

CITY OF CONCORD NEW HAMPSHIRE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
June 30, 2015**

CITY OF CONCORD

NEW HAMPSHIRE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015



**Prepared by:
The Finance Department**

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

**Katherine A. Graff
Assistant Finance Director**

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INTRODUCTORY SECTION



City of Concord, New Hampshire

FINANCE DEPARTMENT

41 GREEN STREET, CONCORD, NH 03301

(603) 225-8560

October 15, 2015

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

The Concord Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Concord, New Hampshire for the Fiscal Year ending June 30, 2015.

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

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

The Report

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

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

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

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

This CAFR does not report on the Funds of the Concord School District, Merrimack Valley School District or the County of Merrimack. These governmental units are independent of the City and do not meet established reporting entity criteria for inclusion in this report.

Profile of the Government

The City of Concord is located in Merrimack County, approximately 70 miles north of Boston, Massachusetts, on the Merrimack River in South Central New Hampshire. According to the U.S. Census Bureau, the City has an estimated population of 42,444 as of July 1, 2014, a 0.59% decrease over the last official census as of April 1, 2010 number of 42,695, and occupies a land area of 64 square miles.

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

Policymaking and legislative authority are vested by City Charter in the 15-member Council. Under the Charter, originally adopted in 1853, and most recently amended in 2012, the appointed City Manager is solely responsible for carrying out the policies and ordinances of the City Council. The Council is elected on a non-partisan basis. Ten ward councilors, and the mayor, are elected every two years. The four remaining "at-large" councilors are elected to staggered 4-year terms, two every two years. The current mayor is former City Councilor James P. Bouley who was first elected mayor in November 2007. In November 2013 he was re-elected for his fourth consecutive term. Thomas J. Aspell, Jr., the City Manager, was appointed in April 2006. The City has had four City Managers since 1978. The City Manager, pursuant to the City Charter, has all appointive and dismissal powers for paid employees of the City. Appointive authority for boards and commissions is shared between the Mayor, City Council, and City Manager.

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

Local Economy

Compared to other cities in New Hampshire, New England and the Nation, Concord has comparably low unemployment. As reported by the New Hampshire Department of Employment Security, Concord's unemployment rate as of June 2015 was 3.2%. This compares favorably to New Hampshire's rate of 3.5% and to the United States rate of 5.5%. Concord's rate also remains the lowest among the top three New Hampshire cities with Manchester at 3.8% and Nashua at 4.2%. Concord's unemployment rates have remained lower than the State since 1992 except for the months of March, April, and June, 2005.

The assessed value of taxable property as of April 1, 2014 decreased overall by 0.78% compared to April 1, 2013. The cumulative total residential, manufactured homes and condominiums increased slightly in assessed value. The average assessed value of a single family home in Concord as of April 1, 2014 was \$222,700, up slightly from \$220,800 the year before.

Tax collections percentage as of June 30, 2015 for the 2014 Tax Year was 98.7%, slightly higher than the previous year. Total tax delinquencies for all years were stated at \$2.1 million, down \$0.7 million from the previous year. Vigorous collection efforts by the Tax Collector's Office have resulted in no material increases in the number of properties to which the City takes title through tax deeds. Anticipating increased delinquencies the Collector's Office initiated a significant outreach, communication and visitation program to affect this result. The City Council's Number One Fiscal Goal for cash management is directed towards a targeted property tax collection program which is aimed at maintaining high collection rates.

The City continues to work with existing businesses to maintain and increase their workforce, and has several Economic Development Initiatives underway. During Fiscal Year 2015 the City made significant progress on key economic development projects including acquisition of the former NH Employment Security Property at 32-34 South Main Street, approval of RSA 79-E Community Tax Relief Incentives for the former Vegas Block at 148-158 North Main Street, acquisition of the former Tsunis Property for future extension of Storrs Street to the Horseshoe Pond, and others.

The City acquired the former NH Employment Security property on October 31, 2014 for \$1.575 million. The City completed renovations to weatherize the building in order to reduce carrying costs immediately thereafter. Upon completing a competitive "request for proposals" process, the City engaged the Norwood Group of Bedford, New Hampshire to market the property, as well as the former Allied Leather Tannery site. The property is currently listed on the market for \$1.6 million.

In December 2014, the City approved an RSA 79-E Community Tax Relief Incentive application for renovation of the former Vegas Block, now known as the "Remi Block". The developer who acquired the property on July 22, 2014 plans to renovate the 34,000SF building into 20 market rate apartments with ground floor commercial

space. Renovations will cost approximately \$2.5 million. As of the date of this letter, the developer was in the process of securing financing for the project.

On September 29, 2014, the City acquired the former Tsunis property located on Storrs Street from the Holiday Inn for \$700,000. Acquisition of this property provided the City with the final piece of real estate needed to facilitate the future extension of Storrs Street to Horseshoe Pond.

Another key economic development initiative that was advanced during Fiscal Year 2015 was the \$11.6 million Downtown Complete Streets Project. The goal of this project is to make downtown a more vibrant, attractive place for economic development activity, including redevelopment of vacant upper stories and construction of market rate housing. Key features of the project include wider sidewalks, improved crosswalks, ADA improvements to 18 +/- properties, public art, as well as comprehensive streetscape improvements. The project will be completed in Fall 2016.

Long-term Financial Planning

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

Also, as part of the annual budget process, the City reviews all General Fund revenues to determine budgetary needs. Enterprise and special revenue funds are reviewed for competitiveness and support of operations. Most enterprise/special revenue funds are fully self-supporting and provide administrative overhead payments to the General Fund. Exceptions are the Solid Waste Fund which received general tax base support as part of its planned operation and the Golf and Arena Funds which received general fund support for their Fiscal Year 2015 operations.

Financial Position

The City Council has adopted a General Fund balanced budget every year since Fiscal Year 2010, with the exception of Fiscal Year 2012. The Fiscal Year 2012 Budget was adopted using \$300,000 from prior year surplus to help offset the significant funding changes that were occurring with the State Retirement System. Fiscal Years 2010 through 2013 reported surpluses ranging from \$953,000 to \$1.5 million.

Fiscal Year 2014 General Fund finished the year with expenses exceeding revenues by \$304,000. This was a direct result of three significant transactions: 1) The City used \$1.55 million from Assigned and Committed Fund Balance to support a transfer to trust fund reserves in the amount of \$545,000 and also used \$1.01 million to increase Overlay and support an increase in the City's Allowance for Abatements; 2) At the close of the Fiscal Year, the City increased Overlay to support another

increase in the Allowance for Abatements by an additional \$1.1 million for pending appeals; 3) The City recognized a \$1.57 million refund from the Concord Regional Solid Waste Cooperative as a proportional distribution of reserves that were no longer necessary to remain with the Cooperative.

The Fiscal Year 2015 surplus is \$504,600.

The total General Fund Unassigned fund balance increased to \$10.2 million after City management assigned \$960,000 which is anticipated to be transferred to trust fund reserve accounts in Fiscal Year 2016. The \$10.2 million Unassigned Fund Balance represents a \$292,000 increase over Fiscal Year 2014. The purposes of the Assigned Fund Balance are for transfers to Paving Reserve \$480,000, Fire Apparatus Equipment \$152,000, Equipment Reserve \$238,000, Economic Development Reserve \$75,000, and Education & Training Reserve \$15,000.

OPEB Action

The City is in compliance with Government Accounting Standards Board (GASB) Statement No. 45, as reported in Note 19 of this CAFR. As of June 30, 2015 the Unfunded Actuarial Accrued Liability (UAAL) increased to \$45.5 million, a \$3.6 million increase from 2014.

Efforts to reduce this liability will be ongoing with continued benefit management and financing alternatives. To date, the City Council has approved the transfer of \$500,000 to an OPEB reserve trust; \$300,000 from 2009 surplus and \$200,000 from 2011 surplus. No transfer is anticipated during Fiscal Year 2016.

GASB Statement No. 68

In Fiscal Year 2015 the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

Relevant Financial Policies

Goals

Introduced in 1996, the City Council adopted a Fiscal Policy Statement which is a series of 31 goals to help guide the financial direction and management of the City. These goals are regularly reviewed and updated when necessary.

The goals address the topics of: Accounting, Auditing and Financial Reporting, Budgetary and Financial Management, Capital Improvements, Cash Management, Debt Management, Employee Compensation and Benefits, Enterprise/Special Revenue & Other Funds Management, Municipal Services Expenditures and Revenues and Tax Rate Management. In addition to the cash management goal cited above; another goal that stands out is Goal F1 under Debt Management that

limits debt service to 10% of total expenditures. For Fiscal Year 2015 this amount was 10.5%.

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

Section IV(A)(1)(a) of the Policy requires that the City achieve a General Fund Unassigned Fund Balance of 17.5% by the end of Fiscal Year 2015. For Fiscal Year ending June 30, 2015 the Unassigned Fund Balance was 19.1%, a slight decrease from Fiscal Year 2014 but higher than the City's Policy requirement of 17.5%.

Credit Rating and Debt Limit

As of June 2015 Standard and Poor's Rating Group affirmed the city's bond rating of AA+ in conjunction with a \$14 million General Obligation bond offering and affirmed the AA+ rating on the City's \$77 million of outstanding parity debt.

Financial Structure and Management

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

Major Initiatives

The Fiscal Year 2015 budget was adopted by the City Council with several major initiatives including funding for the Exit 16 Mountain Road/Shawmut Avenue roundabout, City Hall renovations, an increase to the annual highway improvement paving program, water main construction and replacements, water treatment plant improvements and wastewater treatment plant improvements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded twenty consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Concord, NH for its CAFR beginning with the fiscal year ended December 31, 1995, through June 30, 2014 including the six-month transitional fiscal period ending June 30, 1996. The Certificate of Achievement is a

prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Other Information

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

The City invites you to visit our web site at www.concordnh.gov, where this CAFR is expected to be prominently displayed by December 2015. Also displayed are previous CAFRs and other summary financial information.

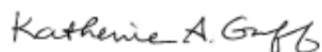
Sincerely,



Thomas J. Aspell
City Manager



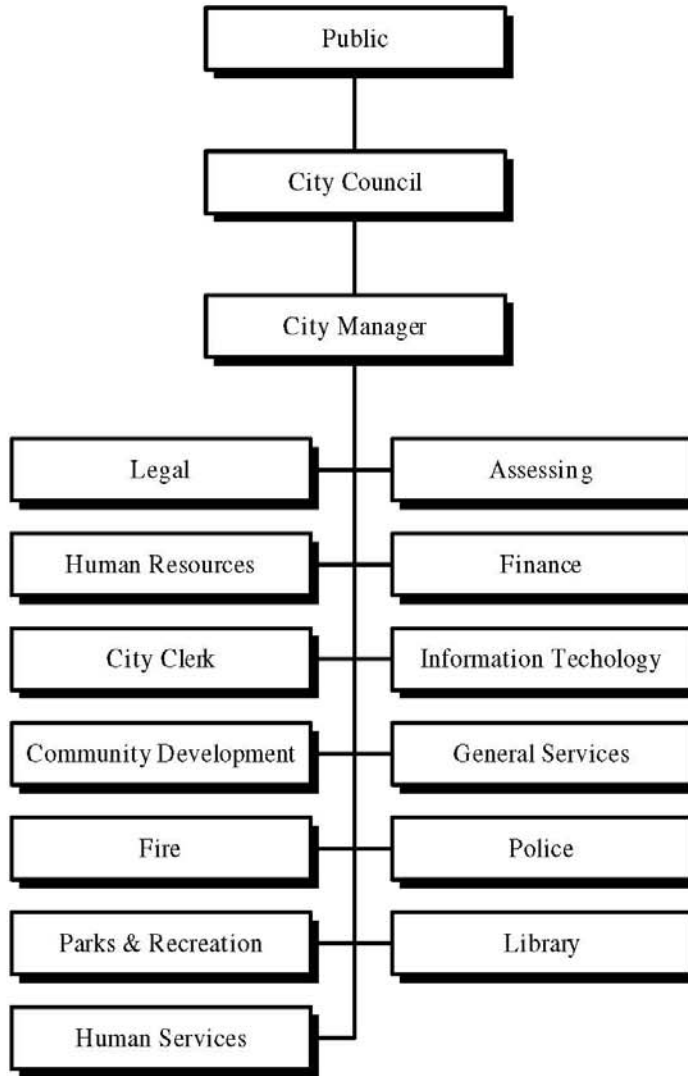
Brian G. LeBrun
Deputy City Manager – Finance



Katherine A. Graff
Assistant Finance Director

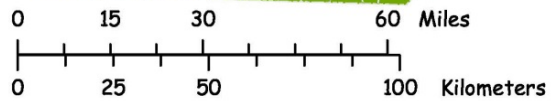
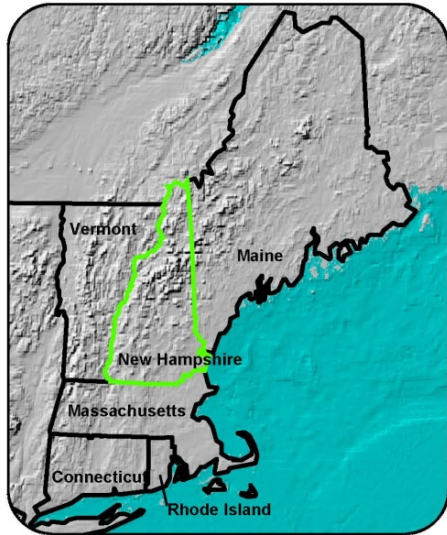
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CITY OF CONCORD, NEW HAMPSHIRE
TABLE OF ORGANIZATION



City of Concord, NH

Geographic Location



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

June 30, 2015

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Concord
New Hampshire**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord, New Hampshire, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opin-

ion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord, New Hampshire, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information appearing on pages 88 through 125 is presented

for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Melanson Heath

October 15, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Concord, we offer readers of the City of Concord this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. This section should be read in conjunction with the Letter of Transmittal beginning on page 1.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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 major capital project fund (post 2008), 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 non-major governmental (special revenue) funds. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with budgets.

