing snow from side streets on the 3-11 shift, instead of deploying 13-14 pieces of equipment, only 10-11 will be deployed which will result in a delay for clearing sidewalks.

Community Development – Eliminated the position of Business Development Coordinator. Responsibilities for this position were shifted to the Deputy City Manager for Development and the Assistant for Special Projects.

Staffing Position Reductions

In order to effectively reduce long term budget pressures, most vacancies were not filled throughout fiscal year 2009. Upon the completion of the FY2010 budget, 40 full and part-time positions were vacant. Over 35 FTE's were eliminated. This affected 53 full or part-time positions through position eliminations, reduction in hours or actual layoffs. At the final tally, only three employees were actually laid off. This is a testament to the planning and foresight of management long before the time to actually make the reductions.

Other Changes

Non-contractual employees did not receive a COLA for FY2010. Support for non-City related services were reduced or eliminated including funding for Social Service agencies, Concord Television, Groundwork Concord and Main Street, Inc. Over \$1 million in capital project transfers were reduced. Funding for Human Service responsibilities were based on legal obligations. The City embarked on renewed efforts to make programs self supporting to the greatest extent possible and increase fees annually. The City Council adopted a Pay-as-you-throw solid waste collection and disposal. City Staff and financial services were consolidated to create efficiencies and process improvements. Outside legal services across the City operations were combined and a new attorney was hired to address these issues and for succession planning. The core City vehicle fleet was reduced by 8% or 15 vehicles. The City also received an energy conservation grant as part of the Stimulus funding through ARRA.

These efforts resulted in an overall appropriation budget reduction of \$1.12 million to help offset lost revenues in the amount of \$1.45 million and the elimination of \$730,000

budgetary use of surplus. These changes and reductions help to set the stage for future stability by reducing recurring costs and related services.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded fifteen 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, 2009 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 continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The timely preparation of this year's CAFR was made possible by the tireless efforts provided by the Finance Department staff. In particular, again this year, we wish to recognize the efforts of Diane Savoie, City Controller. At the same time, we add our recognition and thanks to Senior Accountant Carol B. Andersen and to the entire staff. Without their diligence, hard work along with their professionalism and support, this report would not meet such high standards.

OTHER INFORMATION

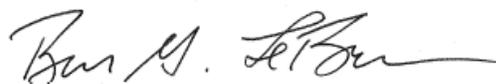
Although state statutes do not require an annual audit, the City has continually produced an independently audited set of Financial Statements since the 1920's. Presently, the firm of Melanson, Heath and Company, P.C. of Nashua, New Hampshire conducts the annual audit for the City. In addition, the audit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

The City invites you to visit our web site at www.concordnh.gov, where this CAFR is expected to be prominently displayed by mid February 2011. Also displayed are previous CAFRs and other summary financial information.

Sincerely,

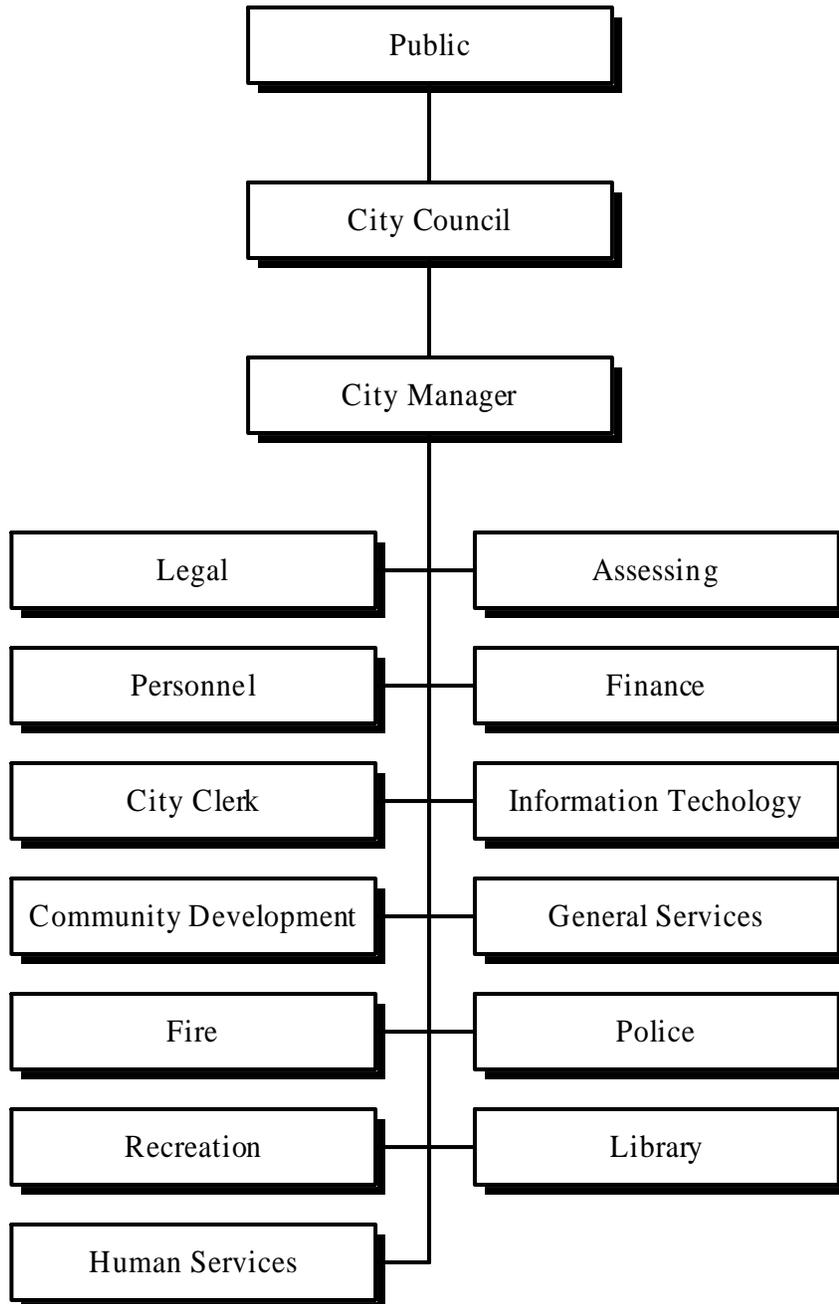


Thomas J. Aspell
City Manager



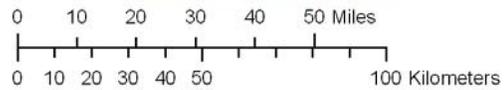
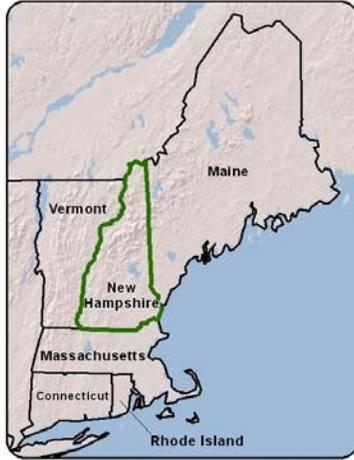
Brian G. LeBrun
Deputy City Manager - Finance

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, 2010

Title	Name
<i><u>Elected by Public:</u></i>	
Mayor	James Bouley
Councilor-at-Large	Stephen Shurtleff
Councilor-at-Large	Mark Coen
Councilor-at-Large	Michael Dellolacono
Councilor-at-Large	Dan St. Hilaire
Councilor Ward 1	Elizabeth Blanchard
Councilor Ward 2	William Stetson
Councilor Ward 3	Jan McClure
Councilor Ward 4	Amanda Grady
Councilor Ward 5	Robert Werner
Councilor Ward 6	J. Allen Bennett
Councilor Ward 7	Keith Nyhan
Councilor Ward 8	Dick Patten
Councilor Ward 9	Candace CW Bouchard
Councilor Ward 10	Fred Keach
<i><u>Appointed by Council:</u></i>	
City Manager	Thomas J. Aspell, Jr.
<i>Appointed by City Manager:</i>	
Deputy City Manager -- Development	Carlos P. Baia
Deputy City Manager -- Finance	Brian G. LeBrun
City Clerk	Janice L. Bonenfant
City Solicitor	Paul F. Cavanaugh
Director of Personnel and Labor Relations	Jennifer E. Johnston
Director of Real Estate Assessments	Kathryn H. Temchack
Fire Chief	Daniel L. Andrus
General Services Director	Earle M. Chesley
Human Services Director	Jacqueline R. Whatmough
Information Technology	Edward A. Drouse
Library Director	Patricia A. Immen
Police Chief	Robert C. Barry
Recreation Director	David B. Gill
City Engineer	Edward L. Roberge
City Planner	Douglas G. Woodward
Code Administrator	Michael M. Santa
Controller	Diane G. Savoie
Purchasing Agent	Douglas B. Ross
Treasurer / Tax Collector	Michael P. Jache

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Concord
New Hampshire

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord, New Hampshire, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Concord's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, appearing on the following pages, and the supplementary information appearing on page 71 are not required parts of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 27, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
December 27, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Concord, we offer readers of the City of Concord this narrative overview and analysis of the financial activities of the City of Concord for the fiscal year ended June 30, 2010. This section should be read in conjunction with the Letter of Transmittal beginning on page 1.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

An annual appropriated budget is adopted for the general fund and certain nonmajor 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 \$ 206,501,057 (i.e., net assets), a change of \$ 3,109,821 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 31,517,457, a change of \$ 467,308 in comparison with the prior year.
- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was \$ 5,695,545, a change of \$ 393,067 in comparison with the prior year. In addition, total general fund balance changed by \$ 1,520,566.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 66,429,838, a change of \$ (1,606,254) in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

NET ASSETS

	<u>Governmental</u>		<u>Business-Type</u>		<u>Totals</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 81,018	\$ 80,957	\$ 10,344	\$ 9,668	\$ 91,362	\$ 90,625
Capital Assets	<u>106,349</u>	<u>103,899</u>	<u>129,504</u>	<u>130,429</u>	<u>235,853</u>	<u>234,328</u>
Total assets	187,367	184,856	139,848	140,097	327,215	324,953
Long-term liabilities						
outstanding	43,849	44,666	28,037	27,514	71,886	72,180
Other liabilities	<u>47,158</u>	<u>47,488</u>	<u>1,670</u>	<u>1,894</u>	<u>48,828</u>	<u>49,382</u>
Total liabilities	91,007	92,154	29,707	29,408	120,714	121,562
Net assets:						
Invested in capital assets, net	70,967	66,567	104,096	104,127	175,063	170,694
Restricted	11,615	10,576	1,181	1,326	12,796	11,902
Unrestricted	<u>13,778</u>	<u>15,560</u>	<u>4,864</u>	<u>5,235</u>	<u>18,642</u>	<u>20,795</u>
Total net assets	<u>\$ 96,360</u>	<u>\$ 92,703</u>	<u>\$ 110,141</u>	<u>\$ 110,688</u>	<u>\$ 206,501</u>	<u>\$ 203,391</u>

CHANGES IN NET ASSETS

	<u>Governmental</u>		<u>Business-Type</u>		<u>Totals</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues						
Charges for services	\$ 6,732	\$ 6,412	\$ 15,388	\$ 13,577	\$ 22,120	\$ 19,989
Operating grants and contributions	1,017	1,406	228	243	1,245	1,649
Capital grants and contributions	2,199	2,005	202	269	2,401	2,274
General revenues						
Property Taxes	37,684	37,718	-	-	37,684	37,718
Penalties, interest and other taxes	885	805	-	-	885	805
Grants and contributions not restricted to specific programs	1	1,165	-	-	1	1,165
Investment income	1,067	(564)	179	197	1,246	(367)
Other	<u>1,563</u>	<u>744</u>	<u>62</u>	<u>32</u>	<u>1,625</u>	<u>776</u>
Total revenues	51,148	49,691	16,059	14,318	67,207	64,009

(continued)

(continued)

	CHANGES IN NET ASSETS					
	<u>Governmental</u>		<u>Business-Type</u>		<u>Totals</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Expenses:						
General government	6,853	6,158	-	-	6,853	6,158
Public safety	21,069	21,144	-	-	21,069	21,144
General services	11,290	11,572	-	-	11,290	11,572
Community development	3,815	4,042	-	-	3,815	4,042
Leisure and information services	2,143	2,459	-	-	2,143	2,459
Human services	769	808	-	-	769	808
Interest on long-term debt	1,779	1,411	-	-	1,779	1,411
Water operations	-	-	4,870	4,960	4,870	4,960
Sewer operations	-	-	6,369	6,436	6,369	6,436
Solid Waste operations	-	-	4,086	3,730	4,086	3,730
Other operations	-	-	1,276	1,433	1,276	1,433
Total expenses	<u>47,718</u>	<u>47,594</u>	<u>16,601</u>	<u>16,559</u>	<u>64,319</u>	<u>64,153</u>
Change in net assets before transfers and contributions	3,430	2,097	(542)	(2,241)	2,888	(144)
Transfer in (out)	5	(830)	(5)	830	-	-
Permanent fund contributions	<u>222</u>	<u>245</u>	<u>-</u>	<u>-</u>	<u>222</u>	<u>245</u>
Increase in net assets	3,657	1,512	(547)	(1,411)	3,110	101
Net assets - beginning of year	<u>92,703</u>	<u>91,191</u>	<u>110,688</u>	<u>112,099</u>	<u>203,391</u>	<u>203,290</u>
Net assets - end of year	<u>\$ 96,360</u>	<u>\$ 92,703</u>	<u>\$ 110,141</u>	<u>\$ 110,688</u>	<u>\$ 206,501</u>	<u>\$ 203,391</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$ 206,501,057, a change of \$ 3,109,821 from the prior year.

The largest portion of net assets \$ 175,062,534 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$ 12,795,573 represents resources that are subject to external restrictions on how they may be used. The remaining

balance of unrestricted net assets \$ 18,642,950 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities for the year resulted in a change in net assets of \$ 3,657,131. Key elements of this change are as follows:

Excess of revenues over expenditures:	
General fund operations	\$ 1,520,566
Special revenue funds	685,083
Permanent funds	448,907
Debt service fund	<u>391,313</u>
Subtotal	3,045,869
Debt service principal paydown in excess	
of depreciation	294,565
Other	<u>316,697</u>
Total	<u><u>\$ 3,657,131</u></u>

While total net assets of the governmental activities changed by \$ 3,657,131, unrestricted net assets changed \$ (1,781,142) principally due to the use of previous unrestricted net assets for the acquisition of new capital assets. Also, contributions towards the Langley Parkway construction declined due to the project's completion.

Business-type activities. Business-type activities for the year resulted in a change in net assets of \$ (547,310). This change primarily results from depreciation expense exceeding long-term debt service pay downs by \$ (132,570) and \$ 668,527 in the Water and Sewer funds, respectively. The following is a summary of the changes in net assets by fund:

Water operations	\$ (442,197)
Sewer operations	(829,666)
Solid Waste operations	724,266
Nonmajor funds	<u>287</u>
Total	<u><u>\$ (547,310)</u></u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular,

unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$ 31,517,457, a change of \$ 467,308 in comparison with the prior year. Most of this change was attributable to an increase in investment income due to market conditions, especially within the *Special Revenue Trust funds*. In addition, the City did not use any General Fund unreserved fund balance as a budgetary funding source.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unreserved undesignated fund balance of the General Fund was \$ 5,695,545 while total fund balance was \$ 7,992,313. While the unreserved undesignated fund balance changed by \$ 393,067, total fund balance was changed by \$ 1,520,566. The transfer to designated fund balance for eventual transfer to capital reserves, while largely offset by positive results of operation compared to the budget, has caused an increase in our overall General Fund balance position. The following table highlights the change in our General Fund balance accounts (in thousands):

	<u>Unreserved</u>	<u>Reserves</u>	Tax <u>Stabilization</u>	<u>Designated</u>	<u>Total</u>
Beginning of year	\$ 5,303	\$ 591	\$ 578	\$ -	\$ 6,472
Revenues and transfers over budget	102	-	-	-	102
Expenditures and transfers under budget	1,836	-	-	-	1,836
Other	(418)	-	-	-	(418)
Transfers	<u>(1,128)</u>	<u>(202)</u>	<u>-</u>	<u>1,330</u>	<u>-</u>
End of Year	<u>\$ 5,695</u>	<u>\$ 389</u>	<u>\$ 578</u>	<u>\$ 1,330</u>	<u>\$ 7,992</u>

As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 13.6 percent of total general fund expenditures, while total fund balance represents 19.1 percent of that same amount. The undesignated amount exceeded the City Council Fiscal Policy minimum of 8%.

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

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$ 4,864,595, a change of \$ (547,310) in comparison with the prior year.

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

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$ 33,500. The majority of the overall change represents appropriations to fund the recreational and community improvement projects.

Unspent General Fund appropriations were due to several factors including the self-imposed reduction in expenditures mentioned in the transmittal letter and a year-end level of under-expenditures (including transfers) of approximately 3.99%, exceeding last year's historical level of 3.4%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year end amounted to \$ 235,852,757 (net of accumulated depreciation), a change of \$ 1,524,678 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 Aa2 for several years.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$ 66,429,838, all of which was backed by the full faith and credit of the government.

