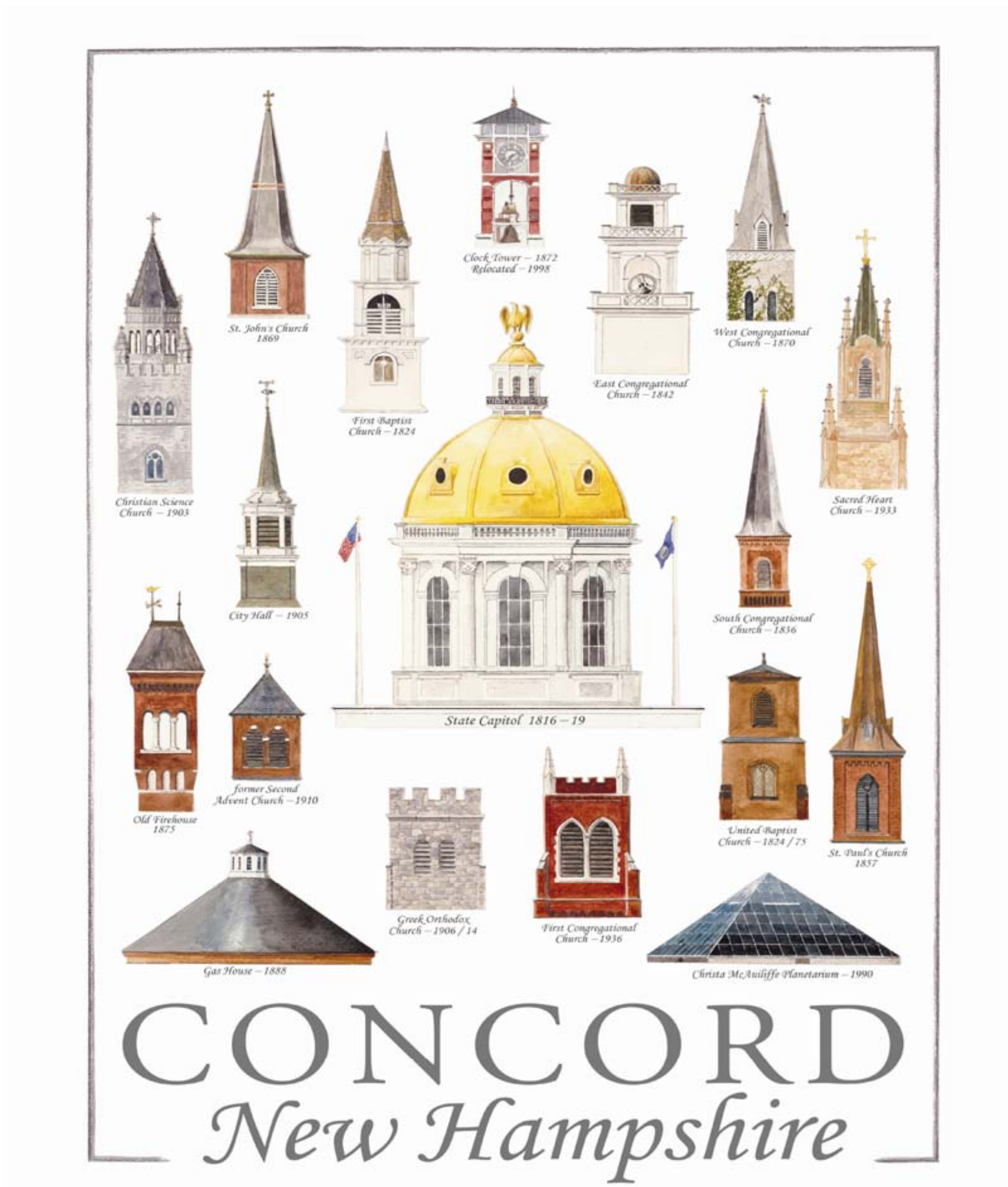
CITY OF CONCORD
NEW HAMPSHIRE



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COMPREHENSIVE
ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended
June 30, 2008

CITY OF

CONCORD, NEW HAMPSHIRE

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

Prepared by:
The Finance Department

James R. Howard
Deputy City Manager -- Finance

Diane G. Savoie
Controller

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INTRODUCTORY SECTION

City of Concord, New Hampshire

FINANCE DEPARTMENT
41 GREEN STREET CONCORD, NH 03301
(603) 225-8560

December 10, 2008

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

Presented herewith please find the Comprehensive Annual Financial Report (CAFR) for the City of Concord, New Hampshire for the fiscal year ending June 30, 2008. Responsibility for both the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly present the City's financial position and the results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an accurate understanding of the City's financial activities have been included.

This Comprehensive Annual Financial Report covers the entity's financial performance for the twelve-month fiscal period, July 1, 2007 through June 30, 2008. 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. Users of this CAFR are encouraged to read this Letter of Transmittal in conjunction with the "Management's Discussion and Analysis" section appearing on page 15.

This CAFR covers 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 in providing services. It does not report on the funds of the Concord School District, Merrimack Valley School District or the County of Merrimack. These governmental units are independent of the City and do not meet established 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 44,140 as of December 31, 2007, a 0.47% increase as estimated by its Community Development Department, Planning Division, and occupies a land area of 64 square miles.

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

Policymaking and legislative authority are vested by adopted City Charter in the 15-member Council. Under the Charter, which was originally adopted in 1853, and most recently amended in 2001, the Council appoints a City Manager who is solely responsible for carrying out the policies and ordinances of the City Council. The Council is elected on a non-partisan basis. Ten ward councilors, and the mayor, are elected every two years. Two of the four remaining "at-large" councilors are elected to staggered 4-year terms every two years. The current mayor is former City Councilor 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.

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

LOCAL ECONOMY

As measured by changes during Fiscal 2008 in Gross State Product, jobs created and unemployment rates, the economic picture for the State of New Hampshire cannot be distinguished significantly from that of the United State overall. While the State unemployment rate remains substantially below the nation as a whole, changes in Gross Product and jobs created at the national level exceeded the rate of New Hampshire. Other factors including those related to the rate of combined taxation at the state and local level as well as quality of life and personal income keep the state among the top of those sought for in-migration and business development.

For the first time in over 14 years the City's unemployment rate in March, April and June of 2007 exceeded the NH average. While the City rate has remained below the state rate for most of the intervening period, the difference between the NH State and Concord unemployment rates since 2005 has been noticeably less than what it was for the period 1992 through 2005. However, overall when compared to other cities in NH, New England and the Nation as a whole Concord's employment picture, presents a low unemployment rate. In January 2008, the U.S.

unemployment rate was 5.4%, the New England Region was 5.3%, New Hampshire was 4.0% and Concord was 3.9%. In January 2007, the U.S. unemployment rate was 5.0%, the New England Region was 5.4%, New Hampshire was 4.2%, and Concord was 4.0%. In January of 2008, City of Concord's unemployment rate slipped to the seventh lowest among the 13 cities in the state from fifth the previous year. As of January 2008, it remained below the two larger cities in New Hampshire with Nashua at 4.0% and Manchester at 4.4%. A continued mixed labor market during FY2008, working against a tight budget outlook, contributed to CPI-based labor negotiations and an increased employee sharing of health benefit premiums.

For the fourth consecutive year, in 2007, the City of Concord was named among 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 housing market in Concord cooled during FY2008 as evidenced by the decline in overall market appreciation of residential properties. Additionally, property tax collection rate indicated a need to strengthen collection plan tenets and activity. According to the City Assessor, overall market value of assessed property increased only 0.3%, as of April 1, 2007 (this is the assessment date for Fiscal 2008 property tax revenue) from April 1, 2006. As of April 1, 2006, it increased 2.05% from the previous year and 7.13% from 2004.

The median single family home sales price in Concord as of April 1, 2008 was $258,900 down from $269,400 the year before.

The June 30, 2008 tax collection percentage for the 2007 Tax Year (98.1%) declined slightly (from 98.5% the previous year) for the third consecutive year. Total tax delinquencies, for all years, were stated at $2.2 million, a larger increase ($0.6 million) than the previous two years.

City Council's Number One Fiscal Goal is directed towards a robust property tax collection program which is aimed at maintaining high collection rates, pursuit of delinquencies through liening and deeding and working with taxpayers to assist them in meeting these obligations.

With increasing costs for health insurance, employee retirement and state education funding exceeding revenue growth, local governments including Concord, will continue to face major funding pressures.

LONG-TERM FINANCIAL PLANNING AND POLICY MONITORING

The City Council instituted, at the behest of the Fiscal Policy Advisory Committee (FPAC) in 1993, a quarterly process of reporting current fiscal conditions. Since then, the City Administration has created formal Fiscal Monitoring Reports complete with national, regional, and local economic overviews, budgetary revenue and expense updates, and a 5-year projection of both General Fund operations and the tax rate. These reports and budget models have become a staple of the annual budgetary planning and tax rate setting process. The City Council has also routinely adopted a series of fiscal policy goals to guide the financial direction and management of the City.

Additional goals adopted by the Fiscal Policy Advisory Committee support economic development, as well as fiscal stability, through supporting and funding of capital reserves for these purposes. In 1995, after several years of limited capital investment, the FPAC established several capital reserve funds from the results of General Fund operations made possible by the expanding economy and improved revenues. Reserves were created for city-wide and downtown economic development, property revaluation, street repaving, fire apparatus, highway equipment, limited self-insurance, Tax Stabilization (TSR) and 53-week years. Periodically, the City experiences a 53 pay week, roughly equivalent to a 2% cost, within a fiscal year. Additions to the above stated reserves were included in each year's budgets from 1995 to 2006 after the results of the year's fiscal operations were known. These reserves, along with total General Fund Balance, have been in decline almost continually since 2001. Due to tighter budgeting both for revenues and appropriations, the higher utilization of declining fund balance, and a chronic fiscal structural imbalance, budget operations have resulted in Undesignated Unreserved Fund Balance approaching the Council's fiscal goal target of 8% of appropriations. A five year administratively recommended plan to reduce reliance upon the use of prior year surplus beginning in FY2007 was initially shelved with the adoption of the Fiscal 2008 budget by an increase in use of this dwindling resource to fund a continuing, popular and much-needed capital plan. Recognizing the long term cost of declining credit rating likely to result during the second half of Fiscal 2008, the City Manager, with the concurrence of the Council's Fiscal Policy Advisory Committee, obtained full Council approval to freeze and eventually reverse the use of surplus. As a result, the use of surplus was reduced by $700,000 in this unprecedented move. Additional aspects of this plan include a proposal to increase the percentage UUFB of appropriations and policies on one-time and highly variable revenues and other fiscal elements.

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

GENERAL FUND BALANCE

The General Fund unreserved undesignated fund balance (UUFB) of $4,447,779 at fiscal year end represents an increase of $994,171 over the previous year. This increase was engineered through the above-cited action as well as stringent review of encumbrance requests. The combined total UUFB and Tax Stabilization Reserve position between the two years however increased $447,251. This strong and improved fund balance and continuing strong liquidity and year-end cash position enables the City to avoid entering the short-term credit markets for operating capital. The following table shows the results of the City's return to sound fiscal condition during the late 1990's through its cooperative program of fiscal management and tax rate target setting. The "Management's Discussion and Analysis" section discusses the trend in fund balance in more detail.

GENERAL FUND EQUITY AND FUND BALANCE

1994-2008

	Total Fund Equity	Undesignated Fund Balance
1994	$7,160,770	$4,271,143
1995	6,350,421	5,164,144
1996*	9,833,557	3,447,183
1997	8,917,159	3,327,328
1998	10,730,680	4,045,028
1999	10,055,895	3,994,408
2000	9,667,335	4,693,358
2001	10,424,868	4,000,000
2002	8,995,314	4,000,000
2003	8,637,348	4,359,999
2004	7,777,170	4,000,000
2005	7,305,247	4,106,287
2006	7,119,336	4,079,762
2007	5,724,246	3,453,608
2008	5,747,884	4,447,779

*1996 was a 6-month transitional period

CREDIT RATINGS AND DEBT LIMITS

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

In January 1997, citing a consistently high fund balance, substantial reserves, conversion to quarterly tax billing, and the conversion to a June 30 fiscal year-end, the City successfully persuaded Moody's rating committee to restore the City to their higher AA3 rating. 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, after issuance of a ruling by the state supreme court upholding the constitutionality of the state school funding law, Moody's raised the credit rating of the City to AA2 citing… "economic strength and stability, …consistently good financial results, and manageable debt position along with effective management practices…, and sound budgeting" as reasons for their upgrade. This rating has remained in affect through fiscal 2008. Standards and Poors affirmed their consistently high AA rating for the City, which the City has held since February of 1997.

In credit reports issued in connection with both the 2006 and 2007 bond sales, credit rating agencies recognized mounting pressures on reserves and fund balance. Possible credit implications for continuing declines in fund balance were also emphasized. Yet at the same time, Standard and Poor's rating services instituted its Financial Management Assessment and in January 2007 awarded Concord the highest possible rating of "Strong" for its "well embedded financial practices". Such acknowledgement of the strong financial management practices of the City would not be possible without the governance and support of the City Council through its fiscal goals and Fiscal Monitoring program.

With concern over its FY2007 final and developing negative General Fund fiscal position for FY2008, the City postponed its routine January debt offering until it could assess conditions and develop and implement a 'get well' plan. As previously referenced in this letter, after implementing unprecedented moves to get back on track, the City, with its credit ratings from both Moody's and Standard and Poor's intact, proceeded to the credit market in August 2008, and received a highly competitive 3.9% interest rate. None too soon as the credit market constricted for Muni debt in October and interest rates rose significantly.

All the news is not good however. While the ratings were maintained, Moody's, in particular, placed the City on negative outlook indicating that if August projections for fiscal year ending June 30, 2008 were not achieved (the City did achieve that estimate) and a balanced budget was not achieved a year earlier (FY2011) than the present plan of FY2012, the City could see its AA2 rating decline.

The City's general purpose debt limit of 3% of assessment or $133 million is established in accordance with RSA 33:4-a. As of June 30, 2008, the City has used only 27.3% of its General Debt capacity and thus $96.8 million is still available for use. Please see page 131 for more information about City, Water and School debt capacity.

<u>MAJOR INITATIVES</u>

Major initiatives for FY2008 revolved around managing a budget in a tight economy. With slowing revenue growth and increasing costs of retirement, health benefits for active and retired employees the City found itself faced with implementing a hiring 'freeze' on positions for the fourth consecutive year in order to avoid layoffs. Despite this tightness, the adopted FY2008 budget resulted in the restoration of two eliminated public safety positions from the prior year. These positions were however never filled during the year due to the aforementioned freeze in hiring.

Capital expenditures for road projects including highway repaving continue at a strong pace despite the action taken to reduce funding by $700,000 from the tax-supported program. This high level investment is made possible by unspent funds remaining from previous appropriations as well as continued funding for the Major North South Route 3 Corridor, a City Council priority.

A reorganization within the Engineering Division of the Community Development Department resulted in the creation of a Traffic Engineering position intended to both eliminate the use of funds for consulting fees and increase the resolution of neighborhood traffic issues.

A great deal of time was spent evaluating the results of the City's draft actuarial report prepared in accordance with Government Accounting Standards Board Statement 45 detailing the cost of Other Post Employment Benefits (OPEB) plans. Action within the City's internal Labor Management Health Benefits Review Team (HBRT), which includes retiree membership, included learning about the OPEB issues, benefit management and funding options available. Although the City did not adopt early implementation of this GASB pronouncement, footnote number 18 highlights the results of the actuarial report as well as the results of an effort to deal with the implications of this liability. The City will implement GASB 45 at the required time, that is with publication of the FY2009 CAFR.

Finally the City suffered a set-back with regard to development of the old Allied Leather Tannery parcel in the Village of Penacook, within the City boundaries of Concord. Due to a harsh winter and age of the structure, after an environmental clean-up and parcel stabilization, a piece of the Tannery collapsed leading to the eventual emergency appropriation of $375,000 to demolish the facility and abrogate the contract with the developer. As of the 2008 CAFR date, a proposal to redevelop the parcel was rejected in anticipation of a more favorable economic environment and proposal in the future. In addition, a disagreement with the City' property liability insurer, Primex, over the insurability of the premises will be going to mediation.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded thirteen consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Concord, NH for its comprehensive annual financial report beginning for the fiscal year ended December 31, 1995, through June 30, 2007 including the six-month transitional fiscal period ending June 30, 1996. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The 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 the high standards mentioned.