Proprietary funds Proprietary funds are maintained as follows:

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

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

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

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary infor-

mation which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$172,906,518 (i.e., net position), an increase of \$4,798,042 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$45,280,629, an increase of \$5,756,575 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,171,068, an increase of \$291,738 in comparison to the prior year. In addition, total general fund balance increased by \$350,624.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$76,554,459, an increase of \$4,393,450 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.

	<u>NET POSITION</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 104,340	\$ 95,678	\$ 14,034	\$ 13,614	\$ 118,374	\$ 109,292
Deferred outflows	4,262	-	261	-	4,523	-
Capital assets	133,214	127,027	127,410	128,861	260,624	255,888
Total assets and deferred outflows	241,816	222,705	141,705	142,475	383,521	365,180
Long-term liabilities outstanding	110,293	56,194	32,079	29,289	142,372	85,483
Deferred inflows	59,625	50,027	537	114	60,162	50,141
Other liabilities	6,578	5,556	1,503	1,589	8,081	7,145
Total liabilities and deferred inflows	176,496	111,777	34,119	30,992	210,615	142,769
Net position:						
Net investment in capital assets	90,448	88,865	102,512	103,460	192,960	192,325
Restricted	15,393	14,755	1,932	2,175	17,325	16,930
Unrestricted	(40,521)	7,308	3,142	5,848	(37,379)	13,156
Total net position	<u>\$ 65,320</u>	<u>\$ 110,928</u>	<u>\$ 107,586</u>	<u>\$ 111,483</u>	<u>\$ 172,906</u>	<u>\$ 222,411</u>

CHANGES IN NET POSITION

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8,100	\$ 8,854	\$ 16,846	\$ 16,615	\$ 24,946	\$ 25,469
Operating grants and contributions	2,236	2,140	272	2,020	2,508	4,160
Capital grants and contributions	5,135	3,354	75	86	5,210	3,440
General revenues:						
Property taxes	44,429	38,520	-	-	44,429	38,520
Penalties and interest on taxes	945	914	-	-	945	914
Investment income	1,356	2,677	13	8	1,369	2,685
Other	2,843	3,125	267	289	3,110	3,414
Total revenues	<u>65,044</u>	<u>59,584</u>	<u>17,473</u>	<u>19,018</u>	<u>82,517</u>	<u>78,602</u>
Expenses:						
General government	8,376	7,834	-	-	8,376	7,834
Public safety	26,071	26,303	-	-	26,071	26,303
General services	12,147	12,194	-	-	12,147	12,194
Community development	5,723	4,763	-	-	5,723	4,763
Leisure and information services	4,501	4,682	-	-	4,501	4,682
Human services	1,228	842	-	-	1,228	842
Interest on long-term debt	2,054	1,530	-	-	2,054	1,530
Water operations	-	-	5,471	5,314	5,471	5,314
Sewer operations	-	-	7,178	6,755	7,178	6,755
Solid Waste operations	-	-	3,871	4,375	3,871	4,375
Other operations	-	-	1,409	1,345	1,409	1,345
Total expenses	<u>60,100</u>	<u>58,148</u>	<u>17,929</u>	<u>17,789</u>	<u>78,029</u>	<u>75,937</u>
Change in net position before transfers and contributions	4,944	1,436	(456)	1,229	4,488	2,665
Transfers in (out)	289	142	(289)	(142)	-	-
Permanent fund contributions	310	283	-	-	310	283
Change in net position	<u>5,543</u>	<u>1,861</u>	<u>(745)</u>	<u>1,087</u>	<u>4,798</u>	<u>2,948</u>
Net position - beginning of year, as restated	<u>59,777</u>	<u>109,067</u>	<u>108,331</u>	<u>110,396</u>	<u>168,108</u>	<u>219,463</u>
Net position - end of year	<u>\$ 65,320</u>	<u>\$ 110,928</u>	<u>\$ 107,586</u>	<u>\$ 111,483</u>	<u>\$ 172,906</u>	<u>\$ 222,411</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$172,906,518, a change of \$4,798,042 from the prior year, as restated.

The largest portion of net position \$192,959,433 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. These

capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$17,326,543 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$(37,379,458) primarily resulting from the City's net pension liability.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$5,542,980. Key elements of this change are as follows:

Capital grants and contributions	\$ 5,135,430
Capital assets from current year revenues	1,707,759
Change in net OPEB obligation	(1,829,656)
Change in net pension liability, net of related deferred inflows	1,209,897
Other	<u>(680,450)</u>
Total	<u>\$ 5,542,980</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$(744,938). This change primarily results from depreciation expense in excess of debt service expense. The following is a summary of the changes in net position by fund:

Water operations	\$ (121,912)
Sewer operations	(495,755)
Solid Waste operations	(125,906)
Nonmajor funds	<u>(1,365)</u>
Total	<u>\$ (744,938)</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$45,280,629, a change of \$5,756,575 in comparison with the prior year.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,171,068, while total fund balance was \$14,549,738. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 10,171,068	\$ 9,879,330	\$ 291,738	19.1%
Total fund balance ⁽¹⁾	\$ 14,549,738	\$ 14,199,114	\$ 350,624	27.4%

⁽¹⁾ Includes capital reserve funds.

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

The total fund balance of the general fund increased by \$350,624 during the fiscal year. The following table highlights the change in our general fund balance accounts (in thousands):

	<u>Unassigned</u>	<u>Assigned</u>	<u>Committed</u>	<u>Non-spendable</u>	<u>Total</u>
Beginning of year	\$ 9,879	\$ 750	\$ 3,417	\$ 153	\$ 14,199
Liquidation	750	(750)	-	-	-
Budgeted use of fund balance	(1,053)	-	-	-	(1,053)
Revenues and transfers over budget	1,210	-	-	-	1,210
Expenditures and transfers under budget	345	-	-	-	345
Transfers	(960)	960	-	-	-
Other	-	-	(151)	-	(151)
End of Year	<u>\$ 10,171</u>	<u>\$ 960</u>	<u>\$ 3,266</u>	<u>\$ 153</u>	<u>\$ 14,550</u>

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

	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
Insured retention	\$ 818,113	\$ 966,002	\$ (147,889)
Highways	1,077,336	1,130,931	(53,595)
Economic development	92,842	73,553	19,289
Equipment	365,883	280,237	85,646
ERIP	127	127	-
OPEB	770,831	736,365	34,466
Other	<u>140,667</u>	<u>229,698</u>	<u>(89,031)</u>
Total	<u>\$ 3,265,799</u>	<u>\$ 3,416,913</u>	<u>\$ (151,114)</u>

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$3,141,883, a change of \$(2,706,307) in comparison to the prior year.

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

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$1,182,145. The City passed a resolution in December 2014 to amend the budget by increasing transfers out to the capital reserve trust funds by \$750,000, funded by the budgetary use of fund balance. In addition, the City passed a resolution in May 2015 to amend the budget by appropriating \$236,000 to general services to support winter maintenance costs, funded by the budgetary use of fund balance. Other City Council resolutions included minor supplemental appropriations as well as the transfer of funds between departmental line items.

The favorable variance of Miscellaneous Revenues on the budget and actual comparative statement is a result from the premium on the City's bond refunding, which offsets the unbudgeted additional debt service expenditures.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$260,623,725 (net of accumulated depreciation), a change of \$4,734,947 from the prior year. This investment in capital assets includes land, buildings, system improvements, and machinery and equipment, park facilities, roads, highways and bridges.

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

Change in credit rating. The City of Concord, New Hampshire has maintained a Moody’s credit rating of Aa1 for several years. In fiscal year 2015, the City maintained a Standard & Poor’s credit rating of AA+.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$76,554,459, all of which was backed by the full faith and credit of the government.

Additional information on capital assets and long-term debt can be found in Notes 9 and 13, respectively, of this report.

G. ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

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

Following is a comparison of the fiscal 2015 adopted to the fiscal 2016 adopted City General Fund budget and tax rate:

<u>Use of Funds</u>	2015 COUNCIL <u>ADOPTED</u>	2016 COUNCIL <u>ADOPTED</u>
Budget Appropriations	\$ 55,005,019	\$ 58,059,662
War Credits	265,150	261,225
Overlay	<u>300,000</u>	<u>300,000</u>
Total Uses of Funds	<u>\$ 55,570,169</u>	<u>\$ 58,620,887</u>
 <u>Sources of Funds</u>		
Miscellaneous Revenues	\$ 20,257,054	\$ 21,676,973
Amount to be raised by property taxes	<u>35,313,115</u>	<u>36,943,914</u>
Total Sources of Funds	<u>\$ 55,570,169</u>	<u>\$ 58,620,887</u>

(continued)

(continued)

	2015 COUNCIL <u>ADOPTED</u>	2016 COUNCIL <u>ADOPTED</u>
<u>TAX RATE DETERMINATION</u>		
Assessed Value (A.V.) in thousands of dollars*	\$ 3,793,126	\$ 3,779,545
Amount to be Raised	\$ 35,313,115	\$ 36,943,914
Current Year Recommended Tax Rate/\$ 1,000 A.V.	\$ 9.31	\$ 9.77 **
Prior Year Tax Rate/\$ 1,000 A.V.	<u>9.04</u>	<u>9.38 *</u>
Increase over Prior Year	\$ 0.27	\$ 0.39
% Change	2.99%	4.16%
* Market and real growth adjustments after budget adoption resulted in a taxable assessed value of \$3,763,544,645 for municipal purposes and a tax rate of \$9.38 per \$1,000 of assessed value.		
** Portion of Recommended Tax Rate Allocated to Debt Service		1.45
Portion of Prior Year Tax Rate Allocated to Debt Service		<u>1.44</u>
Increase over Prior Year		0.01
% Change		0.7%
** Portion of Recommended Tax Rate Allocated to All Other Costs		8.32
Portion of Prior Year Tax Rate Allocated to All Other Costs		<u>7.94</u>
Increase over Prior Year		0.38
% Change		4.8%

REQUESTS FOR INFORMATION

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

Office of the Deputy City Manager - Finance
City of Concord, New Hampshire
41 Green Street
Concord, New Hampshire 03301

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Basic Financial Statements

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CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term equivalents	\$ 51,085,209	\$ 10,002,559	\$ 61,087,768
Investments	20,755,367	-	20,755,367
Receivables, net of allowance for uncollectibles:			
Property taxes	31,379,325	-	31,379,325
Accounts	358,941	-	358,941
User fees	-	1,880,909	1,880,909
Intergovernmental	4,612	186,294	190,906
Loans	421,706	-	421,706
Other assets	<u>334,516</u>	<u>218,094</u>	<u>552,610</u>
Total current assets	104,339,676	12,287,856	116,627,532
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	1,746,143	1,746,143
Capital assets:			
Land and construction in progress	39,680,852	8,994,594	48,675,446
Other capital assets, net of accumulated depreciation	<u>93,532,939</u>	<u>118,415,340</u>	<u>211,948,279</u>
Total non-current assets	133,213,791	129,156,077	262,369,868
DEFERRED OUTFLOWS OF RESOURCES	<u>4,262,037</u>	<u>261,204</u>	<u>4,523,241</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	241,815,504	141,705,137	383,520,641
LIABILITIES			
Current:			
Accounts payable	778,766	768,642	1,547,408
Retainage payable	256,518	113,871	370,389
Accrued liabilities	2,382,117	407,160	2,789,277
Due to other governments	110,313	-	110,313
Notes payable	1,990,000	-	1,990,000
Other current liabilities	1,058,931	213,823	1,272,754
Current portion of long-term liabilities:			
Bonds and loans payable	5,142,807	3,327,645	8,470,452
Other liabilities	<u>2,095,178</u>	<u>226,817</u>	<u>2,321,995</u>
Total current liabilities	13,814,630	5,057,958	18,872,588
Noncurrent:			
Bonds and loans payable, net of current portion	43,731,886	24,352,121	68,084,007
Net pension liability	47,428,540	2,920,228	50,348,768
Other liabilities, net of current portion	<u>11,895,097</u>	<u>1,252,000</u>	<u>13,147,097</u>
Total non-current liabilities	103,055,523	28,524,349	131,579,872
DEFERRED INFLOWS OF RESOURCES	<u>59,624,894</u>	<u>536,769</u>	<u>60,161,663</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	176,495,047	34,119,076	210,614,123
NET POSITION			
Net investment in capital assets	90,447,692	102,511,741	192,959,433
Restricted for:			
Grants and other statutory restrictions	2,762,771	-	2,762,771
Permanent funds:			
Nonexpendable	12,631,335	-	12,631,335
Debt service	-	1,932,437	1,932,437
Unrestricted	<u>(40,521,341)</u>	<u>3,141,883</u>	<u>(37,379,458)</u>
TOTAL NET POSITION	<u>\$ 65,320,457</u>	<u>\$ 107,586,061</u>	<u>\$ 172,906,518</u>