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

G. ECONOMIC FACTORS AND NEXT YEAR'S 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 2010 adopted to the fiscal 2011 adopted City General Fund budget and tax rate:

	2010 COUNCIL ADOPTED	2011 COUNCIL ADOPTED
<u>Use of Funds</u>		
Budget Appropriations	\$ 46,053,589	\$ 47,293,015
War Credits	294,000	297,000
Overlay	<u>460,000</u>	<u>430,000</u>
Total Uses of Funds	<u>\$ 46,807,589</u>	<u>\$ 48,020,015</u>
<u>Sources of Funds</u>		
Miscellaneous Revenues	\$ 16,418,436	\$ 16,665,665
Surplus (prior Year Undesignated fund Balance)	-	-
Amount to be raised by property taxes	<u>30,389,153</u>	<u>31,354,350</u>
Total Sources of Funds	<u>\$ 46,807,589</u>	<u>\$ 48,020,015</u>
<u>TAX RATE DETERMINATION</u>		
Assessed Value (A.V.) in thousands of dollars	\$ 4,326,049	\$ 4,077,000
Amount to be Raised	\$ 30,389,153	\$ 31,354,350
Current Year Recommended Tax Rate/\$ 1,000 A.V.	\$ 7.02	\$ 7.69
Prior Year Tax Rate/\$ 1,000 A.V.	<u>6.84</u>	<u>7.49</u>
Increase over Prior Year	\$ 0.18	\$ 0.20
% Change	2.63%	2.67%

REQUESTS FOR INFORMATION

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

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

Basic Financial Statements

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CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term equivalents	\$ 39,465,749	\$ 7,547,383	\$ 47,013,132
Investments	10,684,794	-	10,684,794
Receivables, net of allowance for uncollectibles:			
Property taxes	28,642,346	-	28,642,346
Accounts	977,552	-	977,552
User fees	-	1,529,873	1,529,873
Intergovernmental	67,491	150,011	217,502
Loans	814,601	-	814,601
Other assets	<u>365,228</u>	<u>85,513</u>	<u>450,741</u>
Total current assets	81,017,761	9,312,780	90,330,541
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	1,030,920	1,030,920
Capital assets:			
Land and construction in progress	22,958,971	6,797,718	29,756,689
Other capital assets, net of accumulated depreciation	<u>83,389,577</u>	<u>122,706,491</u>	<u>206,096,068</u>
Total non-current assets	<u>106,348,548</u>	<u>130,535,129</u>	<u>236,883,677</u>
TOTAL ASSETS	187,366,309	139,847,909	327,214,218
LIABILITIES			
Current:			
Accounts payable	1,046,974	700,868	1,747,842
Retainage payable	325,264	363,793	689,057
Accrued liabilities	811,227	344,234	1,155,461
Unearned revenues	26,008,941	73,968	26,082,909
Taxes collected in advance	17,848,059	-	17,848,059
Due to other governments	10,656	-	10,656
Due to external parties - fiduciary funds	2,925	-	2,925
Other current liabilities	1,104,049	187,105	1,291,154
Current portion of long-term liabilities:			
Bonds and loans payable	4,344,857	3,319,772	7,664,629
Other liabilities	<u>1,637,398</u>	<u>197,372</u>	<u>1,834,770</u>
Total current liabilities	53,140,350	5,187,112	58,327,462
Noncurrent:			
Bonds and loans payable, net of current portion	34,537,835	24,227,374	58,765,209
Other liabilities, net of current portion	<u>3,328,490</u>	<u>292,000</u>	<u>3,620,490</u>
Total non-current liabilities	<u>37,866,325</u>	<u>24,519,374</u>	<u>62,385,699</u>
TOTAL LIABILITIES	91,006,675	29,706,486	120,713,161
NET ASSETS			
Invested in capital assets, net of related debt	70,966,637	104,095,897	175,062,534
Restricted for:			
Grants and other statutory restrictions	3,708,741	-	3,708,741
Permanent funds:			
Nonexpendable	7,905,901	-	7,905,901
Debt service	-	1,180,931	1,180,931
Unrestricted	<u>13,778,355</u>	<u>4,864,595</u>	<u>18,642,950</u>
TOTAL NET ASSETS	<u>\$ 96,359,634</u>	<u>\$ 110,141,423</u>	<u>\$ 206,501,057</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 6,852,912	\$ 1,484,734	\$ 526,252	\$ 1,303,524
Public safety	21,069,118	3,128,313	144,751	281,299
General services	11,290,119	273,935	93,331	-
Community development	3,815,308	1,280,954	252,436	614,196
Leisure and information services	2,142,783	523,031	-	-
Human services	768,564	41,063	-	-
Interest on long-term debt	1,778,927	-	-	-
Total Governmental Activities	47,717,731	6,732,030	1,016,770	2,199,019
Business-Type Activities:				
Water	4,870,370	5,100,517	-	144,657
Sewer	6,368,985	5,716,639	228,364	57,225
Solid Waste	4,085,706	3,213,003	-	-
Golf	823,561	871,131	-	-
Arena	452,084	486,911	-	-
Total Business-Type Activities	16,600,706	15,388,201	228,364	201,882
Total	\$ 64,318,437	\$ 22,120,231	\$ 1,245,134	\$ 2,400,901

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 (Loss)
 Miscellaneous

Transfers, net
 Permanent fund contributions

Total general revenues, transfers, and contributions

Change in Net Assets

Net Assets:

Beginning of year

End of year

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets

<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (3,538,402)	\$ -	\$ (3,538,402)
(17,514,755)	-	(17,514,755)
(10,922,853)	-	(10,922,853)
(1,667,722)	-	(1,667,722)
(1,619,752)	-	(1,619,752)
(727,501)	-	(727,501)
<u>(1,778,927)</u>	<u>-</u>	<u>(1,778,927)</u>
(37,769,912)	-	(37,769,912)
-	374,804	374,804
-	(366,757)	(366,757)
-	(872,703)	(872,703)
-	47,570	47,570
<u>-</u>	<u>34,827</u>	<u>34,827</u>
-	<u>(782,259)</u>	<u>(782,259)</u>
(37,769,912)	(782,259)	(38,552,171)
37,683,982	-	37,683,982
885,170	-	885,170
900	-	900
1,066,457	178,641	1,245,098
1,563,028	61,521	1,624,549
5,213	(5,213)	-
<u>222,293</u>	<u>-</u>	<u>222,293</u>
<u>41,427,043</u>	<u>234,949</u>	<u>41,661,992</u>
3,657,131	(547,310)	3,109,821
<u>92,702,503</u>	<u>110,688,733</u>	<u>203,391,236</u>
<u>\$ 96,359,634</u>	<u>\$ 110,141,423</u>	<u>\$ 206,501,057</u>

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2010

ASSETS	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Cash and short-term equivalents	\$ 24,620,136	\$ 14,845,613	\$ 39,465,749
Investments	1,012,250	9,672,544	10,684,794
Receivables:			
Property taxes	29,028,283	-	29,028,283
Accounts	288,805	688,747	977,552
Intergovernmental	67,491	-	67,491
Loans	-	814,601	814,601
Due from other funds	288,718	-	288,718
Inventory	199,179	-	199,179
Other assets	<u>155,473</u>	<u>10,576</u>	<u>166,049</u>
TOTAL ASSETS	\$ <u>55,660,335</u>	\$ <u>26,032,081</u>	\$ <u>81,692,416</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 385,695	\$ 661,279	\$ 1,046,974
Retainage payable	-	325,264	325,264
Other liabilities	868,006	236,043	1,104,049
Deferred revenues	28,552,681	995,633	29,548,314
Taxes collected in advance	17,848,059	-	17,848,059
Due to other funds	2,925	288,718	291,643
Due to other governments	<u>10,656</u>	<u>-</u>	<u>10,656</u>
TOTAL LIABILITIES	47,668,022	2,506,937	50,174,959
Fund Balances:			
Reserved for:			
Encumbrances	155,552	2,746,249	2,901,801
Inventory	192,428	-	192,428
Perpetual (nonexpendable) permanent funds	-	7,905,901	7,905,901
Tax stabilization	578,080	-	578,080
Miscellaneous	40,708	-	40,708
Unreserved:			
Designated, reported in:			
General fund	1,330,000	-	1,330,000
Undesignated, reported in:			
General fund	5,695,545	-	5,695,545
Special revenue funds	-	8,124,307	8,124,307
Capital project funds	-	3,500,587	3,500,587
Debt service	<u>-</u>	<u>1,248,100</u>	<u>1,248,100</u>
TOTAL FUND BALANCES	<u>7,992,313</u>	<u>23,525,144</u>	<u>31,517,457</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>55,660,335</u>	\$ <u>26,032,081</u>	\$ <u>81,692,416</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

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

JUNE 30, 2010

Total governmental fund balances	\$ 31,517,457
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	106,348,548
<ul style="list-style-type: none">• Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,153,436
<ul style="list-style-type: none">• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(811,227)
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, compensated absences, landfill closure liability and net OPEB obligation, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(43,848,580)</u>
Net assets of governmental activities	\$ <u><u>96,359,634</u></u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Taxes	\$ 36,839,522	\$ 819,834	\$ 37,659,356
Licenses and permits	712,811	-	712,811
Intergovernmental	973,323	1,713,728	2,687,051
Charges for services	4,404,264	1,615,455	6,019,719
Investment income	116,621	949,836	1,066,457
Contributions	-	751,431	751,431
Miscellaneous	1,268,722	1,196,639	2,465,361
Total Revenues	<u>44,315,263</u>	<u>7,046,923</u>	<u>51,362,186</u>
Expenditures:			
Current:			
General government	5,362,436	1,226,603	6,589,039
Public safety	18,953,070	668,546	19,621,616
General services	6,970,197	424,428	7,394,625
Community development	2,627,075	254,176	2,881,251
Leisure and information services	1,952,457	325	1,952,782
Human services	749,114	-	749,114
Employee benefits	445,033	-	445,033
Miscellaneous	-	131,653	131,653
Debt service			
Principal	3,767,067	827,496	4,594,563
Interest	1,061,177	494,112	1,555,289
Capital outlay	-	7,479,876	7,479,876
Total Expenditures	<u>41,887,626</u>	<u>11,507,215</u>	<u>53,394,841</u>
Excess (deficiency) of revenues over expenditures	2,427,637	(4,460,292)	(2,032,655)
Other Financing Sources (Uses):			
Issuance of bonds	-	2,494,750	2,494,750
Refunding bonds issued	122,400	-	122,400
Refunding bond premium	83,424	-	83,424
Payment to refunded bond escrow agent	(205,824)	-	(205,824)
Transfers in	1,685,980	1,776,533	3,462,513
Transfers out	(2,593,051)	(864,249)	(3,457,300)
Total Other Financing Sources (Uses)	<u>(907,071)</u>	<u>3,407,034</u>	<u>2,499,963</u>
Net change in fund balance	1,520,566	(1,053,258)	467,308
Fund Balance, at Beginning of Year	<u>6,471,747</u>	<u>24,578,402</u>	<u>31,050,149</u>
Fund Balance, at End of Year	<u>\$ 7,992,313</u>	<u>\$ 23,525,144</u>	<u>\$ 31,517,457</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

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

FOR THE YEAR ENDED JUNE 30, 2010

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 467,308																				
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table border="0" style="margin-left: 40px;"> <tr> <td>Capital outlay purchases</td> <td style="text-align: right;">6,766,597</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(4,299,998)</td> </tr> <tr> <td>Loss on disposal of assets</td> <td style="text-align: right;">(17,163)</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">24,626</td> </tr> </table> • The issuance of long-term debt (i.e., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <table border="0" style="margin-left: 40px;"> <tr> <td>Bond repayments</td> <td style="text-align: right;">4,594,563</td> </tr> <tr> <td>Issuance of bonds</td> <td style="text-align: right;">(2,617,150)</td> </tr> </table> • In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">(101,238)</td> </tr> </table> • Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table border="0" style="margin-left: 40px;"> <tr> <td>Compensated absences</td> <td style="text-align: right;">79,225</td> </tr> <tr> <td>Landfill liability</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Other post employment benefits</td> <td style="text-align: right;"><u>(1,269,639)</u></td> </tr> </table> 		Capital outlay purchases	6,766,597	Depreciation	(4,299,998)	Loss on disposal of assets	(17,163)		24,626	Bond repayments	4,594,563	Issuance of bonds	(2,617,150)		(101,238)	Compensated absences	79,225	Landfill liability	30,000	Other post employment benefits	<u>(1,269,639)</u>
Capital outlay purchases	6,766,597																				
Depreciation	(4,299,998)																				
Loss on disposal of assets	(17,163)																				
	24,626																				
Bond repayments	4,594,563																				
Issuance of bonds	(2,617,150)																				
	(101,238)																				
Compensated absences	79,225																				
Landfill liability	30,000																				
Other post employment benefits	<u>(1,269,639)</u>																				
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>3,657,131</u>																				

CITY OF CONCORD, NEW HAMPSHIRE

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

FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 37,222,410	\$ 37,222,410	\$ 37,174,883	\$ (47,527)
Licenses and permits	903,615	903,615	712,809	(190,806)
Intergovernmental	873,840	873,840	987,894	114,054
Charges for services	4,443,367	4,443,367	4,404,259	(39,108)
Investment income	157,680	157,680	116,621	(41,059)
Miscellaneous	<u>787,805</u>	<u>794,370</u>	<u>1,117,711</u>	<u>323,341</u>
Total Revenues	44,388,717	44,395,282	44,514,177	118,895
Expenditures:				
General government	5,917,040	5,914,040	5,179,595	734,445
Public safety	18,857,641	19,093,641	18,887,138	206,503
General services	7,370,690	7,376,190	7,056,118	320,072
Community development	2,850,136	2,850,136	2,605,381	244,755
Leisure and information services	1,973,770	1,989,770	1,950,104	39,666
Human services	858,992	858,992	749,182	109,810
Employee benefits	425,000	425,000	445,033	(20,033)
Debt service	<u>5,230,285</u>	<u>5,009,285</u>	<u>4,787,310</u>	<u>221,975</u>
Total Expenditures	43,483,554	43,517,054	41,659,861	1,857,193
Other Financing Sources (Uses):				
Transfers in	1,664,872	1,691,807	1,675,621	(16,186)
Transfers out	<u>(2,570,035)</u>	<u>(2,570,035)</u>	<u>(2,590,603)</u>	<u>(20,568)</u>
Total Other Financing Sources (Uses)	<u>(905,163)</u>	<u>(878,228)</u>	<u>(914,982)</u>	<u>(36,754)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,939,334</u>	\$ <u>1,939,334</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Business-Type Activities Enterprise Funds				<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Nonmajor Funds</u>	
<u>ASSETS</u>					
Current:					
Cash and short-term equivalents	\$ 3,429,248	\$ 2,302,958	\$ 1,373,633	\$ 441,544	\$ 7,547,383
User fees, net of allowance for uncollectibles	480,695	671,256	360,363	17,559	1,529,873
Intergovernmental receivables	-	150,011	-	-	150,011
Prepaid assets	11,175	6,147	439	2,210	19,971
Inventory	8,616	-	56,926	-	65,542
Total current assets	3,929,734	3,130,372	1,791,361	461,313	9,312,780
Noncurrent:					
Intergovernmental	-	1,030,920	-	-	1,030,920
Capital assets:					
Land and construction in progress	3,218,863	3,338,155	186,200	54,500	6,797,718
Other capital assets, net of accumulated depreciation	61,052,127	60,282,124	-	1,372,240	122,706,491
Total noncurrent assets	64,270,990	64,651,199	186,200	1,426,740	130,535,129
TOTAL ASSETS	68,200,724	67,781,571	1,977,561	1,888,053	139,847,909
<u>LIABILITIES</u>					
Current:					
Accounts payable	353,099	160,086	148,456	39,227	700,868
Retainage payable	153,335	210,458	-	-	363,793
Accrued liabilities	147,509	189,832	-	6,893	344,234
Unearned revenue	-	-	47,576	26,392	73,968
Other current liabilities	19,719	36,607	124,779	6,000	187,105
Current portion of long-term liabilities:					
Bonds and loans payable	1,542,316	1,666,456	-	111,000	3,319,772
Compensated absences	77,869	74,046	11,404	34,053	197,372
Total current liabilities	2,293,847	2,337,485	332,215	223,565	5,187,112
Noncurrent:					
Bonds and loans payable, net of current portion	9,892,803	13,852,571	-	482,000	24,227,374
Other post employment	146,000	146,000	-	-	292,000
Total noncurrent liabilities	10,038,803	13,998,571	-	482,000	24,519,374
TOTAL LIABILITIES	12,332,650	16,336,056	332,215	705,565	29,706,486
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	53,325,871	49,717,953	186,200	865,873	104,095,897
Restricted for debt service	-	1,180,931	-	-	1,180,931
Unrestricted	2,542,203	546,631	1,459,146	316,615	4,864,595
TOTAL NET ASSETS	\$ 55,868,074	\$ 51,445,515	\$ 1,645,346	\$ 1,182,488	\$ 110,141,423

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
Operating Revenues:					
Charges for services	\$ 5,100,517	\$ 5,716,639	\$ 3,213,003	\$ 1,358,042	\$ 15,388,201
Other	<u>38,169</u>	<u>18,317</u>	<u>-</u>	<u>5,035</u>	<u>61,521</u>
Total Operating Revenues	5,138,686	5,734,956	3,213,003	1,363,077	15,449,722
Operating Expenses:					
Operating expenses	2,752,498	4,018,754	4,085,706	1,121,875	11,978,833
Depreciation	<u>1,551,696</u>	<u>1,842,197</u>	<u>-</u>	<u>124,711</u>	<u>3,518,604</u>
Total Operating Expenses	<u>4,304,194</u>	<u>5,860,951</u>	<u>4,085,706</u>	<u>1,246,586</u>	<u>15,497,437</u>
Operating Income (Loss)	834,492	(125,995)	(872,703)	116,491	(47,715)
Nonoperating Revenues (Expenses):					
Investment income	57,056	120,251	-	1,334	178,641
Intergovernmental	-	228,364	-	-	228,364
Interest expense	<u>(566,176)</u>	<u>(508,034)</u>	<u>-</u>	<u>(29,059)</u>	<u>(1,103,269)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(509,120)</u>	<u>(159,419)</u>	<u>-</u>	<u>(27,725)</u>	<u>(696,264)</u>
Income (Loss) Before Contributions and Transfers	325,372	(285,414)	(872,703)	88,766	(743,979)
Capital contributions	144,657	57,225	-	-	201,882
Transfers in	150,074	67,387	1,596,969	25,411	1,839,841
Transfers out	<u>(1,062,300)</u>	<u>(668,864)</u>	<u>-</u>	<u>(113,890)</u>	<u>(1,845,054)</u>
Change in Net Assets	(442,197)	(829,666)	724,266	287	(547,310)
Net Assets at Beginning of Year	<u>56,310,271</u>	<u>52,275,181</u>	<u>921,080</u>	<u>1,182,201</u>	<u>110,688,733</u>
Net Assets at End of Year	<u>\$ 55,868,074</u>	<u>\$ 51,445,515</u>	<u>\$ 1,645,346</u>	<u>\$ 1,182,488</u>	<u>\$ 110,141,423</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 5,185,448	\$ 5,712,336	\$ 3,112,560	\$ 1,347,256	\$ 15,357,600
Payments to vendors and employees	<u>(2,768,796)</u>	<u>(3,997,929)</u>	<u>(4,076,725)</u>	<u>(1,120,803)</u>	<u>(11,964,253)</u>
Net Cash Provided By (Used For) Operating Activities	2,416,652	1,714,407	(964,165)	226,453	3,393,347
Cash Flows From Noncapital Financing Activities:					
Intergovernmental revenues	-	228,364	-	-	228,364
Transfers in	150,074	67,387	1,596,969	25,411	1,839,841
Transfers out	<u>(1,062,300)</u>	<u>(668,864)</u>	<u>-</u>	<u>(113,890)</u>	<u>(1,845,054)</u>
Net Cash Provided by (Used For) Noncapital Financing Activities	(912,226)	(373,113)	1,596,969	(88,479)	223,151
Cash Flows From Capital and Related Financing Activities:					
Proceeds from issuance of bonds and notes	1,264,050	2,405,600	-	73,100	3,742,750
Principal payments on bonds and notes	(1,684,266)	(1,594,424)	-	(92,900)	(3,371,590)
Acquisition and construction of capital assets, net disposals	(1,057,856)	(1,535,990)	-	-	(2,593,846)
Capital contributions	144,657	196,316	-	-	340,973
Interest expense	<u>(566,176)</u>	<u>(505,004)</u>	<u>-</u>	<u>(29,377)</u>	<u>(1,100,557)</u>
Net Cash (Used For) Capital and Related Financing Activities	(1,899,591)	(1,033,502)	-	(49,177)	(2,982,270)
Cash Flows From Investing Activities:					
Investment income	<u>57,056</u>	<u>120,251</u>	<u>-</u>	<u>1,334</u>	<u>178,641</u>
Net Cash Provided by Investing Activities	<u>57,056</u>	<u>120,251</u>	<u>-</u>	<u>1,334</u>	<u>178,641</u>
Net Change in Cash and Short-Term Equivalents	(338,109)	428,043	632,804	90,131	812,869
Cash and Short-Term Equivalents, Beginning of Year	<u>3,767,357</u>	<u>1,874,915</u>	<u>740,829</u>	<u>351,413</u>	<u>6,734,514</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 3,429,248</u>	<u>\$ 2,302,958</u>	<u>\$ 1,373,633</u>	<u>\$ 441,544</u>	<u>\$ 7,547,383</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:					
Operating income (loss)	\$ 834,492	\$ (125,995)	\$ (872,703)	\$ 116,491	\$ (47,715)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,551,696	1,842,197	-	124,711	3,518,604
Changes in assets and liabilities:					
User fees	46,761	(22,620)	(8,927)	(9,027)	6,187
Inventory	(667)	-	(439)	-	(1,106)
Other assets	(11,175)	-	6,156	(2,210)	(7,229)
Accounts payable	12,791	(111,230)	(3,613)	2,934	(99,118)
Compensated absences	(2,429)	2,873	6,762	1,841	9,047
Other liabilities	<u>(14,817)</u>	<u>129,182</u>	<u>(91,401)</u>	<u>(8,287)</u>	<u>14,677</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 2,416,652</u>	<u>\$ 1,714,407</u>	<u>\$ (964,165)</u>	<u>\$ 226,453</u>	<u>\$ 3,393,347</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2010