OTHER INFORMATION

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

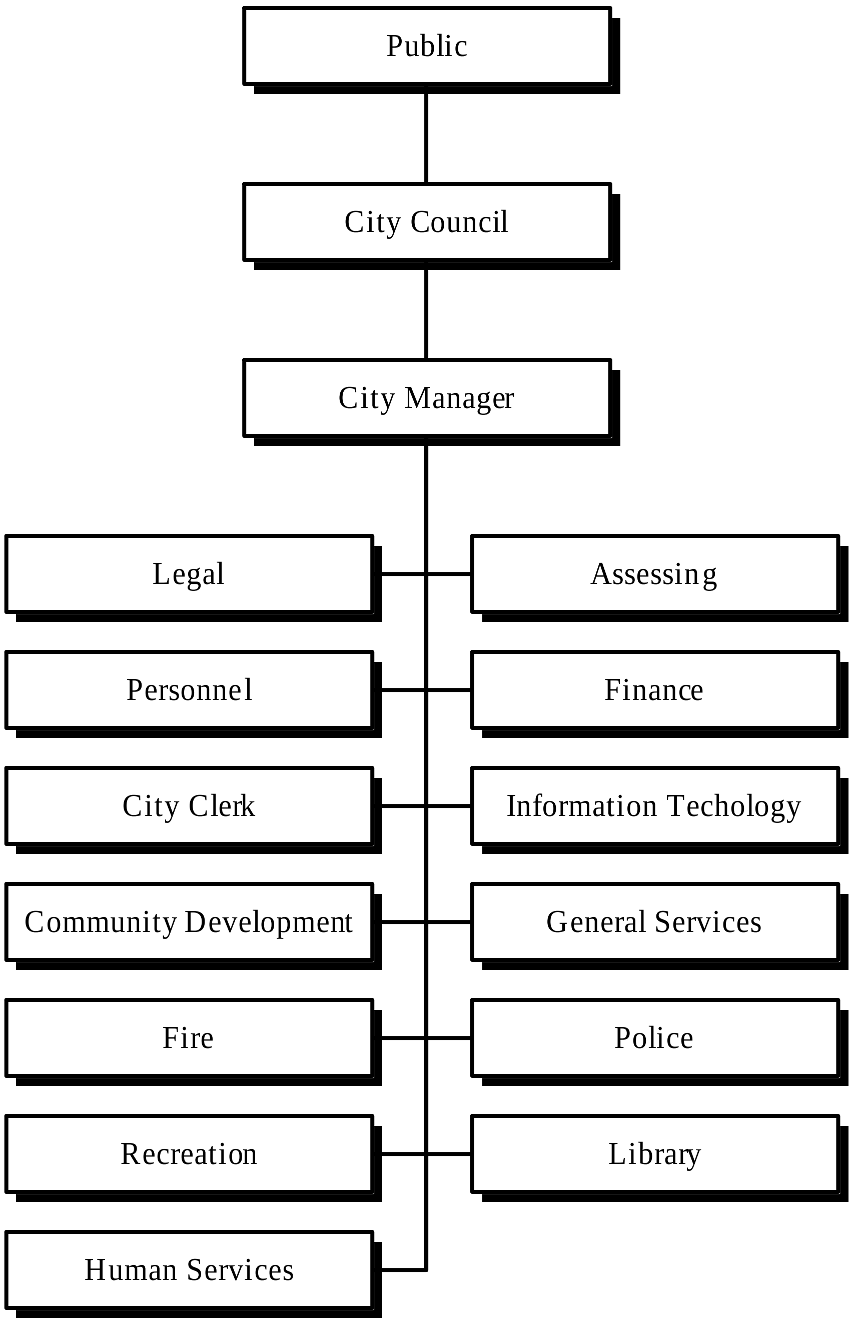
The City invites you to visit our web site at www.ci.concord.nh.us, where this CAFR is expected to be prominently displayed by mid February 2009. Also displayed are previous CAFR's and other summary financial information.

Sincerely,

Thomas J. Aspell
City Manager

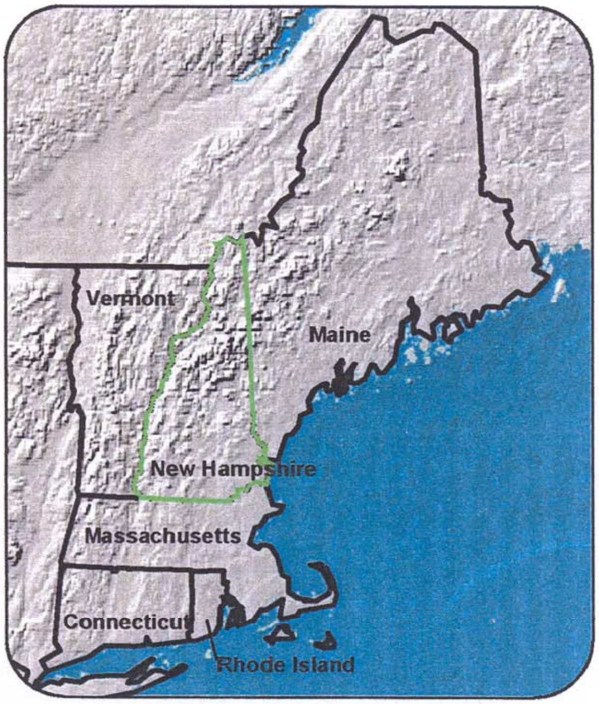
James R. Howard
Deputy City Manager and
Finance Director

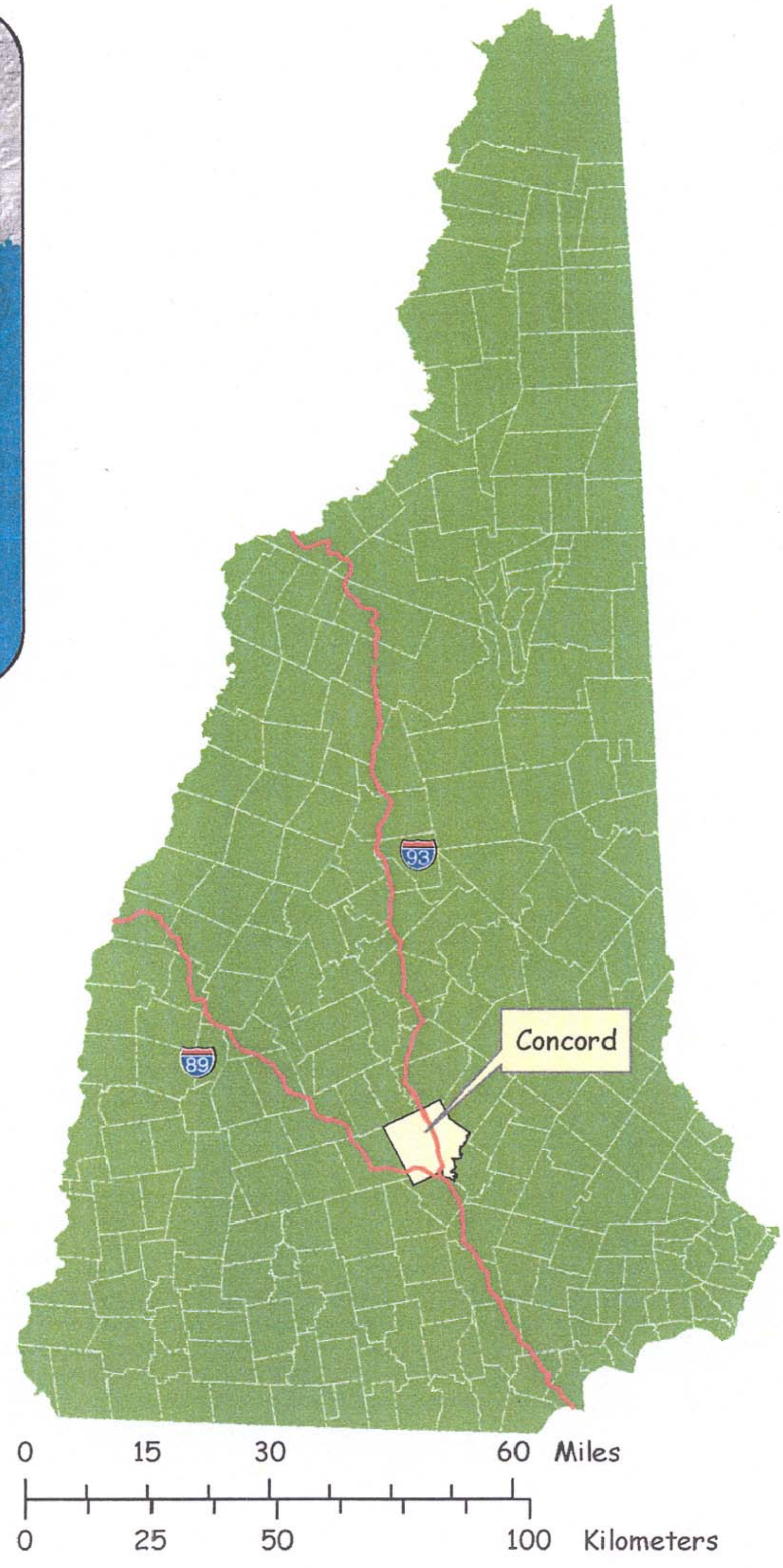
CITY OF CONCORD, NEW HAMPSHIRE
TABLE OF ORGANIZATION



City of Concord, NH

Geographic Location





CITY OF CONCORD, NEW HAMPSHIRE
LIST OF PRINCIPAL OFFICIALS
June 30, 2008

Title	Name
Elected by Public:	
Mayor	James Bouley
Councilor-at-Large	Stephen Shurtleff
Councilor-at-Large	Mark Coen
Councilor-at-Large	Douglas Black
Councilor-at-Large	Dan St. Hilaire
Councilor Ward 1	Elizabeth Blanchard
Councilor Ward 2	William Stetson
Councilor Ward 3	Jan McClure
Councilor Ward 4	Dick Lemieux
Councilor Ward 5	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
Appointed by Council:	
City Manager	Thomas J. Aspell
Appointed by City Manager:	
Deputy City Manager -- Development	Carlos P. Baia
Deputy City Manager -- Finance	James R. Howard
City Clerk	Janice L. Bonenfant
City Solicitor	Paul F. Cavanaugh
Director of Personnel and Labor Relations	Norman C. O'Neil
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
Business Development Coordinator	Kenneth G. Lurvey
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 30,2007

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

President

Executive Director

FINANCIAL SECTION

MH&Co

Melanson Heath & Company, PC
Certified Public Accountants
Management Advisors

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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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, appearing on the following pages, is not a required part of the basic financial statements but is supplementary information required by the *Governmental Accounting Standards Board*. We have applied certain limited procedures, which consisted principally of inquiries of management

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

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 10, 2008 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 10, 2008

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, 2008. 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 and the Capital Commons Garage fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation.

An annual appropriated budget is adopted for the general fund and certain 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 area operations. The water and sewer 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 the *Governmental Accounting Standards Board (GASB)*.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by $ 203,290,044 (i.e., net assets), a change of $ 5,658,313 in comparison to the prior year.

- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of $ 33,756,996, a change of $ (4,868,712) in comparison with the prior year.

- At the end of the current fiscal year, unreserved fund balance for the general fund was $ 4,447,779, a change of $ 994,171 in comparison with the prior year. In addition, total general fund balance changed by $ 23,638.

- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was $ 66,311,626, a change of $ (7,816,344) 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.

CHANGES IN NET ASSETS

	Governmental		Business-Type		Totals	
	2008	2007	2008	2007	2008	2007
Current and other assets	$ 81,725	$ 86,668	$ 9,505	$ 12,005	$ 91,230	$ 98,673
Capital Assets	98,626	92,806	129,599	130,914	228,225	223,720
Total assets	180,351	179,474	139,104	142,919	319,455	322,393
Long-term liabilities outstanding	43,093	47,911	25,532	28,510	68,625	76,421
Other liabilities	46,067	47,202	1,473	1,138	47,540	48,340
Total liabilities	89,160	95,113	27,005	29,648	116,165	124,761
Net assets:						
Invested in capital assets, net	61,820	53,651	104,711	103,870	166,531	157,521
Restricted	12,970	12,133	1,468	1,604	14,438	13,737
Unrestricted	16,401	18,577	5,920	7,797	22,321	26,374
Total net assets	$ 91,191	$ 84,361	$ 112,099	$ 113,271	$ 203,290	$ 197,632

CHANGES IN NET ASSETS

	Governmental		Business-Type		Totals	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues						
Charges for services	$ 7,301	$ 7,835	$ 13,920	$ 13,459	$ 21,221	$ 21,294
Operating grants and contributions	607	489	-	-	607	489
Capital grants and contributions	4,350	3,267	177	337	4,527	3,604
General revenues						
Property Taxes	36,055	33,483	-	-	36,055	33,483
Penalties, interest and other taxes	755	640	-	-	755	640
Grants and contributions not restricted to specific programs	1,695	3,502	141	311	1,836	3,813
Investment income	1,552	3,729	346	457	1,898	4,186
Other	988	867	69	21	1,057	888
Total revenues	53,303	53,812	14,653	14,585	67,956	68,397
Expenses:						
General government	5,248	5,865	-	-	5,248	5,865
Public safety	19,956	18,989	-	-	19,956	18,989
General services	12,186	11,212	-	-	12,186	11,212
Community development	4,161	3,536	-	-	4,161	3,536
Leisure and information services	2,277	2,369	-	-	2,277	2,369
Human services	705	1,038	-	-	705	1,038
Interest on long-term debt	1,763	1,411	-	-	1,763	1,411
Miscellaneous	196	484	-	-	196	484
Water operations	-	-	5,130	5,085	5,130	5,085
Sewer operations	-	-	6,138	5,752	6,138	5,752
Other operations	-	-	5,009	4,988	5,009	4,988
Total expenses	46,492	44,904	16,277	15,825	62,769	60,729
Change in net assets before transfers and contributions	6,811	8,908	(1,624)	(1,240)	5,187	7,668
Transfer in (out)	(452)	(448)	452	448	-	-
Permanent fund contributions	471	161	-	-	471	161
Increase in net assets	6,830	8,621	(1,172)	(792)	5,658	7,829
Net assets - beginning of year	84,361	75,740	113,271	114,063	197,632	189,803
Net assets - end of year	$ 91,191	$ 84,361	$ 112,099	$ 113,271	$ 203,290	$ 197,632

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 $ 203,290,044, a change of $ 5,658,313 from the prior year.

The largest portion of net assets $ 166,530,710 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 $ 14,438,207 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets $ 22,321,127 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 $ 6,830,568. Key elements of this change are as follows (in thousands):

Excess of revenues over expenditures:		
General fund operations	$	1,378
Special revenue funds		1,546
Permanent funds		180
Debt service fund		96
Subtotal		3,200
Debt service principal paydown in excess of depreciation		1,324
Capital assets acquired from current year revenues		1,694
Other		612
Total	$	6,830

While total net assets of the governmental activities changed by $ 6,830,568, unrestricted net assets changed $ (2,176,526) principally due to the use of previous unrestricted net assets (Capital Reserve Funds) for the acquisition of new capital assets.

Business-type activities. Business-type activities for the year resulted in a change in net assets of $ (1,172,255). This change primarily results from depreciation expense exceeding debt service pay downs by $ 320,361 and $ 275,084 in the Water and Sewer funds, respectively. The following is a summary of the changes in net assets by fund (in thousands):

Water operations	$	(418)
Sewer operations		(845)
Nonmajor funds		91
Total	$	(1,172)

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 $ 33,756,996, a change of $ (4,868,712) in comparison with the prior year. Most of this change was attributable to the use of General Fund unreserved fund balance, and expenditures of Other Capital Project Funds Post 2002 bond proceeds primarily recognized in the prior fiscal year.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, undesignated fund balance of the General Fund was $ 4,447,779 while total fund balance was $ 5,747,884. While the undesignated fund balance changed by $ 994,171, total fund balance was changed by $ 23,638. The use of undesignated fund balance to fund operating activities as well as the transfer to designated fund balance for eventual transfer to capital reserves, while largely offset by positive results of operation compared to the budget, has caused a decline in our overall General Fund balance position. The following table highlights the change in our General Fund balance accounts (in thousands):

	Unreserved	Reserves	Tax Stabilization	Total
Beginning of year	$ 3,453	$ 1,146	$ 1,125	$ 5,724
Use of fund balance	(878)	-	(547)	(1,425)
Revenues under budget	(128)	-	-	(128)
Expenditures under budget	1,423	-	-	1,423
Other	154	-	-	154
Transfers	424	(424)	-	-
End of year	$ 4,448	$ 722	$ 578	$ 5,748

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 10.4 percent of total general fund expenditures, while total fund balance represents 13.5 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 $ 5,920,390, a change of $ (1,876,155) 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 $ 284,648. The majority of the overall change, $ 189,000 represents appropriations for Police Department Special Duty Services.

The only notable revenue receipts in excess of budget were $ 269,111 in charges for services, primarily due to ambulance service charges and Medicare reimbursements. 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-expenditure (including transfers) of approximately 3.0%, exceeding last year's historical level of 1.6%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year end amounted to $ 228,224,987 (net of accumulated depreciation), a change of $ 4,505,456 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 Sears Block Project, completion of Langley Parkway, and other on-going infrastructure improvements.