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

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 8,375,764	\$ 2,377,466	\$ 2,071,742	\$ 4,601,585
Public safety	26,071,162	3,835,584	145,963	36,028
General services	12,146,581	105,401	-	-
Community development	5,723,172	1,086,657	-	497,817
Leisure and information services	4,501,607	695,191	-	-
Human services	1,228,609	-	18,423	-
Interest on long-term debt	2,054,101	-	-	-
Total Governmental Activities	60,100,996	8,100,299	2,236,128	5,135,430
Business-Type Activities:				
Water	5,471,470	5,746,908	37,931	-
Sewer	7,177,767	6,875,159	233,984	74,851
Solid Waste	3,870,961	2,742,703	-	-
Golf	893,792	902,735	-	-
Arena	515,305	578,792	-	-
Total Business-Type Activities	17,929,295	16,846,297	271,915	74,851
Total	\$ 78,030,291	\$ 24,946,596	\$ 2,508,043	\$ 5,210,281

General Revenues, Transfers & Permanent Fund Contributions:

General Revenues:

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

Transfers, net
 Permanent fund contributions

Total general revenues, transfers, and contributions

Change in Net Position

Net Position:

Beginning of year, as restated
 End of year

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

<u>Net (Expenses) Revenues and Changes in Net Position</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ 675,029	\$ -	\$ 675,029
(22,053,587)	-	(22,053,587)
(12,041,180)	-	(12,041,180)
(4,138,698)	-	(4,138,698)
(3,806,416)	-	(3,806,416)
(1,210,186)	-	(1,210,186)
<u>(2,054,101)</u>	<u>-</u>	<u>(2,054,101)</u>
(44,629,139)	-	(44,629,139)
-	313,369	313,369
-	6,227	6,227
-	(1,128,258)	(1,128,258)
-	8,943	8,943
<u>-</u>	<u>63,487</u>	<u>63,487</u>
<u>-</u>	<u>(736,232)</u>	<u>(736,232)</u>
(44,629,139)	(736,232)	(45,365,371)
44,429,395	-	44,429,395
944,755	-	944,755
393	-	393
1,356,311	12,884	1,369,195
2,842,713	266,973	3,109,686
288,563	(288,563)	-
<u>309,989</u>	<u>-</u>	<u>309,989</u>
<u>50,172,119</u>	<u>(8,706)</u>	<u>50,163,413</u>
5,542,980	(744,938)	4,798,042
<u>59,777,477</u>	<u>108,330,999</u>	<u>168,108,476</u>
<u>\$ 65,320,457</u>	<u>\$ 107,586,061</u>	<u>\$ 172,906,518</u>

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2015

	<u>General</u>	<u>Major Capital Project Fund (Post 2008)</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and short-term equivalents	\$ 32,143,355	\$ 7,785,582	\$ 11,156,273	\$ 51,085,210
Investments	6,342,951	-	14,412,416	20,755,367
Receivables:				
Property taxes	31,708,236	-	-	31,708,236
Accounts	129,010	56,846	173,085	358,941
Intergovernmental	4,612	-	-	4,612
Loans	-	-	421,706	421,706
Due from other funds	132,954	-	-	132,954
Inventory	169,111	-	-	169,111
Other assets	161,461	-	3,942	165,403
TOTAL ASSETS	\$ 70,791,690	\$ 7,842,428	\$ 26,167,422	\$ 104,801,540
LIABILITIES				
Accounts payable	\$ 650,713	\$ 79,121	\$ 48,932	\$ 778,766
Retainage payable	-	169,449	87,068	256,517
Accrued liabilities	1,658,029	-	244,896	1,902,925
Other liabilities	768,064	54,228	1,990,000	2,812,292
Due to other funds	-	-	132,954	132,954
Due to other governments	110,313	-	-	110,313
TOTAL LIABILITIES	3,187,119	302,799	2,503,850	5,993,768
DEFERRED INFLOWS OF RESOURCES	53,054,833	-	472,310	53,527,143
FUND BALANCES				
Nonspendable	152,871	-	12,631,335	12,784,206
Restricted	-	5,793,294	6,055,273	11,848,567
Committed	3,265,799	2,255,241	4,722,170	10,243,210
Assigned	960,000	-	-	960,000
Unassigned	10,171,068	(508,906)	(217,516)	9,444,646
TOTAL FUND BALANCES	14,549,738	7,539,629	23,191,262	45,280,629
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 70,791,690	\$ 7,842,428	\$ 26,167,422	\$ 104,801,540

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

CITY OF CONCORD, NEW HAMPSHIRE

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

JUNE 30, 2015

Total governmental fund balances	\$ 45,280,629
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	133,213,791
• Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	347,487
• Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.	4,262,037
• Deferred inflows of resources related to pensions resulting from projected vs. actual earnings and changes in proportion will be recognized as a reduction of the net pension liability in the years ending June 30, 2016 through June 30, 2020.	(6,774,149)
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(715,830)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(48,874,693)
Net pension liability	(47,428,540)
Net OPEB obligation	(11,260,654)
Other (compensated absences, landfill closure liability, etc)	<u>(2,729,621)</u>
Net position of governmental activities	\$ <u>65,320,457</u>

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

CITY OF CONCORD, NEW HAMPSHIRE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General</u>	Major Capital Project Fund (Post 2008)	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 43,679,345	\$ -	\$ 1,554,525	\$ 45,233,870
Licenses and permits	890,025	-	-	890,025
Intergovernmental	2,513,469	3,742,198	630,055	6,885,722
Charges for services	5,081,781	-	2,128,492	7,210,273
Investment income	92,443	-	712,700	805,143
Contributions	27,095	17,500	751,717	796,312
Miscellaneous	<u>1,562,750</u>	<u>1,036,070</u>	<u>1,025,026</u>	<u>3,623,846</u>
Total Revenues	53,846,908	4,795,769	6,802,515	65,445,192
Expenditures:				
Current:				
General government	6,349,815	826,726	830,851	8,007,392
Public safety	23,786,952	-	782,891	24,569,843
General services	7,288,810	-	498,251	7,787,061
Community development	2,998,143	-	320,891	3,319,034
Leisure and information services	4,197,524	-	-	4,197,524
Human services	790,648	-	-	790,648
Employee benefits	2,174,927	-	-	2,174,927
Miscellaneous	-	-	350	350
Debt service				
Principal	4,040,667	-	1,149,975	5,190,642
Interest	1,553,904	-	366,078	1,919,982
Capital outlay	<u>-</u>	<u>7,998,871</u>	<u>4,623,962</u>	<u>12,622,833</u>
Total Expenditures	<u>53,181,390</u>	<u>8,825,596</u>	<u>8,573,249</u>	<u>70,580,235</u>
Excess (deficiency) of revenues over expenditures	665,518	(4,029,828)	(1,770,734)	(5,135,044)
Other Financing Sources (Uses):				
Issuance of bonds	-	4,747,400	5,280,100	10,027,500
Bond premium	-	314,956	260,600	575,556
Issuance of refunding bonds	4,236,550	-	-	4,236,550
Premium on refunding	139,234	-	-	139,234
Payment to refunded bond escrow agent	(4,375,784)	-	-	(4,375,784)
Transfers in	2,389,129	2,157,108	296,792	4,843,029
Transfers out	<u>(2,704,023)</u>	<u>(569)</u>	<u>(1,849,874)</u>	<u>(4,554,466)</u>
Total Other Financing Sources (Uses)	<u>(314,894)</u>	<u>7,218,895</u>	<u>3,987,618</u>	<u>10,891,619</u>
Net change in fund balance	350,624	3,189,067	2,216,884	5,756,575
Fund Balance, at Beginning of Year, as restated	<u>14,199,114</u>	<u>4,350,562</u>	<u>20,974,378</u>	<u>39,524,054</u>
Fund Balance, at End of Year	<u>\$ 14,549,738</u>	<u>\$ 7,539,629</u>	<u>\$ 23,191,262</u>	<u>\$ 45,280,629</u>

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

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

FOR THE YEAR ENDED JUNE 30, 2015

Net Changes in Fund Balances - Total Governmental Funds	\$	5,756,575																														
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="margin-left: 40px; width: 80%;"> <tr> <td style="width: 70%;">Capital outlay purchases and contributions, net of disposals</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">10,990,550</td> </tr> <tr> <td>Depreciation</td> <td></td> <td style="text-align: right;">(4,804,184)</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue. <table style="margin-left: 40px; width: 80%;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(804,475)</td> </tr> </table> • The issuance of long-term debt (i.e., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="margin-left: 40px; width: 80%;"> <tr> <td style="width: 70%;">Bond repayments</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">5,190,642</td> </tr> <tr> <td>Issuance of bonds, net of refunding</td> <td></td> <td style="text-align: right;">(9,888,266)</td> </tr> </table> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table style="margin-left: 40px; width: 80%;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(185,413)</td> </tr> </table> • Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table style="margin-left: 40px; width: 80%;"> <tr> <td style="width: 70%;">Compensated absences</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(122,690)</td> </tr> <tr> <td>Landfill liability</td> <td></td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Net pension liability, and related deferred inflows</td> <td></td> <td style="text-align: right;">1,209,897</td> </tr> <tr> <td>Other post employment benefits</td> <td></td> <td style="text-align: right;">(1,829,656)</td> </tr> </table> 			Capital outlay purchases and contributions, net of disposals		10,990,550	Depreciation		(4,804,184)			(804,475)	Bond repayments		5,190,642	Issuance of bonds, net of refunding		(9,888,266)			(185,413)	Compensated absences		(122,690)	Landfill liability		30,000	Net pension liability, and related deferred inflows		1,209,897	Other post employment benefits		(1,829,656)
Capital outlay purchases and contributions, net of disposals		10,990,550																														
Depreciation		(4,804,184)																														
		(804,475)																														
Bond repayments		5,190,642																														
Issuance of bonds, net of refunding		(9,888,266)																														
		(185,413)																														
Compensated absences		(122,690)																														
Landfill liability		30,000																														
Net pension liability, and related deferred inflows		1,209,897																														
Other post employment benefits		(1,829,656)																														
Change in Net Position of Governmental Activities	\$	<u>5,542,980</u>																														

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

CITY OF CONCORD, NEW HAMPSHIRE

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 43,148,783	\$ 43,141,782	\$ 43,679,344	\$ 537,562
Licenses and permits	1,027,769	1,027,769	893,205	(134,564)
Intergovernmental	2,528,563	2,535,564	2,513,469	(22,095)
Charges for services	4,398,934	4,400,934	4,691,343	290,409
Investment income	24,400	24,400	56,135	31,735
Miscellaneous	1,283,990	1,366,120	1,950,010	583,890
Total Revenues	52,412,439	52,496,569	53,783,506	1,286,937
Expenditures:				
General government	6,895,325	6,865,325	6,349,815	515,510
Public safety	23,591,061	23,593,061	23,786,951	(193,890)
General services	7,987,299	8,365,314	8,278,940	86,374
Community development	3,058,625	3,063,339	3,010,228	53,111
Leisure and information services	4,217,768	4,219,768	4,197,524	22,244
Human services	826,080	826,080	790,648	35,432
Employee benefits	2,140,020	2,140,020	2,174,927	(34,907)
Debt service	5,432,273	5,432,273	5,569,571	(137,298)
Total Expenditures	54,148,451	54,505,180	54,158,604	346,576
Excess (Deficiency) of revenue over expenditures	(1,736,012)	(2,008,611)	(375,098)	1,633,513
Other Financing Sources (Uses):				
Transfers in	2,592,580	2,637,580	2,562,364	(75,216)
Transfers out	(856,568)	(1,681,984)	(1,682,691)	(707)
Budgetary use of fund balance	-	1,053,015	-	(1,053,015)
Total Other Financing Sources (Uses)	1,736,012	2,008,611	879,673	(1,128,938)
Excess of expenditures and other financing uses over revenues and other financing sources	\$ -	\$ -	\$ 504,575	\$ 504,575

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

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2015

	Business-Type Activities Enterprise Funds				<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Nonmajor Funds</u>	
ASSETS					
Current:					
Cash and short-term equivalents	\$ 4,216,367	\$ 4,758,582	\$ 645,086	\$ 382,524	\$ 10,002,559
User fees, net of allowance for uncollectibles	620,298	867,556	387,119	5,936	1,880,909
Intergovernmental receivables	-	186,294	-	-	186,294
Prepaid assets	9,196	12,051	1,352	1,708	24,307
Inventory	8,788	-	121,443	63,556	193,787
Total current assets	4,854,649	5,824,483	1,155,000	453,724	12,287,856
Noncurrent:					
Intergovernmental	-	1,746,143	-	-	1,746,143
Capital assets:					
Land and construction in progress	4,936,191	3,636,289	186,200	235,914	8,994,594
Other capital assets, net of accumulated depreciation	60,442,680	56,234,410	322,163	1,416,087	118,415,340
Total noncurrent assets	65,378,871	61,616,842	508,363	1,652,001	129,156,077
DEFERRED OUTFLOWS OF RESOURCES	116,679	144,525	-	-	261,204
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	70,350,199	67,585,850	1,663,363	2,105,725	141,705,137
LIABILITIES					
Current:					
Accounts payable	252,084	127,352	336,949	52,257	768,642
Retainage payable	91,239	22,632	-	-	113,871
Accrued liabilities	186,056	205,552	3,613	11,939	407,160
Other current liabilities	73,776	33,679	106,368	-	213,823
Current portion of long-term liabilities:					
Bonds and loans payable	1,441,443	1,742,265	22,000	121,937	3,327,645
Other liabilities	66,593	119,968	9,525	30,731	226,817
Total current liabilities	2,111,191	2,251,448	478,455	216,864	5,057,958
Noncurrent:					
Bonds and loans payable, net of current portion	11,467,863	12,028,471	261,150	594,637	24,352,121
Net pension liability	1,309,068	1,611,160	-	-	2,920,228
Other liabilities, net of current portion	626,000	626,000	-	-	1,252,000
Total noncurrent liabilities	13,402,931	14,265,631	261,150	594,637	28,524,349
DEFERRED INFLOWS OF RESOURCES	186,984	230,120	63,700	55,965	536,769
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	15,701,106	16,747,199	803,305	867,466	34,119,076
NET POSITION					
Net investment in capital assets	53,644,656	47,663,265	225,212	978,608	102,511,741
Restricted for debt service	-	1,932,437	-	-	1,932,437
Unrestricted	1,004,437	1,242,949	634,846	259,651	3,141,883
TOTAL NET POSITION	\$ 54,649,093	\$ 50,838,651	\$ 860,058	\$ 1,238,259	\$ 107,586,061