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash and short-term equivalents	\$ 1,757,728
Due from other funds	<u>2,925</u>
Total Assets	<u><u>\$ 1,760,653</u></u>
 <u>LIABILITIES</u>	
Due to other governments	\$ 886,851
Other liabilities	<u>873,802</u>
Total Liabilities	<u><u>\$ 1,760,653</u></u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The government is a municipal corporation governed by an elected Mayor, 15-member Council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2010, it was determined that no entities met the required GASB-39 criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

The government reports the following major governmental funds:

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

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

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

The government reports the following major proprietary funds:

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

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

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

D. Cash and Short-Term Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three

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

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

City Funds

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

Trust Funds

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

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

pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

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

E. Interfund Receivables and Payables

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

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

F. Inventories

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

G. Capital Assets

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

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

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

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

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

H. Accrued Employee Benefits

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

I. Long-Term Obligations

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

J. Fund Equity

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

K. Use of Estimates

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

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

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

B. Budgetary Basis

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

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

	Revenues and Other <u>Financing Sources</u>	Expenditures and Other <u>Financing Uses</u>
General Fund		
Revenues/Expenditures (GAAP basis)	\$ 44,315,263	\$ 41,887,626
Other financing sources/uses (GAAP basis)	<u>1,891,804</u>	<u>2,798,875</u>
Subtotal (GAAP Basis)	46,207,067	44,686,501
Adjust tax revenue to accrual basis	331,370	-
Reverse beginning of year appro- priation carryforwards from expenditures	-	(342,384)
Add end of year appropriation carryforwards to expenditures	-	155,552
Reverse nonbudgeted activity	<u>(348,639)</u>	<u>(249,205)</u>
Budgetary Basis	<u>\$ 46,189,798</u>	<u>\$ 44,250,464</u>

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

D. Excess of Expenditures Over Appropriations

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

General Fund:

Employee benefits	\$ (20,033)
Transfers out	\$ (20,568)

E. Deficit Fund Equity

The following funds had deficits as of June 30, 2010:

Nonmajor Governmental Funds:

Community Development (special revenue fund)	\$ (82,585)
Open Space Protection Fund (capital project fund)	(144,331)

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

3. Cash and Investments

A. Custodial Credit Risk

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

City Funds

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

As of June 30, 2010, the City's bank balance of \$ 48,689,520 was fully insured and collateralized.

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

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

Investments at June 30, 2010 included the following:

State investment pool	\$	1,012,250
U.S. treasury obligations		213,176
U.S. government agencies		516,150
Corp. and foreign bonds		1,052,400
Common equities		3,086,034
Int'l equity mutual funds pool		2,390,945
Taxable fixed income funds pool		<u>2,413,839</u>
Total	\$	<u><u>10,684,794</u></u>

Of the investment in U.S. Treasury obligations of \$ 213,176, Corporate and Foreign Bonds of \$ 1,052,400, Federal Agency Securities of \$ 516,150, and Pooled Funds of \$ 5,817,034, the government has a custodial credit risk exposure of \$ 7,298,760 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, \$ 1,012,250 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.):

	Total	Years to Maturity			Average Rating
		<1	1-5	6-10	
U.S. Treasury Obligations	\$ 213,176	\$ -	\$ 213,176	\$ -	AAA
U.S. Government Agencies	516,150	101,469	243,259	171,422	AAA
Corp. and Foreign Bonds	<u>1,052,400</u>	<u>101,298</u>	<u>576,470</u>	<u>374,632</u>	A2
Total	\$ <u><u>1,781,726</u></u>	\$ <u><u>202,767</u></u>	\$ <u><u>1,032,905</u></u>	\$ <u><u>546,054</u></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, 2010, the City was in compliance with this limitation policy.

D. Interest Rate Risk

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

City Funds

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

Trust Funds

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

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

E. Foreign Currency Risk

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

4. Property Taxes Receivable

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

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

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

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

Taxes receivable at June 30, 2010 consist of the following (in thousands):

Property taxes:		
Levy of 2010	\$ 26,828	
Levy of 2009	2,044	
Levy of 2008	880	
Levy of 2007	145	
Levy of 2006	10	
Levy of 2005	9	
Levy of 2004	10	
Unredeemed taxes:		
Levy of 2003	12	
Prior years	24	
Subtotal		29,962
Other taxes:		
Land use change taxes	339	
Elderly tax liens	66	
Subtotal		405
Gross Tax Receivable		30,367
Statutory Allowance for Abatements (overlay)		(1,339)
Net Total Taxes Receivable		<u>\$ 29,028</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):

Property taxes	\$ <u>386</u>
Total	\$ <u><u>386</u></u>

6. Loans Receivable

Loans receivable of \$ 814,601 in non-major governmental funds represent the uncollected balance of community development loans.

7. Intergovernmental Receivables

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

Fiscal Year Ended	Reimbursement For			
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$	150,011	\$ 46,870	\$ 196,881
2012		155,877	40,724	196,601
2013		160,856	34,287	195,143
2014		165,944	27,610	193,554
2015		125,712	20,675	146,387
2016-2025		<u>422,531</u>	<u>38,397</u>	<u>460,928</u>
Total	\$	<u><u>1,180,931</u></u>	\$ <u><u>208,563</u></u>	\$ <u><u>1,389,494</u></u>

8. Interfund Fund Receivables/Payables and Transfers

The City maintains self-balancing funds; however, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount payable to the General Fund from Special Revenue Funds relates to expenditures incurred against General Fund cash to be reimbursed in the subsequent year. The following is an analysis of the June 30, 2010 balances in interfund receivable and payable accounts.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 288,718	\$ 2,925
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Community Development	-	64,733
Forest & Conservation	-	79,541
Capital Project Funds:		
Open Space	-	144,331
Permanent Funds:		
Other	-	113
Fiduciary Funds:		
Agency	<u>2,925</u>	<u>-</u>
Total	<u>\$ 291,643</u>	<u>\$ 291,643</u>

The following is an analysis of interfund transfers made in fiscal year 2010:

<u>Governmental Fund:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 1,685,980	\$ 2,593,051
Nonmajor Funds:		
Special Revenue Funds:		
Parking	43,505	125,693
Airport	-	52,563
Impact Fee	-	100,696
Miscellaneous	-	7,501
Insured Retention	-	95,000
Durgin	10,500	2,744
Forest and Conservation	33,721	250,045
Library	-	11,483
Highway	499,743	343,575
Economic Development		402,900
53rd Week	88,370	-
Mountain Green	-	239
Fire Apparatus	1,550	-
SVMS Project	-	11,969

(continued)

(continued)

<u>Governmental Fund:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Project Funds:		
Other Capital Project Funds Pre 2003	-	13,928
Other Capital Project Funds Post 2002	-	608,668
Other Capital Project Funds Post 2008	1,397,083	158,180
Open Space Protection	315,045	-
Capital Commons Garage	-	63,277
Route 3 Corridor	854,318	-
Permanent Funds:		
Cemetery (Nonexpendable)	-	172,748
Library (Nonexpendable)	1,401	11,840
Dedicated Income (Nonexpendable)	-	232,771
<u>Debt Service Funds:</u>		
NEOC	-	82,212
PVTIFD	415,080	
<u>Business-Type Funds:</u>		
Major Funds:		
Water	150,074	1,062,300
Sewer	67,387	668,864
Solid Waste	1,596,969	-
Nonmajor Funds:		
Golf	5,541	75,790
Arena	19,870	38,100
Total	<u>\$ 7,186,137</u>	<u>\$ 7,186,137</u>

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

9. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 5,157	\$ 137	\$ -	\$ 5,294
Buildings and improvement	37,027	84	-	37,111
Machinery, equipment, and furnishing	6,616	281	(41)	6,856
Infrastructure	58,950	4,271	-	63,221
Licensed vehicles	<u>11,865</u>	<u>571</u>	<u>(764)</u>	<u>11,672</u>
Total capital assets, being depreciated	119,615	5,344	(805)	124,154
Less accumulated depreciation for:				
Land improvements	(3,683)	(85)	-	(3,768)
Buildings and improvements	(8,963)	(1,322)	-	(10,285)
Machinery, equipment, and furnishings	(4,461)	(769)	41	(5,189)
Infrastructure	(10,902)	(1,123)	-	(12,025)
Licensed vehicles	<u>(9,243)</u>	<u>(1,001)</u>	<u>747</u>	<u>(9,497)</u>
Total accumulated depreciation	<u>(37,252)</u>	<u>(4,300)</u>	<u>788</u>	<u>(40,764)</u>
Total capital assets, being depreciated, net	82,363	1,044	(17)	83,390
Capital assets, not being depreciated:				
Land	10,907	335	-	11,242
Construction-in-progress	<u>10,629</u>	<u>5,736</u>	<u>(4,648)</u>	<u>11,717</u>
Total capital assets, not being depreciated	<u>21,536</u>	<u>6,071</u>	<u>(4,648)</u>	<u>22,959</u>
Governmental activities capital assets, net	<u>\$ 103,899</u>	<u>\$ 7,115</u>	<u>\$ (4,665)</u>	<u>\$ 106,349</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 100	\$ -	\$ -	\$ 100
Buildings and improvements	57,284	1,222	-	58,506
Machinery, equipment, and furnishings	5,231	265	(47)	5,449
Infrastructure	135,429	890	-	136,319
Licensed vehicles	<u>841</u>	<u>113</u>	<u>(176)</u>	<u>778</u>
Total capital assets, being depreciated	198,885	2,490	(223)	201,152
Less accumulated depreciation for:				
Land Improvements	(15)	(5)	-	(20)
Buildings and improvements	(20,118)	(1,243)	-	(21,361)
Machinery, equipment, and furnishings	(3,731)	(170)	47	(3,854)
Infrastructure	(50,567)	(2,051)	-	(52,618)
Licensed vehicles	<u>(718)</u>	<u>(50)</u>	<u>176</u>	<u>(592)</u>
Total accumulated depreciation	<u>(75,149)</u>	<u>(3,519)</u>	<u>223</u>	<u>(78,445)</u>
Total capital assets, being depreciated, net	123,736	(1,029)	-	122,707
Capital assets, not being depreciated:				
Land	1,064	-	-	1,064
Construction-in-progress	<u>5,629</u>	<u>2,384</u>	<u>(2,280)</u>	<u>5,733</u>
Total capital assets, not being depreciated	<u>6,693</u>	<u>2,384</u>	<u>(2,280)</u>	<u>6,797</u>
Business-type activities capital assets, net	<u>\$ 130,429</u>	<u>\$ 1,355</u>	<u>\$ (2,280)</u>	<u>\$ 129,504</u>

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

Governmental Activities:	
Public safety	\$ 705
General services	2,692
Community Development	814
Culture and recreation	<u>89</u>
Total depreciation expense - governmental activities	<u>\$ 4,300</u>
Business-Type Activities:	
Water	\$ 1,552
Sewer	1,842
Other	<u>125</u>
Total depreciation expense - business-type activities	<u>\$ 3,519</u>

10. Accounts Payables

Accounts payable represent additional 2010 expenditures paid after July 15, 2010.

11. Deferred Revenue/Unearned Revenue

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

The balance of the General Fund *deferred revenues* account is equal to the total of all June 30, 2010 receivable balances, except property taxes that are accrued for subsequent 60 day collections.

Property taxes levied are recorded as receivables in the fiscal year billed. As of June 30, 2010, the City had billed the first two quarterly installments of the tax year 2010 (fiscal year 2010) real estate bills. The amount of this billing that is outstanding is included in the receivables on the statement of net assets and is shown as unearned revenue on both the Government-Wide Statement of Net Assets and the Governmental Funds Balance Sheet.

12. Long-Term Debt

A. Long-Term Debt Supporting Governmental Activities

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

B. General Obligation Bonds and Loans

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

<u>Governmental Funds:</u>	<u>Original</u>	<u>Serial</u>	<u>Interest</u>	<u>Amount</u>
	<u>Amount</u>	<u>Maturities</u>	<u>Rate (s)%</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
				<u>June 30, 2010</u>
Bonds Payable:				
Public improvements	\$ 3,330,000	04/15/14	5.45 - 7.75	\$ 827,200
Public improvements	4,770,000	04/15/15	4.60 - 6.50	1,488,700
Public improvements	2,463,504	10/15/15	4.00 - 4.70	1,136,332
Public improvements	8,322,590	10/15/16	4.00 - 4.70	1,958,000
Public improvements	1,035,000	04/01/12	4.00 - 5.00	90,000
Public improvements	4,829,750	11/15/24	3.23	3,004,000
Public improvements	6,027,815	07/15/24	3.00 - 5.00	3,375,810
Public improvements	10,161,000	07/15/25	3.75 - 5.00	8,960,000
Public improvements	5,920,000	03/15/26	3.50 - 5.00	3,280,000
Public improvements	10,632,960	01/15/27	4.00 - 5.50	8,317,900
Public improvements	4,250,710	08/15/28	3.00 - 5.00	3,950,000
Public improvements	2,494,750	01/15/30	2.00 - 4.00	<u>2,494,750</u>
Total Governmental Funds				<u>\$ 38,882,692</u>

<u>Enterprise Funds:</u>	<u>Original</u>	<u>Serial</u>	<u>Interest</u>	<u>Amount</u>
	<u>Amount</u>	<u>Maturities</u>	<u>Rate (s)%</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
				<u>June 30, 2010</u>
<u>Water Fund:</u>				
Bonds Payable:				
Water	\$ 2,260,000	07/15/13	3.30 - 6.25	\$ 155,000
Water	3,660,000	04/15/14	3.65 - 4.50	1,326,000
Water	1,980,000	04/01/15	4.60 - 6.50	106,500
Water meters	2,297,279	10/15/16	4.00 - 4.70	627,000
Water	452,280	10/15/10	4.00 - 4.70	63,524
Water	1,730,000	04/01/17	4.00 - 4.70	770,000
Water	3,236,175	01/15/24	3.23	1,745,000
Water	2,023,545	07/15/24	3.00 - 5.00	1,147,195
Water	1,760,000	03/15/26	3.50 - 5.00	1,475,000
Water	149,300	01/15/27	4.00 - 5.50	60,000
Water	2,994,840	08/15/29	3.00 - 5.00	2,754,450
Water	1,205,450	01/15/30	2.00 - 4.00	<u>1,205,450</u>
Total Water Fund				11,435,119
<u>Sewer Fund:</u>				
Bonds Payable:				
Sanitary sewer	3,272,000	04/15/14	3.65 - 4.50	1,144,300
Sanitary sewer	2,150,000	04/01/17	4.60 - 6.50	532,100
Sanitary sewer	910,176	10/15/15	4.00 - 4.70	231,000
Sanitary sewer	312,175	10/15/14	4.00 - 4.70	51,143
Sanitary sewer	169,000	04/01/13	4.00 - 5.00	45,000
Sanitary sewer	1,059,150	01/15/24	3.23	535,000
Sanitary sewer	1,465,790	07/15/24	3.00 - 5.00	872,400
Sanitary sewer	2,121,000	03/15/26	3.50 - 5.00	1,560,000
Sanitary sewer	2,210,990	01/15/27	4.00 - 5.50	1,882,100
Sanitary sewer	1,754,450	08/15/29	3.00 - 5.00	1,645,550
Sanitary sewer	2,328,700	01/15/30	2.00 - 4.00	<u>2,328,700</u>
Total Bonds Payable				10,827,293
<u>Other Long-Term Debt:</u>				
Sewer State Revolving Loan	4,465,788	07/01/19	2.45	2,946,683
Sewer State Revolving Loan	2,428,284	01/01/20	2.27	<u>1,745,051</u>
Total Other Debt Outstanding				<u>4,691,734</u>
Total Sewer Fund				15,519,027

(continued)

(continued)

<u>Enterprise Funds:</u>	<u>Original</u> <u>Amount</u>	<u>Serial</u> <u>Maturities</u> <u>Through</u>	<u>Interest</u> <u>Rate (s)%</u>	<u>Amount</u> <u>Outstanding</u> <u>as of</u> <u>June 30, 2010</u>
Nonmajor Funds:				
Bonds Payable:				
Clubhouse improvements	365,000	04/01/17	4.00 - 5.00	165,000
Golf course renovation	100,000	11/15/24	3.23	40,000
Golf equipment	73,100	01/15/30	2.00 - 4.00	73,100
Arena expansion	430,000	10/15/15	4.00 - 4.70	169,000
Arena	39,925	01/15/24	3.23	16,000
Arena	29,700	07/15/24	3.00 - 500	4,900
Arena	149,000	03/15/26	3.50 - 5.00	90,000
Arena	48,750	01/15/27	4.00 - 5.50	35,000
Total Other Enterprise Funds				<u>593,000</u>
Total Enterprise Fund Long-Term Debt				<u>\$ 27,547,146</u>

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2010 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 4,344,857	\$ 1,506,715	\$ 5,851,572
2012	4,149,524	1,351,784	5,501,308
2013	3,914,000	1,204,208	5,118,208
2014	3,822,870	1,060,908	4,883,778
2015	3,439,041	902,537	4,341,578
2016-2020	10,105,500	2,909,257	13,014,757
2021-2025	7,076,900	1,101,402	8,178,302
2026-2030	2,030,000	129,194	2,159,194
Total	<u>\$ 38,882,692</u>	<u>\$ 10,166,005</u>	<u>\$ 49,048,697</u>
<u>Enterprise</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,319,772	\$ 963,965	\$ 4,283,737
2012	3,165,264	862,797	4,028,061
2013	3,108,193	763,375	3,871,568
2014	3,091,257	667,211	3,758,468
2015	2,281,191	565,866	2,847,057
2016-2020	7,798,369	1,740,640	9,539,009
2021-2025	2,958,100	710,227	3,668,327
2026-2030	1,825,000	167,811	1,992,811
Total	<u>\$ 27,547,146</u>	<u>\$ 6,441,892</u>	<u>\$ 33,989,038</u>

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2010 are as follows:

<u>Purpose</u>	<u>Amount</u>
Allied Leather Tannery	\$ 300,000
Route 3 Corridor	1,096,000
Energy Improvements	650,000
Open Space	3,800,000
Parking Kiosks	630,000
Penacook Village TIF	285,000
Water mains	250,000
Water Production plan upgrades	350,000
Water Pump Station #2	75,000
Hutchins St.	22,000
Penacook Plant	117,672
SCADA	275,000
Total	<u>\$ 7,850,672</u>

E. Advance and Current Refundings

Current Year

On July 15, 2009, the City issued general obligation bonds in the amount of \$ 5,682,700 with a variable interest rate ranging from 1.40% to 3.50% to advance refund \$ 5,424,800 of term bonds with varying interest rates. The term bonds mature on April 1, 2010 and are callable on April 1, 2010. The general obligation bonds were issued at 1.72% and, after paying issuance costs of \$ 69,930, the net proceeds were \$ 5,612,770. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the City's financial statements.