Change in credit rating. The City of Concord, NH 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 $ 66,311,626, 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 2008 adopted to the fiscal 2009 adopted City General Fund budget and tax rate:

Use of Funds	2008 COUNCIL ADOPTED	2009 COUNCIL ADOPTED
Budget Appropriations	$ 46,839,640	$ 47,175,989
War Credits	299,100	297,000
Overlay	465,000	465,000
Total Uses of Funds	$ 47,603,740	$ 47,937,989
Sources of Funds		
Miscellaneous Revenues	$ 18,851,299	$ 17,868,901
Surplus (prior Year Undesignated fund Balance)	1,375,000	730,000
Amount to be raised by property taxes	27,377,441	29,339,088
Total Sources of Funds	$ 47,603,740	$ 47,937,989
TAX RATE DETERMINATION		
Assessed Value (A.V.) in thousands of dollars	$ 4,195,794	$ 4,250,339
Amount to be Raised	$ 27,377,441	$ 29,339,088
Current Year Recommended Tax Rate/$ 1,000 A.V.	$ 6.55	$ 6.90
Prior Year Tax Rate/$ 1,000 A.V.	6.28	6.55
Increase over Prior Year	$ 0.27	$ 0.35
% Change	4.30%	5.34%

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, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term equivalents	$ 33,775,923	$ 6,793,906	$ 40,569,829
Investments	20,362,023	-	20,362,023
Receivables, net of allowance for uncollectibles:			
Property taxes	26,359,144	-	26,359,144
Accounts	298,613	-	298,613
User fees	-	1,230,848	1,230,848
Intergovernmental	10,488	141,544	152,032
Loans	690,340	-	690,340
Other assets	228,297	13,121	241,418
Total current assets	81,724,828	8,179,419	89,904,247
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	1,326,168	1,326,168
Capital assets:			
Land and construction in progress	37,912,853	10,547,492	48,460,345
Other capital assets, net of accumulated depreciation	60,713,560	119,051,082	179,764,642
Total non-current assets	98,626,413	130,924,742	229,551,155
TOTAL ASSETS	180,351,241	139,104,161	319,455,402
LIABILITIES			
Current:			
Accounts payable	1,031,641	696,373	1,728,014
Retainage payable	981,834	193,539	1,175,373
Accrued liabilities	792,926	324,941	1,117,867
Unearned revenues	24,570,338	30,464	24,600,802
Taxes collected in advance	16,766,839	-	16,766,839
Due to other governments	165,226	-	165,226
Due to external parties - fiduciary funds	3,676	-	3,676
Other current liabilities	1,755,091	227,604	1,982,695
Current portion of long-term liabilities:			
Bonds and loans payable	4,324,738	2,950,795	7,275,533
Other liabilities	1,431,312	154,637	1,585,949
Total current liabilities	51,823,621	4,578,353	56,401,974
Noncurrent:			
Bonds and loans payable, net of current portion	36,609,395	22,426,698	59,036,093
Other liabilities, net of current portion	727,291	-	727,291
Total non-current liabilities	37,336,686	22,426,698	59,763,384
TOTAL LIABILITIES	89,160,307	27,005,051	116,165,358
NET ASSETS			
Invested in capital assets, net of related debt	61,819,702	104,711,008	166,530,710
Restricted for:			
Grants and other statutory restrictions	4,457,822	-	4,457,822
Permanent funds:			
Nonexpendable	8,512,673	-	8,512,673
Debt service	-	1,467,712	1,467,712
Unrestricted	16,400,737	5,920,390	22,321,127
TOTAL NET ASSETS	$ 91,190,934	$ 112,099,110	$ 203,290,044

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	$ 5,248,062	$ 2,765,164	$ 462,493	$ 70,157
Public safety	19,956,305	2,444,300	144,808	-
General services	12,186,012	325,078	-	4,280,261
Community development	4,160,643	1,172,608	-	-
Leisure and information services	2,276,316	417,470	-	-
Human services	705,177	176,394	-	-
Interest on long-term debt	1,763,217	-	-	-
Miscellaneous	195,830	-	-	-
Total Governmental Activities	46,491,562	7,301,014	607,301	4,350,418
Business-Type Activities:				
Water	5,129,399	5,112,600	-	-
Sewer	6,138,395	5,505,914	-	177,098
Solid Waste	3,682,553	1,914,349	-	-
Golf	832,408	892,441	-	-
Arena	494,095	494,508	-	-
Total Business-Type Activities	16,276,850	13,919,812	-	177,098
Total	$ 62,768,412	$ 21,220,826	$ 607,301	$ 4,527,516

General Revenues, Transfers & Permanent Fund Contributions

Property Taxes

Penalties, interest and other taxes

Grants and contributions not restricted to specific programs

Investment income

Miscellaneous

Transfers, net

Permanent fund contributions

Total general revenues, transfers, and contributions

Change in Net Assets

Net Assets:

Beginning of year

End of year

See notes to financial statements.

Governmental Activities	Business-Type Activities	Total
Net (Expenses) Revenues and Changes in Net Assets		
$ (1,950,248)	$ -	$ (1,950,248)
(17,367,197)	-	(17,367,197)
(7,580,673)	-	(7,580,673)
(2,988,035)	-	(2,988,035)
(1,858,846)	-	(1,858,846)
(528,783)	-	(528,783)
(1,763,217)	-	(1,763,217)
(195,830)	-	(195,830)
(34,232,829)	-	(34,232,829)
-	(16,799)	(16,799)
-	(455,383)	(455,383)
-	(1,768,204)	(1,768,204)
-	60,033	60,033
-	413	413
-	(2,179,940)	(2,179,940)
(34,232,829)	(2,179,940)	(36,412,769)
36,055,134	-	36,055,134
754,891	-	754,891
1,694,459	141,327	1,835,786
1,552,449	345,891	1,898,340
987,429	68,586	1,056,015
(451,881)	451,881	-
470,916	-	470,916
41,063,397	1,007,685	42,071,082
6,830,568	(1,172,255)	5,658,313
84,360,366	113,271,365	197,631,731
$ 91,190,934	$ 112,099,110	$ 203,290,044

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2008

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and short-term equivalents	$ 11,794,233	$ 21,981,690	$ 33,775,923
Investments	10,862,051	9,499,972	20,362,023
Receivables:			
Property taxes	26,540,645	-	26,540,645
Accounts	177,114	121,499	298,613
Intergovernmental	10,488	-	10,488
Loans	-	690,340	690,340
Due from other funds	1,361,685	183,689	1,545,374
Inventory	217,996	-	217,996
Other assets	5,351	4,950	10,301
TOTAL ASSETS	$ 50,969,563	$ 32,482,140	$ 83,451,703
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 437,254	$ 594,387	$ 1,031,641
Retainage payable	-	981,834	981,834
Other liabilities	977,431	777,660	1,755,091
Deferred revenues	26,689,103	755,922	27,445,025
Taxes collected in advance	16,766,839	-	16,766,839
Due to other funds	185,826	1,363,225	1,549,051
Due to other governments	165,226	-	165,226
TOTAL LIABILITIES	45,221,679	4,473,028	49,694,707
Fund Balances:			
Reserved for:			
Encumbrances	370,689	4,641,733	5,012,422
Inventory	210,628	-	210,628
Perpetual (nonexpendable) permanent funds	-	8,512,673	8,512,673
Tax stabilization	578,080	-	578,080
Miscellaneous	140,708	-	140,708
Unreserved:			
Undesignated, reported in:			
General fund	4,447,779	-	4,447,779
Special revenue funds	-	9,077,496	9,077,496
Capital project funds	-	5,017,047	5,017,047
Debt service	-	760,163	760,163
TOTAL FUND BALANCES	5,747,884	28,009,112	33,756,996
TOTAL LIABILITIES AND FUND BALANCES	$ 50,969,563	$ 32,482,140	$ 83,451,703

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, 2008

Total governmental fund balances	$	33,756,996
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		98,626,413
• Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		2,693,187
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.		(792,926)
• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(43,092,736)
Net assets of governmental activities	$	91,190,934

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, 2008

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 34,307,814	$ 779,438	$ 35,087,252
Licenses and permits	1,089,628	-	1,089,628
Intergovernmental	2,053,133	1,388,988	3,442,121
Charges for services	4,389,802	1,821,584	6,211,386
Investment income	1,277,796	274,653	1,552,449
Contributions	-	3,680,973	3,680,973
Miscellaneous	802,595	939,725	1,742,320
Total Revenues	43,920,768	8,885,361	52,806,129
Expenditures:			
Current:			
General government	4,911,366	248,235	5,159,601
Public safety	18,109,106	618,934	18,728,040
General services	7,784,054	459,110	8,243,164
Community development	2,996,371	321,608	3,317,979
Leisure and information services	2,144,429	3,457	2,147,886
Human services	697,719	-	697,719
Employee benefits	656,039	-	656,039
Miscellaneous	-	195,830	195,830
Debt service			
Principal	3,990,366	833,600	4,823,966
Interest	1,253,363	601,855	1,855,218
Capital outlay	-	11,397,517	11,397,517
Total Expenditures	42,542,813	14,680,146	57,222,959
Excess (deficiency) of revenues over expenditures	1,377,955	(5,794,785)	(4,416,830)
Other Financing Sources (Uses):			
Transfers in	1,779,006	1,741,137	3,520,143
Transfers out	(3,133,323)	(838,702)	(3,972,025)
Total Other Financing Sources (Uses)	(1,354,317)	902,435	(451,882)
Net change in fund balance	23,638	(4,892,350)	(4,868,712)
Fund Balance, at Beginning of Year as restated	5,724,246	32,901,462	38,625,708
Fund Balance, at End of Year	$ 5,747,884	$ 28,009,112	$ 33,756,996

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, 2008

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	(4,868,712)
• Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay purchases		9,336,336
Depreciation		(3,499,878)
Loss on disposal of assets		(15,725)
• 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.		967,881
• 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:		
Bond repayments		4,823,966
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.		92,001
• Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(35,301)
Landfill liability		30,000
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$	6,830,568

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

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

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts			Variance with
	Original Budget	Final Budget	Actual Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	$ 34,496,999	$ 34,496,999	$ 34,243,407	$ (253,592)
Licenses and permits	1,045,058	1,045,058	1,089,628	44,570
Intergovernmental	2,045,867	2,045,867	2,053,133	7,266
Charges for services	3,929,191	4,120,691	4,389,802	269,111
Investment income	1,649,680	1,649,680	1,277,796	(371,884)
Miscellaneous	637,113	640,261	802,595	162,334
Total Revenues	43,803,908	43,998,556	43,856,361	(142,195)
Expenditures:				
General government	5,486,214	5,516,502	4,946,543	569,959
Public safety	18,611,587	18,805,587	18,080,531	725,056
General services	7,183,870	7,833,870	7,835,647	(1,777)
Community development	3,158,299	3,158,299	3,009,127	149,172
Leisure and information services	2,257,660	2,268,020	2,169,025	98,995
Human services	689,890	689,890	697,659	(7,769)
Employee benefits	625,000	625,000	706,039	(81,039)
Debt service	5,169,350	5,169,350	5,179,859	(10,509)
Total Expenditures	43,181,870	44,066,518	42,624,430	1,442,088
Other Financing Sources (Uses):				
Transfers in	1,660,732	1,700,732	1,715,137	14,405
Transfers out	(3,657,770)	(3,057,770)	(3,076,499)	(18,729)
Budgetary use of fund balance	1,375,000	1,425,000	1,425,000	-
Total Other Financing Sources (Uses)	(622,038)	67,962	63,638	(4,324)
Excess of revenues and other financing sources over expenditures and other financing uses	$ -	$ -	$ 1,295,569	$ 1,295,569

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2008

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Funds	Total
ASSETS				
Current:				
Cash and short-term equivalents	$ 2,208,110	$ 3,209,278	$ 1,376,518	$ 6,793,906
User fees, net of allowance for uncollectibles	478,511	581,951	170,386	1,230,848
Intergovernmental receivables	-	141,544	-	141,544
Inventory	13,121	-	-	13,121
Total current assets	2,699,742	3,932,773	1,546,904	8,179,419
Noncurrent:				
Intergovernmental	-	1,326,168	-	1,326,168
Capital assets:				
Land and construction in progress	2,767,625	7,389,679	390,188	10,547,492
Other capital assets, net of accumulated depreciation	62,093,818	55,484,368	1,472,896	119,051,082
Total noncurrent assets	64,861,443	64,200,215	1,863,084	130,924,742
TOTAL ASSETS	67,561,185	68,132,988	3,409,988	139,104,161
LIABILITIES				
Current:				
Accounts payable	276,708	218,029	201,636	696,373
Retainage payable	110,036	83,503	-	193,539
Accrued liabilities	135,897	180,835	8,209	324,941
Unearned revenue	-	-	30,464	30,464
Other current liabilities	66,415	29,453	131,736	227,604
Current portion of long-term liabilities:				
Bonds and loans payable	1,444,549	1,414,346	91,900	2,950,795
Compensated absences	69,223	55,559	29,855	154,637
Total current liabilities	2,102,828	1,981,725	493,800	4,578,353
Noncurrent:				
Bonds and loans payable, net of current portion	8,860,495	12,953,403	612,800	22,426,698
Total noncurrent liabilities	8,860,495	12,953,403	612,800	22,426,698
TOTAL LIABILITIES	10,963,323	14,935,128	1,106,600	27,005,051
NET ASSETS				
Invested in capital assets, net of related debt	54,556,398	48,996,224	1,158,386	104,711,008
Restricted for debt service	-	1,467,712	-	1,467,712
Unrestricted	2,041,464	2,733,924	1,145,002	5,920,390
TOTAL NET ASSETS	$ 56,597,862	$ 53,197,860	$ 2,303,388	$ 112,099,110

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, 2008

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Funds	Total
Operating Revenues:				
Charges for services	$ 5,168,674	$ 5,591,167	$ 3,301,298	$ 14,061,139
Other	3,465	13,531	51,590	68,586
Total Operating Revenues	5,172,139	5,604,698	3,352,888	14,129,725
Operating Expenses:				
Operating expenses	2,890,466	3,819,042	4,848,532	11,558,040
Depreciation	1,775,915	1,719,158	128,406	3,623,479
Total Operating Expenses	4,666,381	5,538,200	4,976,938	15,181,519
Operating Income (Loss)	505,758	66,498	(1,624,050)	(1,051,794)
Nonoperating Revenues (Expenses):				
Investment income	124,724	206,991	14,176	345,891
Interest expense	(463,018)	(600,195)	(32,118)	(1,095,331)
Total Nonoperating Revenues (Expenses), Net	(338,294)	(393,204)	(17,942)	(749,440)
Income (Loss) Before Contributions and Transfers	167,464	(326,706)	(1,641,992)	(1,801,234)
Capital contributions from developers	-	177,098	-	177,098
Transfers in	25,000	71,593	1,835,793	1,932,386
Transfers out	(610,241)	(767,686)	(102,578)	(1,480,505)
Change in Net Assets	(417,777)	(845,701)	91,223	(1,172,255)
Net Assets at Beginning of Year	57,015,639	54,043,561	2,212,165	113,271,365
Net Assets at End of Year	$ 56,597,862	$ 53,197,860	$ 2,303,388	$ 112,099,110

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Funds	Total
Cash Flows From Operating Activities:				
Receipts from customers and users	$ 5,060,764	$ 5,523,065	$ 3,350,139	$ 13,933,968
Payments to vendors and employees	(2,719,270)	(3,655,015)	(4,695,706)	(11,069,991)
Net Cash Provided By (Used For) Operating Activities	2,341,494	1,868,050	(1,345,567)	2,863,977
Cash Flows From Noncapital Financing Activities:				
Intergovernmental revenue	-	177,098	-	177,098
Transfers in	25,000	71,593	1,835,793	1,932,386
Transfers out	(610,241)	(767,686)	(102,578)	(1,480,505)
Net Cash Provided by (Used For) Noncapital Financing Activities	(585,241)	(518,995)	1,733,215	628,979
Cash Flows From Capital and Related Financing Activities:				
Principal payments on bonds and notes	(1,455,554)	(1,444,074)	(92,750)	(2,992,378)
Acquisition and construction of capital assets	(1,765,033)	(543,172)	-	(2,308,205)
Interest expense	(463,018)	(600,195)	(32,118)	(1,095,331)
Net Cash (Used For) Capital and Related Financing Activities	(3,683,605)	(2,587,441)	(124,868)	(6,395,914)
Cash Flows From Investing Activities:				
Investment income	124,724	206,991	14,176	345,891
Net Cash Provided by Investing Activities	124,724	206,991	14,176	345,891
Net Change in Cash and Short-Term Equivalents	(1,802,628)	(1,031,395)	276,956	(2,557,067)
Cash and Short-Term Equivalents, Beginning of Year	4,010,738	4,240,673	1,099,562	9,350,973
Cash and Short-Term Equivalents, End of Year	$ 2,208,110	$ 3,209,278	$ 1,376,518	$ 6,793,906
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Operating income (loss)	$ 505,758	$ 66,498	$ (1,624,050)	$ (1,051,794)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,775,915	1,719,158	128,406	3,623,479
Changes in assets and liabilities:				
User fees	(111,375)	(81,633)	(6,305)	(199,313)
Inventory	(2,194)	-	-	(2,194)
Other assets	70,674	150,962	54	221,690
Accounts payable	98,776	60,573	27,519	186,868
Compensated absences	6,761	5,510	1,863	14,134
Other liabilities	(2,821)	(53,018)	126,946	71,107
Net Cash Provided By (Used For) Operating Activities	$ 2,341,494	$ 1,868,050	$ (1,345,567)	$ 2,863,977

See notes to financial statements.

CITY OF CONCORD, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2008

	Agency Fund
ASSETS	
Cash and short-term equivalents	$ 1,653,730
Due from other funds	3,740
Other assets	29,274
Total Assets	$ 1,686,744
LIABILITIES	
Due to other governments	$ 866,883
Other liabilities	819,797
Due to other funds	64
Total Liabilities	$ 1,686,744

See notes to financial statements.

1. <u>Summary of Significant Accounting Policies</u>

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. <u>Reporting Entity</u>

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 2008, it was determined that no entities met the required GASB-39 criteria of component units.

B. <u>Government-Wide and Fund Financial Statements</u>

<u>Government-Wide Financial Statements</u>
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*.

<u>Fund Financial Statements</u>
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 and excises.

Fund Financial Statements

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

The government reports the following major governmental funds:

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

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.