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

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
Operating Revenues:					
Charges for services	\$ 5,746,908	\$ 6,875,159	\$ 2,742,703	\$ 1,481,527	\$ 16,846,297
Other	<u>162,287</u>	<u>93,617</u>	<u>-</u>	<u>11,069</u>	<u>266,973</u>
Total Operating Revenues	5,909,195	6,968,776	2,742,703	1,492,596	17,113,270
Operating Expenses:					
Operating expenses	3,221,915	4,425,983	3,842,094	1,252,091	12,742,083
Depreciation	<u>1,803,208</u>	<u>2,321,032</u>	<u>21,780</u>	<u>135,833</u>	<u>4,281,853</u>
Total Operating Expenses	<u>5,025,123</u>	<u>6,747,015</u>	<u>3,863,874</u>	<u>1,387,924</u>	<u>17,023,936</u>
Operating Income (Loss)	884,072	221,761	(1,121,171)	104,672	89,334
Nonoperating Revenues (Expenses):					
Investment income	6,502	5,962	-	420	12,884
Intergovernmental	37,931	233,984	-	-	271,915
Interest expense	<u>(446,347)</u>	<u>(430,752)</u>	<u>(7,087)</u>	<u>(21,173)</u>	<u>(905,359)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(401,914)</u>	<u>(190,806)</u>	<u>(7,087)</u>	<u>(20,753)</u>	<u>(620,560)</u>
Income (Loss) Before Contributions and Transfers	482,158	30,955	(1,128,258)	83,919	(531,226)
Capital contributions	-	74,851	-	-	74,851
Transfers in	-	50,000	1,002,352	42,510	1,094,862
Transfers out	<u>(604,070)</u>	<u>(651,561)</u>	<u>-</u>	<u>(127,794)</u>	<u>(1,383,425)</u>
Change in Net Position	(121,912)	(495,755)	(125,906)	(1,365)	(744,938)
Net Position at Beginning of Year, restated	<u>54,771,005</u>	<u>51,334,406</u>	<u>985,964</u>	<u>1,239,624</u>	<u>108,330,999</u>
Net Position at End of Year	<u>\$ 54,649,093</u>	<u>\$ 50,838,651</u>	<u>\$ 860,058</u>	<u>\$ 1,238,259</u>	<u>\$ 107,586,061</u>

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

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 5,853,561	\$ 6,943,790	\$ 2,704,297	\$ 1,509,060	\$ 17,010,708
Payments to employees	(1,939,541)	(2,392,772)	(2,238,765)	(745,054)	(7,316,132)
Payments to vendors	(1,175,991)	(2,068,258)	(1,655,439)	(503,470)	(5,403,158)
Net Cash Provided By (Used For) Operating Activities	2,738,029	2,482,760	(1,189,907)	260,536	4,291,418
Cash Flows From Noncapital Financing Activities:					
Intergovernmental revenues	-	247,371	-	-	247,371
Transfers in	-	50,000	1,002,352	42,510	1,094,862
Transfers out	(604,070)	(651,561)	-	(127,794)	(1,383,425)
Net Cash Provided by (Used For) Noncapital Financing Activities	(604,070)	(354,190)	1,002,352	(85,284)	(41,192)
Cash Flows From Capital and Related Financing Activities:					
Proceeds from issuance of bonds and notes	1,631,200	1,379,620	(64,000)	117,900	3,064,720
Principal payments on bonds and notes	(1,402,960)	(1,803,430)	(22,000)	(120,037)	(3,348,427)
Gain/loss on refunding	(37,800)	(34,186)	-	-	(71,986)
Acquisition and construction of capital assets, net disposals	(2,441,612)	(210,051)	-	(178,768)	(2,830,431)
Capital contributions	37,931	301,447	-	-	339,378
Interest expense	(431,258)	(408,397)	(7,087)	(19,414)	(866,156)
Net Cash (Used For) Capital and Related Financing Activities	(2,644,499)	(774,997)	(93,087)	(200,319)	(3,712,902)
Cash Flows From Investing Activities:					
Investment income	6,502	5,962	-	420	12,884
Net Cash Provided by Investing Activities	6,502	5,962	-	420	12,884
Net Change in Cash and Short-Term Equivalents	(504,038)	1,359,535	(280,642)	(24,647)	550,208
Cash and Short-Term Equivalents, Beginning of Year	4,720,405	3,399,047	925,728	407,171	9,452,351
Cash and Short-Term Equivalents, End of Year	\$ 4,216,367	\$ 4,758,582	\$ 645,086	\$ 382,524	\$ 10,002,559
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:					
Operating income (loss)	\$ 884,072	\$ 221,761	\$ (1,121,171)	\$ 104,672	\$ 89,334
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,803,208	2,321,032	21,780	135,833	4,281,853
Changes in assets and liabilities:					
User fees	(55,647)	(25,947)	(30,209)	11,549	(100,254)
Inventory	-	-	(7,073)	-	(7,073)
Other assets	(1,990)	-	(20)	(644)	(2,654)
Accounts payable	105,078	(68,674)	(53,991)	(9,921)	(27,508)
Retainage payable	(93,348)	(46,097)	-	(500)	(139,945)
Compensated absences	8,581	6,362	2,794	3,065	20,802
Unearned revenues	12	960	(8,200)	9,164	1,936
Net pension liability	(29,495)	(46,161)	-	-	(75,656)
Other liabilities	117,558	119,524	6,183	7,318	250,583
Net Cash Provided By (Used For) Operating Activities	\$ 2,738,029	\$ 2,482,760	\$ (1,189,907)	\$ 260,536	\$ 4,291,418

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

CITY OF CONCORD, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	Agency Fund
<u>ASSETS</u>	
Cash and short-term equivalents	\$ <u>242,469</u>
Total Assets	\$ <u><u>242,469</u></u>
<u>LIABILITIES</u>	
Other liabilities	\$ <u>242,469</u>
Total Liabilities	\$ <u><u>242,469</u></u>

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

CITY OF CONCORD, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The government is a municipal corporation governed by an elected Mayor, 15-member Council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2015, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded

from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

The government reports the following major governmental funds:

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

- The *major capital project fund (post 2008)* accounts for various construction projects.

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

The government reports the following major proprietary funds:

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

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

The Agency Fund is custodial in nature and is used to account for funds to be remitted to other organizations. The Agency Fund reports only assets and liabilities, and this has no measurement focus.

D. Cash and Short-Term Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with RSA 383:22, and regulations and is under the control of the New Hampshire Banking Commission and Advisory Committee. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes.

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

City Funds

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

Trust Funds

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

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

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

E. Interfund Receivables and Payables

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

F. Inventories

Inventories are valued at cost using the cost-averaging method.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

H. Accrued Employee Benefits

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

I. Long-Term Obligations

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

J. Fund Equity

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

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

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

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

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

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

K. Use of Estimates

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

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

- At such time as may be requested by the City Manager, or specified by the administrative code, each director of a department submits an itemized estimate of the expenditures for the next fiscal year for the departments or activities under his control.
- Under the City charter, the City Manager must submit the budget to Council 45 days before the start of the fiscal year.
- A public hearing on the budget is held before its final adoption by the City Council. Notice of the public hearing, together with a summary of the budget as submitted, is published at least one week in advance by the City Clerk.
- By City charter, the budget must be legally adopted not later than the twenty-seventh day of July. In connection with converting to a June 30

fiscal year end, an adopted ordinance requires budget adoption by July 1 of the new fiscal year. Should the City Council take no final action by the date specified in the charter, the budget, as submitted, is deemed to have been finally adopted by the City Council.

- No appropriation is made for any purpose not included in the annual budget as adopted unless voted by a two-thirds majority of the City Council after a public hearing held to discuss the appropriation. The City Council shall by resolution designate the source of any money so appropriated.
- At the beginning of each quarterly period during the fiscal year, and more often if required by the City Council, the City Manager submits data to the City Council showing a comparison of the estimated and actual revenues and expenditures to date. If it appears that the revenues are less than anticipated, the City Council or City Manager may reduce the appropriation for any item or items, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the City's revenues. The City Manager may provide for monthly or quarterly allotments of appropriations to departments, funds, or agencies under such rules as he may prescribe.
- After the budget has been adopted no expenditure may be incurred, except pursuant to a budget appropriation unless there is a specific additional appropriation thereof. The head of any department, with the approval of the City Manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within his/her department to another fund or agency within his/her department. The City Manager must report these transfers to the City Council. The City Manager, with the approval of the Council, may transfer any unencumbered appropriation balance or any portion thereof from one department to another. The legal level of control is at the department level.
- Budget appropriations lapse at the end of the fiscal year.

B. Budgetary Basis

The General Fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general, special revenue, and proprietary funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and parking and airport special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

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

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 53,846,908	\$ 53,181,390
Other financing sources/uses (GAAP Basis)	<u>6,764,913</u>	<u>7,079,807</u>
Subtotal (GAAP Basis)	60,611,821	60,261,197
Reverse nonbudgeted activity	<u>(4,265,951)</u>	<u>(4,419,902)</u>
Budgetary Basis	<u>\$ 56,345,870</u>	<u>\$ 55,841,295</u>

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

D. Excess of Expenditures Over Appropriations

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

General Fund:

City Manager	\$ (12,500)
Legal services	\$ (982)
Assessing	\$ (63,231)
Police	\$ (227,354)
Transfers out	\$ (707)

E. Deficit Fund Equity

The following funds or projects had deficits as of June 30, 2015:

Major Capital Project Fund (post 2008)	\$ (508,906)
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Nonmajor Governmental Funds:

Community Development Fund	(1,194)
Miscellaneous Special Revenue Fund	(86,148)
Manchester Street Fund	<u>(130,174)</u>
Total	<u>\$ (726,422)</u>

The temporary deficits in these funds or projects results from timing issues at year-end and were eliminated by revenues or bond proceeds in fiscal year 2016.

3. Cash and Investments

A. Custodial Credit Risk

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

City Funds

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

As of June 30, 2015, none of the City’s bank balance of \$60,808,431 was exposed to custodial credit risk as uninsured or uncollateralized.

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

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

Investments at June 30, 2015 consisted of the following:

State investment pool	\$ 606,302
Certificates of deposit	5,014,618
U.S. government agencies	2,091,012
Corp. and foreign bonds	2,759,081
Common equities	6,067,710
Int'l equity mutual funds pool	3,336,588
Taxable fixed income funds pool	<u>880,056</u>
Total investments	<u>\$ 20,755,367</u>

Of the City's total investments, the City has a custodial credit risk exposure of \$15,740,749 because the related securities are uninsured, unregistered and held by the System's brokerage firm, which is also the Counterparty to these securities. The System manages this risk with SIPC, Excess SIPC and because the assets are held in separately identifiable trust accounts. In addition, \$606,302 of the pooled funds are invested in NHPDIP.

B. Credit Risk

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

<u>Investment Type</u>	<u>Total</u>	Investment Maturities (in Years)			<u>Average Rating</u>
		<u><1</u>	<u>1-5</u>	<u>6-10</u>	
U.S. Government Agencies	\$ 2,091	\$ -	\$ 1,399	\$ 692	AAA
Corp. and Foreign Bonds	<u>2,759</u>	<u>191</u>	<u>1,918</u>	<u>650</u>	A2
Total	<u>\$ 4,850</u>	<u>\$ 191</u>	<u>\$ 3,317</u>	<u>\$ 1,342</u>	

C. Concentration of Credit Risk

City Funds

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

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concen-

tration 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, 2015, the City was in compliance with this limitation policy.

D. Interest Rate Risk

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

City Funds

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

Trust Funds

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

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

E. Foreign Currency Risk

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

4. Property Taxes Receivable

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

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

At the time of the tax lien, which the City usually places within 60 to 90 days after the due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes (redemptions) are not paid within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public sale held in November of each year.

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, 2015 consist of the following (in thousands):

Property taxes:		
Levy of 2015	\$ 31,193	
Levy of 2014	1,369	
Levy of 2013	563	
Levy of 2012	28	
Levy of 2011	15	
Levy of 2010	24	
Levy of 2009	73	
Levy of 2008	11	
Levy of 2007	11	
Unredeemed taxes:		
Levy of 2006	10	
Prior years	<u>44</u>	
Subtotal		33,341
Other taxes:		
Land use change taxes	15	
Timber yield taxes	8	
Elderly tax liens	<u>39</u>	
Subtotal		<u>62</u>
Gross Tax Receivable		33,403
Allowance for Abatements (overlay)		<u>(1,695)</u>
Net Total Taxes Receivables		<u>\$ 31,708</u>

5. Allowance for Doubtful Accounts

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

	<u>Governmental</u>
Property taxes	\$ 329

6. Loans Receivable

Loans receivable of \$421,706 in non-major governmental funds represent the uncollected balance of community development loans.