As a result of the advance refunding, the City reduced its total debt service cash flow requirements by \$ 395,491, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$ 363,060.

Defeased debt still outstanding at June 30, 2010 is \$ 5,424,800.

F. Prior Year's Debt Defeasance

Prior Year

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. The proceeds from the new issuance of the general obligation bonds were used to purchase U.S. government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds mature in October 2014. For financial reporting purposes, the debt has been considered defeased, and therefore, removed as a liability from the City's balance sheet. As of June 30, 2010, the amount of defeased debt still outstanding is \$ 12,600,800.

G. Changes in General Long-Term Liabilities

During the year ended June 30, 2010, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/09	Additions	Reductions	Total Balance 6/30/10	Less Current Portion	Equals Long-Term Portion 6/30/10
<u>Governmental Activities</u>						
Bonds and loans payable	\$ 40,860	\$ 2,617	\$ (4,594)	\$ 38,883	\$ (4,345)	\$ 34,538
Other:						
Net OPEB obligation	1,355	2,473	(1,203)	2,625	-	2,625
Accrued employee benefits	1,970	12	(91)	1,891	(1,607)	284
Landfill closure	480	-	(30)	450	(30)	420
Subtotal	<u>3,805</u>	<u>2,485</u>	<u>(1,324)</u>	<u>4,966</u>	<u>(1,637)</u>	<u>3,329</u>
Totals	<u>\$ 44,665</u>	<u>\$ 5,102</u>	<u>\$ (5,918)</u>	<u>\$ 43,849</u>	<u>\$ (5,982)</u>	<u>\$ 37,867</u>

	Total Balance 7/1/09	Additions	Reductions	Total Balance 6/30/10	Less Current Portion	Equals Long-Term Portion 6/30/10
<u>Business-Type Activities</u>						
Bonds and loans payable	\$ 27,175	\$ 3,743	\$ (3,371)	\$ 27,547	\$ (3,320)	\$ 24,227
Other:						
Net OPEB obligation	150	275	(133)	292	-	292
Accrued employee benefits	189	11	(3)	197	(197) ^(A)	-
Subtotal	<u>339</u>	<u>286</u>	<u>(136)</u>	<u>489</u>	<u>(197)</u>	<u>292</u>
Totals	<u>\$ 27,514</u>	<u>\$ 4,029</u>	<u>\$ (3,507)</u>	<u>\$ 28,036</u>	<u>\$ (3,517)</u>	<u>\$ 24,519</u>

^(A) The City estimates that all of this liability is current.

13. Landfill Closure and Postclosure Care Costs

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

The landfill stopped accepting waste in May 1994, and the final capping system was completed in July 1995. The City has reflected \$ 450,000 as the estimate of the remaining postclosure care liability at June 30, 2010 in the Governmental Activities Statement of Net Assets. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

14. Restricted Net Assets

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

15. Reserves and Designations of Fund Equity

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

The City reported the following types of reserves and designations at June 30, 2010:

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

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

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

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

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

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

16. Commitments and Contingencies

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

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

17. Post-Employment Health Care and Life Insurance Benefits

The City provides certain health care benefits for retired employees and will provide benefits to current employees hired prior to January 1, 1991 upon retirement. Payments are made in accordance with City policy established in January 1987 and annual appropriations. In order to participate in the City Group Health Insurance Program (the Retiree Group), the employee must be enrolled in the City group plan upon the date of retirement from the City, must be at least age 62 (age 60 with 35 or more years of service), and must be vested in the New Hampshire Retirement System.

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, 2010, there were 214 retiree Subscribers, including eligible spouses, receiving health care benefits through the City. The City recognizes the cost of providing these benefits as paid.

During the year, the City implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of revenues, expenses, and changes in net assets when a future retiree earns their post-employment

benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

A. Plan Description

In addition to providing the pension benefits described, the City provides post-employment health care 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, 2010, the actuarial valuation date, approximately 271 retirees and 366 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The City provides medical, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents. All active employees who retire from the City and meet the eligibility criteria will receive these benefits.

C. Funding Policy

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

D. Annual OPEB Costs and Net OPEB Obligation

The City's fiscal 2010 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, 2010, 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, 2010.

Subsequent to the close of fiscal year 2010 and effective January 1, 2011 the City was notified by its health insurance carrier that the First Seniority Freedom Plan will be eliminated on December 31, 2010. After reviewing the viable options, its replacement, a Medicare Enhanced Plan with a slightly lower benefit structure will be more expensive. Although the actual numbers are not yet known, it is expected that for Fiscal Year 2011 that the UAAL will show a substantial increase.

Annual Required Contribution (ARC)	\$ 2,772,894
Interest on net OPEB obligation	67,734
Adjustment to ARC	<u>(92,406)</u>
Annual OPEB cost	2,748,222
Contributions made	<u>(1,336,583)</u>
Increase in net OPEB obligation	1,411,639
Net OPEB obligation - beginning of year	<u>1,505,193</u>
Net OPEB obligation - end of year	<u>\$ 2,916,832</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>
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, 2010 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, 2010, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 34,026,431
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 34,026,431</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 21,944,145</u>
UAAL as a percentage of covered payroll	<u>155.1%</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, 2010 actuarial valuation, the projected unit credit cost method was used. The actuarial value of assets was not determined as the City has not advanced funded its obligation. The actuarial assumptions included a 4.5% investment rate of return and an initial annual healthcare cost trend rate of 13% which decreases to a 4.5% long-term rate for all healthcare benefits after thirteen years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis.

18. Retirement System

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

A. Plan Description

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

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group, funding policies, vesting requirements, contribution requirements and plan assets available to pay benefits are disclosed in the System's annual report available from the New Hampshire Retirement System located at 4 Chenell Drive, Concord, New Hampshire 03301-8509.

B. Funding Policy

Plan members are required to contribute 5% and 9.30% of annual covered compensation to the pension plan. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, which range from 5.80% to 15.92% of covered compensation. The City's contributions to the System for the years ended June 30, 2010, 2009, and 2008 were \$ 2,968,409, \$ 2,773,021, and \$ 2,723,363, 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, 2010, was \$ 26,035,168. Contribution requirements for the year ended June 30, 2010, were as follows:

State of New Hampshire (on behalf of employee)	\$ 747,708
Employees' contributions	1,709,441
City contributions	<u>2,968,409</u>
Total	<u>\$ 5,425,558</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. Tax Increment District

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

Revenues:		
Tax increment district	\$ 6,071,142	
Investment interest	<u>139,033</u>	\$ 6,210,175
Expenditures:		
Principal	3,300,000	
Interest on debt	1,668,750	
Outside services	<u>411,840</u>	<u>5,380,590</u>
Excess (deficiency) of revenue		<u>829,585</u>
Fund Balance Reserved for Debt Service		\$ <u><u>829,585</u></u>
Long-Term Debt Payable:		
Principal	\$ (1,939,000)	
Interest	<u>(186,744)</u>	\$ (2,125,744)
Available fund balance		<u>829,585</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>(1,296,159)</u></u>
Assessment Information:		
Base Value		\$ <u><u>4,315,000</u></u>
Captured Value*		\$ <u><u>45,031,000</u></u>
* = As of April 1, 2010		

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	\$ 714,843	
Interest on proceeds from sale of bonds	24,872	
Investment interest	<u>57,505</u>	\$ 797,220
Expenditures:		
Principal	330,000	
Interest on debt	<u>347,578</u>	<u>677,578</u>
Excess (deficiency) of revenue		<u>119,642</u>
Fund Balance Reserved for Debt Service		\$ <u>119,642</u>
Long-Term Debt Payable:		
Principal	\$ (8,960,000)	
Interest	<u>(3,317,441)</u>	\$ (12,277,441)
Available fund balance		<u>119,642</u>
Deficit to be Raised by Tax Increment District		\$ <u>(12,157,799)</u>
Assessment Information:		
Base Value		\$ <u>735,500</u>
Captured Value*		\$ <u>13,087,100</u>

* = As of April 1, 2010

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	\$ 415,080	
Investment interest	<u>-</u>	\$ 415,080
Expenditures:		
Principal	-	
Interest on debt	-	
Outside services	<u>116,207</u>	<u>116,207</u>
Excess (deficiency) of revenue		<u>298,873</u>
Fund Balance Reserved for Debt Service		<u>\$ 298,873</u>
Long-Term Debt Payable:		
Principal	\$ -	
Interest	<u>-</u>	\$ -
Available fund balance		<u>298,873</u>
Deficit to be Raised by Tax Increment District		<u>\$ 298,873</u>
Assessment Information:		
Base Value		\$ <u>-</u>
Captured Value*		\$ <u>-</u>
* = As of April 1, 2010		

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

**June 30, 2010
(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]
06/30/10	\$ -	\$ 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.

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Combining Financial Statements

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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.
- Insured Retention - to account for sums of money which are appropriated for City insurance purposes.
- Durgin Garage - to account for monies received by the City to fund capital improvements on the Durgin Garage.

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

CAPITAL PROJECT FUNDS

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

The current funds were established for the following purposes:

- Other Capital Project Funds - Pre-2003 - to account for various other smaller construction projects and MIS upgrade funded by various sources prior to 6/30/02.
- Other Capital Project Funds - Post-2002 - to account for various other smaller construction projects funded by various sources after 6/30/02.
- Other Capital Project Funds - Post 2008 - to account for various other smaller construction projects funded by various sources after 6/30/08.
- Fire Facility Renovations - to account for the construction and renovation of the City's Fire Department Facility.
- Open Space Protection Fund - to account for annually planned acquisitions of open space and conservation easements in accordance with the priorities of the Master Plan and Vision 2020.
- Capital Commons Garage Fund - to account for the construction of a new parking garage subsequent to the demolition of the former Sears building.
- Route 3 Corridor Fund - to account for the design and construction of roadway improvements in an effort to address existing and future traffic congestion, access and mobility along the Route 3 corridor.
- Manchester Street Fund - to account for the design and construction of roadway improvements in an effort to address existing and future traffic congestion, access and mobility along Manchester Street.

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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CITY OF CONCORD, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2010

	Special Revenue Funds			
	Community Development Fund	Housing Revolving Loan Fund	Community Development Engineering Inspection Fund	Community Development Conservation Property Management Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ 539,561	\$ 295,695	\$ 47,324
Investments	-	-	-	-
Accounts receivable	-	19,843	6,745	-
Loans receivable	-	814,601	-	-
Other assets	-	-	860	-
Total Assets	\$ -	\$ 1,374,005	\$ 303,300	\$ 47,324
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 11,374	\$ 33	\$ 34	\$ -
Retainage payable	6,478	-	-	-
Other liabilities	-	-	78,984	-
Deferred revenue	-	817,888	-	-
Due to other funds	64,733	-	-	-
Total Liabilities	82,585	817,921	79,018	-
Fund Balances:				
Reserved for encumbrances	170,599	-	60	3,000
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	(253,184)	556,084	224,222	44,324
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
Total Fund Balances	(82,585)	556,084	224,282	47,324
Total Liabilities and Fund Balances	\$ -	\$ 1,374,005	\$ 303,300	\$ 47,324

Special Revenue Funds

<u>Parking Fund</u>	<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>
\$ 728,604	\$ 554,770	\$ 1,284,116	\$ 53,220
-	-	-	-
76,173	5,029	-	554,018
-	-	-	-
<u>2,041</u>	<u>4,298</u>	<u>-</u>	<u>903</u>
<u>\$ 806,818</u>	<u>\$ 564,097</u>	<u>\$ 1,284,116</u>	<u>\$ 608,141</u>
\$ 6,357	\$ 1,672	\$ -	\$ 10,931
-	-	-	-
-	809	90,217	11,805
177,051	694	-	-
-	-	-	-
<u>183,408</u>	<u>3,175</u>	<u>90,217</u>	<u>22,736</u>
14,486	-	-	63,680
-	-	-	-
608,924	560,922	1,193,899	521,725
-	-	-	-
-	-	-	-
<u>623,410</u>	<u>560,922</u>	<u>1,193,899</u>	<u>585,405</u>
<u>\$ 806,818</u>	<u>\$ 564,097</u>	<u>\$ 1,284,116</u>	<u>\$ 608,141</u>

(continued)

(continued)

	<u>Special Revenue Funds</u>			
	<u>Insured Retention Fund</u>	<u>Durgin Garage Fund</u>	<u>Landfill Fund</u>	<u>Nelson Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,066,574	\$ 400,370	\$ 9,634	\$ 292
Investments	-	-	-	10
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Other assets	-	-	-	-
Total Assets	<u>\$ 1,066,574</u>	<u>\$ 400,370</u>	<u>\$ 9,634</u>	<u>\$ 302</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	1,066,574	400,370	9,634	302
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
Total Fund Balances	<u>1,066,574</u>	<u>400,370</u>	<u>9,634</u>	<u>302</u>
Total Liabilities and Fund Balances	<u>\$ 1,066,574</u>	<u>\$ 400,370</u>	<u>\$ 9,634</u>	<u>\$ 302</u>

Special Revenue Funds

Forest & Conservation Fund	Cemetery Fund	Library Fund	Highway Fund	Economic Development Fund
\$ -	\$ 850	\$ -	\$ 424,694	\$ 22,001
1,298,230	92,601	206,839	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,298,230</u>	<u>93,451</u>	<u>206,839</u>	<u>424,694</u>	<u>22,001</u>
<u>\$ 1,298,230</u>	<u>\$ 93,451</u>	<u>\$ 206,839</u>	<u>\$ 424,694</u>	<u>\$ 22,001</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
79,541	-	-	-	-
<u>79,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
1,218,689	93,451	206,839	424,694	22,001
-	-	-	-	-
<u>1,218,689</u>	<u>93,451</u>	<u>206,839</u>	<u>424,694</u>	<u>22,001</u>
<u>\$ 1,298,230</u>	<u>\$ 93,451</u>	<u>\$ 206,839</u>	<u>\$ 424,694</u>	<u>\$ 22,001</u>

(continued)

(continued)

	<u>Special Revenue Funds</u>			
	<u>Revaluation Fund</u>	<u>53rd Week Fund</u>	<u>Equipment Fund</u>	<u>Mountain Green Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4	\$ 375,468	\$ 1,405	\$ 383,431
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Other assets	-	-	-	-
Total Assets	<u>\$ 4</u>	<u>\$ 375,468</u>	<u>\$ 1,405</u>	<u>\$ 383,431</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	4	375,468	1,405	383,431
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
Total Fund Balances	<u>4</u>	<u>375,468</u>	<u>1,405</u>	<u>383,431</u>
Total Liabilities and Fund Balances	<u>\$ 4</u>	<u>\$ 375,468</u>	<u>\$ 1,405</u>	<u>\$ 383,431</u>

Special Revenue Funds

Fire Apparatus Replacement <u>Fund</u>	Downtown Economic Development <u>Fund</u>	SVMS Project <u>Fund</u>	OPEB <u>Fund</u>	<u>Subtotal</u>
\$ 72,735	\$ 11,029	\$ 59,936	\$ -	\$ 6,331,713
-	-	-	320,829	1,918,509
-	-	-	-	661,808
-	-	-	-	814,601
-	-	-	-	8,102
<u>\$ 72,735</u>	<u>\$ 11,029</u>	<u>\$ 59,936</u>	<u>\$ 320,829</u>	<u>\$ 9,734,733</u>
\$ -	\$ -	\$ -	\$ -	\$ 30,401
-	-	-	-	6,478
-	-	-	-	181,815
-	-	-	-	995,633
-	-	-	-	144,274
-	-	-	-	1,358,601
-	-	-	-	251,825
-	-	-	-	-
72,735	11,029	59,936	320,829	8,124,307
-	-	-	-	-
-	-	-	-	-
<u>72,735</u>	<u>11,029</u>	<u>59,936</u>	<u>320,829</u>	<u>8,376,132</u>
<u>\$ 72,735</u>	<u>\$ 11,029</u>	<u>\$ 59,936</u>	<u>\$ 320,829</u>	<u>\$ 9,734,733</u>

(continued)

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	Capital Project Funds					
	Other Capital Project Funds Pre 2003	Other Capital Project Funds Post 2002	Other Capital Project Funds Post 2008	Fire Facility Renovations	Open Space Protection Fund	Capital Commons Garage Fund
<u>ASSETS</u>						
Cash and cash equivalents	\$ 1,371,685	\$ 40,431	\$ 2,546,551	\$ 104,350	\$ -	\$ 848
Investments	-	-	-	-	-	-
Accounts receivable	-	24,096	2,843	-	-	-
Loans receivable	-	-	-	-	-	-
Other assets	-	-	707	-	-	-
Total Assets	<u>\$ 1,371,685</u>	<u>\$ 64,527</u>	<u>\$ 2,550,101</u>	<u>\$ 104,350</u>	<u>\$ -</u>	<u>\$ 848</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 356,232	\$ 11,993	\$ 65,025	\$ -	\$ -	\$ -
Retainage payable	9,316	34,552	146,171	-	-	-
Other liabilities	-	-	54,228	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	144,331	-
Total Liabilities	365,548	46,545	265,424	-	144,331	-
Fund Balances:						
Reserved for encumbrances	21,563	130,476	2,075,552	500	-	-
Reserved for perpetual permanent funds	-	-	-	-	-	-
Unreserved:						
Undesignated						
Special revenue funds	-	-	-	-	-	-
Capital project funds	984,574	(112,494)	209,125	103,850	(144,331)	848
Debt service fund	-	-	-	-	-	-
Total Fund Balances	<u>1,006,137</u>	<u>17,982</u>	<u>2,284,677</u>	<u>104,350</u>	<u>(144,331)</u>	<u>848</u>
Total Liabilities and Fund Balances	<u>\$ 1,371,685</u>	<u>\$ 64,527</u>	<u>\$ 2,550,101</u>	<u>\$ 104,350</u>	<u>\$ -</u>	<u>\$ 848</u>