In addition, the City has three enterprise funds, for Solid Waste, 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. Investments

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

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

F. Inventories

Inventories are valued at cost using the cost-averaging method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

G. Capital Assets

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

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

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

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

Assets	Years
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.

General Fund	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Revenues/Expenditures (GAAP basis)	$ 43,920,768	$ 42,542,813
Other financing sources/uses (GAAP basis)	1,779,006	3,133,323
Subtotal (GAAP Basis)	45,699,774	45,676,136
Adjust tax revenue to accrual basis	(64,406)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(246,322)
Add end of year appropriation carryforwards to expenditures	-	370,689
To reverse nonbudgeted activity	(63,870)	(99,574)
Recognize use of fund balance as funding source	1,425,000	-
Budgetary Basis	$ 46,996,498	$ 45,700,929

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

D. Excess of Expenditures Over Appropriations

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

General Fund:	
City Manager	$ (43,016)
General Services	(1,777)
Human Services	(7,769)
Employee Benefits	(81,039)
Interest	(46,043)
Transfers Out	(18,729)

E. Deficit Fund Equity

The following funds had deficits as of June 30, 2008:

Nonmajor Governmental Funds:	
Community Development fund	$ (73,203)
Library Fund (special revenue fund)	(17,119)
Revaluation Fund	(16)
Open Space Protection Fund	(35,378)
Route 3 Corridor Fund	(47,617)

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.

Of the investment in Corporate bonds of $ 361,514, the government has no custodial credit risk exposure because the related securities are insured and registered.

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, 2008, the City's bank balance of $ 62,169,466 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, 2008 included the following:

State investment pool	$ 10,869,254
U.S. treasury obligations	678,704
U.S. government agencies	527,486
Corp. and foreign bonds	361,514
Common equities	3,710,262
Preferred securities	163,318
Int'l equity mutual funds	1,567,034
Taxable fixed income funds	2,484,451
Total	$ 20,362,023

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 <1	1-5	6-10	Average Rating
U.S. Treasury Obligations	$ 678,704	$ -	$ 315,696	$ 363,008	AAA
U.S. Government Agencies	527,486	-	427,673	99,813	AAA
Corp. and Foreign Bonds	361,514	103,377	160,251	97,886	AA3
Total	$ 1,567,704	$ 103,377	$ 903,620	$ 560,707	

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, 2008, the City was in compliance with this limitation policy.

D. *Interest Rate Risk*

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

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations, thus avoiding the need to sell securities on the open market prior to maturity.

The policy also provides for investing primarily in shorter-term securities, including the local government investment pool.

Trust Funds

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

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

E. Foreign Currency Risk

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

4. Property Taxes Receivable

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

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

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

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

Taxes receivable at June 30, 2008 consist of the following (in thousands):

Property taxes:		
Levy of 2008	$ 25,194	
Levy of 2007	1,598	
Levy of 2006	525	
Levy of 2005	19	
Levy of 2004	18	
Levy of 2003	15	
Unredeemed taxes:		
Levy of 2002	7	
Prior years	17	
Subtotal		27,393
Other taxes:		
Timber yield taxes	1	
Land use change taxes	608	
Elderly tax liens	66	
Subtotal		675
Gross Tax Receivable		28,068
Allowance for Abatements (overlay)		(1,527)
Net Total Taxes Receivable		$ 26,541

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	$ 182
Total	$ 182

6. Loans Receivable

Loans receivable of $ 690,340 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		
June 30	Principal	Interest	Total
2009	$ 141,544	$ 58,399	$ 199,943
2010	145,237	52,731	197,968
2011	150,011	46,870	196,881
2012	155,877	40,724	196,601
2013	160,856	34,287	195,143
2014-2024	714,187	86,682	800,869
Total	$ 1,467,712	$ 319,693	$ 1,787,405

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, 2008 balances in interfund receivable and payable accounts.

Fund	Due From Other Funds	Due To Other Funds
General Fund	$ 1,361,685	$ 185,825
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Parking	-	1,603
Special Revenue Funds (Previously Reported as Trust Funds):		
Nelson	-	19,600
Forest & Conservation	183,689	-
Library	-	17,119
Highway	-	811,770
Economic Development	-	132,844
Revaluation	-	2,839
SVMS Project	-	14,673
Capital Project Funds:		
Route 3 Corridor	-	47,617
Permanent Funds:		
Cemetery (Nonexpendable)	-	112,439
Library (Nonexpendable)	-	22,348
Dedicated Income (Nonexpendable)	-	119,717
Other (Nonexpendable)		19,719
Debt Service Funds:		
SBTIFD	-	40,937
Fiduciary Fund:		
Agency Fund	3,740	64
Total	$ 1,549,114	$ 1,549,114

The following is an analysis of interfund transfers made in fiscal year 2008:

Governmental Fund:	Transfers In	Transfers Out
Major Funds:		
General Fund	$ 1,779,007	$ 3,133,323
Nonmajor Funds:		
Special Revenue Funds:		
Community Development Conservation Property Management	4,900	-
Parking	238,966	116,700
Airport	-	125,145
Impact Fee	272,673	432,344
Miscellaneous	44,719	550
Insured Retention	-	67,500
Durgin	10,500	-
Nelson	-	19,600
Forest and Conservation	171,615	159,253
Library	-	8,330
Highway	724,705	1,566,000
Economic Development	162,489	293,033
Revaluation	-	2,839
53rd Week	100,000	-
Mountain Green	-	16,833
SVMS Project	-	14,673
Capital Project Funds:		
Other Capital Project Funds Pre 2003	-	54,430
Other Capital Project Funds Post 2002	3,090,458	430,732
Open Space Protection	159,253	117,182
Capital Commons Garage	-	319,346
Permanent Funds:		
Cemetery (Nonexpendable)	-	171,702
Library (Nonexpendable)	-	141,000
Dedicated Income (Nonexpendable)	-	2,650
Other (Nonexpendable)	-	24,619
Debt Service Funds:		
NEOC	-	73,762
SBTIFD	80,380	-
Business-Type Funds:		
Major Funds:		
Water	25,000	610,241
Sewer	71,593	767,686
Nonmajor Funds:		
Solid Waste	1,814,673	-
Golf	-	66,035
Arena	21,120	36,543
Total	$ 8,772,051	$ 8,772,051

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, 2008 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Land improvements	$ 4,247	$ 600	$ -	$ 4,847
Buildings and improvement	20,530	6,733	-	27,263
Machinery, equipment, and furnishing	5,334	640	-	5,974
Infrastructure	35,486	9,683	-	45,169
Licensed vehicles	10,456	1,413	(405)	11,464
Total capital assets, being depreciated	76,053	19,069	(405)	94,717
Less accumulated depreciation for:				
Land improvements	(3,485)	(107)	-	(3,592)
Buildings and improvements	(7,211)	(834)	-	(8,045)
Machinery, equipment, and furnishings	(3,108)	(693)	-	(3,801)
Infrastructure	(9,152)	(850)	-	(10,002)
Licensed vehicles	(7,937)	(1,016)	389	(8,564)
Total accumulated depreciation	(30,893)	(3,500)	389	(34,004)
Total capital assets, being depreciated, net	45,160	15,569	(16)	60,713
Capital assets, not being depreciated:				
Land	9,846	617	-	10,463
Construction-in-progress	37,800	7,306	(17,656)	27,450
Total capital assets, not being depreciated	47,646	7,923	(17,656)	37,913
Governmental activities capital assets, net	$ 92,806	$ 23,492	$ (17,672)	$ 98,626

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	$ 100	$ -	$ -	$ 100
Buildings and improvements	55,403	509	-	55,912
Machinery, equipment, and furnishings	4,858	16	-	4,874
Infrastructure	128,994	92	-	129,086
Licensed vehicles	764	140	(77)	827
Total capital assets, being depreciated	190,119	757	(77)	190,799
Less accumulated depreciation for:				
Land Improvements	(5)	(5)	-	(10)
Buildings and improvements	(17,756)	(1,175)	-	(18,931)
Machinery, equipment, and furnishings	(3,041)	(471)	-	(3,512)
Infrastructure	(46,699)	(1,923)	-	(48,622)
Licensed vehicles	(700)	(49)	77	(672)
Total accumulated depreciation	(68,201)	(3,623)	77	(71,747)
Total capital assets, being depreciated, net	121,918	(2,866)	-	119,052
Capital assets, not being depreciated:				
Land	1,064	-	-	1,064
Construction-in-progress	7,932	2,153	(602)	9,483
Total capital assets, not being depreciated	8,996	2,153	(602)	10,547
Business-type activities capital assets, net	$ 130,914	$ (713)	$ (602)	$ 129,599

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

Governmental Activities:	
Public safety	$ 813
General services	1,726
Community Development	868
Leisure and information services	93
Total depreciation expense - governmental activities	$ 3,500
Business-Type Activities:	
Water	$ 1,776
Sewer	1,719
Other	128
Total depreciation expense - business-type activities	$ 3,623

10. Accounts Payables

Accounts payable represent additional 2008 expenditures paid after July 15, 2008.

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, 2008 receivable balances, except real and personal 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, 2008, the City had billed the first two quarterly installments of the tax year 2008 (fiscal year 2009) 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:

Governmental Funds:	Original Amount	Serial Maturities Through	Interest Rate (s)%	Amount Outstanding as of June 30, 2008
Bonds Payable:				
Public improvements	$ 3,330,000	04/15/14	5.45 - 7.75	$ 1,245,000
Public improvements	4,770,000	04/15/15	4.60 - 6.50	2,020,000
Public improvements	2,463,504	10/15/15	4.00 - 4.70	1,621,196
Public improvements	8,322,590	10/15/16	4.00 - 4.70	2,794,000
Public improvements	1,035,000	04/01/10	4.00 - 5.00	190,000
Public improvements	3,642,514	12/15/10	3.00	626,402
Public improvements	4,829,750	11/15/24	3.23	3,581,000
Public improvements	6,027,815	07/15/24	3.00 - 5.00	4,682,635
Public improvements	10,161,000	07/15/25	3.75 - 5.00	9,710,000
Public improvements	5,920,000	03/15/26	3.50 - 5.00	4,590,000
Public improvements	10,632,960	01/15/27	4.00 - 5.50	9,873,900
Total Governmental Funds				$ 40,934,133

Enterprise Funds:		Original Amount	Serial Maturities Through	Interest Rate (s)%		Amount Outstanding as of June 30, 2008
Water Fund:						
Bonds Payable:						
Water	$	2,260,000	07/15/13	3.30 - 6.25	$	250,000
Water		3,660,000	04/15/14	3.65 - 4.50		1,855,000
Water		1,980,000	04/01/10	4.60 - 6.50		470,000
Water meters		2,297,279	10/15/16	4.00 - 4.70		891,000
Water		452,280	10/15/10	4.00 - 4.70		198,449
Water		1,730,000	04/01/17	4.00 - 4.70		1,010,000
Water		125,604	12/15/10	3.00		21,600
Water		3,236,175	01/15/24	3.23		2,230,000
Water		2,023,545	07/15/24	3.00 - 5.00		1,638,995
Water		1,760,000	03/15/26	3.50 - 5.00		1,620,000
Water		149,300	01/15/27	4.00 - 5.50		120,000
Total Water Fund						10,305,044
Sewer Fund:						
Bonds Payable:						
Sanitary sewer		3,272,000	04/15/14	3.65 - 4.50		1,600,000
Sanitary sewer		2,150,000	04/01/17	4.60 - 6.50		790,000
Sanitary sewer		910,176	10/15/15	4.00 - 4.70		313,000
Sanitary sewer		312,175	10/15/14	4.00 - 4.70		140,199
Sanitary sewer		169,000	04/01/13	4.00 - 5.00		75,000
Sanitary sewer		482,259	12/15/10	3.00		91,997
Sanitary sewer		1,059,150	01/15/24	3.23		705,000
Sanitary sewer		1,465,790	07/15/24	3.00 - 5.00		1,181,015
Sanitary sewer		2,121,000	03/15/26	3.50 - 5.00		1,850,000
Sanitary sewer		2,210,990	01/15/27	4.00 - 5.50		2,102,100
Total Bonds Payable						8,848,311
Other Long-Term Debt:						
Sewer State Revolving Loan		4,465,788	07/01/19	2.45		3,487,839
Sewer State Revolving Loan		2,428,284	01/01/20	2.27		2,031,599
Total Other Debt Outstanding						5,519,438
Total Sewer Fund						14,367,749
Nonmajor Funds:						
Bonds Payable:						
Clubhouse improvements		365,000	04/01/17	4.00 - 5.00		215,000
Golf course renovation		100,000	11/15/24	3.23		60,000
Arena expansion		430,000	10/15/15	4.00 - 4.70		227,000
Arena		39,925	01/15/24	3.23		24,000
Arena		29,700	07/15/24	3.00 - 500		14,700
Arena		149,000	03/15/26	3.50 - 5.00		120,000
Arena		48,750	01/15/27	4.00 - 5.50		44,000
Total Other Enterprise Funds						704,700
Total Enterprise Fund Long-Term Debt					$	25,377,493

C. *Future Debt Service*

The annual principal payments to retire all general obligation long-term debt outstanding as of June 30, 2008 are as follows:

Governmental	Principal	Interest	Total
2009	$ 4,324,738	$ 1,676,696	$ 6,001,434
2010	4,277,353	1,513,276	5,790,629
2011	3,777,207	1,349,677	5,126,884
2012	3,594,524	1,196,058	4,790,582
2013	3,394,000	1,049,099	4,443,099
2014-2018	11,603,811	3,237,398	14,841,209
2019-2023	6,721,900	1,336,282	8,058,182
2024-2028	3,240,600	226,274	3,466,874
Total	$ 40,934,133	$ 11,584,760	$ 52,518,893

Enterprise	Principal	Interest	Total
2009	$ 2,950,795	$ 987,106	$ 3,937,901
2010	2,955,699	877,159	3,832,858
2011	2,642,522	765,038	3,407,560
2012	2,618,864	663,359	3,282,223
2013	2,601,193	560,142	3,161,335
2014-2018	8,386,957	1,444,167	9,831,124
2019-2023	2,407,063	362,767	2,769,830
2024-2028	814,400	75,495	889,895
Total	$ 25,377,493	$ 5,735,233	$ 31,112,726

D. *Bond Authorizations*

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2008 are as follows:

Purpose		Amount
Carter Hill	$	100,000
Allied Leather Tannery		375,000
Route 3 Corridor		1,570,000
White Park		329,300
Facility Renovations		150,000
Woodlawn Cemetery		45,000
Fire Apparatus		75,000
North State St.		1,225,000
Open Space		3,800,000
Doane baseball facility		65,000
Memorial Field		80,000
Target neighborhood infrastructure		50,000
City Hall complex		45,000
Equipment replacement (1)		665,000
Water mains		1,950,000
Hall St. Plant		201,000
Hall St. door control		550,000
Water Master Plan		175,000
Water clean		825,000
Pena Plant		227,672
Sewer video camera		20,000
Equipment replacement (2)		134,000
Grit removal system		1,440,000
Clarifier drain		65,000
Total	$	14,161,972

E. Prior Year's Debt Defeasance

Prior Year

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. The proceeds from the new 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, 2008, the amount of defeased debt still outstanding is $ 12,600,800.

F. Changes in General Long-Term Liabilities

During the year ended June 30, 2008, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/07	Additions	Reductions	Total Balance 6/30/08	Less Current Portion	Equals Long-Term Portion 6/30/08
Governmental Activities						
Bonds and loans payable	$ 45,758	$ -	$ (4,824)	$ 40,934	$ (4,325)	$ 36,609
Other:						
Accrued employee benefits	1,613	1,407	(1,371)	1,649	(1,401)	248
Landfill closure	540	-	(30)	510	(30)	480
Subtotal	2,153	1,407	(1,401)	2,159	(1,431)	728
Totals	$ 47,911	$ 1,407	$ (6,225)	$ 43,093	$ (5,756)	$ 37,337
Business-Type Activities						
Bonds and loans payable	$ 28,370	$ -	$ (2,993)	$ 25,377	$ (2,951)	$ 22,426
Other:						
Accrued employee benefits	140	134	(119)	155	(155) (A)	-
Totals	$ 28,510	$ 134	$ (3,112)	$ 25,532	$ (3,106)	$ 22,426

(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 $ 510,000 as the estimate of the remaining postclosure care liability at June 30, 2008 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, 2008:

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.

16. Subsequent Events

Investments

During September through November, 2008, the stock market suffered significant losses. As a result, there may be a substantial depreciation in the value of the organization’s investments.

17. Commitments and Contingencies

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

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

18. Post-Employment Health Care 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, 2008, there were 271 retiree Subscribers, including eligible spouses, receiving health care benefits through the City. The City recognizes the cost of providing these benefits as paid. These costs totaled $ 957,251 fiscal year ended June 30, 2008.

GASB Statement No. 45, Financial Reporting by Employers for Post-employment Benefits Other Than Pensions is effective June 30, 2009. The City estimates that its unaudited OPEB actuarially determined unfunded liability as of June 30, 2008 to be approximately $ 30,200,000. Based on these estimates, the City unaudited actuarially determined annual required contribution (ARC) is estimated to be approximately $ 2,500,000. As a result of the steps taken by the City, including requiring retirees age 65 and above to move to a Medicare Advantage Plan, the City has been able to reduce it UAAL and ARC from the 2006 valuation for approximately $ 55,700,000 and $ 4,500,000, respectively.

The City plans to fully implement GASB 45 in fiscal 2009.