7. Intergovernmental Receivables

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

Fiscal Year Ended	<u>Reimbursement For</u>		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 186,294	\$ 48,532	\$ 234,826
2017	197,245	55,945	253,190
2018	194,227	51,783	246,010
2019	170,512	47,517	218,029
2020	172,334	43,266	215,600
2021-2025	473,693	142,832	616,525
2026-2030	387,298	63,821	451,119
2031-2035	<u>150,834</u>	<u>12,785</u>	<u>163,619</u>
Total	<u>\$ 1,932,437</u>	<u>\$ 466,481</u>	<u>\$ 2,398,918</u>

8. Interfund Fund Receivables/Payables and Transfers

The City maintains self-balancing funds; however, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized when temporary cash deficits exist in individual funds. The following is an analysis of the June 30, 2015 balances in interfund receivable and payable accounts.

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 132,954	\$ -
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Community Development	-	1,194
Capital Project Funds:		
Manchester Street	-	131,760
Total	<u>\$ 132,954</u>	<u>\$ 132,954</u>

The following is an analysis of interfund transfers made in fiscal year 2015:

<u>Governmental Fund:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 2,389,129	\$ 2,704,023
Major Capital Project Fund	2,157,108	569
Nonmajor Funds:		
Special Revenue Funds:		
Community Development		
Engineering Inspection	-	400
Community Development		
Conservation Property Management	-	54,550
Parking	403,490	167,850
Airport	-	102,733
Impact Fee	10,569	702,229
Durgin Garage	10,500	132,744
Forest and Conservation	19,782	374
Library	-	1,300
Mountain Green	-	50,000
SVMS Project Fund	-	12,222
Capital Project Funds:		
Open Space	374	-
Capital Commons Garage	-	746
Route 3 Corridor	284,000	-
Manchester Street	-	70,000

(continued)

(continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
Permanent Funds:		
Cemetery (Nonexpendable)	-	115,459
Dedicated Income (Nonexpendable)	-	1,530
Library (Nonexpendable)	-	183,500
Debt Service Funds:		
NEOC	-	132,140
Sears Block	-	552,780
Penacook	-	1,240
<u>Business-Type Funds:</u>		
Major Funds:		
Water	-	604,070
Sewer	50,000	651,561
Solid Waste	1,002,352	-
Nonmajor Funds:		
Golf	26,480	78,750
Arena	16,030	49,044
Total	<u>\$ 6,369,814</u>	<u>\$ 6,369,814</u>

Of the transfer into the Solid Waste fund, \$990,130 was transferred from the General Fund to subsidize the fund operations. In addition, approximately \$454,970 and \$560,361 were transferred from the Water and Sewer funds, respectively, to the General Fund for indirect costs. \$1,137,500 of the transfer into the Major Capital Project Fund (post 2008) was transferred from the General Fund (Highway Reserve Trust Fund). An additional \$430,435 of the transfer into this fund was transferred from the Impact Fee Fund.

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

9. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 5,417	\$ -	\$ -	\$ 5,417
Buildings and improvement	42,190	405	-	42,595
Machinery, equipment, and furnishing	8,962	112	(49)	9,025
Infrastructure	81,025	1,009	-	82,034
Licensed vehicles	14,704	1,002	(391)	15,315
Total capital assets, being depreciated	152,298	2,528	(440)	154,386
Less accumulated depreciation for:				
Land improvements	(4,146)	(96)	-	(4,242)
Buildings and improvement	(15,950)	(1,580)	-	(17,530)
Machinery, equipment, and furnishing	(7,561)	(532)	49	(8,044)
Infrastructure	(17,493)	(1,564)	-	(19,057)
Licensed vehicles	(11,335)	(1,032)	388	(11,979)
Total accumulated depreciation	(56,485)	(4,804)	437	(60,852)
Total capital assets, being depreciated, net	95,813	(2,276)	(3)	93,534
Capital assets, not being depreciated:				
Land	15,908	2,275	-	18,183
Construction in progress	15,306	7,635	(1,444)	21,497
Total capital assets, not being depreciated	31,214	9,910	(1,444)	39,680
Governmental activities capital assets, net	\$ <u>127,027</u>	\$ <u>7,634</u>	\$ <u>(1,447)</u>	\$ <u>133,214</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 153	\$ 235	\$ -	\$ 388
Buildings and improvement	64,410	355	-	64,765
Machinery, equipment, and furnishing	6,754	-	-	6,754
Infrastructure	142,892	532	-	143,424
Licensed vehicles	1,254	-	(34)	1,220
Total capital assets, being depreciated	215,463	1,122	(34)	216,551
Less accumulated depreciation for:				
Land improvements	(40)	(8)	-	(48)
Buildings and improvement	(27,047)	(1,599)	-	(28,646)
Machinery, equipment, and furnishing	(4,873)	(355)	-	(5,228)
Infrastructure	(61,136)	(2,196)	-	(63,332)
Licensed vehicles	(792)	(124)	34	(882)
Total accumulated depreciation	(93,888)	(4,282)	34	(98,136)
Total capital assets, being depreciated, net	121,575	(3,160)	-	118,415
Capital assets, not being depreciated:				
Land	1,064	-	-	1,064
Construction in progress	6,222	2,830	(1,121)	7,931
Total capital assets, not being depreciated	7,286	2,830	(1,121)	8,995
Business-type activities capital assets, net	\$ <u>128,861</u>	\$ <u>(330)</u>	\$ <u>(1,121)</u>	\$ <u>127,410</u>

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

Governmental Activities:	
Public safety	\$ 511
General services	2,584
Community Development	1,399
Leisure and information services	<u>310</u>
Total depreciation expense - governmental activities	<u>\$ 4,804</u>
Business-Type Activities:	
Water	\$ 1,803
Sewer	2,321
Non-major	<u>158</u>
Total depreciation expense - business-type activities	<u>\$ 4,282</u>

10. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the City that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets.

The following is a summary of deferred outflow of resources balances as of June 30, 2015:

	<u>Entity-wide Basis</u>		<u>Fund Basis</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Proprietary Funds Water</u>	<u>Sewer</u>
Pension contributions subsequent to the measurement date	\$ 4,262,037	\$ 261,204	\$ 116,679	\$ 144,525

11. Accounts Payables

Accounts payable represent fiscal year 2015 expenses paid in July, 2015.

12. Notes Payables

The City had the following bond anticipation notes outstanding at June 30, 2015.

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 6/30/15</u>
Acquisition of NH Employment Security Building	0.45%	01/28/15	01/28/16	\$ 1,900,000
NH Employment Security Building Weatherization	0.45%	01/28/15	01/28/16	<u>90,000</u>
Total				<u>\$ 1,990,000</u>

13. Long-Term Debt

A. Long-Term Debt Supporting Governmental Activities

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

B. General Obligation Bonds and Loans

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

	Original	Serial	Interest	Amount
<u>Governmental Activities:</u>	<u>Amount</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
				<u>6/30/15</u>
Bonds Payable:				
Public improvements	\$ 8,322,590	10/15/16	4.00 - 4.70	\$ 301,000
Public improvements	6,027,815	07/15/24	3.00 - 5.00	278,300
Public improvements	10,161,000	07/15/25	3.75 - 5.00	5,250,000
Public improvements	5,920,000	03/15/26	3.50 - 5.00	355,000
Public improvements	10,632,960	01/15/27	4.00 - 5.50	1,235,000
Public improvements	4,250,710	08/15/28	3.00 - 5.00	2,460,000
Public improvements	2,949,811	01/15/30	2.00 - 4.00	1,845,645
Public improvements	5,063,000	01/15/26	2.00 - 4.00	3,635,000
Public improvements	2,380,631	07/15/26	2.00 - 3.20	1,869,358
Public improvements	4,333,851	01/15/32	2.00 - 3.00	3,249,200
Public improvements	6,988,240	01/15/33	2.125-4.00	5,964,140
Public improvements	96,500	12/15/25	3.00 - 4.00	85,000
Public improvements	8,635,500	06/15/34	2.00 - 4.00	8,083,000
Public improvements	14,264,050	07/15/34	2.00 - 4.00	14,264,050
Total Governmental Activities:				<u>\$ 48,874,693</u>

(continued)

(continued)

<u>Business-Type Activities:</u>	<u>Original</u>	<u>Serial</u>	<u>Interest</u>	<u>Amount</u>
	<u>Amount</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
				<u>6/30/15</u>
Water Fund:				
Bonds Payable:				
Water meters	\$ 2,297,279	10/15/16	4.00 - 4.70	\$ 92,000
Water	2,023,545	07/15/24	3.00 - 5.00	174,465
Water	1,760,000	03/15/26	3.50 - 5.00	84,000
Water	2,994,840	08/15/29	3.00 - 5.00	1,925,000
Water	1,205,450	01/15/30	2.00 - 4.00	439,355
Water	2,072,500	01/15/26	2.00 - 4.00	1,557,000
Water	1,653,750	01/15/32	2.00 - 3.00	1,340,700
Water	3,766,650	01/15/33	2.125-4.00	3,005,050
Water	1,627,800	12/15/29	3.00 - 4.00	1,502,500
Water	2,594,900	07/15/34	2.00 - 4.00	<u>2,594,900</u>
Total Bonds Payable:				12,714,970
Other Long-term Debt:				
Water State Revolving Loan	245,000	05/01/30	0.864	<u>194,336</u>
Total Other Long-term Debt				<u>194,336</u>
Total Water Fund				12,909,306

<u>Business-Type Activities:</u>	<u>Original</u>	<u>Serial</u>	<u>Interest</u>	<u>Amount</u>
	<u>Amount</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
				<u>6/30/15</u>
Sewer Fund:				
Bonds Payable				
Sanitary sewer	910,176	10/15/15	4.00 - 4.70	24,000
Sanitary sewer	1,465,790	07/15/24	3.00 - 5.00	82,200
Sanitary sewer	2,121,000	03/15/26	3.50 - 5.00	176,000
Sanitary sewer	2,210,990	01/15/27	4.00 - 5.50	230,400
Sanitary sewer	1,754,450	08/15/29	3.00 - 5.00	1,130,000
Sanitary sewer	2,328,700	01/15/30	2.00 - 4.00	1,555,000
Sanitary sewer	213,000	01/15/30	2.00 - 4.00	113,000
Sanitary sewer	78,182	07/15/26	2.00 - 3.20	70,168
Sanitary sewer	1,399,900	01/15/32	2.00 - 3.00	1,047,500
Sanitary sewer	3,080,660	01/15/33	2.125-4.00	2,556,660
Sanitary sewer	1,176,200	12/15/29	3.00 - 4.00	1,082,500
Sanitary sewer	3,058,150	07/15/34	2.00 - 4.00	<u>3,058,150</u>
Total Bonds Payable				11,125,578

(continued)

(continued)

<u>Business-Type Activities:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/15</u>
Other Long-term Debt:				
Sewer State Revolving Loan	2,062,745	07/15/19	1.02	1,725,388
Sewer State Revolving Loan	1,279,126	07/15/19	1.02	919,770
Total Other Long-term Debt				<u>2,645,158</u>
Total Sewer Fund				13,770,736
Solid Waste:				
Bonds Payable				
Solid Waste	241,950	01/15/32	2.00 - 3.00	197,000
Solid Waste	172,450	01/15/28	2.125-4.00	86,150
Total Solid Waste Fund				<u>283,150</u>
Nonmajor Enterprise Funds:				
Bonds Payable:				
Clubhouse improvements	87,000	01/15/33	2.125-4.00	38,000
BMGC improvements	52,500	12/15/21	3.00	45,000
BMGC club house	19,000	06/15/29	2.00 - 4.00	17,000
BMGC improvements	77,000	07/15/21	2.00 - 4.00	77,000
Arena expansion	430,000	10/15/15	4.00 - 4.70	28,000
Arena	149,000	03/15/26	3.50 - 5.00	15,000
Arena	48,750	01/15/27	4.00 - 5.50	9,600
Arena	1,187	07/15/26	2.00 - 3.20	474
Arena	460,550	01/15/32	2.00 - 3.00	385,600
Arena	63,500	06/15/27	3.00 - 4.00	60,000
Arena	40,900	07/15/23	2.00 - 4.00	40,900
Total Nonmajor Enterprise Funds				<u>716,574</u>
Total Business-Type Activities:				<u>\$ 27,679,766</u>

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2015 are as follows:

	<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$	5,142,807	\$ 1,846,915	\$ 6,989,722
2017		4,404,455	1,650,857	6,055,312
2018		4,148,311	1,365,004	5,513,315
2019		4,005,651	1,229,113	5,234,764
2020		3,772,361	1,077,273	4,849,634
2021-2025		15,575,016	3,405,182	18,980,198
2026-2030		8,323,092	1,210,744	9,533,836
2031-2035		<u>3,503,000</u>	<u>263,598</u>	<u>3,766,598</u>
Total	\$	<u>48,874,693</u>	\$ <u>12,048,686</u>	\$ <u>60,923,379</u>