Capital Project Funds

<u>Route 3 Corridor Fund</u>	<u>Manchester Street Fund</u>	<u>Subtotal</u>
\$ 1,155,275	\$ 1,894,681	\$ 7,113,821
-	-	-
-	-	26,939
-	-	-
<u>1,611</u>	<u>156</u>	<u>2,474</u>
<u>\$ 1,156,886</u>	<u>\$ 1,894,837</u>	<u>\$ 7,143,234</u>
\$ 188,726	\$ 8,902	\$ 630,878
128,747	-	318,786
-	-	54,228
-	-	-
<u>-</u>	<u>-</u>	<u>144,331</u>
317,473	8,902	1,148,223
195,215	71,118	2,494,424
-	-	-
-	-	-
644,198	1,814,817	3,500,587
<u>-</u>	<u>-</u>	<u>-</u>
<u>839,413</u>	<u>1,885,935</u>	<u>5,995,011</u>
<u>\$ 1,156,886</u>	<u>\$ 1,894,837</u>	<u>\$ 7,143,234</u>

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Permanent Funds

	Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
ASSETS					
Cash and cash equivalents	\$ 114,411	\$ 1,355	\$ 36,213	\$ -	\$ 151,979
Investments	6,052,868	679,619	962,552	58,996	7,754,035
Accounts receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other assets	-	-	-	-	-
Total Assets	<u>\$ 6,167,279</u>	<u>\$ 680,974</u>	<u>\$ 998,765</u>	<u>\$ 58,996</u>	<u>\$ 7,906,014</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	113	113
Total Liabilities	-	-	-	113	113
Fund Balances:					
Reserved for encumbrances	-	-	-	-	-
Reserved for perpetual permanent funds	6,167,279	680,974	998,765	58,883	7,905,901
Unreserved:					
Undesignated					
Special revenue funds	-	-	-	-	-
Capital project funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Total Fund Balances	<u>6,167,279</u>	<u>680,974</u>	<u>998,765</u>	<u>58,883</u>	<u>7,905,901</u>
Total Liabilities and Fund Balances	<u>\$ 6,167,279</u>	<u>\$ 680,974</u>	<u>\$ 998,765</u>	<u>\$ 58,996</u>	<u>\$ 7,906,014</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>
\$ 829,585	\$ 119,642	\$ 298,873	\$ 1,248,100	\$ 14,845,613
-	-	-	-	9,672,544
-	-	-	-	688,747
-	-	-	-	814,601
-	-	-	-	10,576
<u>\$ 829,585</u>	<u>\$ 119,642</u>	<u>\$ 298,873</u>	<u>\$ 1,248,100</u>	<u>\$ 26,032,081</u>
\$ -	\$ -	\$ -	\$ -	\$ 661,279
-	-	-	-	325,264
-	-	-	-	236,043
-	-	-	-	995,633
-	-	-	-	288,718
-	-	-	-	2,506,937
-	-	-	-	2,746,249
-	-	-	-	7,905,901
-	-	-	-	8,124,307
-	-	-	-	3,500,587
<u>829,585</u>	<u>119,642</u>	<u>298,873</u>	<u>1,248,100</u>	<u>1,248,100</u>
<u>829,585</u>	<u>119,642</u>	<u>298,873</u>	<u>1,248,100</u>	<u>23,525,144</u>
<u>\$ 829,585</u>	<u>\$ 119,642</u>	<u>\$ 298,873</u>	<u>\$ 1,248,100</u>	<u>\$ 26,032,081</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, 2010

	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	58,865	-	-	-
Charges for services	-	139,400	60,697	38,904
Investment income	-	2,488	1,630	-
Contributions	-	-	-	-
Miscellaneous:				
Departmental	-	-	111,903	-
Interest and penalties	-	-	-	-
Total Revenues	58,865	141,888	174,230	38,904
Expenditures:				
Current:				
General government	146,402	221,873	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	217,543	6,294
Leisure and information services	-	-	-	-
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	146,402	221,873	217,543	6,294
Excess (deficiency) of revenues over expenditures	(87,537)	(79,985)	(43,313)	32,610
Other Financing Sources (Uses):				
Issuance of bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balance	(87,537)	(79,985)	(43,313)	32,610
Fund Balance, beginning	4,952	636,069	267,595	14,714
Fund Balance, ending	\$ (82,585)	\$ 556,084	\$ 224,282	\$ 47,324

Special Revenue Funds

<u>Parking Fund</u>	<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>
\$ -	\$ -	\$ -	\$ -
-	2,536	-	977,725
618,587	322,752	433,115	2,000
808	2,466	8,455	-
10,343	-	-	29,998
780,427	29,950	-	23,936
<u>239,882</u>	<u>-</u>	<u>-</u>	<u>360</u>
1,650,047	357,704	441,570	1,034,019
-	-	-	302,148
668,546	-	-	-
222,700	185,947	-	-
-	-	-	29,195
-	-	-	325
-	-	-	-
341,196	26,300	-	-
302,905	2,460	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>391,052</u>
<u>1,535,347</u>	<u>214,707</u>	<u>-</u>	<u>722,720</u>
114,700	142,997	441,570	311,299
-	-	-	-
43,505	-	-	-
<u>(125,693)</u>	<u>(52,563)</u>	<u>(100,696)</u>	<u>(7,501)</u>
<u>(82,188)</u>	<u>(52,563)</u>	<u>(100,696)</u>	<u>(7,501)</u>
32,512	90,434	340,874	303,798
<u>590,898</u>	<u>470,488</u>	<u>853,025</u>	<u>281,607</u>
<u>\$ 623,410</u>	<u>\$ 560,922</u>	<u>\$ 1,193,899</u>	<u>\$ 585,405</u>

(continued)

(continued)

	Special Revenue Funds			
	Insured Retention Fund	Durgin Garage Fund	Landfill Fund	Nelson Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	4,943	1,641	40	-
Contributions	-	-	-	-
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	4,943	1,641	40	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	-	-
Leisure and information services	-	-	-	-
Miscellaneous	6,630	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	6,630	-	-	-
Excess (deficiency) of revenues over expenditures	(1,687)	1,641	40	-
Other Financing Sources (Uses):				
Issuance of bonds	-	-	-	-
Transfers in	-	10,500	-	-
Transfers out	(95,000)	(2,744)	-	-
Total Other Financing Sources (Uses)	(95,000)	7,756	-	-
Net change in fund balance	(96,687)	9,397	40	-
Fund Balance, beginning	1,163,261	390,973	9,594	302
Fund Balance, ending	\$ 1,066,574	\$ 400,370	\$ 9,634	\$ 302

Special Revenue Funds

Forest & Conservation Fund	Cemetery Fund	Library Fund	Highway Fund	Economic Development Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
117,572	12,685	59,741	1,097	1,111
2,175	850	164,047	2,175	294,940
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
119,747	13,535	223,788	3,272	296,051
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,681	-	-	6,070	108,977
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9,681	-	-	6,070	108,977
110,066	13,535	223,788	(2,798)	187,074
-	-	-	-	-
33,721	-	-	499,743	-
<u>(250,045)</u>	<u>-</u>	<u>(11,483)</u>	<u>(343,575)</u>	<u>(402,900)</u>
<u>(216,324)</u>	<u>-</u>	<u>(11,483)</u>	<u>156,168</u>	<u>(402,900)</u>
(106,258)	13,535	212,305	153,370	(215,826)
<u>1,324,947</u>	<u>79,916</u>	<u>(5,466)</u>	<u>271,324</u>	<u>237,827</u>
<u>\$ 1,218,689</u>	<u>\$ 93,451</u>	<u>\$ 206,839</u>	<u>\$ 424,694</u>	<u>\$ 22,001</u>

(continued)

(continued)

	Special Revenue Funds			
	Revaluation Fund	53rd Week Fund	Equipment Fund	Mountain Green Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	1	1,056	5	1,457
Contributions	-	-	-	23,910
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	1	1,056	5	25,367
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	-	-
Leisure and information services	-	-	-	-
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	1	1,056	5	25,367
Other Financing Sources (Uses):				
Issuance of bonds	-	-	-	-
Transfers in	-	88,370	-	-
Transfers out	-	-	-	(239)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(239)</u>
Total Other Financing Sources (Uses)	-	88,370	-	(239)
Net change in fund balance	1	89,426	5	25,128
Fund Balance, beginning	<u>3</u>	<u>286,042</u>	<u>1,400</u>	<u>358,303</u>
Fund Balance, ending	<u>\$ 4</u>	<u>\$ 375,468</u>	<u>\$ 1,405</u>	<u>\$ 383,431</u>

Special Revenue Funds

Fire Apparatus Replacement Fund	Downtown Economic Development Fund	SVMS Project Fund	OPEB Fund	Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,039,126
-	-	-	-	1,615,455
261	263	320	20,829	238,869
-	-	-	-	528,438
-	-	-	-	946,216
-	-	-	-	240,242
<u>261</u>	<u>263</u>	<u>320</u>	<u>20,829</u>	<u>4,608,346</u>
-	-	-	-	670,423
-	-	-	-	668,546
-	-	-	-	408,647
-	-	-	-	253,032
-	-	-	-	325
-	-	-	-	131,358
-	-	-	-	367,496
-	-	-	-	305,365
-	-	-	-	391,052
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,196,244</u>
261	263	320	20,829	1,412,102
-	-	-	-	-
1,550	-	-	-	677,389
-	-	(11,969)	-	(1,404,408)
<u>1,550</u>	<u>-</u>	<u>(11,969)</u>	<u>-</u>	<u>(727,019)</u>
1,811	263	(11,649)	20,829	685,083
<u>70,924</u>	<u>10,766</u>	<u>71,585</u>	<u>300,000</u>	<u>7,691,049</u>
<u>\$ 72,735</u>	<u>\$ 11,029</u>	<u>\$ 59,936</u>	<u>\$ 320,829</u>	<u>\$ 8,376,132</u>

(continued)

(continued)

	Capital Project Funds					
	Other Capital Project Funds <u>Pre 2003</u>	Other Capital Project Funds <u>Post 2002</u>	Other Capital Project Funds <u>Post 2008</u>	Fire Facility Renovations	Open Space Protection Fund	Capital Commons Garage Fund
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	226,140	448,462	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	33,400	-	-	(12,715)
Contributions	-	700	-	-	-	-
Miscellaneous:						
Departmental	-	-	129	-	1,070	-
Interest and penalties	-	8,982	-	-	-	-
Total Revenues	-	235,822	481,991	-	1,070	(12,715)
Expenditures:						
Current:						
General government	-	12,738	296,831	11,292	-	-
Public safety	-	-	-	-	-	-
General services	-	15,781	-	-	-	-
Community development	-	1,144	-	-	-	-
Leisure and information services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	13,337	237,101	3,658,914	10,741	425,068	8,688
Total Expenditures	13,337	266,764	3,955,745	22,033	425,068	8,688
Excess (deficiency) of revenues over expenditures	(13,337)	(30,942)	(3,473,754)	(22,033)	(423,998)	(21,403)
Other Financing Sources (Uses):						
Issuance of bonds	-	-	1,076,600	-	-	-
Transfers in	-	-	1,397,083	-	315,045	-
Transfers out	(13,928)	(608,668)	(158,180)	-	-	(63,277)
Total Other Financing Sources (Uses)	(13,928)	(608,668)	2,315,503	-	315,045	(63,277)
Net change in fund balance	(27,265)	(639,610)	(1,158,251)	(22,033)	(108,953)	(84,680)
Fund Balance, beginning	1,033,402	657,592	3,442,928	126,383	(35,378)	85,528
Fund Balance, ending	\$ 1,006,137	\$ 17,982	\$ 2,284,677	\$ 104,350	\$ (144,331)	\$ 848

Capital Project Funds

Route 3 Corridor <u>Fund</u>	Manchester Street <u>Fund</u>	<u>Subtotal</u>
\$ -	\$ -	\$ -
-	-	674,602
-	-	-
43,850	-	64,535
-	-	700
-	-	1,199
-	-	8,982
<hr/>	<hr/>	<hr/>
43,850	-	750,018
235,319	-	556,180
-	-	-
-	-	15,781
-	-	1,144
-	-	-
-	-	-
-	-	-
2,371,969	246,799	6,972,617
<hr/>	<hr/>	<hr/>
2,607,288	246,799	7,545,722
(2,563,438)	(246,799)	(6,795,704)
1,418,150	-	2,494,750
854,318	-	2,566,446
-	-	(844,053)
<hr/>	<hr/>	<hr/>
2,272,468	-	4,217,143
(290,970)	(246,799)	(2,578,561)
<hr/>	<hr/>	<hr/>
1,130,383	2,132,734	8,573,572
<hr/>	<hr/>	<hr/>
\$ <u>839,413</u>	\$ <u>1,885,935</u>	\$ <u>5,995,011</u>

(continued)

Permanent Funds

	Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	513,052	64,561	60,621	4,633	642,867
Contributions	47,918	-	174,375	-	222,293
Miscellaneous:					
Departmental	-	-	-	-	-
Interest and penalties	-	-	-	-	-
Total Revenues	560,970	64,561	234,996	4,633	865,160
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
General services	-	-	-	-	-
Community development	-	-	-	-	-
Leisure and information services	-	-	-	-	-
Miscellaneous	136	46	-	113	295
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	136	46	-	113	295
Excess (deficiency) of revenues over expenditures	560,834	64,515	234,996	4,520	864,865
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	-	1,401	-	-	1,401
Transfers out	(172,748)	(11,840)	(232,771)	-	(417,359)
Total Other Financing Sources (Uses)	(172,748)	(10,439)	(232,771)	-	(415,958)
Net change in fund balance	388,086	54,076	2,225	4,520	448,907
Fund Balance, beginning	5,779,193	626,898	996,540	54,363	7,456,994
Fund Balance, ending	\$ 6,167,279	\$ 680,974	\$ 998,765	\$ 58,883	\$ 7,905,901

(continued)

Debt Service Funds

NEOC Fund	SBTIFD Fund	PVTIFD Fund	Subtotal	Total Nonmajor Governmental Funds
\$ 536,237	\$ 283,597	\$ -	\$ 819,834	\$ 819,834
-	-	-	-	1,713,728
-	-	-	-	1,615,455
3,329	236	-	3,565	949,836
-	-	-	-	751,431
-	-	-	-	947,415
-	-	-	-	249,224
<u>539,566</u>	<u>283,833</u>	<u>-</u>	<u>823,399</u>	<u>7,046,923</u>
-	-	-	-	1,226,603
-	-	-	-	668,546
-	-	-	-	424,428
-	-	-	-	254,176
-	-	-	-	325
-	-	-	-	131,653
-	-	-	-	-
345,000	115,000	-	460,000	827,496
69,031	119,716	-	188,747	494,112
-	-	116,207	116,207	7,479,876
<u>414,031</u>	<u>234,716</u>	<u>116,207</u>	<u>764,954</u>	<u>11,507,215</u>
125,535	49,117	(116,207)	58,445	(4,460,292)
-	-	-	-	2,494,750
-	-	415,080	415,080	3,660,316 (A)
<u>(82,212)</u>	<u>-</u>	<u>-</u>	<u>(82,212)</u>	<u>(2,748,032) (A)</u>
<u>(82,212)</u>	<u>-</u>	<u>415,080</u>	<u>332,868</u>	<u>3,407,034</u>
43,323	49,117	298,873	391,313	(1,053,258)
<u>786,262</u>	<u>70,525</u>	<u>-</u>	<u>856,787</u>	<u>24,578,402</u>
<u>\$ 829,585</u>	<u>\$ 119,642</u>	<u>\$ 298,873</u>	<u>\$ 1,248,100</u>	<u>\$ 23,525,144</u>

(A) Transfers between nonmajor governmental funds have been netted down on Page 32

**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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	Variance Positive (Negative)
<u>Taxes</u>				
Property taxes - current	\$ 29,635,154	\$ 29,635,154	\$ 29,635,154	\$ -
Timber tax yield	10,000	10,000	18,310	8,310
Excavation activity tax	100	100	174	74
Motor vehicle registrations	5,100,000	5,100,000	5,001,592	(98,408)
Rooms and meals	1,869,130	1,869,130	1,880,247	11,117
Payment in lieu of taxes	608,026	608,026	627,048	19,022
Other taxes	-	-	12,358	12,358
	<hr/>	<hr/>	<hr/>	<hr/>
Total Taxes	37,222,410	37,222,410	37,174,883	(47,527)
<u>Licenses and Permits</u>				
Engineering	2,160	2,160	1,290	(870)
City clerk records	30,550	30,550	40,309	9,759
Health services	105,805	105,805	120,392	14,587
Police/protection/amusement	56,100	56,100	64,883	8,783
Code enforcement/building permits	703,000	703,000	482,989	(220,011)
General service permits	6,000	6,000	2,946	(3,054)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Licenses and Permits	903,615	903,615	712,809	(190,806)
<u>Intergovernmental</u>				
Railroad tax	-	-	4,816	4,816
Forest loss reimbursement	600	600	900	300
Fire service aid	125,000	125,000	125,000	-
Emergency management aid	-	-	657	657
State election reimbursement	-	-	2,614	2,614
Highway block grant	748,240	748,240	739,765	(8,475)
Other federal	-	-	114,142	114,142
	<hr/>	<hr/>	<hr/>	<hr/>
Total Intergovernmental	873,840	873,840	987,894	114,054
<u>Charges For Services</u>				
Finance	160,260	160,260	155,486	(4,774)
Legal	59,127	59,127	59,127	-
City clerk	43,500	43,500	36,189	(7,311)
Public safety	2,450,800	2,450,800	2,375,500	(75,300)
General services	95,000	95,000	143,564	48,564
Community development	206,390	206,390	208,571	2,181
Human services	16,000	16,000	41,063	25,063