19. 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 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, 2008, 2007, and 2006 were $ 2,723,363, $ 2,239,609, and $ 2,247,802, 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, 2008, was $ 24,653,773. Contribution requirements for the year ended June 30, 2008, were as follows:

State of New Hampshire	$	1,259,888
Employees' contributions		1,700,681
Total	$	2,960,569

20. Risk Management

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

21. Tax Increment District

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

Revenues:		
Tax increment district	$ 4,933,968	
Investment interest	124,741	$ 5,058,709
Expenditures:		
Principal	2,610,000	
Interest on debt	1,478,177	
Outside services	249,813	4,337,990
Excess (deficiency) of revenue		720,719
Fund Balance Reserved for Debt Service		$ 720,719
Long-Term Debt Payable:		
Principal	$ (2,570,000)	
Interest	(508,493)	$ (3,078,493)
Available fund balance		720,719
Deficit to be Raised by Tax Increment District		$ (2,357,774)
Assessment Information:		
Base Value		$ 4,380,800
Captured Value*		$ 49,533,100

* = As of April 1, 2008

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	$ 166,763	
Interest on proceeds from sale of bonds	24,872	
Investment interest	945	
Transfer In	80,380	$ 272,960
Expenditures:		
Principal	105,000	
Interest on debt	128,516	
Outside services	-	233,516
Excess (deficiency) of revenue		39,444
Fund Balance Reserved for Debt Service		$ 39,444
Long-Term Debt Payable:		
Principal	$ (9,710,000)	
Interest	(4,120,859)	$ (13,830,859)
Available fund balance		39,444
Deficit to be Raised by Tax Increment District		$ (13,791,415)
Assessment Information:		
Base Value		$ 735,500
Captured Value*		$ 7,801,000

* = As of April 1, 2008

22. Beginning Fund Balance Reclassification

The City's major governmental funds for fiscal year 2008, as defined by GASB Statement 34, have changed from the previous fiscal year.

	Fund Equity June 30, 2007 (as previously reported)	Reclassification	Fund Equity June 30, 2007 (as restated)
Nonmajor Funds	$ 31,503,010	$ 1,398,452	$ 32,901,462
Capital Commons Garage Fund	1,398,452	(1,398,452)	-
Total	$ 32,901,462	$ -	$ 32,901,462

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Combining Financial Statements

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special Revenue Funds are established for the following purposes:

- Community Development Fund - to account for the use of Community Development Block Grant Funds as received from the federal government through the New Hampshire Office of State Planning.
- Housing Revolving Loan Fund - to account for revenues and expenditures incurred with loans issued to various homeowners.
- Community Development Engineering Inspection Fund - to account for funds related to providing inspection services funded by developers and contractors for their projects.
- Community Development Conservation Property Management Fund - to account for funds related to operating and managing conservation property purchased by conservation funds including land use change taxes, conservation bonds, and other sources designated for a similar purpose.
- Parking Fund - to account for revenues and expenditures incurred with the collection of City parking meter fees.
- Airport Fund - to account for revenues and expenditures incurred with the operation of the Concord Airport.
- Impact Fee Fund - to account for revenues and expenditures incurred with fees charged on the construction of new buildings.
- Miscellaneous Special Revenue Fund - to account for the various other funds of the City legally restricted for specific purposes.
- Insured Retention - to account for sums of money which are appropriated for City insurance purposes.
- Durgin Garage - to account for monies received by the City to fund capital improvements on the Durgin Garage.

- Landfill - to account for monies received by the City to fund anticipated expenditures upon closure of the landfill.

- Nelson - to account for monies left to the Concord Public Library for capital improvement or land acquisition.

- Forest and Conservation - to account for revenues collected from the Land Use Charge Tax (used to preserve and protect open space, forests and conservation land in the City) and the option to purchase real property or interests therein.

- Cemetery - to account for expendable gifts to the City designated for the maintenance of cemeteries.

- Library - to account for expendable gifts to the City designated for the libraries.

- Highway - to account for funds transferred from the General Fund for future pavement restoration and repair.

- Economic Development - to account for funds transferred from the General Fund for an office park, industrial park or civic center.

- Revaluation - to account for funds transferred from the General Fund for the next property revaluation.

- 53rd Week - to account for funds transferred to reserve for an upcoming 53rd payroll week fiscal year.

- Equipment - to account for funds transferred from the General Fund for equipment upgrades.

- Mountain Green - to account for funds transferred from the General Fund for system repairs and renovations.

- Fire Apparatus Replacement - to account for funds transferred from the General Fund for fire apparatus replacement.

- Downtown Economic Development - to account for funds transferred from the General Fund for downtown economic development.

- SVMS Project - to account for funds for the purpose of managing the soil vapor management system located at the Old Suncook Road Landfill.

CAPITAL PROJECT FUNDS

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

The current funds were established for the following purposes:

- Other Capital Project Funds - Pre-2003 - to account for various other smaller construction projects and MIS upgrade funded by various sources prior to 6/30/02.

- Other Capital Project Funds - Post-2002 - to account for various other smaller construction projects funded by various sources after 6/30/02.

- Open space Protection Fund - to account for annually planned acquisitions of open space and conservation easements in accordance with the priorities of the Master Plan and Vision 2020.

- 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.

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 now lot suitable for the library, the erection of the library building, and any other general library purposes thereof.

- Other - to account for all other nonexpendable gifts received by the city. Income is available for those activities designated by the appropriate trust instrument.

DEBT SERVICE FUND

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

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

- North end Opportunity Corridor (NEOC) Tax Increment Financing District (NEOCTIFD) - established in March 1998 to account for related revenues and debt service expenditures by this TIFD.

- Sears Block Tax Increment Financing District (SBTIFD) - to account for funds collected in accordance with the tax increment financing plan dedicated for repayment of bonds issued for construction of the Capital commons Garage.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2008

	Special Revenue Funds			
	Community Development Fund	Housing Revolving Loan Fund	Community Development Engineering Inspection Fund	Community Development Conservation Property Management Func
ASSETS				
Cash and cash equivalents	$ 14,768	$ 650,251	$ 471,998	$ 8,879
Investments	-	-	-	-
Accounts receivable	-	9,786	7,609	-
Loans receivable	-	690,340	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Total Assets	$ 14,768	$ 1,350,377	$ 479,607	$ 8,879
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 45,949	$ 35	$ 219	$ 400
Retainage payable	42,022	-	-	-
Other liabilities	-	-	268,632	-
Deferred revenue	-	677,460	-	-
Due to other funds	-	-	-	-
Total Liabilities	87,971	677,495	268,851	400
Fund Balances:				
Reserved for encumbrances	-	-	27,088	3,000
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	(73,203)	672,882	183,668	5,479
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
Total Fund Balances	(73,203)	672,882	210,756	8,479
Total Liabilities and Fund Balances	$ 14,768	$ 1,350,377	$ 479,607	$ 8,879

Special Revenue Funds			
Parking Fund	Airport Fund	Impact Fee Fund	Miscellaneous Special Revenue Fund
$ 792,184	$ 360,998	$ 2,201,555	$ 454,159
-	-	-	-
67,375	4,484	-	30,132
-	-	-	-
-	-	-	-
-	4,950	-	-
$ 859,559	$ 370,432	$ 2,201,555	$ 484,291
$ 3,266	$ 13,852	$ -	$ 56,409
-	-	-	4,713
-	-	180,481	11,346
78,462	-	-	-
1,603	-	-	-
83,331	13,852	180,481	72,468
11,877	-	-	-
-	-	-	-
764,351	356,580	2,021,074	411,823
-	-	-	-
-	-	-	-
776,228	356,580	2,021,074	411,823
$ 859,559	$ 370,432	$ 2,201,555	$ 484,291

(continued)

(continued)

	Special Revenue Funds			
	Insured Retention Fund	Durgin Garage Fund	Landfill Fund	Nelson Fund
ASSETS				
Cash and cash equivalents	$ 1,178,881	$ 383,952	$ 9,477	$ 20,013
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Total Assets	$ 1,178,881	$ 383,952	$ 9,477	$ 20,013
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	19,600
Total Liabilities	-	-	-	19,600
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	1,178,881	383,952	9,477	413
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
Total Fund Balances	1,178,881	383,952	9,477	413
Total Liabilities and Fund Balances	$ 1,178,881	$ 383,952	$ 9,477	$ 20,013

	Special Revenue Funds				
	Forest & Conservation Fund	Cemetery Fund	Library Fund	Highway Fund	Economic Development Fund
	$ 23,299	$ 2,077	$ -	$ 1,116,028	$ 344,442
	1,719,004	74,954	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	183,689	-	-	-	-
	-	-	-	-	-
	$ 1,925,992	$ 77,031	$ -	$ 1,116,028	$ 344,442
	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	17,119	811,770	132,844
	-	-	17,119	811,770	132,844
	-	-	-	-	-
	-	-	-	-	-
	1,925,992	77,031	(17,119)	304,258	211,598
	-	-	-	-	-
	-	-	-	-	-
	1,925,992	77,031	(17,119)	304,258	211,598
	$ 1,925,992	$ 77,031	$ -	$ 1,116,028	$ 344,442

(continued)

(continued)

	Special Revenue Funds			
	Revaluation Fund	53rd Week Fund	Equipment Fund	Mountain Green Fund
ASSETS				
Cash and cash equivalents	$ 2,823	$ 183,768	$ 1,791	$ 334,098
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Total Assets	$ 2,823	$ 183,768	$ 1,791	$ 334,098
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	2,839	-	-	-
Total Liabilities	2,839	-	-	-
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated				
Special revenue funds	(16)	183,768	1,791	334,098
Capital project funds	-	-	-	-
Debt service fund	-	-	-	-
Total Fund Balances	(16)	183,768	1,791	334,098
Total Liabilities and Fund Balances	$ 2,823	$ 183,768	$ 1,791	$ 334,098

Special Revenue Funds			
Fire Apparatus Replacement Fund	Downtown Economic Development Fund	SVMS Project Fund	Subtotal
$ 47,393	$ 11,205	$ 96,793	$ 8,710,832
-	-	-	1,793,958
-	-	-	119,386
-	-	-	690,340
-	-	-	183,689
-	-	-	4,950
$ 47,393	$ 11,205	$ 96,793	$ 11,503,155
$ -	$ -	$ -	$ 120,130
-	-	-	46,735
-	-	-	460,459
-	-	-	755,922
-	-	14,673	1,000,448
-	-	14,673	2,383,694
-	-	-	41,965
-	-	-	-
47,393	11,205	82,120	9,077,496
-	-	-	-
-	-	-	-
47,393	11,205	82,120	9,119,461
$ 47,393	$ 11,205	$ 96,793	$ 11,503,155

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(continued)

	Capital Project Funds					
	Other Capital Project Funds Pre 2003	Other Capital Project Funds Post 2002	Open Space Protection Fund	Capital Commons Garage Fund	Route 3 Corridor Fund	Subtotal
ASSETS						
Cash and cash equivalents	$ 3,248,233	$ 7,406,148	$ 237,693	$ 496,802	$ -	$ 11,388,876
Investments	-	-	-	-	-	-
Accounts receivable	-	2,113	-	-	-	2,113
Loans receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	$ 3,248,233	$ 7,408,261	$ 237,693	$ 496,802	$ -	$ 11,390,989
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 52,038	$ 421,669	$ -	$ 550	$ -	$ 474,257
Retainage payable	635,721	199,378	-	100,000	-	935,099
Other liabilities	-	44,130	273,071	-	-	317,201
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	47,617	47,617
Total Liabilities	687,759	665,177	273,071	100,550	47,617	1,774,174
Fund Balances:						
Reserved for encumbrances	985,754	3,592,428	-	13,218	8,368	4,599,768
Reserved for perpetual permanent funds	-	-	-	-	-	-
Unreserved:						
Undesignated						
Special revenue funds	-	-	-	-	-	-
Capital project funds	1,574,720	3,150,656	(35,378)	383,034	(55,985)	5,017,047
Debt service fund	-	-	-	-	-	-
Total Fund Balances	2,560,474	6,743,084	(35,378)	396,252	(47,617)	9,616,815
Total Liabilities and Fund Balances	$ 3,248,233	$ 7,408,261	$ 237,693	$ 496,802	$ -	$ 11,390,989

Permanent Funds				
Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
$ 63,178	$ 10,886	$ 1,006,046	$ 772	$ 1,080,882
6,857,703	764,500	-	83,811	7,706,014
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 6,920,881	$ 775,386	$ 1,006,046	$ 84,583	$ 8,786,896
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
112,439	22,348	119,717	19,719	274,223
112,439	22,348	119,717	19,719	274,223
-	-	-	-	-
6,808,442	753,038	886,329	64,864	8,512,673
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,808,442	753,038	886,329	64,864	8,512,673
$ 6,920,881	$ 775,386	$ 1,006,046	$ 84,583	$ 8,786,896

(continued)

(continued)

	Debt Service Funds			
	NEOC Fund	SBTIFD Fund	Subtotal	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 720,719	$ 80,381	$ 801,100	$ 21,981,690
Investments	-	-	-	9,499,972
Accounts receivable	-	-	-	121,499
Loans receivable	-	-	-	690,340
Due from other funds	-	-	-	183,689
Other assets	-	-	-	4,950
Total Assets	$ 720,719	$ 80,381	$ 801,100	$ 32,482,140
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 594,387
Retainage payable	-	-	-	981,834
Other liabilities	-	-	-	777,660
Deferred revenue	-	-	-	755,922
Due to other funds	-	40,937	40,937	1,363,225
Total Liabilities	-	40,937	40,937	4,473,028
Fund Balances:				
Reserved for encumbrances	-	-	-	4,641,733
Reserved for perpetual permanent funds	-	-	-	8,512,673
Unreserved:				
Undesignated				
Special revenue funds	-	-	-	9,077,496
Capital project funds	-	-	-	5,017,047
Debt service fund	720,719	39,444	760,163	760,163
Total Fund Balances	720,719	39,444	760,163	28,009,112
Total Liabilities and Fund Balances	$ 720,719	$ 80,381	$ 801,100	$ 32,482,140

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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, 2008

	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	-	-	-	-
Charges for services	-	205,296	51,947	2,301
Investment income	-	37,742	12,227	-
Contributions	454,453	-	-	-
Miscellaneous:				
Departmental	-	-	351,593	-
Interest and penalties	-	-	-	-
Total Revenues	454,453	243,038	415,767	2,301
Expenditures:				
Current:				
General government	80,289	50,187	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	34,002	-	267,056	4,900
Leisure and information services	-	-	-	-
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	414,300	-	-	-
Total Expenditures	528,591	50,187	267,056	4,900
Excess (deficiency) of revenues over expenditures	(74,138)	192,851	148,711	(2,599)
Other Financing Sources (Uses):				
Transfers in	-	-	-	4,900
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	4,900
Net change in fund balance	(74,138)	192,851	148,711	2,301
Fund Balance, beginning, as restated	935	480,031	62,045	6,178
Fund Balance, ending	$ (73,203)	$ 672,882	$ 210,756	$ 8,479

Special Revenue Funds			
Parking Fund	Airport Fund	Impact Fee Fund	Miscellaneous Special Revenue Fund
$ -	$ -	$ -	$ -
-	3,794	-	1,385,194
641,115	325,935	594,990	-
37,774	13,159	65,033	-
21,000	-	-	6,618
275,272	24,480	-	-
287,398	-	-	982
1,262,559	367,368	660,023	1,392,794
-	-	-	117,759
609,423	-	-	9,511
264,652	194,458	-	-
-	-	-	15,650
-	-	-	3,457
-	-	-	-
354,200	29,400	-	-
331,870	4,184	-	-
-	-	-	975,651
1,560,145	228,042	-	1,122,028
(297,586)	139,326	660,023	270,766
238,966	-	272,673	44,719
(116,700)	(125,145)	(432,344)	(550)
122,266	(125,145)	(159,671)	44,169
(175,320)	14,181	500,352	314,935
951,548	342,399	1,520,722	96,888
$ 776,228	$ 356,580	$ 2,021,074	$ 411,823

(continued)

(continued)

	Special Revenue Funds			
	Insured Retention Fund	Durgin Garage Fund	Landfill Fund	Nelson Fund
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	24,497	7,973	205	1,620
Contributions	128,011	-	-	-
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	152,508	7,973	205	1,620
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	-	-
Leisure and information services	-	-	-	-
Miscellaneous	-	-	-	78
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	78
Excess (deficiency) of revenues over expenditures	152,508	7,973	205	1,542
Other Financing Sources (Uses):				
Transfers in	-	10,500	-	-
Transfers out	(67,500)	-	-	(19,600)
Total Other Financing Sources (Uses)	(67,500)	10,500	-	(19,600)
Net change in fund balance	85,008	18,473	205	(18,058)
Fund Balance, beginning, as restated	1,093,873	365,479	9,272	18,471
Fund Balance, ending	$ 1,178,881	$ 383,952	$ 9,477	$ 413

Special Revenue Funds

Forest & Conservation Fund	Cemetery Fund	Library Fund	Highway Fund	Economic Development Fund
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
(62,932)	(2,704)	(1,911)	38,166	3,193
161,956	2,186	12,130	172,214	-
-	-	-	-	-
-	-	-	-	-
99,024	(518)	10,219	210,380	3,193
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,237	102	1,951	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,237	102	1,951	-	-
94,787	(620)	8,268	210,380	3,193
171,615	-	-	724,705	162,489
(159,253)	-	(8,330)	(1,566,000)	(293,033)
12,362	-	(8,330)	(841,295)	(130,544)
107,149	(620)	(62)	(630,915)	(127,351)
1,818,843	77,651	(17,057)	935,173	338,949
$ 1,925,992	$ 77,031	$ (17,119)	$ 304,258	$ 211,598