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,327,645	\$ 969,361	\$ 4,297,006
2017	2,935,450	810,124	3,745,574
2018	2,695,834	683,976	3,379,810
2019	2,564,208	604,924	3,169,132
2020	2,344,278	522,324	2,866,602
2021-2025	7,579,335	1,688,455	9,267,790
2026-2030	5,226,016	573,169	5,799,185
2030-2033	1,007,000	62,662	1,069,662
Total	<u>\$ 27,679,766</u>	<u>\$ 5,914,995</u>	<u>\$ 33,594,761</u>

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2015 are as follows:

<u>Purpose</u>	<u>Amount</u>
Open Space	\$ 2,565,626
Parallel Taxiway	543
City Wide Community Center	480,000
Parks and Cemetery Small Turf Equipment	70,000
BMGC Club House & Building	60,000
BMGC Buildings - HVAC for Pro Shop	8,000
BMGC Grounds Improvement	25,000
Downtown Streetscape Improvements	136
Total	<u>\$ 3,209,305</u>

E. Changes in General Long-Term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/14	Additions	Reductions	Total Balance 6/30/15	Less Current Portion	Equals Long-Term Portion 6/30/15
<u>Governmental Activities</u>						
Bonds and loans payable	\$ 44,125	\$ 14,328	\$ (9,578)	\$ 48,875	\$ (5,143)	\$ 43,732
Net pension liability	55,239	-	(7,811)	47,428	-	47,428
Other:						
Net OPEB obligation ⁽¹⁾	9,431	3,578	(1,748)	11,261	-	11,261
Accrued employee benefits	2,307	124	(1)	2,430	(2,065)	365
Landfill closure	330	-	(30)	300	(30)	270
Subtotal	<u>12,068</u>	<u>3,702</u>	<u>(1,779)</u>	<u>13,991</u>	<u>(2,095)</u>	<u>11,896</u>
Totals	<u>\$ 111,432</u>	<u>\$ 18,030</u>	<u>\$ (19,168)</u>	<u>\$ 110,294</u>	<u>\$ (7,238)</u>	<u>\$ 103,056</u>

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

	Total Balance 7/1/14	Additions	Reductions	Total Balance 6/30/15	Less Current Portion	Equals Long-Term Portion 6/30/15
<u>Business-Type Activities</u>						
Bonds and loans payable	\$ 28,035	\$ 5,771	\$ (6,126)	\$ 27,680	\$ (3,328)	\$ 24,352
Net pension liability	3,401	-	(481)	2,920	-	2,920
Other:						
Net OPEB obligation ⁽²⁾	1,048	398	(194)	1,252	-	1,252
Accrued employee benefits	<u>206</u>	<u>21</u>	<u>-</u>	<u>227</u>	<u>(227)</u> ^(A)	<u>-</u>
Subtotal	<u>1,254</u>	<u>419</u>	<u>(194)</u>	<u>1,479</u>	<u>(227)</u>	<u>1,252</u>
Totals	<u>\$ 32,690</u>	<u>\$ 6,190</u>	<u>\$ (6,801)</u>	<u>\$ 32,079</u>	<u>\$ (3,555)</u>	<u>\$ 28,524</u>

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

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

F. Partial Advance Refunding of 2/1/05, Advance Refunding of 3/15/06, and Advance Refunding of 1/15/07

Current Year

On January 28, 2015, the City of Concord, NH issued general obligation bonds in the aggregate amount of \$20,035,000 with an interest rates ranging from 2.0% to 4.0% throughout the life of the bonds. The bonds were issued at a true interest cost (TIC) of 2.127%. \$13,156,220 of the aggregate \$20,035,000 was issued to fund new projects.

The \$6,878,780 in refunding bonds were issued to advance refund \$1,085,000 of its February 1, 2005 Bonds (the "2005 Bonds"), comprised of serial bonds with a 4.0% interest rate; to advance refund \$1,835,000 of its March 15, 2006, Bonds (the "2006 Bonds"), comprised of serial bonds with interest rates ranging from 3.75% to 4.125%; and to advance refund \$4,170,000 of its January 15, 2007 Bonds (the "2007 Bonds"), comprised of serial bonds with interest rates ranging from 4.0% to 5.0%. The 2005 Bonds mature on July 15, 2016 through July 15, 2024 and were called on July 15, 2015. The 2006 Bonds mature on March 15, 2017 through March 15, 2026 and are callable on March 15, 2016. The 2007 Bonds mature on January 15, 2018 through January 15, 2027 and are callable on January 15, 2017.

The refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the City's financial statements.

After paying pro-rata issuance costs and underwriter's discount of approximately \$14,999, the net bond proceeds associated with advance refunding the 2005 bonds were \$1,106,394 and were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2005 bonds were called on July 15, 2015. As a result of the 2005 advance refunding, the City reduced its total debt service cash flow requirements by \$119,601, which resulted in an economic gain (difference between the

present value of the debt service payments on the old and new debt) of \$106,909.

After paying pro-rata issuance costs and underwriter's discount of approximately \$26,479, the net bond proceeds associated with advance refunding the 2006 bonds were \$1,940,746 and were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2006 bonds are called on March 15, 2016. As a result of the 2006 advance refunding, the City reduced its total debt service cash flow requirements by \$181,536, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$141,038.

After paying pro-rata issuance costs and underwriter's discount of approximately \$60,041, the net bond proceeds associated with advance refunding the 2007 bonds were \$4,488,339 and were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2007 bonds are called on January 15, 2017. As a result of the 2007 advance refunding, the City reduced its total debt service cash flow requirements by \$376,587, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$293,123.

Defeased debt for the 2005 issue outstanding at June 30, 2015 was \$1,085,000 (callable July 15, 2015). Defeased debt for the 2006 issue outstanding at June 30, 2015 was \$1,835,000 (callable March 15, 2016). Defeased debt for the 2007 issue outstanding at June 30, 2015 was \$4,170,000 (callable January 15, 2017).

G. *Prior Year's Debt Defeasance*

Prior Year

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. The proceeds from the new issuances of the general obligation bonds were used to purchase U.S. government securities, and those securities were deposited in irrevocable trusts with an escrow agent to provide debt service payments until the refunded bonds mature. For financial reporting purposes, the debt has been considered defeased, and therefore, removed as a liability from the City's balance sheet. As of June 30, 2015, the amount of defeased debt still outstanding on the fiscal year 2010 refunding is \$252,010.

14. 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 \$300,000 as the estimate of the remaining postclosure care liability at June 30, 2015 in the Governmental Activities Statement of Net Position. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

15. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

The following is a summary of deferred inflow of resources balances as of June 30, 2015:

	Entity-wide Basis		Fund Basis					
	Governmental	Business-type	Governmental Funds		Proprietary Funds			
	Activities	Activities	General Fund	Nonmajor	Water	Sewer	Solid Waste	Nonmajor
Unavailable revenues	\$ 31,698	\$ 120	\$ 31,903	\$ 472	\$ -	\$ -	\$ 64	\$ 56
Taxes collected in advance	21,152	-	21,152	-	-	-	-	-
Net difference between projected and actual pension investment earnings	6,069	374	-	-	167	206	-	-
Changes in proportion and differences between contributions and proportionate share of pension contributions	706	43	-	-	19	24	-	-
Total	\$ <u>59,625</u>	\$ <u>537</u>	\$ <u>53,055</u>	\$ <u>472</u>	\$ <u>186</u>	\$ <u>230</u>	\$ <u>64</u>	\$ <u>56</u>

16. Restricted Net Position

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

17. Governmental Funds - Balances

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

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

The following types of fund balances are reported at June 30, 2015:

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

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

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

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

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

Following is a breakdown of the City's fund balances at June 30, 2015:

	General Fund	Major Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories	\$ 152,871	\$ -	\$ -	\$ 152,871
Nonexpendable permanent funds	-	-	12,631,335	12,631,335
Total Nonspendable	152,871	-	12,631,335	12,784,206
Restricted				
Capital project funds	-	5,793,294	-	5,793,294
Route 3 Corridor	-	-	2,305,303	2,305,303
Community Development	-	-	1,801	1,801
House Revolving	-	-	1,032,733	1,032,733
Airport	-	-	534,328	534,328
Impact Fees	-	-	569,945	569,945
Miscellaneous special revenue	-	-	536,622	536,622
NEOC TIF	-	-	611,323	611,323
Penacook Village TIF	-	-	69,767	69,767
Sears Block TIF	-	-	393,451	393,451
Total Restricted	-	5,793,294	6,055,273	11,848,567

(continued)

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	General <u>Fund</u>	Major Capital Project <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Committed				
Insured retention	818,113	-	-	818,113
Highways	1,077,336	-	-	1,077,336
Economic development	92,842	-	-	92,842
Equipment	365,883	-	-	365,883
ERIP	127	-	-	127
OPEB	770,831	-	-	770,831
Building improvement	48,842	-	-	48,842
Other capital reserves	91,825	-	-	91,825
Capital project funds	-	2,255,241	-	2,255,241
Community Development/ Engineering	-	-	100,039	100,039
Parking	-	-	205,844	205,844
Community Development/ Property Management	-	-	104,450	104,450
NEOC Capital	-	-	298,933	298,933
Penacook Village Capital	-	-	16,464	16,464
Sears Block Capital	-	-	722,793	722,793
Capital project funds	-	-	587,125	587,125
Expendable permanent funds	-	-	2,686,522	2,686,522
Total Committed	<u>3,265,799</u>	<u>2,255,241</u>	<u>4,722,170</u>	<u>10,243,210</u>
Assigned				
Paving	480,000	-	-	480,000
Equipment and other reserves	<u>480,000</u>	<u>-</u>	<u>-</u>	<u>480,000</u>
Total Assigned	<u>960,000</u>	<u>-</u>	<u>-</u>	<u>960,000</u>
Unassigned	<u>10,171,068</u>	<u>(508,906)</u>	<u>(217,516)</u>	<u>9,444,646</u>
Total Fund Balance	<u>\$ 14,549,738</u>	<u>\$ 7,539,629</u>	<u>\$ 23,191,262</u>	<u>\$ 45,280,629</u>

18. Commitments and Contingencies

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

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

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

19. Post-Employment Healthcare and Life Insurance Benefits

The City provides certain healthcare benefits for retired employees and will provide benefits to current employees hired prior to January 1, 1991 upon retirement. Payments are made in accordance with City policy established in January 1987 and annual appropriations. In order to participate in the City Group Health Insurance Program (the Retiree Group), the employee must be enrolled in the City group plan upon the date of retirement from the City, must be at least age 62 with 10 years of service (age 60 with 35 or more years of service), and must be vested in the New Hampshire Retirement System.

Persons who retire from the City with at least ten (10) years of creditable services in the New Hampshire Retirement System but prior to the minimum age 62 must maintain an unbroken participation (at retiree's expense) in the Retiree Group from the effective date of their retirement until qualifying for the City-paid premium benefit in order to become eligible for such City-paid premium benefit at a later date.

As of June 30, 2015, there were 309 retiree subscribers, including eligible spouses, receiving healthcare benefits through the City. The City recognizes the cost of providing these benefits as paid.

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

A. Plan Description

In addition to providing the pension benefits described, the City provides post-employment healthcare and life insurance benefits for retired employees through the City's single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50. As of June 30, 2015, the actuarial valuation date, approximately 282 retirees and 428 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

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

C. Funding Policy

Retirees contribute in aggregate 21% of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The City's fiscal 2015 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year ending June 30, 2015, the amount actually contributed to the plan, and the change in the City's net OPEB obligation based on an actuarial valuation as of June 30, 2015.

Annual Required Contribution (ARC)	\$ 3,503,999
Interest on net OPEB obligation	471,555
Adjustment to ARC	<u>(643,322)</u>
Annual OPEB cost	3,332,232
Contributions made	<u>(1,298,576)</u>
Increase in net OPEB obligation	2,033,656
Net OPEB obligation - beginning of year	<u>10,478,998</u>
Net OPEB obligation - end of year	<u><u>\$ 12,512,654</u></u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 3,332,232	39.0%	\$ 12,512,654
2014	\$ 3,195,427	39.6%	\$ 10,478,998
2013	\$ 3,423,333	41.4%	\$ 8,548,445
2012	\$ 3,458,108	51.2%	\$ 6,543,609
2011	\$ 3,431,103	43.5%	\$ 4,854,548
2010	\$ 2,748,222	48.6%	\$ 2,916,832
2009	\$ 2,596,459	42.0%	\$ 1,505,193

The City's net OPEB obligation as of June 30, 2015 is recorded as a component of the "other long-term liabilities" line item.

E. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2015, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 45,537,409
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 45,537,409</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 25,723,266</u>
UAAL as a percentage of covered payroll	<u>177.0%</u>

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

F. Actuarial Methods and Assumptions

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

In the June 30, 2015 actuarial valuation, the projected unit credit cost method was used. The actuarial value of assets was not determined as the City has not advanced its obligation. The actuarial assumptions included a 4.5% investment rate of return, a 3.0% inflation rate, projected salary increases of 3% per year, and an initial annual healthcare cost trend rate of 10% which decreases to a 5.0% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level dollar amount for a period of 30 years, on an open group.

20. Retirement System

In fiscal year 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

A. Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and 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. Additional information is disclosed in the NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

B. Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is $1/60$ or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at $1/66$ or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5

years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earned compensation and/or service.

C. Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers, 11.55% for police and 11.80% for fire. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 10.77% to 27.74% of covered compensation. The City's contribution to NHRS for the year ended June 30, 2015 was \$4,523,241 (exclusive of a \$538,150 medical subsidy contribution), which was equal to its annual required contribution.

D. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS' fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

E. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a liability of \$50,348,768 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2013, the City's proportion was 1.3625 percent.