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Library	8,500	8,500	10,765	2,265
Recreation	339,120	339,120	334,513	(4,607)
Tower lease/ fire hdqtrs	23,020	23,020	22,960	(60)
Cable franchise fee	670,000	670,000	668,941	(1,059)
School district lease	96,100	96,100	61,901	(34,199)
Storage rental	11,330	11,330	205	(11,125)
Community Center rental	111,400	111,400	124,395	12,995
Memorial field rental	11,820	11,820	8,498	(3,322)
Code prosecution	30,000	30,000	41,318	11,318
Restitution	10,000	10,000	19,211	9,211
Parking fines - non meters				-
False alarm penalties	55,000	55,000	46,383	(8,617)
Overdue book fines	45,000	45,000	45,359	359
Concessions/sponsors	1,000	1,000	310	(690)
	<u>4,443,367</u>	<u>4,443,367</u>	<u>4,404,259</u>	<u>(39,108)</u>
<u>Investment Income</u>				
Earnings on investments	<u>157,680</u>	<u>157,680</u>	<u>116,621</u>	<u>(41,059)</u>
	157,680	157,680	116,621	(41,059)
<u>Miscellaneous</u>				
Miscellaneous revenue not anticipated	37,235	30,300	163,515	133,215
Donations	3,750	17,250	18,848	1,598
Other share of capital debt	46,545	46,545	46,545	-
Sale of city property	30,000	30,000	78,226	48,226
MV transportation surcharge	179,775	179,775	168,017	(11,758)
Interest, costs, and penalties	<u>490,500</u>	<u>490,500</u>	<u>642,560</u>	<u>152,060</u>
	787,805	794,370	1,117,711	323,341
<u>Other Financing Sources</u>				
Transfers in	<u>1,664,872</u>	<u>1,691,807</u>	<u>1,675,621</u>	<u>(16,186)</u>
	1,664,872	1,691,807	1,675,621	(16,186)
Total Revenues and Other Financing Sources	<u>\$ 46,053,589</u>	<u>\$ 46,087,089</u>	<u>\$ 46,189,798</u>	<u>\$ 102,709</u>

CITY OF CONCORD, NEW HAMPSHIRE

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

For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>General Government</u>				
City Manager	\$ 1,011,457	\$ 1,035,457	\$ 1,012,160	\$ 23,297
Legal services	908,035	908,035	852,406	55,629
Assessor	577,513	581,513	575,890	5,623
Human resources	342,048	342,048	290,558	51,490
Finance	2,243,833	2,212,833	1,645,254	567,579
Information technology	514,111	514,111	492,075	22,036
City Council	30,850	30,850	27,500	3,350
City Clerk	289,193	289,193	283,752	5,441
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Government	5,917,040	5,914,040	5,179,595	734,445
<u>Public Safety</u>				
Police	8,816,451	8,816,451	8,698,570	117,881
Fire	10,041,190	10,277,190	10,188,568	88,622
	<hr/>	<hr/>	<hr/>	<hr/>
Total Public Safety	18,857,641	19,093,641	18,887,138	206,503
<u>General Services</u>				
	7,370,690	7,376,190	7,056,118	320,072
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Services	7,370,690	7,376,190	7,056,118	320,072
<u>Community Development</u>				
	2,850,136	2,850,136	2,605,381	244,755
	<hr/>	<hr/>	<hr/>	<hr/>
Total Community Development	2,850,136	2,850,136	2,605,381	244,755
<u>Leisure and Information Services</u>				
Library	1,429,563	1,429,563	1,407,205	22,358
Recreation and parks	544,207	560,207	542,899	17,308
	<hr/>	<hr/>	<hr/>	<hr/>
Total Leisure and Information Services	1,973,770	1,989,770	1,950,104	39,666
<u>Human Services</u>				
	858,992	858,992	749,182	109,810
	<hr/>	<hr/>	<hr/>	<hr/>
Total Human Services	858,992	858,992	749,182	109,810

(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>425,000</u>	<u>425,000</u>	<u>445,033</u>	<u>(20,033)</u>
Total Employee Benefits	425,000	425,000	445,033	(20,033)
<u>Debt Service</u>				
Principal	3,952,785	3,806,785	3,687,413	119,372
Interest	<u>1,277,500</u>	<u>1,202,500</u>	<u>1,099,897</u>	<u>102,603</u>
Total Debt Service	5,230,285	5,009,285	4,787,310	221,975
<u>Other Financing Uses</u>				
Transfers out	<u>2,570,035</u>	<u>2,570,035</u>	<u>2,590,603</u>	<u>(20,568)</u>
Total Other Financing Uses	<u>2,570,035</u>	<u>2,570,035</u>	<u>2,590,603</u>	<u>(20,568)</u>
Total Expenditures and Other Financing Uses	<u>\$ 46,053,589</u>	<u>\$ 46,087,089</u>	<u>\$ 44,250,464</u>	<u>\$ 1,836,625</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, 2010

	Parking		Variance
	Budget	Actual (Budgetary Basis)	Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services:			
Parking - meters	547,000	532,142	(14,858)
Prepaid parking	123,000	86,445	(36,555)
Fuel flow fees	-	-	-
Rentals	-	-	-
Total Charges for Services	670,000	618,587	(51,413)
Investment income	6,500	808	(5,692)
Miscellaneous:			
Meter parking penalties	294,500	239,882	(54,618)
Rentals	330,946	380,455	49,509
Miscellaneous	11,000	410,315	399,315
Total Miscellaneous	636,446	1,030,652	394,206
Total Revenues	1,312,946	1,650,047	337,101
Expenditures:			
Public Safety:			
Compensation	458,220	421,089	37,131
Outside services	111,680	107,808	3,872
Fringe benefits	193,645	184,713	8,932
Supplies	50,920	20,975	29,945
Insurance	22,570	21,541	1,029
Taxes	46,314	55,366	(9,052)
Capital outlay	6,500	-	6,500
General Services:			
Compensation	-	-	-
Outside services	-	-	-
Fringe benefits	-	-	-
Supplies	-	-	-
Utilities	101,230	78,866	22,364
Insurance	-	-	-
Taxes	-	-	-
Debt service	605,596	600,596	5,000
Total Expenditures	1,596,675	1,490,954	105,721
Other Financing Sources (Uses):			
Transfer out	(134,850)	(125,693)	9,157
Total Other Financing Sources (Uses)	(134,850)	(125,693)	9,157
Excess of revenues and other financing sources over expenditures and other financing uses	\$ (418,579)	\$ 33,400	\$ 451,979

Airport			Total		
Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 1,750	\$ 2,536	\$ 786	\$ 1,750	\$ 2,536	\$ 786
-	-	-	547,000	532,142	(14,858)
-	-	-	123,000	86,445	(36,555)
10,000	11,298	1,298	10,000	11,298	1,298
<u>322,838</u>	<u>311,436</u>	<u>(11,402)</u>	<u>322,838</u>	<u>311,436</u>	<u>(11,402)</u>
332,838	322,734	(10,104)	1,002,838	941,321	(61,517)
1,213	2,466	1,253	7,713	3,274	(4,439)
-	-	-	294,500	239,882	(54,618)
-	-	-	330,946	380,455	49,509
-	<u>29,967</u>	<u>29,967</u>	<u>11,000</u>	<u>440,282</u>	<u>429,282</u>
-	<u>29,967</u>	<u>29,967</u>	<u>636,446</u>	<u>1,060,619</u>	<u>424,173</u>
335,801	357,703	21,902	1,648,747	2,007,750	359,003
-	-	-	458,220	421,089	37,131
-	-	-	111,680	107,808	3,872
-	-	-	193,645	184,713	8,932
-	-	-	50,920	20,975	29,945
-	-	-	22,570	21,541	1,029
-	-	-	46,314	55,366	(9,052)
-	-	-	6,500	-	6,500
36,000	40,111	(4,111)	36,000	40,111	(4,111)
64,920	66,271	(1,351)	64,920	66,271	(1,351)
22,793	26,250	(3,457)	22,793	26,250	(3,457)
24,730	10,684	14,046	24,730	10,684	14,046
35,400	27,366	8,034	136,630	106,232	30,398
9,270	9,025	245	9,270	9,025	245
6,240	6,240	-	6,240	6,240	-
<u>28,760</u>	<u>28,760</u>	<u>-</u>	<u>634,356</u>	<u>629,356</u>	<u>5,000</u>
228,113	214,707	13,406	1,824,788	1,705,661	119,127
<u>(65,550)</u>	<u>(52,563)</u>	<u>12,987</u>	<u>(200,400)</u>	<u>(178,256)</u>	<u>22,144</u>
<u>(65,550)</u>	<u>(52,563)</u>	<u>12,987</u>	<u>(200,400)</u>	<u>(178,256)</u>	<u>22,144</u>
<u>\$ 42,138</u>	<u>\$ 90,433</u>	<u>\$ 48,295</u>	<u>\$ (376,441)</u>	<u>\$ 123,833</u>	<u>\$ 500,274</u>

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Combining Financial Statements

NONMAJOR BUSINESS-TYPE FUNDS

PROPRIETARY (ENTERPRISE) FUNDS

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

The City of Concord has the following Nonmajor Enterprise Funds:

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

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

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Net Assets

Nonmajor Proprietary Funds

June 30, 2010

	Business-Type Activities Enterprise Funds		
	Golf Fund	Arena Fund	Total Other Funds
<u>ASSETS</u>			
Current:			
Cash and short-term equivalents	\$ 225,722	\$ 215,822	\$ 441,544
User fees, net of allowance for uncollectibles	11,000	6,559	17,559
Prepaid assets	1,464	746	2,210
Total current assets	238,186	223,127	461,313
Noncurrent:			
Capital assets:			
Land and construction in progress	26,900	27,600	54,500
Other capital assets, net of accumulated depreciation	604,876	767,364	1,372,240
Total noncurrent assets	631,776	794,964	1,426,740
TOTAL ASSETS	869,962	1,018,091	1,888,053
<u>LIABILITIES</u>			
Current:			
Accounts payable	28,307	10,920	39,227
Accrued liabilities	3,248	3,645	6,893
Unearned revenue	25,497	895	26,392
Other current liabilities	6,000	-	6,000
Current portion of long-term liabilities:			
Bonds payable	53,100	57,900	111,000
Compensated absences	22,070	11,983	34,053
Total current liabilities	138,222	85,343	223,565
Noncurrent:			
Bonds payable, net of current portion	225,000	257,000	482,000
Total noncurrent liabilities	225,000	257,000	482,000
TOTAL LIABILITIES	363,222	342,343	705,565
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	385,809	480,064	865,873
Unrestricted	120,931	195,684	316,615
TOTAL NET ASSETS	\$ 506,740	\$ 675,748	\$ 1,182,488

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

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

Nonmajor Proprietary Funds

For the Fiscal Year Ended June 30, 2010

	<u>Golf Fund</u>	<u>Arena Fund</u>	<u>Total Other Funds</u>
Operating Revenues:			
Charges for services	\$ 871,131	\$ 486,911	\$ 1,358,042
Other	<u>3,917</u>	<u>1,118</u>	<u>5,035</u>
Total Operating Revenues	875,048	488,029	1,363,077
Operating Expenses:			
Operating expenses	757,852	364,023	1,121,875
Depreciation	<u>55,080</u>	<u>69,631</u>	<u>124,711</u>
Total Operating Expenses	<u>812,932</u>	<u>433,654</u>	<u>1,246,586</u>
Operating Income (Loss)	62,116	54,375	116,491
Nonoperating Revenues (Expenses):			
Investment income	514	820	1,334
Interest expense	<u>(10,629)</u>	<u>(18,430)</u>	<u>(29,059)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(10,115)</u>	<u>(17,610)</u>	<u>(27,725)</u>
Income (Loss) Before Transfers	52,001	36,765	88,766
Transfers:			
Transfers in	5,541	19,870	25,411
Transfers out	<u>(75,790)</u>	<u>(38,100)</u>	<u>(113,890)</u>
Change in Net Assets	(18,248)	18,535	287
Net Assets at Beginning of Year	<u>524,988</u>	<u>657,213</u>	<u>1,182,201</u>
Net Assets at End of Year	<u>\$ 506,740</u>	<u>\$ 675,748</u>	<u>\$ 1,182,488</u>

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

For the Fiscal Year Ended June 30, 2010

	<u>Golf Fund</u>	<u>Arena Fund</u>	<u>Total Other Funds</u>
<u>Cash Flows From Operating Activities:</u>			
Receipts from customers and users	\$ 865,234	\$ 482,022	\$ 1,347,256
Payments to vendors and employees	<u>(765,685)</u>	<u>(355,118)</u>	<u>(1,120,803)</u>
Net Cash Provided By Operating Activities	99,549	126,904	226,453
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfers in	5,541	19,870	25,411
Transfers out	<u>(75,790)</u>	<u>(38,100)</u>	<u>(113,890)</u>
Net Cash (Used For) Noncapital Financing Activities	(70,249)	(18,230)	(88,479)
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Proceeds from bonds and notes	73,100	-	73,100
Principal payments on bonds and notes	(35,000)	(57,900)	(92,900)
Interest expense	<u>(10,313)</u>	<u>(19,064)</u>	<u>(29,377)</u>
Net Cash (Used For) Capital and Related Financing Activities	27,787	(76,964)	(49,177)
<u>Cash Flows From Investing Activities:</u>			
Investment income	<u>514</u>	<u>820</u>	<u>1,334</u>
Net Cash Provided by Investing Activities	<u>514</u>	<u>820</u>	<u>1,334</u>
Net Change in Cash and Short-Term Equivalents	57,601	32,530	90,131
Cash and Short-Term Equivalents, Beginning of Year	<u>168,121</u>	<u>183,292</u>	<u>351,413</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 225,722</u>	<u>\$ 215,822</u>	<u>\$ 441,544</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>			
Operating income	\$ 62,116	\$ 54,375	\$ 116,491
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	55,080	69,631	124,711
Changes in assets and liabilities:			
User fees	(11,000)	1,973	(9,027)
Other assets	(1,464)	(746)	(2,210)
Accounts payable	(6,806)	9,740	2,934
Compensated absences	1,930	(89)	1,841
Other liabilities	<u>(307)</u>	<u>(7,980)</u>	<u>(8,287)</u>
Net Cash Provided By Operating Activities	<u>\$ 99,549</u>	<u>\$ 126,904</u>	<u>\$ 226,453</u>

See notes to financial statements.

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**Detail Combining Budget
And Actual Schedule**

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PROPRIETARY (ENTERPRISE) FUNDS

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

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

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

Solid Waste Fund - to account for the collection and disposal of 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, 2010

	<u>Water Fund</u>		
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Operating revenue	\$ 4,899,800	\$ 4,921,269	\$ 21,469
Miscellaneous	<u>-</u>	<u>28,247</u>	<u>28,247</u>
Total Operating Revenues	4,899,800	4,949,516	49,716
Operating Expenses:			
Personnel	1,982,581	1,609,099	373,482
Non-Personnel	923,550	1,007,139	(83,589)
Debt service	<u>1,697,170</u>	<u>1,715,466</u>	<u>(18,296)</u>
Total Operating Expenses	<u>4,603,301</u>	<u>4,331,704</u>	<u>271,597</u>
Operating Income (Loss)	296,499	617,812	321,313
Non-Operating Income (Expenses):			
Interest expense	(497,530)	(415,293)	82,237
Investment income	27,900	15,225	(12,675)
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(469,630)</u>	<u>(400,068)</u>	<u>69,562</u>
Net Income (Loss) Before Transfers	(173,131)	217,744	390,875
Other Financing Sources:			
Transfers in	-	-	-
Transfers out	<u>(544,400)</u>	<u>(544,400)</u>	<u>-</u>
Total Other Financing Sources	<u>(544,400)</u>	<u>(544,400)</u>	<u>-</u>
Net Income (Loss)	\$ <u><u>(717,531)</u></u>	\$ <u><u>(326,656)</u></u>	\$ <u><u>390,875</u></u>

Sewer Fund			Solid Waste Fund		
<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 6,013,260	\$ 5,893,141	\$ (120,119)	\$ 3,683,490	\$ 3,213,003	\$ (470,487)
-	18,317	18,317	-	-	-
6,013,260	5,911,458	(101,802)	3,683,490	3,213,003	(470,487)
1,546,738	1,514,377	32,361	266,466	231,423	35,043
2,363,727	2,206,338	157,389	4,415,852	4,300,889	114,963
1,540,380	1,459,495	80,885	-	-	-
5,450,845	5,180,210	270,635	4,682,318	4,532,312	150,006
562,415	731,248	168,833	(998,828)	(1,319,309)	(320,481)
(592,550)	(493,354)	99,196	-	-	-
27,900	12,109	(15,791)	-	-	-
146,610	228,364	81,754	-	-	-
(418,040)	(252,881)	165,159	-	-	-
144,375	478,367	333,992	(998,828)	(1,319,309)	(320,481)
-	-	-	1,561,969	1,561,969	-
(668,389)	(668,864)	(475)	(38,500)	(33,500)	5,000
(668,389)	(668,864)	(475)	1,523,469	1,528,469	5,000
\$ (524,014)	\$ (190,497)	\$ 333,517	\$ 524,641	\$ 209,160	\$ (315,481)

(continued)

CITY OF CONCORD, NEW HAMPSHIRE

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

Enterprise Funds

For the Fiscal Year Ended June 30, 2010

(continued)

	<u>Budget</u>	<u>Golf Fund Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Operating revenue	\$ 939,060	\$ 871,131	\$ (67,929)
Miscellaneous	<u>-</u>	<u>3,917</u>	<u>3,917</u>
Total Operating Revenues	939,060	875,048	(64,012)
Operating Expenses:			
Personnel	398,800	399,365	(565)
Non-Personnel	342,390	351,169	(8,779)
Debt service	<u>67,810</u>	<u>35,000</u>	<u>32,810</u>
Total Operating Expenses	<u>809,000</u>	<u>785,534</u>	<u>23,466</u>
Operating Income (Loss)	130,060	89,514	(40,546)
Non-Operating Income (Expenses):			
Interest expense	-	(13,231)	(13,231)
Investment income	1,210	514	(696)
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>1,210</u>	<u>(12,717)</u>	<u>(13,927)</u>
Net Income (Loss) Before Transfers	131,270	76,797	(54,473)
Other Financing Sources			
Transfers in	-	-	-
Transfers out	<u>(93,500)</u>	<u>(74,041)</u>	<u>19,459</u>
Total Other Financing Sources	<u>(93,500)</u>	<u>(74,041)</u>	<u>19,459</u>
Net Income (Loss)	<u>\$ 37,770</u>	<u>\$ 2,756</u>	<u>\$ (35,014)</u>

	Arena Fund	
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
\$ 475,920	\$ 486,911	\$ 10,991
<u>-</u>	<u>1,118</u>	<u>1,118</u>
475,920	488,029	12,109
236,401	229,615	6,786
136,200	142,250	(6,050)
<u>59,900</u>	<u>59,900</u>	<u>-</u>
<u>432,501</u>	<u>431,765</u>	<u>736</u>
43,419	56,264	12,845
(14,780)	(14,785)	(5)
1,210	820	(390)
<u>-</u>	<u>-</u>	<u>-</u>
<u>(13,570)</u>	<u>(13,965)</u>	<u>(395)</u>
29,849	42,299	12,450
19,870	19,870	-
<u>(36,100)</u>	<u>(36,100)</u>	<u>-</u>
<u>(16,230)</u>	<u>(16,230)</u>	<u>-</u>
<u>\$ 13,619</u>	<u>\$ 26,069</u>	<u>\$ 12,450</u>