(continued)

(continued)

	Special Revenue Funds			
	Revaluation Fund	53rd Week Fund	Equipment Fund	Mountain Green Fund
Revenues:				
Property taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	362	7,046	30	6,451
Contributions	7,226	-	-	24,697
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	7,588	7,046	30	31,148
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	-	-
Leisure and information services	-	-	-	-
Miscellaneous	7,226	-	-	12,870
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	7,226	-	-	12,870
Excess (deficiency) of revenues over expenditures	362	7,046	30	18,278
Other Financing Sources (Uses):				
Transfers in	-	100,000	-	-
Transfers out	(2,839)	-	-	(16,833)
Total Other Financing Sources (Uses)	(2,839)	100,000	-	(16,833)
Net change in fund balance	(2,477)	107,046	30	1,445
Fund Balance, beginning, as restated	2,461	76,722	1,761	332,653
Fund Balance, ending	$ (16)	$ 183,768	$ 1,791	$ 334,098

Special Revenue Funds			
Fire Apparatus Replacement Fund	Downtown Economic Development Fund	SVMS Project Fund	Subtotal
$ -	$ -	$ -	$ -
-	-	-	1,388,988
-	-	-	1,821,584
1,035	1,727	2,208	192,901
-	-	-	990,491
-	-	-	651,345
-	-	-	288,380
1,035	1,727	2,208	5,333,689
-	-	-	248,235
-	-	-	618,934
-	-	-	459,110
-	-	-	321,608
-	-	-	3,457
-	-	-	26,464
-	-	-	383,600
-	-	-	336,054
-	-	-	1,389,951
-	-	-	3,787,413
1,035	1,727	2,208	1,546,276
-	-	-	1,730,567
-	-	(14,673)	(2,822,800)
-	-	(14,673)	(1,092,233)
1,035	1,727	(12,465)	454,043
46,358	9,478	94,585	8,665,418
$ 47,393	$ 11,205	$ 82,120	$ 9,119,461

(continued)

(continued)

	Capital Project Funds					
	Other Capital Project Funds Pre 2003	Other Capital Project Funds Post 2002	Open Space Protection Fund	Capital Commons Garage Fund	Route 3 Corridor Fund	Subtotal
Revenues:						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	170,301	-	170,301
Contributions	1,138,628	1,080,938	-	-	-	2,219,566
Miscellaneous:						
Departmental	-	-	-	-	-	-
Interest and penalties	-	-	-	-	-	-
Total Revenues	1,138,628	1,080,938	-	170,301	-	2,389,867
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
General services	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Leisure and information services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	137,235	8,810,283	159,276	853,155	47,617	10,007,566
Total Expenditures	137,235	8,810,283	159,276	853,155	47,617	10,007,566
Excess (deficiency) of revenues over expenditures	1,001,393	(7,729,345)	(159,276)	(682,854)	(47,617)	(7,617,699)
Other Financing Sources (Uses):						
Transfers in	-	3,090,458	159,253	-	-	3,249,711
Transfers out	(54,430)	(430,732)	(117,182)	(319,346)	-	(921,690)
Total Other Financing Sources (Uses)	(54,430)	2,659,726	42,071	(319,346)	-	2,328,021
Net change in fund balance	946,963	(5,069,619)	(117,205)	(1,002,200)	(47,617)	(5,289,678)
Fund Balance, beginning, as restated	1,613,511	11,812,703	81,827	1,398,452	-	14,906,493
Fund Balance, ending	$ 2,560,474	$ 6,743,084	$ (35,378)	$ 396,252	$ (47,617)	$ 9,616,815

Permanent Funds				
Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
(131,925)	186,774	(176,145)	174	(121,122)
137,611	141,000	167,686	24,619	470,916
-	-	-	-	-
-	-	-	-	-
5,686	327,774	(8,459)	24,793	349,794
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,374	21,565	117,397	20,030	169,366
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,374	21,565	117,397	20,030	169,366
(4,688)	306,209	(125,856)	4,763	180,428
-	-	-	-	-
(171,702)	(141,000)	(2,650)	(24,619)	(339,971)
		-		
(171,702)	(141,000)	(2,650)	(24,619)	(339,971)
(176,390)	165,209	(128,506)	(19,856)	(159,543)
6,984,832	587,829	1,014,835	84,720	8,672,216
$ 6,808,442	$ 753,038	$ 886,329	$ 64,864	$ 8,512,673

(continued)

(continued)

	Debt Service Funds			
	NEOC Fund	SBTIFD Fund	Subtotal	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	$ 626,302	$ 153,136	$ 779,438	$ 779,438
Intergovernmental	-	-	-	1,388,988
Charges for services	-	-	-	1,821,584
Investment income	32,573		32,573	274,653
Contributions	-	-	-	3,680,973
Miscellaneous:				
Departmental	-	-	-	651,345
Interest and penalties	-	-	-	288,380
Total Revenues	658,875	153,136	812,011	8,885,361
Expenditures:				
Current:				
General government	-	-	-	248,235
Public safety	-	-	-	618,934
General services	-	-	-	459,110
Community development	-	-	-	321,608
Leisure and information services	-	-	-	3,457
Miscellaneous	-	-	-	195,830
Debt service:				
Principal	345,000	105,000	450,000	833,600
Interest	137,285	128,516	265,801	601,855
Capital outlay	-	-	-	11,397,517
Total Expenditures	482,285	233,516	715,801	14,680,146
Excess (deficiency) of revenues over expenditures	176,590	(80,380)	96,210	(5,794,785)
Other Financing Sources (Uses):				
Transfers in	-	80,380	80,380	5,060,658 (A)
Transfers out	(73,762)	-	(73,762)	(4,158,223) (A)
Total Other Financing Sources (Uses)	(73,762)	80,380	6,618	902,435
Net change in fund balance	102,828	-	102,828	(4,892,350)
Fund Balance, beginning, as restated	617,891	39,444	657,335	32,901,462
Fund Balance, ending	$ 720,719	$ 39,444	$ 760,163	$ 28,009,112

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

Detail and Combining Budget and Actual Schedules

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General Fund

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

Special Revenue Fund

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

CITY OF CONCORD, NEW HAMPSHIRE

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

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Taxes			
Property taxes - current	$ 26,613,341	$ 26,613,341	$ -
Timber tax yield	20,000	7,582	(12,418)
Excavation activity tax	100	9	(91)
Motor vehicle registrations	5,505,000	5,326,909	(178,091)
Rooms and meals	1,788,900	1,775,941	(12,959)
Payment in lieu of taxes	569,658	519,625	(50,033)
Total Taxes	34,496,999	34,243,407	(253,592)
Licenses and Permits			
Engineering	1,578	1,788	210
City clerk records	29,300	23,549	(5,751)
Health services	117,880	108,278	(9,602)
Police/protection/amusement	52,800	87,912	35,112
Code enforcement/building permits	836,500	863,064	26,564
General service permits	7,000	5,037	(1,963)
Total Licenses and Permits	1,045,058	1,089,628	44,570
Intergovernmental			
State sharing	1,164,161	1,164,121	(40)
Railroad tax	3,340	620	(2,720)
Forest loss reimbursement	1,000	918	(82)
Fire service aid	125,000	125,000	-
Emergency management aid	9,320	19,808	10,488
State election reimbursement	3,600	3,626	26
Highway block grant	739,446	739,040	(406)
Total Intergovernmental	2,045,867	2,053,133	7,266
Charges For Services			
Finance	151,300	149,526	(1,774)
Legal	54,891	54,891	-
City clerk	50,450	48,535	(1,915)
Public safety	1,917,710	2,080,621	162,911
General services	203,550	199,267	(4,283)
Community development	202,990	199,477	(3,513)
Human services	73,000	164,794	91,794

(continued)

(continued)

	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Library	13,300	12,868	(432)
Recreation	275,210	274,213	(997)
Tower lease/ fire hdqrtrs	21,700	21,644	(56)
Cable franchise fee	604,000	611,943	7,943
School district lease	116,800	110,358	(6,442)
Storage rental	6,400	8,173	1,773
Community Center rental	51,050	60,700	9,650
Memorial field rental	19,340	21,383	2,043
Code prosecution	68,000	56,771	(11,229)
Restitution	5,500	9,965	4,465
Parking fines - non meters	205,000	203,284	(1,716)
False alarm penalties	37,500	50,839	13,339
Overdue book fines	41,000	48,306	7,306
Concessions/sponsors	2,000	2,244	244
Total Charges For Services	4,120,691	4,389,802	269,111
Investment Income			
Earnings on investments	1,649,680	1,277,796	(371,884)
Total Investment Income	1,649,680	1,277,796	(371,884)
Miscellaneous			
Miscellaneous revenue not anticipated	2,538	76,116	73,578
Donations	6,010	6,050	40
Other share of capital debt	50,713	50,713	-
Sale of city property	30,000	32,326	2,326
MV transportation surcharge	176,000	170,879	(5,121)
Interest, costs, and penalties	375,000	466,511	91,511
Total Miscellaneous	640,261	802,595	162,334
Other Financing Sources			
Transfers in	1,700,732	1,715,137	14,405
Budgetary use of fund balance	1,425,000	1,425,000	-
Total Other Financing Sources	3,125,732	3,140,137	14,405
Total Revenues and Other Financing Sources	$ 47,124,288	$ 46,996,498	$ (127,790)

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, 2008

	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
General Government			
City Manager	$ 1,026,461	$ 1,069,477	$ (43,016)
Legal services	824,660	815,177	9,483
Assessor	537,630	472,363	65,267
Human resources	355,220	333,511	21,709
Finance	1,857,777	1,527,957	329,820
Information technology	598,443	418,307	180,136
City Council	33,610	28,508	5,102
City Clerk	282,701	281,243	1,458
Total General Government	5,516,502	4,946,543	569,959
Public Safety			
Police	8,521,167	8,247,461	273,706
Fire	10,284,420	9,833,070	451,350
Total Public Safety	18,805,587	18,080,531	725,056
General Services	7,833,870	7,835,647	(1,777)
Total General Services	7,833,870	7,835,647	(1,777)
Community Development	3,158,299	3,009,127	149,172
Total Community Development	3,158,299	3,009,127	149,172
Leisure and Information Services			
Library	1,729,410	1,684,717	44,693
Recreation and parks	538,610	484,308	54,302
Total Leisure and Information Services	2,268,020	2,169,025	98,995
Human Services	689,890	697,659	(7,769)
Total Human Services	689,890	697,659	(7,769)

(continued)

(continued)

	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Employee Benefits			
Employee benefits	625,000	706,039	(81,039)
Total Employee Benefits	625,000	706,039	(81,039)
Debt Service			
Principal	4,025,900	3,990,366	35,534
Interest	1,143,450	1,189,493	(46,043)
Total Debt Service	5,169,350	5,179,859	(10,509)
Other Financing Uses			
Transfers out	3,057,770	3,076,499	(18,729)
Total Other Financing Uses	3,057,770	3,076,499	(18,729)
Total Expenditures and Other Financing Uses	$ 47,124,288	$ 45,700,929	$ 1,423,359

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, 2008

	Parking		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 10,500	$ 21,000	$ 10,500
Charges for services:			
Parking - meters	596,000	529,474	(66,526)
Prepaid parking	40,000	111,641	71,641
Fuel flow fees	-	-	-
Rentals	-	-	-
Total Charges for Services	636,000	641,115	5,115
Investment income	51,900	37,774	(14,126)
Miscellaneous:			
Meter parking penalties	350,000	287,398	(62,602)
Rentals	590,980	275,272	(315,708)
Court fines	1,500	-	(1,500)
Miscellaneous	500	-	(500)
Total Miscellaneous	942,980	562,670	(380,310)
Total Revenues	1,641,380	1,262,559	(378,821)
Expenditures:			
Public Safety:			
Compensation	376,570	370,647	5,923
Outside services	159,325	126,830	32,495
Fringe benefits	137,315	140,288	(2,973)
Supplies	35,300	9,325	25,975
Insurance	6,150	4,605	1,545
General Services:			
Compensation	67,040	44,537	22,503
Outside services	169,340	92,903	76,437
Fringe benefits	35,830	24,176	11,654
Supplies	1,000	263	737
Utilities	91,480	91,415	65
Insurance	5,130	5,176	(46)
Debt service	686,615	686,070	545
Total Expenditures	1,771,095	1,596,235	174,860
Other Financing Sources (Uses):			
Transfer out	(78,500)	(78,500)	-
Total Other Financing Sources (Uses)	(78,500)	(78,500)	-
Excess of revenues and other financing sources over expenditures and other financing uses	$ (208,215)	$ (412,176)	$ (203,961)

Airport			Total		
Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
$ 2,600	$ 3,794	$ 1,194	$ 13,100	$ 24,794	$ 11,694
-	-	-	596,000	529,474	(66,526)
-	-	-	40,000	111,641	71,641
19,000	19,756	756	19,000	19,756	756
297,073	306,179	9,106	297,073	306,179	9,106
316,073	325,935	9,862	952,073	967,050	14,977
10,000	13,159	3,159	61,900	50,933	(10,967)
-	-	-	350,000	287,398	(62,602)
-	-	-	590,980	275,272	(315,708)
-	-	-	1,500	-	(1,500)
-	24,480	24,480	500	24,480	23,980
-	24,480	24,480	942,980	587,150	(355,830)
328,673	367,368	38,695	1,970,053	1,629,927	(340,126)
-	-	-	376,570	370,647	5,923
-	-	-	159,325	126,830	32,495
-	-	-	137,315	140,288	(2,973)
-	-	-	35,300	9,325	25,975
-	-	-	6,150	4,605	1,545
49,820	33,255	16,565	116,860	77,792	39,068
64,465	67,647	(3,182)	233,805	160,550	73,255
33,350	21,534	11,816	69,180	45,710	23,470
28,030	24,561	3,469	29,030	24,824	4,206
26,820	38,572	(11,752)	118,300	129,987	(11,687)
9,060	6,622	2,438	14,190	11,798	2,392
33,590	33,584	6	720,205	719,654	551
245,135	225,775	19,360	2,016,230	1,822,010	194,220
(136,810)	(127,412)	9,398	(215,310)	(205,912)	9,398
(136,810)	(127,412)	9,398	(215,310)	(205,912)	9,398
$ (53,272)	$ 14,181	$ 67,453	$ (261,487)	$ (397,995)	$ (136,508)

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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:

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

Combining Statement of Net Assets

Nonmajor Proprietary Funds

June 30, 2008

	Business-Type Activities Enterprise Funds			
	Solid Waste Fund	Golf Fund	Arena Fund	Total Other Funds
ASSETS				
Current:				
Cash and short-term equivalents	$ 889,510	$ 278,696	$ 208,312	$ 1,376,518
User fees, net of allowance for uncollectibles	168,806	-	1,580	170,386
Total current assets	1,058,316	278,696	209,892	1,546,904
Noncurrent:				
Capital assets:				
Land and construction in progress	186,200	26,900	177,088	390,188
Other capital assets, net of accumulated depreciation	-	721,351	751,545	1,472,896
Total noncurrent assets	186,200	748,251	928,633	1,863,084
TOTAL ASSETS	1,244,516	1,026,947	1,138,525	3,409,988
LIABILITIES				
Current:				
Accounts payable	146,593	51,017	4,026	201,636
Accrued liabilities	-	3,316	4,893	8,209
Unearned revenue	2,950	27,514	-	30,464
Other current liabilities	124,634	7,102	-	131,736
Current portion of long-term liabilities:				
Bonds payable	-	35,000	56,900	91,900
Compensated absences	3,649	16,889	9,317	29,855
Total current liabilities	277,826	140,838	75,136	493,800
Noncurrent:				
Bonds payable, net of current portion	-	240,000	372,800	612,800
Total noncurrent liabilities	-	240,000	372,800	612,800
TOTAL LIABILITIES	277,826	380,838	447,936	1,106,600
NET ASSETS				
Invested in capital assets, net of related debt	186,200	473,252	498,934	1,158,386
Unrestricted	780,490	172,857	191,655	1,145,002
TOTAL NET ASSETS	$ 966,690	$ 646,109	$ 690,589	$ 2,303,388

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, 2008

	Business-Type Activities Enterprise Funds			
	Solid Waste Fund	Golf Fund	Arena Fund	Total Other Funds
Operating Revenues:				
Charges for services	$ 1,914,349	$ 892,441	$ 494,508	$ 3,301,298
Other	-	166	51,424	51,590
Total Operating Revenues	1,914,349	892,607	545,932	3,352,888
Operating Expenses:				
Operating expenses	3,682,553	753,925	412,054	4,848,532
Depreciation	-	65,614	62,792	128,406
Total Operating Expenses	3,682,553	819,539	474,846	4,976,938
Operating Income (Loss)	(1,768,204)	73,068	71,086	(1,624,050)
Nonoperating Revenues (Expenses):				
Investment income	-	6,456	7,720	14,176
Interest expense	-	(12,869)	(19,249)	(32,118)
Total Nonoperating Revenues (Expenses), Net	-	(6,413)	(11,529)	(17,942)
Income (Loss) Before Transfers	(1,768,204)	66,655	59,557	(1,641,992)
Transfers:				
Transfers in	1,814,673	-	21,120	1,835,793
Transfers out	-	(66,035)	(36,543)	(102,578)
Change in Net Assets	46,469	620	44,134	91,223
Net Assets at Beginning of Year	920,221	645,489	646,455	2,212,165
Net Assets at End of Year	$ 966,690	$ 646,109	$ 690,589	$ 2,303,388