At the most recent measurement date of June 30, 2014, the City's proportion was 1.3414 percent, which was a decrease of 0.0211 percent from its previous year proportion.

For the year ended June 30, 2015, the City recognized pension expense of \$3,251,150. Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 6,442,167
Changes in proportion and differences between contributions and proportionate share of contributions	-	749,074
Contributions subsequent to the measurement date	<u>4,523,241</u>	<u>-</u>
Total	<u>\$ 4,523,241</u>	<u>\$ 7,191,241</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 4,523,241	\$ 1,773,115
2017	-	1,773,115
2018	-	1,773,115
2019	-	1,773,115
2020	<u>-</u>	<u>98,781</u>
Total	<u>\$ 4,523,241</u>	<u>\$ 7,191,241</u>

Actuarial assumptions: The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent per year
Salary increases	3.75 - 5.8 percent average, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 mortality table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for woman for mortality improvements.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2005 – June 30, 2010.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation Percentage	Weighted Average Average Long- Term Expected Real Rate of Return
Large Cap Equities	22.50 %	3.25%
Small/Mid Cap Equities	7.50	3.25%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.25%
Emerging Int'l Equities	7.00	6.50%
Total international equities	20.00	
Core Bonds	18.00	-0.47%
High-Yield Bonds	1.50	1.50%
Global Bonds (unhedged)	5.00	-1.75%
Emerging Market Debt (external)	0.50	2.00%
Total fixed income	25.00	
Private equity	5.00	5.75%
Private debt	5.00	5.00%
Real estate	10.00	3.25%
Opportunistic	5.00	2.50%
Total alternative investments	25.00	
Total	100.00 %	

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
June 30, 2014	\$ 66,317,521	\$ 50,348,768	\$ 36,876,736

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

21. 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.

22. Beginning Fund Balance Reclassification

The City’s major governmental funds for fiscal year 2015, as defined by GASB Statement 34, have changed from the previous fiscal year. Accordingly, the following reconciliation is provided:

	Fund Equity 6/30/14 (as previously reported)	Reclassification	Fund Equity 6/30/14 (as restated)
General Fund	\$ 14,199,114	\$ -	\$ 14,199,114
Major CPF	-	4,350,562	4,350,562
Nonmajor Funds	<u>25,324,940</u>	<u>(4,350,562)</u>	<u>20,974,378</u>
Total	\$ <u>39,524,054</u>	\$ <u>-</u>	\$ <u>39,524,054</u>

23. Beginning Net Position Restatement

The City’s beginning net position for fiscal year 2015 has been restated from the previous fiscal year to conform to GASB Statement 68. Fiscal year 2014 and prior periods have not been restated due to impractical nature of allocating annual activity and lack of information for measurement dates June 30, 2012 and prior; as this is a new standard and beginning net position restatement does not recognize beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions per GASB 71. Accordingly, the following reconciliation is provided:

Government-Wide Financial Statements:

	Governmental Activities	Business-Type Activities
As previously reported	\$ 110,928,026	\$ 111,482,771
Implementation of GASB 68	<u>(51,150,549)</u>	<u>(3,151,772)</u>
As restated	\$ <u>59,777,477</u>	\$ <u>108,330,999</u>

Fund Basis Financial Statements:

	Water Fund	Sewer Fund
As previously reported	\$ 56,179,861	\$ 53,077,322
Implementation of GASB 68	<u>(1,408,856)</u>	<u>(1,742,916)</u>
As restated	\$ <u>54,771,005</u>	\$ <u>51,334,406</u>

24. Tax Increment Districts

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

Revenues:		
Tax increment district	\$ 8,938,990	
Investment interest	144,969	
Other	<u>164,031</u>	9,247,990
Expenditures:		
Principal	5,084,000	
Interest on debt	1,851,851	
Outside services	<u>1,700,816</u>	<u>8,636,667</u>
Excess (deficiency) of revenue		<u>611,323</u>
Fund Balance Reserved for Debt Service		\$ <u><u>611,323</u></u>
Long-Term Debt Payable:		
Principal	\$ (725,400)	
Interest	<u>(178,212)</u>	(903,612)
Available fund balance		<u>611,323</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>(292,289)</u></u>
Assessment Information:		
Base Value		\$ <u><u>4,842,600</u></u>
Captured Value*		\$ <u><u>50,096,400</u></u>
* = As of April 1, 2014		

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	\$ 3,286,105	
Interest on proceeds from sale of bonds	24,872	
Investment interest	58,957	
Other	<u>7,023</u>	3,376,957
Expenditures:		
Principal	1,058,760	
Interest on debt	827,921	
Outside services	<u>1,096,825</u>	<u>2,983,506</u>
Excess (deficiency) of revenue		<u>393,451</u>
Fund Balance Reserved for Debt Service		<u>\$ 393,451</u>
Long-Term Debt Payable:		
Principal	\$ (6,830,000)	
Interest	<u>(1,515,775)</u>	(8,345,775)
Available fund balance		<u>393,451</u>
Deficit to be Raised by Tax Increment District		<u>\$ (7,952,324)</u>
Assessment Information:		
Base Value		<u>\$ 5,784,200</u>
Captured Value*		<u>\$ 25,882,244</u>
* = As of April 1, 2014		

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

Revenues:		
Tax increment district	\$	164,512
Investment interest		<u>1,515</u>
		166,027
Expenditures:		
Principal		45,000
Interest on debt		18,740
Outside services		<u>32,520</u>
		<u>96,260</u>
Excess (deficiency) of revenue		<u>69,767</u>
Fund Balance Reserved for Debt Service	\$	<u><u>69,767</u></u>
Long-Term Debt Payable:		
Principal	\$	(391,800)
Interest		<u>(90,940)</u>
		(482,740)
Available fund balance		<u>69,767</u>
Deficit to be Raised by Tax Increment District	\$	<u><u>(412,973)</u></u>
Assessment Information:		
Base Value	\$	<u><u>93,900</u></u>
Captured Value*	\$	<u><u>1,739,800</u></u>
* = As of April 1, 2014		

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

June 30, 2015
(Unaudited)

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
06/30/15	\$ -	\$ 45,537,409	\$ 45,537,409	0.0%	\$ 25,723,266	177.0%
06/30/14	\$ -	\$ 41,977,625	\$ 41,977,625	0.0%	\$ 24,554,737	171.0%
06/30/13	\$ -	\$ 44,570,306	\$ 44,570,306	0.0%	\$ 23,836,550	187.0%
06/30/12	\$ -	\$ 45,329,899	\$ 45,329,899	0.0%	\$ 22,842,803	198.4%
06/30/11	\$ -	\$ 44,584,170	\$ 44,584,170	0.0%	\$ 22,177,479	201.0%
06/30/10	\$ -	\$ 34,026,431	\$ 34,026,431	0.0%	\$ 21,944,145	155.1%
06/30/09	\$ -	\$ 32,230,706	\$ 32,230,706	0.0%	\$ 21,304,995	151.3%

See Independent Auditors' Report.

CITY OF CONCORD, NEW HAMPSHIRE
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015
(Unaudited)

<u>New Hampshire Retirement System:</u>	<u>2015</u>
Proportion of the net pension liability for the most recent measurement date	1.3414%
Proportionate share of the net pension liability for the most recent measurement date	\$ 50,348,768
Covered-employee payroll for the most recent measurement date	\$ 27,155,200
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	185%
Plan fiduciary net position as a percentage of the total pension liability	66.32%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available

See Independent Auditors' Report.

CITY OF CONCORD, NEW HAMPSHIRE

SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015
(Unaudited)

<u>New Hampshire Retirement System:</u>	<u>2015</u>
Contractually required contribution for the current fiscal year	\$ 4,523,241
Contributions in relation to the contractually required contribution	<u>(4,523,241)</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>
Covered-employee payroll for the current fiscal year	\$ 28,070,389
Contributions as a percentage of covered-employee payroll	16%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available

See Independent Auditors' Report.

Combining Financial Statements

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special Revenue Funds are established for the following purposes:

- Community Development Fund - to account for the use of Community Development Block Grant Funds as received from the federal government through the New Hampshire Office of State Planning.
- Housing Revolving Loan Fund - to account for revenues and expenditures incurred with loans issued to various homeowners.
- Community Development Engineering Inspection Fund - to account for funds related to providing inspection services funded by developers and contractors for their projects.
- Community Development Conservation Property Management Fund - to account for funds related to operating and managing conservation property purchased by conservation funds including land use change taxes, conservation bonds, and other sources designated for a similar purpose.
- Parking Fund - to account for revenues and expenditures incurred with the collection of City parking meter fees.
- Airport Fund - to account for revenues and expenditures incurred with the operation of the Concord Airport.
- Impact Fee Fund - to account for revenues and expenditures incurred with fees charged on the construction of new buildings.
- Miscellaneous Special Revenue Fund - to account for the various other funds of the City legally restricted for specific purposes.
- Durgin Garage - to account for monies received by the City to fund capital improvements on the Durgin Garage.
- Nelson - to account for monies left to the Concord Public Library for capital improvement or land acquisition.
- Forest and Conservation - to account for revenues collected from the Land Use Charge Tax (used to preserve and protect open space, forests and

conservation land in the City) and the option to purchase real property or interests therein.

- Cemetery - to account for expendable gifts to the City designated for the maintenance of cemeteries.
- Library - to account for expendable gifts to the City designated for the libraries.
- Mountain Green - to account for assessment revenues designated for the repair, maintenance, and replacement of the sanitary sewer system.
- Downtown Economic Development - to account for funds transferred from the Community Development Fund for downtown economic development.
- SVMS Project - to account for funds for the purpose of managing the soil vapor management system located at the Old Suncook Road Landfill.

CAPITAL PROJECT FUNDS

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

The current funds were established for the following purposes:

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

PERMANENT FUNDS

Permanent Funds are established to account for certain assets held by the City in a fiduciary capacity as trustee. The following are descriptions of the City Permanent Funds:

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

DEBT SERVICE FUNDS

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 are descriptions of the City's Debt Service Funds:

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

CITY OF CONCORD, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2015

	Special Revenue Funds			
	Community Development Fund	Housing Revolving Loan Fund	Community Development Engineering Inspection Fund	Community Development Conservation Property Management Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,801	\$ 1,035,626	\$ 255,757	\$ 104,464
Investments	-	-	-	-
Accounts receivable	-	-	4,567	-
Loans receivable	-	421,706	-	-
Other assets	-	-	1,184	6
Total Assets	<u>\$ 1,801</u>	<u>\$ 1,457,332</u>	<u>\$ 261,508</u>	<u>\$ 104,470</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ 2,893	\$ 145	\$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	161,324	20
Loans payable	-	-	-	-
Due to other funds	1,194	-	-	-
Total Liabilities	1,194	2,893	161,469	20
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	421,706	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	421,706	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,801	1,032,733	-	-
Committed	-	-	100,039	104,450
Unassigned	(1,194)	-	-	-
Total Fund Balances	607	1,032,733	100,039	104,450
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,801</u>	<u>\$ 1,457,332</u>	<u>\$ 261,508</u>	<u>\$ 104,470</u>

Special Revenue Funds

<u>Parking Fund</u>	<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>
\$ 228,265	\$ 544,428	\$ 648,056	\$ 419,408
-	-	-	-
39,609	8,303	-	40,735
-	-	-	-
<u>2,354</u>	<u>398</u>	<u>-</u>	<u>-</u>
<u>\$ 270,228</u>	<u>\$ 553,129</u>	<u>\$ 648,056</u>	<u>\$ 460,143</u>
\$ 9,115	\$ 18,025	\$ -	\$ 9,669
-	-	-	-
4,665	776	78,111	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,780	18,801	78,111	9,669
<u>50,604</u>	<u>-</u>	<u>-</u>	<u>-</u>
50,604	-	-	-
-	-	-	-
-	534,328	569,945	536,622
205,844	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,148)</u>
<u>205,844</u>	<u>534,328</u>	<u>569,945</u>	<u>450,474</u>
<u>\$ 270,228</u>	<u>\$ 553,129</u>	<u>\$ 648,056</u>	<u>\$ 460,143</u>

(continued)

(continued)

	<u>Special Revenue Funds</u>			
	<u>Durgin Garage Fund</u>	<u>Nelson Fund</u>	<u>Forest & Conservation Fund</u>	<u>Cemetery Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 180,946	\$ 6	\$ 102,993	\$ 251
Investments	-	305	1,523,820	12,887
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Other assets	-	-	-	-
Total Assets	<u>\$ 180,946</u>	<u>\$ 311</u>	<u>\$ 1,626,813</u>	<u>\$ 13,138</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-
Other liabilities	-	-	-	-
Loans payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	180,946	311	1,626,813	13,138
Unassigned	-	-	-	-
Total Fund Balances	<u>180,946</u>	<u>311</u>	<u>1,626,813</u>	<u>13,138</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 180,946</u>	<u>\$ 311</u>	<u>\$ 1,626,813</u>	<u>\$ 13,138</u>