FIDUCIARY FUNDS

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

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2010

	Balance July 1, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2010</u>
Assets - cash and short-term investments	\$ 2,049,893	\$ 104,690,511	\$ (104,982,676)	\$ 1,757,728
Assets - due from other funds	-	35,750,849	(35,747,924)	2,925
Total Assets	<u>\$ 2,049,893</u>	<u>\$ 140,441,360</u>	<u>\$ (140,730,600)</u>	<u>\$ 1,760,653</u>
Liabilities - due to other governments	\$ 872,616	\$ 60,006,986	\$ (59,992,751)	\$ 886,851
Liabilities - other liabilities	1,177,277	45,394,627	(45,698,102)	873,802
Total liabilities	<u>\$ 2,049,893</u>	<u>\$ 105,401,613</u>	<u>\$ (105,690,853)</u>	<u>\$ 1,760,653</u>

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STATISTICAL SECTION

CITY OF CONCORD, NEW HAMPSHIRE

STATISTICAL SECTION

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

	<u>Page</u>
<i>Financial Trend Data:</i> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	126 - 129
<i>Information on Revenue Capacity:</i> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	130 - 134
<i>Debt Capacity Information:</i> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	135 - 137
<i>Demographic and Economic Information:</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	138 - 139
<i>Operating Information:</i> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.	140 - 142

City of Concord, New Hampshire

Net Assets by Component

Last Ten Fiscal Years (1)

(accrual basis of accounting)

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

Data Source:

Audited Financial Statements

Notes:

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

City of Concord, New Hampshire

Change in Net Assets

Last Ten Fiscal Years (1)

(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 4,699,269	\$ 5,105,363	\$ 5,852,175	\$ 5,170,467	\$ 5,865,465	\$ 5,248,062	\$ 6,104,117	\$ 6,852,912
Public safety	13,275,869	15,193,859	16,071,793	17,832,430	18,989,365	19,956,305	21,144,583	21,069,118
General services	8,754,445	11,941,871	10,873,904	10,581,792	11,211,510	12,186,012	11,572,079	11,290,119
Community development	2,129,166	2,602,838	2,991,350	3,187,532	3,535,844	4,160,643	4,041,973	3,815,308
Leisure and information services	2,007,340	2,053,398	2,099,580	2,195,694	2,368,707	2,276,316	2,459,002	2,142,783
Human services	1,011,854	1,071,795	1,033,242	1,060,845	1,038,484	705,177	807,682	768,564
Interest	1,165,149	1,098,847	954,439	1,247,922	1,411,040	1,763,217	1,410,990	1,778,927
Miscellaneous	1,018,438	1,032,980	1,052,586	1,047,619	483,671	195,830	53,928	-
Total governmental activities expenses	34,061,530	40,100,951	40,929,069	42,324,301	44,904,086	46,491,562	47,594,354	47,717,731
Business-type activities:								
Water services	3,658,207	4,628,608	4,833,091	5,226,999	5,084,681	5,129,399	4,959,863	4,870,370
Wastewater services	4,540,857	5,094,614	5,536,027	6,046,556	5,751,772	6,138,395	6,436,028	6,368,985
Solid waste services	N/A	N/A	N/A	N/A	N/A	N/A	3,729,839	4,085,706
Other (nonmajor)	4,059,707	4,259,673	4,391,311	4,807,391	4,988,056	5,009,056	1,433,136	1,275,645
Total business-type activities expenses	12,258,771	13,982,895	14,760,429	16,080,946	15,824,509	16,276,850	16,558,866	16,600,706
Total primary government expenses	\$ 46,320,301	\$ 54,083,846	\$ 55,689,498	\$ 58,405,247	\$ 60,728,595	\$ 62,768,412	\$ 64,153,220	\$ 64,318,437
Program Revenues								
Governmental activities:								
Charges for services								
General government	\$ 2,591,154	\$ 2,657,221	\$ 2,783,810	\$ 2,625,179	\$ 3,223,376	\$ 2,765,164	\$ 1,458,413	\$ 1,484,734
Public safety	1,192,461	1,351,556	1,835,850	1,906,741	2,521,339	2,444,300	3,048,743	3,128,313
General services	-	233,590	280,993	320,889	318,029	325,078	298,694	273,935
Community development	1,131,158	1,468,925	1,468,041	2,126,301	1,190,109	1,172,608	1,131,134	1,280,954
Leisure and information services	351,754	367,464	366,244	387,741	426,243	417,470	462,796	523,031
Human services	125,806	34,169	16,258	31,690	155,657	176,394	12,330	41,063
Total charges for services	5,392,333	6,112,925	6,751,196	7,398,541	7,834,753	7,301,014	6,412,110	6,732,030
Operating grants and contributions	445,882	246,397	701,185	542,808	488,719	607,301	1,406,391	1,016,770
Capital grants and contributions	2,569,350	2,781,319	2,393,988	3,233,739	3,266,416	4,350,418	2,004,940	2,199,019
Total governmental activities program revenues	8,407,565	9,140,641	9,846,369	11,175,088	11,589,888	12,258,733	9,823,441	9,947,819
Business-type activities:								
Water services	4,449,813	4,768,605	4,801,521	4,885,520	4,853,295	5,112,600	4,918,822	5,100,517
Wastewater services	4,475,390	4,710,144	4,778,328	4,949,344	5,377,820	5,505,914	5,593,025	5,716,639
Solid waste services	-	-	-	-	-	-	1,761,418	3,213,003
Other (nonmajor)	2,709,684	2,949,539	3,046,267	3,240,470	3,228,133	3,301,298	1,303,735	1,358,042
Total charges for services	11,634,887	12,428,288	12,626,116	13,075,334	13,459,248	13,919,812	13,577,000	15,388,201
Operating grants and contributions	458,121	67,487	-	-	-	-	243,344	228,364
Capital grants and contributions	-	-	1,353,013	178,634	337,063	177,098	268,581	201,882
Total business-type activities program revenues	12,093,008	12,495,775	13,979,129	13,253,968	13,796,311	14,096,910	14,088,925	15,818,447
Total primary government program revenues	\$ 20,500,573	\$ 21,636,416	\$ 23,825,498	\$ 24,429,056	\$ 25,386,199	\$ 26,355,643	\$ 23,912,366	\$ 25,766,266
Net (Expenses)Revenue								
Governmental activities	\$ (25,653,965)	\$ (30,960,310)	\$ (31,082,700)	\$ (31,149,213)	\$ (33,314,198)	\$ (34,232,829)	\$ (37,770,913)	\$ (37,769,912)
Business-type activities	(165,763)	(1,487,120)	(781,300)	(2,826,978)	(2,028,198)	(2,179,940)	(2,469,941)	(782,259)
Total Primary government net expense	\$ (25,819,728)	\$ (32,447,430)	\$ (31,864,000)	\$ (33,976,191)	\$ (35,342,396)	\$ (36,412,769)	\$ (40,240,854)	\$ (38,552,171)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property tax	\$ 27,299,574	\$ 26,732,772	\$ 30,526,322	\$ 32,152,307	\$ 33,483,212	\$ 36,055,134	\$ 37,718,000	\$ 37,683,982
Penalties, interest and other taxes	705,746	627,012	619,051	668,354	639,602	754,891	804,871	885,170
Grants and contributions not restricted to specific programs	4,239,191	3,645,776	1,931,245	2,220,594	3,502,469	1,694,459	1,165,149	900
Investment income	1,151,559	1,030,007	1,458,842	2,483,994	3,729,057	1,552,449	(564,036)	1,066,457
Miscellaneous	609,523	636,327	945,897	747,187	867,053	987,429	743,489	1,563,028
Transfers, net	(603,720)	(866,090)	(504,054)	(510,572)	(447,769)	(451,881)	(830,487)	5,213
Permanent fund contributions	288,676	368,034	121,907	315,773	161,167	470,916	245,496	222,293
Total governmental activities	33,690,549	32,173,838	35,099,210	38,077,637	41,934,791	41,063,397	39,282,482	41,427,043
Business-type activities:								
Grants and contributions not restricted to specific programs	215,538	301,456	341,461	1,073,384	310,313	141,327	-	-
Investment income	160,880	117,515	189,382	435,083	457,032	345,891	197,313	178,641
Miscellaneous	90,031	12,427	80,341	124,681	21,094	68,586	31,764	61,521
Transfers, net	603,720	866,090	504,054	510,572	447,769	451,881	830,487	(5,213)
Total business-type activities	1,070,169	1,297,488	1,115,238	2,143,720	1,236,208	1,007,685	1,059,564	234,949
Total primary government	\$ 34,760,718	\$ 33,471,326	\$ 36,214,448	\$ 40,221,357	\$ 43,170,999	\$ 42,071,082	\$ 40,342,046	\$ 41,661,992
Change in Net Assets								
Governmental activities	\$ 8,036,584	\$ 1,213,528	\$ 4,016,510	\$ 6,928,424	\$ 8,620,593	\$ 6,830,568	\$ 1,511,569	\$ 3,657,131
Business-type activities	904,406	(189,632)	333,938	(683,258)	(791,990)	(1,172,255)	(1,410,377)	(547,310)
Total primary government	\$ 8,940,990	\$ 1,023,896	\$ 4,350,448	\$ 6,245,166	\$ 7,828,603	\$ 5,658,313	\$ 101,192	\$ 3,109,821

Data Source
Audited Financial Statements

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

City of Concord, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 3,727,639	\$ 3,530,521	\$ 3,213,486	\$ 2,944,821	\$ 2,666,156	\$ 1,789,574	\$ 2,270,638	\$ 1,300,105	\$ 1,169,269	\$ 966,768
Unreserved	6,697,229	5,464,793	5,423,862	4,832,349	4,639,091	5,329,762	3,453,608	4,447,779	5,302,478	7,025,545
Total General Fund	<u>\$ 10,424,868</u>	<u>\$ 8,995,314</u>	<u>\$ 8,637,348</u>	<u>\$ 7,777,170</u>	<u>\$ 7,305,247</u>	<u>\$ 7,119,336</u>	<u>\$ 5,724,246</u>	<u>\$ 5,747,884</u>	<u>\$ 6,471,747</u>	<u>\$ 7,992,313</u>
Other Governmental Funds										
Reserved	\$ 168,775	\$ 106,841	\$ 6,781,340	\$ 6,960,094	\$ 7,563,030	\$ 7,733,404	\$ 8,686,203	\$ 13,154,406	\$ 11,784,460	\$ 10,652,150
Unreserved:										
Special Revenue Funds	2,668,432	3,660,926	15,601,153	11,439,627	9,438,221	8,738,047	8,651,431	9,077,496	7,675,674	8,124,307
Capital Project Funds	10,432,369	9,841,426	8,360,192	12,792,394	13,490,784	20,587,665	14,906,493	5,017,047	4,261,481	3,500,587
Debt Service	100,255	117,861	315,549	313,569	507,276	591,867	657,335	760,163	856,787	1,248,100
Total Other Funds	<u>\$ 13,369,831</u>	<u>\$ 13,727,054</u>	<u>\$ 31,058,234</u>	<u>\$ 31,505,684</u>	<u>\$ 30,999,311</u>	<u>\$ 37,650,983</u>	<u>\$ 32,901,462</u>	<u>\$ 28,009,112</u>	<u>\$ 24,578,402</u>	<u>\$ 23,525,144</u>

Data Source

Audited Financial Statements

City of Concord, New Hampshire

Change in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 25,138,393	\$ 26,424,701	\$ 27,851,023	\$ 27,147,062	\$ 30,179,005	\$ 31,748,630	\$ 33,143,681	\$ 35,087,252	\$ 37,282,375	\$ 37,659,356
Licenses and permits	740,226	770,097	1,026,830	1,072,522	1,124,663	1,479,654	1,020,239	1,089,628	825,833	712,811
Intergovernmental	3,804,216	3,574,686	5,392,793	5,140,299	4,147,436	3,903,521	2,862,450	3,442,121	3,442,953	2,687,051
Charges for services	3,610,309	4,191,937	4,368,060	5,042,083	5,626,533	5,918,886	6,638,525	6,211,386	5,586,277	6,019,719
Investment income	2,151,758	1,465,334	1,151,558	1,030,007	1,540,642	2,508,864	3,729,057	1,552,449	(564,323)	1,066,457
Contributions and miscellaneous	1,659,384	1,742,188	2,787,852	2,647,842	2,515,904	3,560,162	4,543,349	5,423,293	3,023,671	3,216,792
Total revenues	37,104,286	38,168,943	42,578,116	42,079,815	45,134,183	49,119,717	51,937,301	52,806,129	49,596,786	51,362,186
Expenditures by Function										
General government	3,519,268	3,623,176	4,729,374	5,076,134	5,798,104	5,125,653	5,455,316	5,159,601	5,900,248	6,589,039
Public safety	12,115,472	12,707,760	13,773,463	15,047,387	15,457,287	17,053,365	18,120,382	18,728,040	19,410,584	19,621,616
General services	5,601,452	5,744,139	6,260,496	6,014,020	6,895,328	6,990,518	7,096,899	8,243,164	8,249,971	7,394,625
Community development	2,857,475	3,110,561	2,119,951	2,561,361	2,655,668	3,042,749	2,432,444	3,317,979	3,007,202	2,881,251
Leisure and information services	1,923,050	2,001,397	1,993,027	2,039,864	2,071,709	2,156,899	2,249,001	2,147,886	2,230,489	1,952,782
Human services	1,126,212	1,062,834	1,007,444	1,071,539	1,029,900	1,056,671	1,033,422	697,719	789,101	749,114
Employee benefits	298,973	188,402	223,763	273,821	334,904	441,505	555,182	656,039	328,542	445,033
Miscellaneous	413,827	1,130,071	1,024,650	1,032,981	1,052,585	968,568	1,762,956	195,830	53,929	131,653
Debt service										
Principal	2,370,340	2,901,440	2,833,402	2,807,263	3,127,175	3,416,587	4,075,251	4,823,966	4,220,938	4,594,563
Interest	1,220,868	1,328,651	1,200,095	974,982	939,967	1,043,828	1,245,528	1,855,218	1,597,727	1,555,289
Capital outlay	7,889,599	6,429,217	8,300,094	9,660,162	9,760,998	16,928,041	24,240,722	11,397,517	9,935,126	7,479,876
Total expenditures	39,336,536	40,227,648	43,465,759	46,559,514	49,123,625	58,224,384	68,267,103	57,222,959	55,723,857	53,394,841
Excess of revenues										
Over(under) expenditures	(2,232,250)	(2,058,705)	(887,643)	(4,479,699)	(3,989,442)	(9,104,667)	(16,329,802)	(4,416,830)	(6,127,071)	(2,032,655)
Other Financing Sources (Uses)										
Bond proceeds	6,626,000	1,035,000	-	4,829,750	3,515,200	16,081,000	10,632,960	-	4,250,710	2,494,750
Transfers in	7,440,739	9,230,808	11,231,164	4,530,751	3,494,232	4,958,316	5,874,169	3,520,143	3,862,715	3,462,513
Transfers out	(8,371,452)	(9,385,530)	(11,834,884)	(5,293,530)	(3,998,286)	(5,468,888)	(6,321,938)	(3,972,025)	(4,693,201)	(3,457,300)
Total other financing sources (uses)	5,695,287	880,278	(603,720)	4,066,971	3,011,146	15,570,428	10,185,191	(451,882)	3,420,224	2,499,963
Net Change in fund balances	\$ 3,463,037	\$ (1,178,427)	(1,491,363)	\$ (412,728)	\$ (978,296)	\$ 6,465,761	\$ (6,144,611)	\$ (4,868,712)	\$ (2,706,847)	\$ 467,308
Debt Service as a percentage of non-capital outlay expenditures	11.42%	12.52%	11.47%	10.25%	10.33%	10.80%	12.09%	14.58%	12.71%	13.39%
Data Source	Audited Financial Statements									
Notes:	(1) Prior to FY02, excludes permanent funds and some special revenue funds classified as trust funds under the pre-GASB 34 reporting model.									