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, 2008

	Business-Type Activities Enterprise Funds			
	Solid Waste Fund	Golf Fund	Arena Fund	Total Other Funds
Cash Flows From Operating Activities:				
Receipts from customers and users	$ 1,910,480	$ 895,306	$ 544,353	$ 3,350,139
Payments to vendors and employees	(3,534,691)	(745,528)	(415,487)	(4,695,706)
Net Cash Provided By Operating Activities	(1,624,211)	149,778	128,866	(1,345,567)
Cash Flows From Noncapital Financing Activities:				
Transfers in	1,814,673	-	21,120	1,835,793
Transfers out	-	(66,035)	(36,543)	(102,578)
Net Cash (Used For) Noncapital Financing Activities	1,814,673	(66,035)	(15,423)	1,733,215
Cash Flows From Capital and Related Financing Activities:				
Principal payments on bonds and notes	-	(35,000)	(57,750)	(92,750)
Interest expense	-	(12,869)	(19,249)	(32,118)
Net Cash (Used For) Capital and Related Financing Activities	-	(47,869)	(76,999)	(124,868)
Cash Flows From Investing Activities:				
Investment income	-	6,456	7,720	14,176
Net Cash Provided by Investing Activities	-	6,456	7,720	14,176
Net Change in Cash and Short-Term Equivalents	190,462	42,330	44,164	276,956
Cash and Short-Term Equivalents, Beginning of Year	699,048	236,366	164,148	1,099,562
Cash and Short-Term Equivalents, End of Year	$ 889,510	$ 278,696	$ 208,312	$ 1,376,518
Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:				
Operating income	$ (1,768,204)	$ 73,068	$ 71,086	$ (1,624,050)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	-	65,614	62,792	128,406
Changes in assets and liabilities:				
User fees	(4,726)	-	(1,579)	(6,305)
Other assets	-	54	-	54
Accounts payable	22,301	8,408	(3,190)	27,519
Compensated absences	926	523	414	1,863
Other liabilities	125,492	2,111	(657)	126,946
Net Cash Provided By Operating Activities	$ (1,624,211)	$ 149,778	$ 128,866	$ (1,345,567)

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, 2008

	Water Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	$ 4,979,236	$ 5,166,593	$ 187,357
Miscellaneous	-	3,465	3,465
Total Operating Revenues	4,979,236	5,170,058	190,822
Operating Expenses:			
Personnel	1,928,671	1,638,366	290,305
Non-Personnel	1,000,990	898,213	102,777
Debt service	1,455,554	1,455,553	1
Total Operating Expenses	4,385,215	3,992,132	393,083
Operating Income (Loss)	594,021	1,177,926	583,905
Non-Operating Income (Expenses):			
Interest expense	(529,026)	(490,685)	38,341
Investment income	222,210	124,711	(97,499)
Intergovernmental	-	-	-
Total Non-Operating Income (Expenses)	(306,816)	(365,974)	(59,158)
Net Income (Loss) Before Transfers	287,205	811,952	524,747
Other Financing Sources:			
Transfers in	-	-	-
Transfers out	(557,870)	(582,575)	(24,705)
Total Other Financing Sources	(557,870)	(582,575)	(24,705)
Net Income (Loss)	$ (270,665)	$ 229,377	$ 500,042

Sewer Fund			Solid Waste Fund		
Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
$ 5,491,370	$ 5,588,602	$ 97,232	$ 2,036,950	$ 1,914,349	$ (122,601)
-	13,531	13,531	-	-	-
5,491,370	5,602,133	110,763	2,036,950	1,914,349	(122,601)
1,886,567	2,024,289	(137,722)	82,310	89,535	(7,225)
1,784,620	1,309,459	475,161	3,849,050	3,592,134	256,916
1,444,080	1,307,570	136,510	-	-	-
5,115,267	4,641,318	473,949	3,931,360	3,681,669	249,691
376,103	960,815	584,712	(1,894,410)	(1,767,320)	127,090
(603,630)	(576,928)	26,702	-	-	-
201,950	206,991	5,041	-	-	-
229,000	177,098	(51,902)	-	-	-
(172,680)	(192,839)	(20,159)	-	-	-
203,423	767,976	564,553	(1,894,410)	(1,767,320)	127,090
-	-	-	1,821,400	1,814,673	(6,727)
(735,760)	(735,760)	-	-	-	-
(735,760)	(735,760)	-	1,821,400	1,814,673	(6,727)
$ (532,337)	$ 32,216	$ 564,553	$ (73,010)	$ 47,353	$ 120,363

(continued)

CITY OF CONCORD, NEW HAMPSHIRE

Schedule of Revenues and Expenses - Budget and Actual

Enterprise Funds

For the Fiscal Year Ended June 30, 2008

(continued)

	Golf Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	$ 908,470	$ 892,441	$ (16,029)
Miscellaneous	-	166	166
Total Operating Revenues	908,470	892,607	(15,863)
Operating Expenses:			
Personnel	401,320	398,240	3,080
Non-Personnel	373,070	359,655	13,415
Debt service	35,000	35,000	-
Total Operating Expenses	809,390	792,895	16,495
Operating Income (Loss)	99,080	99,712	632
Non-Operating Income (Expenses):			
Interest expense	(16,170)	(15,703)	467
Investment income	9,500	6,456	(3,044)
Intergovernmental	-	-	-
Total Non-Operating Income (Expenses)	(6,670)	(9,247)	(2,577)
Net Income (Loss) Before Transfers	92,410	90,465	(1,945)
Other Financing Sources			
Transfers in	-	-	-
Transfers out	(63,200)	(63,200)	-
Total Other Financing Sources	(63,200)	(63,200)	-
Net Income (Loss)	$ 29,210	$ 27,265	$ (1,945)

Arena Fund		
Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
$ 465,740	$ 494,508	$ 28,768
55,000	51,424	(3,576)
520,740	545,932	25,192
231,440	221,190	10,250
228,950	222,845	6,105
57,750	57,750	-
518,140	501,785	16,355
2,600	44,147	41,547
(21,345)	(20,692)	653
8,730	7,720	(1,010)
-	-	-
(12,615)	(12,972)	(357)
(10,015)	31,175	41,190
21,120	21,120	-
(35,100)	(35,100)	-
(13,980)	(13,980)	-
$ (23,995)	$ 17,195	$ 41,190

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, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Assets - cash and short-term investments	$ 1,930,748	$ 101,943,585	$ (102,220,603)	$ 1,653,730
Assets - due from other funds	4,851	33,533,098	(33,534,209)	3,740
Assets - other assets	-	29,607	(333)	29,274
Total Assets	$ 1,935,599	$ 135,506,290	$ (135,755,145)	$ 1,686,744
Liabilities - due to other governments	875,576	62,647,688	(62,656,381)	866,883
Liabilities - other liabilities	1,060,023	55,169,036	(55,409,262)	819,797
Liabilities - due to other funds	-	342,318	(342,254)	64
Total liabilities	$ 1,935,599	$ 118,159,042	$ (118,407,897)	$ 1,686,744

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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.

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
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
Restricted	10,447,317	10,337,347	10,411,567	11,513,702	12,132,027	12,970,495
Unrestricted	24,538,884	22,220,069	23,262,390	21,209,276	18,577,263	16,400,737
Total governmental activities net assets	$ 62,705,647	$ 64,794,839	$ 68,811,349	$ 75,739,773	$ 84,360,366	$ 91,190,934
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
Restricted	1,237,551	1,168,856	692,378	1,409,447	1,604,674	1,467,712
Unrestricted	5,529,626	8,499,449	9,617,980	7,957,766	7,796,545	5,920,390
Total business-type activities net assets	$ 79,284,567	$ 114,412,675	$ 114,746,613	$ 114,063,355	$ 113,271,365	$ 112,099,110
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
Restricted	11,684,868	11,506,203	11,103,945	12,923,149	13,736,701	14,438,207
Unrestricted	30,068,510	30,719,518	32,880,370	29,167,042	26,373,808	22,321,127
Total primary government net assets	$ 141,990,214	$ 179,207,514	$ 183,557,962	$ 189,803,128	$ 197,631,731	$ 203,290,044

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
Expenses						
Governmental activities:						
General government	$ 4,699,269	$ 5,105,363	$ 5,852,175	$ 5,170,467	$ 5,865,465	$ 5,248,062
Public safety	13,275,869	15,193,859	16,071,793	17,832,430	18,989,365	19,956,305
General services	8,754,445	11,941,871	10,873,904	10,581,792	11,211,510	12,186,012
Community development	2,129,166	2,602,838	2,991,350	3,187,532	3,535,844	4,160,643
Leisure and information services	2,007,340	2,053,398	2,099,580	2,195,694	2,368,707	2,276,316
Human services	1,011,854	1,071,795	1,033,242	1,060,845	1,038,484	705,177
Interest	1,165,149	1,098,847	954,439	1,247,922	1,411,040	1,763,217
Miscellaneous	1,018,438	1,032,980	1,052,586	1,047,619	483,671	195,830
Total governmental activities expenses	34,061,530	40,100,951	40,929,069	42,324,301	44,904,086	46,491,562
Business-type activities:						
Water services	3,658,207	4,628,608	4,833,091	5,226,999	5,084,681	5,129,399
Wastewater services	4,540,857	5,094,614	5,536,027	6,046,556	5,751,772	6,138,395
Other (nonmajor)	4,059,707	4,259,673	4,391,311	4,807,391	4,988,056	5,009,056
Total business-type activities expenses	12,258,771	13,982,895	14,760,429	16,080,946	15,824,509	16,276,850
Total primary government expenses	$ 46,320,301	$ 54,083,846	$ 55,689,498	$ 58,405,247	$ 60,728,595	$ 62,768,412
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
Public safety	1,192,461	1,351,556	1,835,850	1,906,741	2,521,339	2,444,300
General services	-	233,590	280,993	320,889	318,029	325,078
Community development	1,131,158	1,468,925	1,468,041	2,126,301	1,190,109	1,172,608
Leisure and information services	351,754	367,464	366,244	387,741	426,243	417,470
Human services	125,806	34,169	16,258	31,690	155,657	176,394
Total charges for services	5,392,333	6,112,925	6,751,196	7,398,541	7,834,753	7,301,014
Operating grants and contributions	445,882	246,397	701,185	542,808	488,719	607,301
Capital grants and contributions	2,569,350	2,781,319	2,393,988	3,233,739	3,266,416	4,350,418
Total governmental activities program revenues	8,407,565	9,140,641	9,846,369	11,175,088	11,589,888	12,258,733
Business-type activities:						
Water services	4,449,813	4,768,605	4,801,521	4,885,520	4,853,295	5,112,600
Wastewater services	4,475,390	4,710,144	4,778,328	4,949,344	5,377,820	5,505,914
Other (nonmajor)	2,709,684	2,949,539	3,046,267	3,240,470	3,228,133	3,301,298
Total charges for services	11,634,887	12,428,288	12,626,116	13,075,334	13,459,248	13,919,812
Operating grants and contributions	458,121	67,487	-	-	-	-
Capital grants and contributions	-	-	1,353,013	178,634	337,063	177,098
Total business-type activities program revenues	12,093,008	12,495,775	13,979,129	13,253,968	13,796,311	14,096,910
Total primary government program revenues	$ 20,500,573	$ 21,636,416	$ 23,825,498	$ 24,429,056	$ 25,386,199	$ 26,355,643
Net (Expenses)Revenue						
Governmental activities	$ (25,653,965)	$ (30,960,310)	$ (31,082,700)	$ (31,149,213)	$ (33,314,198)	$ (34,232,829)
Business-type activities	(165,763)	(1,487,120)	(781,300)	(2,826,978)	(2,028,198)	(2,179,940)
Total Primary government net expense	$ (25,819,728)	$ (32,447,430)	$ (31,864,000)	$ (33,976,191)	$ (35,342,396)	$ (36,412,769)
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
Penalties, interest and other taxes	705,746	627,012	619,051	668,354	639,602	754,891
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
Investment income	1,151,559	1,030,007	1,458,842	2,483,994	3,729,057	1,552,449
Miscellaneous	609,523	636,327	945,897	747,187	867,053	987,429
Transfers, net	(603,720)	(866,090)	(504,054)	(510,572)	(447,769)	(451,881)
Permanent fund contributions	288,676	368,034	121,907	315,773	161,167	470,916
Total governmental activities	33,690,549	32,173,838	35,099,210	38,077,637	41,934,791	41,063,397
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
Miscellaneous	90,031	12,427	80,341	124,681	21,094	68,586
Transfers, net	603,720	866,090	504,054	510,572	447,769	451,881
Total business-type activities	1,070,169	1,297,488	1,115,238	2,143,720	1,236,208	1,007,685
Total primary government	$ 34,760,718	$ 33,471,326	$ 36,214,448	$ 40,221,357	$ 43,170,999	$ 42,071,082
Change in Net Assets						
Governmental activities	$ 8,036,584	$ 1,213,528	$ 4,016,510	$ 6,928,424	$ 8,620,593	$ 6,830,568
Business-type activities	904,406	(189,632)	333,938	(683,258)	(791,990)	(1,172,255)
Total primary government	$ 8,940,990	$ 1,023,896	$ 4,350,448	$ 6,245,166	$ 7,828,603	$ 5,658,313

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	$ 3,520,472	$ 3,113,977	$ 3,727,639	$ 3,530,521	$ 3,213,486	$ 2,944,821	$ 2,666,156	$ 1,789,574	$ 2,270,638	$ 1,300,105
Unreserved	6,535,423	6,553,358	6,697,229	5,464,793	5,423,862	4,832,349	4,639,091	5,329,762	3,453,608	4,447,779
Total General Fund	$ 10,055,895	$ 9,667,335	$ 10,424,868	$ 8,995,314	$ 8,637,348	$ 7,777,170	$ 7,305,247	$ 7,119,336	$ 5,724,246	$ 5,747,884
Other Governmental Funds										
Reserved	$ 36,198	$ 343,424	$ 168,775	$ 106,841	$ 6,781,340	$ 6,960,094	$ 7,563,030	$ 7,733,404	$ 8,686,203	$ 13,154,406
Unreserved:										
Special Revenue Funds	2,191,751	2,078,734	2,668,432	3,660,926	15,601,153	11,439,627	9,438,221	8,738,047	8,651,431	9,077,496
Capital Project Funds	2,924,764	6,929,124	10,432,369	9,841,426	8,360,192	12,792,394	13,490,784	20,587,665	14,906,493	5,017,047
Debt Service	319,327	197,981	100,255	117,861	315,549	313,569	507,276	591,867	657,335	760,163
Total Other Funds	$ 5,472,040	$ 9,549,263	$ 13,369,831	$ 13,727,054	$ 31,058,234	$ 31,505,684	$ 30,999,311	$ 37,650,983	$ 32,901,462	$ 28,009,112

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	$ 22,818,908	$ 23,569,558	$ 25,138,393	$ 26,424,701	$ 27,851,023	$ 27,147,062	$ 30,179,005	$ 31,748,630	$ 33,143,681	$ 35,087,252
Licenses and permits	495,037	779,296	740,226	770,097	1,026,830	1,072,522	1,124,663	1,479,654	1,020,239	1,089,628
Intergovernmental	3,821,519	3,747,315	3,804,216	3,574,686	5,392,793	5,140,299	4,147,436	3,903,521	2,862,450	3,442,121
Charges for services	2,896,952	3,536,299	3,610,309	4,191,937	4,368,060	5,042,083	5,626,533	5,918,886	6,638,525	6,211,386
Investment income	1,800,864	3,154,360	2,151,758	1,465,334	1,151,558	1,030,007	1,540,642	2,508,864	3,729,057	1,552,449
Contributions and miscellaneous	1,222,039	1,333,295	1,659,384	1,742,188	2,787,852	2,647,842	2,515,904	3,560,162	4,543,349	5,423,293
Total revenues	33,055,319	36,120,123	37,104,286	38,168,943	42,578,116	42,079,815	45,134,183	49,119,717	51,937,301	52,806,129
Expenditures by Function										
General government	3,861,700	4,089,715	3,519,268	3,623,176	4,729,374	5,076,134	5,798,104	5,125,653	5,455,316	5,159,601
Public safety	10,991,299	10,874,535	12,115,472	12,707,760	13,773,463	15,047,387	15,457,287	17,053,365	18,120,382	18,728,040
General services	4,952,292	5,226,222	5,601,452	5,744,139	6,260,496	6,014,020	6,895,328	6,990,518	7,096,899	8,243,164
Community development	1,098,107	1,685,217	2,857,475	3,110,561	2,119,951	2,561,361	2,655,668	3,042,749	2,432,444	3,317,979
Leisure and information services	1,705,104	1,780,218	1,923,050	2,001,397	1,993,027	2,039,864	2,071,709	2,156,899	2,249,001	2,147,886
Human services	1,014,381	1,035,711	1,126,212	1,062,834	1,007,444	1,071,539	1,029,900	1,056,671	1,033,422	697,719
Employee benefits	273,052	527,751	298,973	188,402	223,763	273,821	334,904	441,505	555,182	656,039
Miscellaneous	419,231	645,136	413,827	1,130,071	1,024,650	1,032,981	1,052,585	968,568	1,762,956	195,830
Debt service										
Principal	2,219,130	2,245,210	2,370,340	2,901,440	2,833,402	2,807,263	3,127,175	3,416,587	4,075,251	4,823,966
Interest	1,011,709	1,012,357	1,220,868	1,328,651	1,200,095	974,982	939,967	1,043,828	1,245,528	1,855,218
Capital outlay	3,972,136	7,761,082	7,889,599	6,429,217	8,300,094	9,660,162	9,760,998	16,928,041	24,240,722	11,397,517
Total expenditures	31,518,141	36,883,154	39,336,536	40,227,648	43,465,759	46,559,514	49,123,625	58,224,384	68,267,103	57,222,959
Excess of revenues										
Over(under) expenditures	1,537,178	(763,031)	(2,232,250)	(2,058,705)	(887,643)	(4,479,699)	(3,989,442)	(9,104,667)	(16,329,802)	(4,416,830)
Other Financing Sources (Uses)										
Bond proceeds	3,330,000	4,770,000	6,626,000	1,035,000	-	4,829,750	3,515,200	16,081,000	10,632,960	-
Transfers in	6,769,624	10,578,614	7,440,739	9,230,808	11,231,164	4,530,751	3,494,232	4,958,316	5,874,169	3,520,143
Transfers out	(6,892,189)	(11,214,331)	(8,371,452)	(9,385,530)	(11,834,884)	(5,293,530)	(3,998,286)	(5,468,888)	(6,321,938)	(3,972,025)
Total other financing sources (uses)	3,207,435	4,134,283	5,695,287	880,278	(603,720)	4,066,971	3,011,146	15,570,428	10,185,191	(451,882)
Net Change in fund balances	$ 4,744,613	$ 3,371,252	$ 3,463,037	$ (1,178,427)	(1,491,363)	$ (412,728)	$ (978,296)	$ 6,465,761	$ (6,144,611)	$ (4,868,712)
Debt Service as a percentage of non-capital outlay expenditures (including transfers out)	11.73%	11.19%	11.42%	12.52%	11.47%	10.25%	10.33%	10.80%	12.09%	12.88%

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
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
2000	18,843,448	52,668	15,579	4,345,750	-	312,113	23,569,558
1999	18,100,931	83,979	19,426	4,290,663	-	323,909	22,818,908

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) Residential	Commercial/ Industrial	Utilities	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
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%
2000	972,070,800	613,449,500	43,287,300	1,628,807,600	15,100,000	1,613,707,600	32.36	1,854,837,000	87.8%
1999	956,031,400	592,137,700	41,510,600	1,589,679,700	15,539,000	1,574,140,700	38.49	1,692,625,000	93.9%

Data Sources
(1) State MS-1 Report of Assessed Values
(2) NH Department of Revenue Administration's annual Equalization Survey

City of Concord, New Hampshire

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

	Concord Direct Rates						Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
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
2000	11.18	11.18	11.61	7.27	18.88	30.06	2.30	32.36
1999	11.18	11.18	25.00	-	25.00	36.18	2.31	38.49

	Penacook Direct Rates						Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
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
2000	11.18	11.18	9.02	7.54	16.56	27.74	2.30	30.04
1999	11.18	11.18	23.89	-	23.89	35.07	2.31	37.38

Data Source
NH State Department of Revenue Administration, "2007 Tax Rate Calculation"

City of Concord, New Hampshire

Principal Taxpayers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2008 Net Taxable Assessed Value	Rank	Percentage of Total Assessed Value	1999 Net Taxable Assessed Value	Rank	Percentage of Net Assessed Value
GGP Steeplegate Inc	Mall	$ 83,582,700	1	1.99 %	$ 40,463,000	1	2.48 %
Wheelabrator Concord Co LP	Trash to Energy	58,582,700	2	1.40	23,404,000	3	1.44
Unitil	Utility	44,536,900	3	1.06	-	-	-
Capital Region Health Care	Health Care	34,476,400	4	0.82	17,788,000	6	1.09
David Glass/Walmart/Sam's Club	Retail	30,605,900	5	0.73	21,220,000	4	1.30
Eddy Plaza Associates Inc	Retail	27,338,100	6	0.65	10,667,000	10	0.65
Hodges Properties Inc	Rentals	27,039,100	7	0.64	21,165,000	5	1.30
St Paul's School	Private School	26,427,200	8	0.63	14,468,000	7	0.89
EnergyNorth Natural Gas Inc	Utility	26,090,500	9	0.62	12,356,000	8	0.76
Hodges Development Corp	Rentals	21,177,800	10	0.50	-	-	
Concord Electric	Utility	-	-	-	23,821,000	2	1.46
McKerley Healthcare Center/Nursing	Health Care	-	-	-	11,758,000	9	0.72
Total Principal Taxpayers		379,857,300		9.05 %	197,110,000		12.10 %
Total Net Assessed Taxable Value		$ 4,195,794,008			$ 1,628,657,600		

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 Amount	Collected within the Fiscal Year of the Levy % of Levy	Subsequent Tax lien Collections	Balance at end of Current Fiscal year	Total Collections to Date Amount	Total Collections to Date % of Levy
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%
1999	51,444,000	50,602,000	98.4%	838,000	4,000	51,440,000	100.0%
1998	60,293,000	59,049,000	97.9%	1,239,000	5,000	60,288,000	100.0%

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 2008 is the City's tax year 2007.

City of Concord, New Hampshire

Ratios of Outstanding Debt by Debt Type
Last Ten Fiscal Years

	Governmental Activities	Business-Type Activites				
Fiscal Year	General Obligation Bonds	General Obligation Bonds	Total Primary Government	Per Capita	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property
2008	$ 40,934,133	$ 25,377,493	$ 66,311,626	1,502	6.84 %	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
2000	24,190,290	23,910,710	48,101,000	1,233	5.97	2.98
1999	21,676,790	22,366,210	44,043,000	1,148	5.63	2.80

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
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
2000	24,190,000	100%	24,190,000
1999	21,677,000	100%	21,677,000

Overlapping: Merrimack County

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
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
2000	3,325,000	26.53%	882,123
1999	1,050,000	26.76%	280,980

Overlapping: Concord School District

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
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
2000	31,834,000	100%	31,834,000
1999	33,584,000	100%	33,584,000

Overlapping: Merrimack Valley School District

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2008	$ 16,865,000	25.24%	$ 4,256,257
2007	19,760,000	25.51%	5,040,776
2006	19,840,000	25.24%	5,007,616
2005	6,831,000	25.67%	1,753,518
2004	5,940,000	25.86%	1,536,084
2003	7,380,000	25.90%	1,911,420
2002	11,010,000	26.60%	2,928,660
2001	12,000,000	26.64%	3,196,800
2000	2,650,000	26.25%	695,625
1999	3,200,000	26.84%	858,880

Data Source:
School District Finance Departments.

City of Concord, New Hampshire

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

	Fiscal Year									
	1999	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Base Value for Debt Limits (1)	$ 1,761,329,000	$ 1,904,463,000	$ 2,190,546,000	$ 2,576,583,000	$ 2,938,724,000	$ 3,270,961,000	$ 3,695,730,000	$ 4,007,515,023	$ 4,286,124,163	$ 4,436,535,484
Legal Debt Limits (% of Base Value)										
General - 1.75% thru 1998, 3% 1999 on (2)	$ 52,839,870	$ 57,133,890	$ 65,716,380	$ 77,297,490	$ 88,161,720	$ 98,128,830	$ 110,871,900	$ 120,225,451	$ 128,583,725	$ 133,096,065
Water - 10% (2)	176,132,900	190,446,300	219,054,600	257,658,300	293,872,400	327,096,100	369,573,000	400,751,502	428,612,416	443,653,548
Issued Debt at June 30										
Total Issued Debt at June 30	$ 44,043,000	$ 48,101,000	$ 52,783,000	$ 50,335,000	$ 44,606,000	$ 48,973,000	$ 47,370,000	$ 61,766,516	$ 74,127,970	$ 66,311,626
Less Water Fund	(11,193,000)	(12,013,000)	(12,692,000)	(13,146,000)	(11,792,000)	(13,912,000)	(12,676,000)	(13,056,546)	(11,760,598)	(10,305,044)
Less Sewer Fund (3)	(11,173,000)	(11,898,000)	(10,988,000)	(9,621,000)	(8,150,000)	(8,166,000)	(7,418,000)	(8,673,880)	(15,811,823)	(14,367,749)
Less Tax Increment Debt (3)	(200,000)	(2,785,000)	(4,990,000)	(4,640,000)	(4,295,000)	(3,950,000)	(3,605,000)	(13,421,000)	(12,975,000)	(12,280,000)
Less Landfill Debt (3)	(2,980,000)	(2,800,000)	(2,794,000)	(2,595,000)	(2,392,000)	(2,187,000)	(1,981,000)	(1,769,946)	(1,560,291)	(1,621,196)
Authorized Unissued at June 30										
Total Authorized Unissued Debt at June 30	7,055,000	6,241,000	6,605,000	6,239,000	9,516,000	12,710,000	26,681,000	11,639,672	5,167,672	14,161,972
Less Water Fund	(1,570,000)	(1,565,000)	(1,575,000)	(50,000)	(1,325,000)	-	-	-	(1,150,000)	(3,017,000)
Less Sewer Fund (3)	(2,125,000)	(550,000)	(4,600,000)	(4,600,000)	(5,270,000)	(8,780,000)	(8,705,000)	(387,672)	(117,672)	(2,570,672)
Less Tax Increment Debt (3)	(2,395,000)	(2,395,000)	-	-	-	-	-	-	-	-
Total Debt Subject to general limit	$ 19,462,000	$ 20,336,000	$ 21,749,000	$ 21,922,000	$ 20,898,000	$ 24,688,000	$ 39,666,000	$ 36,097,144	$ 35,920,258	$ 36,311,937
Legal Debt Margin										
General	$ 33,377,870	$ 36,797,890	$ 43,967,380	$ 55,375,490	$ 67,263,720	$ 73,440,830	$ 71,205,900	$ 84,128,307	$ 92,663,467	$ 96,784,128
Water Fund	$ 163,369,900	$ 176,868,300	$ 204,787,600	$ 244,462,300	$ 280,755,400	$ 313,184,100	$ 356,897,000	$ 387,694,956	$ 415,701,818	$ 430,331,504
% of Legal Debt Limits Used										
General	36.8%	35.6%	33.1%	28.4%	23.7%	25.2%	35.8%	30.0%	27.9%	27.3%
Water Fund	6.4%	6.3%	5.8%	5.1%	4.0%	4.3%	3.4%	3.3%	2.7%	2.3%

Data Source
Audited Financial Statements

Notes:
(1) Base Value for Debt Limits computed by the NH Department of Revenue Administration
(2) Legal debt limit percentage rates set by NH State statute
(3) Debt exempt from Debt limits consists of Landfills, Tax Increment Financing and Sewer debt.

City of Concord, New Hampshire

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Income	Unemployment Rate
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%
2000	39,023	805,123	20,632	1.80%
1999	38,356	782,501	20,401	2.00%

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

*** Rate as of June 2008

City of Concord, New Hampshire

Principal Employers
Current Year and Nine Years Ago

Employer	2008 Employees	2008 Rank	2008 Percentage of Total City Employment	1997 (2) Employees	1997 (2) Rank	1997 (2) Percentage of Total City Employment
State of New Hampshire	12,000	1	54.25 %	10,201	1	- %
Concord Hospital	2,960	2	13.38	1,400	2	-
Steeplegate Regional Mall	1,233	3	5.57	1,100	3	-
Concord School District	948	4	4.29	924	4	-
Merrimack County	759	5	3.43	600	7	-
Lincoln Financial Group	660	6	2.98	641 *	6	-
Market Basket	503	7	2.27			
Merrimack Valley School District	500	8	2.26		-	-
City of Concord	499	9	2.25	465	9	-
Genesis Elder Care Network	400	10	1.81		-	-
Federal Government	-		-	915	5	-
Healthsource of New Hampshire	-		-	485	8	-
Vishay-Sprague (Sprague Electric)	-		-	435	10	-
Total Principal Employers	20,462		92.50 %	17,166		- %
Total City Employment	22,120 (1)			NA		

*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 2008
(2) Principal Employer information was unavailable for 1998 & 1999

City of Concord, New Hampshire

City Government Employees by Division - Full Time Equivalents

Last Ten Fiscal Years

Departments	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
City Manager	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Legal	8.0	8.0	8.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0
Assessing	5.5	5.5	6.5	6.5	6.5	6.5	6.5	7.0	6.5	6.5
Personnel	3.0	3.0	3.0	3.2	3.2	3.2	3.6	4.0	4.0	4.0
Finance/Control	7.0	7.0	7.0	7.0	7.0	8.0	8.0	7.6	7.6	7.6
Finance/Treas	8.2	8.2	8.5	8.5	8.6	8.6	8.6	8.6	8.0	8.0
Finance/Purch	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Info Technology	3.0	2.0	4.0	4.0	4.0	5.0	5.0	5.0	6.0	6.0
City Clerk	2.7	2.7	2.7	2.7	3.0	3.0	3.6	3.6	3.6	3.6
Gen Gov	42.4	41.4	44.7	44.9	45.3	47.3	49.3	49.8	49.7	49.7
Police	93.2	98.5	104.5	105.2	105.2	105.2	105.2	106.2	105.0	107.7
Fire	95.0	95.5	102.7	103.7	115.7	115.7	117.7	117.7	115.2	115.0
Public Safety	188.2	194.0	207.2	208.9	220.9	220.9	222.9	223.9	220.2	222.7
Administration	30.0	19.0	18.0	20.0	19.0	19.0	18.0	17.5	17.5	17.5
Hwys & Util Sys	38.0	38.0	40.0	42.0	42.0	42.0	42.0	42.0	42.0	43.0
Grounds	27.0	27.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	24.0
Temporary	12.7	12.7	14.7	14.7	14.7	14.7	14.7	13.7	12.8	13.1
Public Properties	18.0	18.0	18.0	19.0	19.0	19.0	21.0	21.0	20.5	21.0
Vehicle Maint	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Water & Sewer	33.0	31.0	27.0	27.0	27.0	27.0	27.0	26.0	26.0	26.0
General Svcs	171.7	158.7	155.7	160.7	159.7	159.7	160.7	158.2	156.8	157.6
Administration	-	2.0	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	4.0	3.5	4.0	5.5	5.5	5.5	5.5	5.5	4.5	4.0
Business Devel	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Bldg & Code Svcs	10.0	10.0	12.0	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Engineering Svcs	7.0	18.0	18.0	18.5	18.5	18.5	17.5	17.6	18.6	19.6
Grants Admin	1.5	1.5	1.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0
Comm Devel	24.0	37.0	39.0	40.0	40.0	40.0	39.0	39.1	39.1	39.1
Library	26.7	27.3	27.3	27.3	27.3	27.3	25.3	25.1	25.1	24.5
Recreation	10.0	11.0	11.0	12.2	12.2	12.2	12.5	10.7	10.0	9.7
Leisure Services	36.7	38.3	38.3	39.5	39.5	39.5	37.8	35.8	35.1	34.2
Human Services	4.5	4.5	4.5	4.5	4.7	4.7	4.7	4.7	4.7	4.7
Grand Totals	467.5	473.9	489.4	498.5	510.1	512.1	514.4	511.5	505.5	508.0

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Physical arrests	2,271	2,573	2,166	2,254	2,864	2,770	3,215	2,978	2,928	2,749
Traffic violations	3,205	3,349	4,089	5,757	7,031	6,041	5,950	5,768	5,548	4,535
Parking violations	33,706	37,589	39,072	44,587	44,056	44,899	43,648	49,216	39,318	40,625
Fire and Rescue										
Calls answered	5,075	5,676	6,122	6,122	6,554	6,803	7,095	7,565	7,875	7,529
General services - Solid waste										
Refuse collected (tons)	na	na	na	na	na	na	na	17,603	17,081	16,370
Recycling (tons) Note: Recycle program started Oct 2005	na	na	na	na	na	na	na	1,356	1,962	1,976
General services - Streets										
Streets resurfaced (miles)	na	na	na	na	na	na	na	16	18	23
Potholes repaired	na	na	na	na	na	na	na	14,895	7,934	11,335
Water										
Average daily comsumption (in thousands of gallons)	4,655	4,972	4,972	4,972	4,639	4,840	4,840	4,910	4,910	3,740
Sewage System:										
Daily average treatment (millions of gallons)										
Concord Plant	3,985	4,557	4,088	4,200	4,530	4,600	4,570	4,605	4,680	4,730
Penacook Plant	514	613	513	435	458	578	573	575	585	610

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	13	14	15	15	16	16	16	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	5	5	6	6	6	6	6
Number of support vehicles	2	2	2	5	5	5	5	8	7	7
General Services - Streets										
Miles of streets	271	272	272	272	272	338	338	339	340	341
Number of traffic lights (in sets)	na	na	na	na	na	na	92	92	97	97
Number of street lights	2,138	2,138	2,068	2,068	2,068	2,178	2,183	2,183	2,128	2130
General Services - Culture and Recreation:										
Number of parks	16	16	16	16	16	21	20	20	20	20
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	14	14	21	21	21	21	21	21	21	21
Water										
Water main (miles)	180	181	181	183	183	215	169	169	170	171
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)	116	117	117	120	141	141	141	141	142	142
Maximum daily capacity of treatment (thousands of gallons)										
Concord Plant	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100	10,100
Penacook Plant	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	2,370

Data Source
Various city departments