City of Concord, New Hampshire

General Government Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Timber Tax	Excavation Tax	Motor Vehicle Registrations	Boat Registrations	Payment in Lieu of Taxes	Total
2010	\$ 32,012,232	\$ 18,310	\$ 174	\$ 5,001,592	\$ -	\$ 627,048	\$ 37,659,356
2009	31,459,024	12,107	405	5,192,228	-	618,611	37,282,375
2008	29,233,127	7,582	9	5,326,909	-	519,625	35,087,252
2007	27,057,926	20,398	3,358	5,491,026	-	570,973	33,143,681
2006	25,549,119	26,010	3,307	5,636,297	4,218	529,679	31,748,630
2005	24,158,630	26,337	76	5,508,184	4,602	481,176	30,179,005
2004	21,326,896	22,791	-	5,364,606	2,904	429,865	27,147,062
2003	22,251,895	13,098	5,814	5,181,868	2,600	395,748	27,851,023
2002	21,030,108	5,470	4,166	5,045,387	2,390	337,180	26,424,701
2001	20,064,036	34,375	2,342	4,645,919	-	391,721	25,138,393

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						
2010	\$ 2,233,343,000	\$ 1,366,847,500	\$ 83,544,100	\$ 3,683,734,600	\$ 29,018,887	\$ 3,654,715,713	\$ 21.67	\$ 4,044,243,693	91.1%
2009	2,593,546,800	1,601,861,700	146,592,000	4,342,000,500	37,066,758	4,304,933,742	20.49	4,353,125,485	99.7%
2008	2,666,661,400	1,444,077,300	123,884,800	4,234,623,500	38,829,492	4,195,794,008	19.63	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	19.22	4,269,260,047	97.1%
2006	2,477,724,500	1,170,940,000	111,931,500	3,760,596,000	34,805,148	3,725,790,852	19.77	3,934,309,242	95.6%
2005	2,057,589,800	1,252,139,500	105,362,400	3,415,091,700	26,017,000	3,389,074,700	20.37	3,644,167,000	93.7%
2004	1,538,174,100	718,878,400	86,240,100	2,343,292,600	18,415,000	2,324,877,600	28.07	3,184,764,000	73.6%
2003	1,503,051,700	805,186,600	81,308,800	2,389,547,100	19,169,000	2,370,378,100	26.40	2,855,877,000	83.7%
2002	1,369,353,700	772,860,900	80,247,800	2,222,462,400	17,735,000	2,204,727,400	27.34	2,504,941,000	88.7%
2001	998,414,700	601,192,400	73,377,400	1,672,984,500	14,160,000	1,658,824,500	33.96	2,154,318,000	77.7%

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

Fiscal Year	Concord Direct Rates						Overlapping Rate	
	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2010	\$ 7.49	\$ 7.49	\$ 9.14	\$ 2.35	\$ 11.49	\$ 18.98	\$ 2.69	\$ 21.67
2009	6.84	6.84	9.01	2.14	11.15	17.99	2.50	20.49
2008	6.55	6.55	8.75	2.13	10.88	17.43	2.20	19.63
2007	6.28	6.28	8.70	2.26	10.98	17.26	1.96	19.22
2006	6.57	6.57	8.61	2.48	11.09	17.66	2.11	19.77
2005	6.82	6.82	8.69	2.84	11.53	18.35	2.02	20.37
2004	9.49	9.49	10.65	5.41	16.06	25.55	2.52	28.07
2003	8.90	8.90	9.73	5.36	15.09	23.99	2.41	26.40
2002	9.22	9.22	9.95	5.80	15.75	24.97	2.37	27.34
2001	11.59	11.59	12.75	7.11	19.86	31.45	2.51	33.96

Fiscal Year	Penacook Direct Rates						Overlapping Rate	
	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2010	\$ 7.49	\$ 7.49	\$ 11.41	\$ 2.42	\$ 13.83	\$ 21.32	\$ 2.69	\$ 24.01
2009	6.84	6.84	11.22	2.18	13.40	20.24	2.50	22.74
2008	6.55	6.55	10.18	2.16	12.34	18.89	2.20	21.09
2007	6.28	6.28	9.14	2.43	11.57	17.85	1.96	19.81
2006	6.57	6.57	9.84	2.46	12.30	18.87	2.11	20.98
2005	6.82	6.82	11.08	2.91	13.99	20.81	2.02	22.83
2004	9.49	9.49	14.33	5.19	19.52	29.01	2.52	31.53
2003	8.90	8.90	12.40	5.44	17.84	26.74	2.41	29.15
2002	9.22	9.22	10.55	5.69	16.24	25.46	2.37	27.83
2001	11.59	11.59	13.46	7.22	20.68	32.27	2.51	34.78

Data Source
NH State Department of Revenue Administration, "2009 Tax Rate Calculation"

City of Concord, New Hampshire

Principal Taxpayers

Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2010 Net Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>2001 Net Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Net Assessed Value</u>
GGP Steeplegate Inc	Mall	\$ 71,701,600	1	1.87 %	\$ 41,019,000	1	2.47 %
Wheelabrator Concord Co LP (formally SES Concord Company, LP)	Trash to Energy	56,264,900	2	1.47	23,404,000	3	1.41
Unitil (formally Concord Electric Company, LP)	Utility	44,987,700	3	1.17	24,566,000	2	1.48
EnergyNorth Natural Gas Inc	Utility	30,707,900	4	0.80	12,111,000	8	0.73
Walmart/Sam's Club	Retail	27,257,700	5	0.71	21,319,000	4	1.29
St Paul's School	Private School	24,187,600	6	0.63	14,468,000	7	0.87
Eddy Plaza Associates Inc	Retail	23,527,100	7	0.61	10,667,000	10	0.64
Hodges Properties Inc	Rentals	22,949,300	8	0.60	20,001,000	5	1.21
Capital Region Health Care	Health Care	22,126,300	9	0.58	18,985,000	6	1.14
Hodges Development Corp	Rentals	18,804,200	10	0.49	-	-	-
McKerley Healthcare Center/Nursing	Health Care	-	-	-	11,758,000	9	0.71
Total Principal Taxpayers		<u>342,514,300</u>		<u>8.93 %</u>	<u>198,298,000</u>		<u>11.95 %</u>
Total Net Assessed Taxable Value		<u>\$ 3,834,974,167</u>			<u>\$ 1,658,825,000</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	
2009	\$ 89,364,495	\$ 87,058,646	97.4%	\$ 262,295	\$ 2,043,554	\$ 87,320,941	97.7	%
2008	89,495,403	87,291,314	97.5%	270,475	1,933,614	87,561,789	97.8	
2007	83,179,918	81,235,289	97.7%	346,868	1,597,761	81,582,157	98.1	
2006	79,322,705	78,171,510	98.5%	-	1,151,195	78,171,510	98.5	
2005	74,270,000	73,359,000	98.8%	-	911,000	73,359,000	98.8	
2004	70,219,000	69,625,000	99.2%	252,000	342,000	69,877,000	99.5	
2003	66,169,000	65,582,000	99.1%	569,000	18,000	66,151,000	100.0	
2002	63,416,000	62,681,000	98.8%	714,000	21,000	63,395,000	100.0	
2001	60,477,000	59,737,000	98.8%	727,000	13,000	60,464,000	100.0	
2000	56,374,000	55,465,000	98.4%	896,000	13,000	56,361,000	100.0	

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 2010 is the City's tax year 2009.

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				
2010	\$ 38,882,692	\$ 27,547,146	\$ 66,429,838	\$ 1,498	6.81 %	1.82 %
2009	40,860,105	27,175,987	68,036,092	1,540	7.01	1.58
2008	40,934,133	25,377,493	66,311,626	1,509	6.87	1.58
2007	45,758,099	28,369,871	74,127,970	1,687	7.68	1.81
2006	39,200,390	22,566,126	61,766,516	1,431	5.53	1.66
2005	26,510,977	20,858,880	47,369,857	1,105	4.27	1.40
2004	26,087,136	22,886,280	48,973,416	1,154	4.42	2.11
2003	23,936,932	20,669,237	44,606,169	1,067	4.24	1.88
2002	26,781,624	23,553,382	50,335,006	1,218	5.13	2.28
2001	28,648,064	24,134,895	52,782,959	1,297	6.14	3.18

Data Sources:

Audited Financial Statements

U.S. Census Bureau

Assessors Department MS-1 Report

City of Concord, New Hampshire

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

Direct: City of Concord

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2010	\$ 38,882,692	100%	\$ 38,882,692
2009	40,860,105	100%	40,860,105
2008	40,934,133	100%	40,934,133
2007	45,758,099	100%	45,758,099
2006	39,200,390	100%	39,200,390
2005	26,511,000	100%	26,511,000
2004	26,087,000	100%	26,087,000
2003	23,937,000	100%	23,937,000
2002	26,782,000	100%	26,782,000
2001	28,648,000	100%	28,648,000

Overlapping: Merrimack County

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2010	\$ 61,200,000	25.71%	\$ 15,734,520
2009	64,650,000	26.13%	16,893,045
2008	68,100,000	25.87%	17,617,674
2007	47,630,000	25.56%	12,174,228
2006	26,240,000	25.27%	6,630,848
2005	27,850,000	25.88%	7,207,580
2004	13,650,000	26.12%	3,565,380
2003	2,050,000	26.35%	540,175
2002	2,450,000	27.56%	675,220
2001	1,950,000	27.45%	535,275

Overlapping: Concord School District

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2010	\$ 9,913,895	100%	\$ 9,913,895
2009	11,116,401	100%	11,116,401
2008	12,977,812	100%	12,977,812
2007	14,867,062	100%	14,867,062
2006	16,929,484	100%	16,929,484
2005	19,289,000	100%	19,289,000
2004	21,586,000	100%	21,586,000
2003	24,004,000	100%	24,004,000
2002	26,779,000	100%	26,779,000
2001	29,796,000	100%	29,796,000

Overlapping: Merrimack Valley School District

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2010	\$ 9,910,000	25.36%	\$ 2,513,176
2009	13,890,000	25.18%	3,497,405
2008	16,865,000	25.24%	4,256,257
2007	19,760,000	25.51%	5,040,834
2006	19,840,000	25.24%	5,007,616
2005	6,831,000	25.67%	1,753,518
2004	5,940,000	25.86%	1,536,084
2003	7,380,000	25.90%	1,911,420
2002	11,010,000	26.60%	2,928,660
2001	12,000,000	26.64%	3,196,800

City of Concord, New Hampshire

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Base Value for Debt Limits (1)	\$ 2,190,546,000	\$ 2,576,583,000	\$ 2,938,724,000	\$ 3,270,961,000	\$ 3,695,730,000	\$ 4,007,515,023	\$ 4,286,124,163	\$ 4,436,535,484	\$ 4,390,660,275	\$ 4,020,634,140
Legal Debt Limits (% of Base Value)										
General - 1.75% thru 1998, 3% 1999 on (2)	\$ 65,716,380	\$ 77,297,490	\$ 88,161,720	\$ 98,128,830	\$ 110,871,900	\$ 120,225,451	\$ 128,583,725	\$ 133,096,065	\$ 131,719,808	\$ 120,619,024
Water - 10% (2)	219,054,600	257,658,300	293,872,400	327,096,100	369,573,000	400,751,502	428,612,416	443,653,548	439,066,028	402,063,414
Issued Debt at June 30										
Total Issued Debt at June 30	\$ 52,783,000	\$ 50,335,000	\$ 44,606,000	\$ 48,973,000	\$ 47,370,000	\$ 61,766,516	\$ 74,127,970	\$ 66,311,626	\$ 68,036,092	\$ 66,429,838
Less Water Fund	(12,692,000)	(13,146,000)	(11,792,000)	(13,912,000)	(12,676,000)	(13,056,546)	(11,760,598)	(10,305,044)	(11,855,335)	(11,435,119)
Less Sewer Fund (3)	(10,988,000)	(9,621,000)	(8,150,000)	(8,166,000)	(7,418,000)	(8,673,880)	(15,811,823)	(14,367,749)	(14,707,852)	(15,519,027)
Less Tax Increment Debt (3)	(4,990,000)	(4,640,000)	(4,295,000)	(3,950,000)	(3,605,000)	(13,421,000)	(12,975,000)	(12,280,000)	(11,570,000)	(10,899,000)
Less Landfill Debt (3)	(2,794,000)	(2,595,000)	(2,392,000)	(2,187,000)	(1,981,000)	(1,769,946)	(1,560,291)	(1,621,196)	(1,375,946)	(1,136,332)
Authorized Unissued at June 30										
Total Authorized Unissued Debt at June 30	6,605,000	6,239,000	9,516,000	12,710,000	26,681,000	11,639,672	5,167,672	14,161,972	9,008,972	7,850,672
Less Water Fund	(1,575,000)	(50,000)	(1,325,000)	-	-	-	(1,150,000)	(3,017,000)	(1,130,500)	(697,000)
Less Sewer Fund (3)	(4,600,000)	(4,600,000)	(5,270,000)	(8,780,000)	(8,705,000)	(387,672)	(117,672)	(2,570,672)	(1,390,672)	(392,672)
Less Tax Increment Debt (3)	-	-	-	-	-	-	-	-	-	(285,000)
Total Debt Subject to general limit	\$ 21,749,000	\$ 21,922,000	\$ 20,898,000	\$ 24,688,000	\$ 39,666,000	\$ 36,097,144	\$ 35,920,258	\$ 36,311,937	\$ 35,014,759	\$ 33,916,360
Legal Debt Margin										
General	\$ 43,967,380	\$ 55,375,490	\$ 67,263,720	\$ 73,440,830	\$ 71,205,900	\$ 84,128,307	\$ 92,663,467	\$ 96,784,128	\$ 96,705,049	\$ 86,702,664
Water Fund	\$ 204,787,600	\$ 244,462,300	\$ 280,755,400	\$ 313,184,100	\$ 356,897,000	\$ 387,694,956	\$ 415,701,818	\$ 430,331,504	\$ 426,080,193	\$ 389,931,295
% of Legal Debt Limits Used										
General	33.1%	28.4%	23.7%	25.2%	35.8%	30.0%	27.9%	27.3%	26.6%	28.1%
Water Fund	5.8%	5.1%	4.0%	4.3%	3.4%	3.3%	2.7%	2.3%	2.7%	2.8%

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Income	Unemployment Rate
2010	44,358 *	\$ 974,811	\$ 21,976 **	5.20 % ***
2009	44,186	971,032	21,976	6.40
2008	44,140	970,021	21,976	3.80
2007	43,935	965,516	21,976	2.70
2006	43,170	1,117,110	25,877	3.20
2005	42,887	1,109,787	25,877	3.10
2004	42,440	1,107,047	26,085	3.00
2003	41,792	1,051,361	25,157	2.70
2002	41,310	980,906	23,745	2.20
2001	40,687	859,065	21,114	1.90

* Population as of December 31, 2010 as estimated by Concord Planning Division.

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

*** 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	2010			1997 ⁽²⁾			
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
State of New Hampshire	6,500	1	30.98 %	10,201	1	-	%
Concord Hospital	3,200	2	15.25	1,400	2	-	
Steeplegate Regional Mall	1,233	3	5.88	1,100	3	-	
Pleasant View Retirement	1,200	4	5.72	-	-	-	
Concord School District	997	5	4.75	924	4	-	
New Hampshire Hospital	850	6	4.05	-	-	-	
Lincoln Financial Group *	640	7	3.05	641	6	-	
Market Basket	517	8	2.46	-	-	-	
Merrimack Valley School District	500	9	2.38	-	-	-	
City of Concord	469	10	2.24	465	9	-	
Merrimack County	-	-	-	600	7	-	
Federal Government	-	-	-	915	5	-	
Healthsource of New Hampshire	-	-	-	485	8	-	
Vishay-Sprague (Sprague Electric)	-	-	-	435	10	-	
Total Principal Employers	16,106		76.77 %	17,166		-	
Total City Employment	<u>20,980</u> (1)			<u>NA</u>			

*Previous name was Jefferson-Pilot Financial

Data Source

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

NA = Information is not available.

(1) Based on labor force residing in Concord - NHDES June 2010

(2) Principal Employer information was unavailable for 1998, 1999, 2000, and 2001

City of Concord, New Hampshire

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

Departments	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City Manager	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.2
Legal	8.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0	9.6
Assessing	6.5	6.5	6.5	6.5	6.5	7.0	6.5	6.5	6.5	6.3
Personnel	3.0	3.2	3.2	3.2	3.6	4.0	4.0	4.0	4.0	4.0
Finance/Control	7.0	7.0	7.0	8.0	8.0	7.6	7.6	7.6	7.6	6.0
Finance/Treas	8.5	8.5	8.6	8.6	8.6	8.6	8.0	8.0	8.0	7.7
Finance/Purch	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance/OMB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
Info Technology	4.0	4.0	4.0	5.0	5.0	5.0	6.0	6.0	6.0	5.0
City Clerk	2.7	2.7	3.0	3.0	3.6	3.6	3.6	3.6	3.6	3.5
Gen Gov	44.7	44.9	45.3	47.3	49.3	49.8	49.7	49.7	50.2	50.2
Police	104.5	105.2	105.2	105.2	105.2	106.2	105.0	107.7	98.1	96.0
Fire	102.7	103.7	115.7	115.7	117.7	117.7	115.2	115.0	114.7	107.0
Public Safety	207.2	208.9	220.9	220.9	222.9	223.9	220.2	222.7	212.8	203.0
Administration	18.0	20.0	19.0	19.0	18.0	17.5	17.5	17.5	17.5	16.5
Hwys & Util Sys	40.0	42.0	42.0	42.0	42.0	42.0	42.0	43.0	44.0	41.0
Grounds	25.0	25.0	25.0	25.0	25.0	25.0	25.0	24.0	23.0	21.0
Temporary	14.7	14.7	14.7	14.7	14.7	13.7	12.8	13.1	12.9	11.9
Public Properties	18.0	19.0	19.0	19.0	21.0	21.0	20.5	21.0	21.5	19.0
Vehicle Maint	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0
Water & Sewer	27.0	27.0	27.0	27.0	27.0	26.0	26.0	26.0	26.0	26.0
General Svcs	155.7	160.7	159.7	159.7	160.7	158.2	156.8	157.6	157.9	147.4
Administration	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	4.0	5.5	5.5	5.5	5.5	5.5	4.5	4.0	4.0	4.0
Business Devel	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	0.6	0.0
Bldg & Code Svcs	12.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.8	10.3
Engineering Svcs	18.0	18.5	18.5	18.5	17.5	17.6	18.6	19.6	19.6	18.0
Grants Admin	1.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0	0.0	0.0
Comm Devel	39.0	40.0	40.0	40.0	39.0	39.1	39.1	39.1	38.0	34.3
Library	27.3	27.3	27.3	27.3	25.3	25.1	25.1	24.5	23.5	20.2
Recreation	11.0	12.2	12.2	12.2	12.5	10.7	10.0	9.7	10.0	9.8
Leisure Services	38.3	39.5	39.5	39.5	37.8	35.8	35.1	34.2	33.5	30.0
Human Services	4.5	4.5	4.7	4.5						
Grand Totals	489.4	498.5	510.1	512.1	514.4	511.5	505.5	508.0	497.1	469.4

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Physical arrests	2,166	2,254	2,864	2,770	3,215	2,978	2,928	2,749	3,095	3,044
Traffic violations	4,089	5,757	7,031	6,041	5,950	5,768	5,548	4,535	5,455	5,325
Parking violations	39,072	44,587	44,056	44,899	43,648	49,216	39,318	40,625	37,749	34,860
Fire and Rescue										
Calls answered	6,122	6,122	6,554	6,803	7,095	7,565	7,875	7,529	7,321	6,882
General services - Solid waste										
Refuse collected (tons)	na	na	na	na	na	17,603	17,081	16,370	10,884	8,311
Recycling (tons) Note: Recycle program started Oct 2005	na	na	na	na	na	1,356	1,962	1,976	2,063	3,391
General services - Streets										
Streets resurfaced (miles)	na	na	na	na	na	16	18	23	4	3
Potholes repaired	na	na	na	na	na	14,895	7,934	11,335	10,100	4,176
Water										
Average daily consumption (in thousands of gallons)	4,972	4,972	4,639	4,840	4,840	4,910	4,910	3,740	3,744	3,348
Sewage System:										
Daily average treatment (millions of gallons)										
Concord Plant	4,088	4,200	4,530	4,600	4,570	4,605	4,680	4,730	4,540	4,360
Penacook Plant	513	435	458	578	573	575	585	610	570	530

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	15	15	16	16	16	15	15	15	15	15
Fire and Rescue										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of ladder trucks	2	2	2	2	2	2	2	2	2	2
Number of pumpers	5	5	5	6	6	6	6	6	5	5
Number of support vehicles	2	5	5	5	5	8	7	7	6	6
General Services - Streets										
Miles of streets	272	272	272	338	338	339	340	341	327	327
Number of traffic lights (in sets)	na	na	na	na	92	92	97	97	75	77
Number of street lights	2,068	2,068	2,068	2,178	2,183	2,183	2,128	2130	2130	2,130
General Services - Culture and Recreation:										
Number of parks	16	16	16	21	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)	181	183	183	215	169	169	170	171	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)	117	120	141	141	141	141	142	142	152	152
Maximum daily capacity of treatment (thousands of gallons)										
Concord Plant	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100
Penacook Plant	4,200	4,200	4,200	4,200	4,200	4,200	4,200	2,370	2,370	2,370

Data Source
Various city departments