Special Revenue Funds

Library Fund	Mountain Green Fund	Downtown Economic Development Fund	SVMS Project Fund	Subtotal
\$ 8,595	\$ 403,504	\$ 11,091	\$ -	\$ 3,945,191
442,124	-	-	-	1,979,136
-	-	-	-	93,214
-	-	-	-	421,706
-	-	-	-	3,942
<u>\$ 450,719</u>	<u>\$ 403,504</u>	<u>\$ 11,091</u>	<u>\$ -</u>	<u>\$ 6,443,189</u>
\$ -	\$ -	\$ -	\$ -	\$ 39,847
-	-	-	-	-
-	-	-	-	244,896
-	-	-	-	-
-	-	-	-	1,194
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,937</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,310</u>
-	-	-	-	472,310
-	-	-	-	-
-	-	-	-	2,675,429
450,719	403,504	11,091	-	3,096,855
-	-	-	-	(87,342)
<u>450,719</u>	<u>403,504</u>	<u>11,091</u>	<u>-</u>	<u>5,684,942</u>
<u>\$ 450,719</u>	<u>\$ 403,504</u>	<u>\$ 11,091</u>	<u>\$ -</u>	<u>\$ 6,443,189</u>

(continued)

(continued)

	<u>Fire Facility Renovations</u>	<u>Open Space Protection Fund</u>	<u>Capital Commons Garage Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,253	\$ -	\$ -
Investments	-	-	-
Accounts receivable	-	-	-
Loans receivable	-	-	-
Other assets	-	-	-
Total Assets	<u>\$ 7,253</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Retainage payable	-	-	-
Other liabilities	-	-	-
Loans payable	-	-	-
Due to other funds	-	-	-
Total Liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
Fund Balances:			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	7,253	-	-
Unassigned	-	-	-
Total Fund Balances	<u>7,253</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,253</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Project Funds

Route 3 Corridor Fund	Manchester Street Fund	NEOC Capital Fund	Sears Block Capital Fund	Penacook Village Capital Fund	Subtotal
\$ 2,972,275	\$ -	\$ 300,596	\$ 2,713,896	\$ 20,326	\$ 6,014,346
-	-	-	-	-	-
-	1,586	-	-	-	1,586
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,972,275</u>	<u>\$ 1,586</u>	<u>\$ 300,596</u>	<u>\$ 2,713,896</u>	<u>\$ 20,326</u>	<u>\$ 6,015,932</u>
\$ 32	\$ -	\$ 1,663	\$ 1,103	\$ 3,862	\$ 6,660
87,068	-	-	-	-	87,068
-	-	-	-	-	-
-	-	-	1,990,000	-	1,990,000
-	131,760	-	-	-	131,760
87,100	131,760	1,663	1,991,103	3,862	2,215,488
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,305,303	-	-	-	-	2,305,303
579,872	-	298,933	722,793	16,464	1,625,315
-	(130,174)	-	-	-	(130,174)
<u>2,885,175</u>	<u>(130,174)</u>	<u>298,933</u>	<u>722,793</u>	<u>16,464</u>	<u>3,800,444</u>
<u>\$ 2,972,275</u>	<u>\$ 1,586</u>	<u>\$ 300,596</u>	<u>\$ 2,713,896</u>	<u>\$ 20,326</u>	<u>\$ 6,015,932</u>

(continued)

(continued)

Permanent Funds

	Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
<u>ASSETS</u>					
Cash and cash equivalents	\$ 148,827	\$ 19,344	\$ 29,549	\$ 335	\$ 198,055
Investments	9,638,785	1,252,791	1,519,986	21,718	12,433,280
Accounts receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other assets	-	-	-	-	-
Total Assets	<u>\$ 9,787,612</u>	<u>\$ 1,272,135</u>	<u>\$ 1,549,535</u>	<u>\$ 22,053</u>	<u>\$ 12,631,335</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Loans payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
Fund Balances:					
Nonspendable	9,787,612	1,272,135	1,549,535	22,053	12,631,335
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>9,787,612</u>	<u>1,272,135</u>	<u>1,549,535</u>	<u>22,053</u>	<u>12,631,335</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,787,612</u>	<u>\$ 1,272,135</u>	<u>\$ 1,549,535</u>	<u>\$ 22,053</u>	<u>\$ 12,631,335</u>

Debt Service Funds

<u>NEOC Fund</u>	<u>SBTIFD Fund</u>	<u>PVTIFD Fund</u>	<u>Subtotal</u>	Total Nonmajor Governmental <u>Funds</u>
\$ 611,323	\$ 317,591	\$ 69,767	\$ 998,681	\$ 11,156,273
-	-	-	-	14,412,416
-	78,285	-	78,285	173,085
-	-	-	-	421,706
-	-	-	-	3,942
<u>\$ 611,323</u>	<u>\$ 395,876</u>	<u>\$ 69,767</u>	<u>\$ 1,076,966</u>	<u>\$ 26,167,422</u>
\$ -	\$ 2,425	\$ -	\$ 2,425	\$ 48,932
-	-	-	-	87,068
-	-	-	-	244,896
-	-	-	-	1,990,000
-	-	-	-	132,954
-	2,425	-	2,425	2,503,850
-	-	-	-	472,310
-	-	-	-	472,310
-	-	-	-	12,631,335
611,323	393,451	69,767	1,074,541	6,055,273
-	-	-	-	4,722,170
-	-	-	-	(217,516)
<u>611,323</u>	<u>393,451</u>	<u>69,767</u>	<u>1,074,541</u>	<u>23,191,262</u>
<u>\$ 611,323</u>	<u>\$ 395,876</u>	<u>\$ 69,767</u>	<u>\$ 1,076,966</u>	<u>\$ 26,167,422</u>

CITY OF CONCORD, NEW HAMPSHIRE

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

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2015

	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	497,817	-	-	-
Charges for services	-	471,040	121,213	65,713
Investment income (loss)	-	1,194	417	-
Contributions	-	-	-	-
Miscellaneous:				
Departmental	-	-	138,889	-
Interest and penalties	-	-	-	-
Total Revenues	<u>497,817</u>	<u>472,234</u>	<u>260,519</u>	<u>65,713</u>
Expenditures:				
Current:				
General government	491,250	23,287	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	258,147	16,890
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	6,567	-	-	-
Total Expenditures	<u>497,817</u>	<u>23,287</u>	<u>258,147</u>	<u>16,890</u>
Excess (deficiency) of revenues over expenditures	-	448,947	2,372	48,823
Other Financing Sources (Uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(400)	(54,550)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(400)</u>	<u>(54,550)</u>
Net change in fund balance	-	448,947	1,972	(5,727)
Fund Balance, beginning	<u>607</u>	<u>583,786</u>	<u>98,067</u>	<u>110,177</u>
Fund Balance, ending	<u>\$ 607</u>	<u>\$ 1,032,733</u>	<u>\$ 100,039</u>	<u>\$ 104,450</u>

Special Revenue Funds

<u>Parking Fund</u>	<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>
\$ -	\$ -	\$ -	\$ -
-	1,108	-	131,035
826,043	355,511	236,059	52,913
233	875	933	-
10,343	-	-	404,291
550,196	-	-	5,399
<u>330,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,717,357	357,494	236,992	593,638
-	-	84,896	129,200
782,891	-	-	-
220,887	277,364	-	-
-	45,854	-	-
-	-	-	-
618,075	14,800	-	-
258,071	5,444	-	-
-	-	-	97,679
<u>1,879,924</u>	<u>343,462</u>	<u>84,896</u>	<u>226,879</u>
(162,567)	14,032	152,096	366,759
-	-	-	-
-	-	-	-
403,490	-	10,569	-
<u>(167,850)</u>	<u>(102,733)</u>	<u>(702,229)</u>	<u>-</u>
<u>235,640</u>	<u>(102,733)</u>	<u>(691,660)</u>	<u>-</u>
73,073	(88,701)	(539,564)	366,759
<u>132,771</u>	<u>623,029</u>	<u>1,109,509</u>	<u>83,715</u>
<u>\$ 205,844</u>	<u>\$ 534,328</u>	<u>\$ 569,945</u>	<u>\$ 450,474</u>

(continued)

(continued)

Special Revenue Funds

	Durgin Garage Fund	Nelson Fund	Forest & Conservation Fund	Cemetery Fund	Library Fund
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income (loss)	377	(5)	66,951	291	9,825
Contributions	-	-	27,095	-	-
Miscellaneous:					
Departmental	-	-	-	-	-
Interest and penalties	-	-	-	-	-
Total Revenues	<u>377</u>	<u>(5)</u>	<u>94,046</u>	<u>291</u>	<u>9,825</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
General services	-	-	-	-	-
Community development	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	377	(5)	94,046	291	9,825
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers in	10,500	-	19,782	-	-
Transfers out	<u>(132,744)</u>	<u>-</u>	<u>(374)</u>	<u>-</u>	<u>(1,300)</u>
Total Other Financing Sources (Uses)	<u>(122,244)</u>	<u>-</u>	<u>19,408</u>	<u>-</u>	<u>(1,300)</u>
Net change in fund balance	(121,867)	(5)	113,454	291	8,525
Fund Balance, beginning	<u>302,813</u>	<u>316</u>	<u>1,513,359</u>	<u>12,847</u>	<u>442,194</u>
Fund Balance, ending	<u>\$ 180,946</u>	<u>\$ 311</u>	<u>\$ 1,626,813</u>	<u>\$ 13,138</u>	<u>\$ 450,719</u>

Special Revenue Funds

Mountain Green Fund	Downtown Economic Development Fund	SVMS Project Fund	Subtotal
\$ -	\$ -	\$ -	\$ -
-	-	-	629,960
-	-	-	2,128,492
795	22	4	81,912
-	-	-	441,729
-	-	-	694,484
-	-	-	330,542
<u>795</u>	<u>22</u>	<u>4</u>	<u>4,307,119</u>
-	-	-	728,633
-	-	-	782,891
-	-	-	498,251
-	-	-	320,891
-	-	-	-
-	-	-	632,875
-	-	-	263,515
-	-	-	104,246
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,331,302</u>
795	22	4	975,817
-	-	-	-
-	-	-	-
-	-	-	444,341
<u>(50,000)</u>	<u>-</u>	<u>(12,222)</u>	<u>(1,224,402)</u>
<u>(50,000)</u>	<u>-</u>	<u>(12,222)</u>	<u>(780,061)</u>
(49,205)	22	(12,218)	195,756
<u>452,709</u>	<u>11,069</u>	<u>12,218</u>	<u>5,489,186</u>
<u>\$ 403,504</u>	<u>\$ 11,091</u>	<u>\$ -</u>	<u>\$ 5,684,942</u>

(continued)

(continued)

	<u>Fire Facility Renovations</u>	<u>Open Space Protection Fund</u>	<u>Capital Commons Garage Fund</u>
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income (loss)	4,300	-	-
Contributions	-	-	-
Miscellaneous:			
Departmental	-	-	-
Interest and penalties	-	-	-
Total Revenues	<u>4,300</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
General services	-	-	-
Community development	-	-	-
Miscellaneous	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	43,005	-	-
Total Expenditures	<u>43,005</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(38,705)	-	-
Other Financing Sources (Uses):			
Issuance of bonds	45,700	-	-
Bond premium	-	-	-
Transfers in	-	374	-
Transfers out	-	-	(746)
Total Other Financing Sources (Uses)	<u>45,700</u>	<u>374</u>	<u>(746)</u>
Net change in fund balance	6,995	374	(746)
Fund Balance, beginning	<u>258</u>	<u>(374)</u>	<u>746</u>
Fund Balance, ending	<u>\$ 7,253</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Project Funds

Route 3 Corridor Fund	Manchester Street Fund	NEOC Capital Fund	Sears Block Capital Fund	Penacook Village Capital Fund	Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	95	-	-	-	95
-	-	-	-	-	-
-	-	-	-	-	4,300
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>95</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,395</u>
102,123	95	-	-	-	102,218
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,798,113	-	760,406	1,780,227	128,350	4,510,101
<u>1,900,236</u>	<u>95</u>	<u>760,406</u>	<u>1,780,227</u>	<u>128,350</u>	<u>4,612,319</u>
(1,900,236)	-	(760,406)	(1,780,227)	(128,350)	(4,607,924)
2,121,000	-	570,400	2,382,600	160,400	5,280,100
104,000	-	29,600	117,400	9,600	260,600
284,000	-	-	-	-	284,374
-	(70,000)	-	-	-	(70,746)
<u>2,509,000</u>	<u>(70,000)</u>	<u>600,000</u>	<u>2,500,000</u>	<u>170,000</u>	<u>5,754,328</u>
608,764	(70,000)	(160,406)	719,773	41,650	1,146,404
<u>2,276,411</u>	<u>(60,174)</u>	<u>459,339</u>	<u>3,020</u>	<u>(25,186)</u>	<u>2,654,040</u>
<u>\$ 2,885,175</u>	<u>\$ (130,174)</u>	<u>\$ 298,933</u>	<u>\$ 722,793</u>	<u>\$ 16,464</u>	<u>\$ 3,800,444</u>

(continued)

(continued)

Permanent Funds

	Cemetery Fund	Library Fund	Dedicated Income Fund	Other Fund	Subtotal
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income (loss)	510,336	66,067	40,621	638	617,662
Contributions	48,714	-	261,274	-	309,988
Miscellaneous:					
Departmental	-	-	-	-	-
Interest and penalties	-	-	-	-	-
Total Revenues	<u>559,050</u>	<u>66,067</u>	<u>301,895</u>	<u>638</u>	<u>927,650</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
General services	-	-	-	-	-
Community development	-	-	-	-	-
Miscellaneous	161	54	-	135	350
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>161</u>	<u>54</u>	<u>-</u>	<u>135</u>	<u>350</u>
Excess (deficiency) of revenues over expenditures	558,889	66,013	301,895	503	927,300
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(115,459)	(1,530)	(183,500)	-	(300,489)
Total Other Financing Sources (Uses)	<u>(115,459)</u>	<u>(1,530)</u>	<u>(183,500)</u>	<u>-</u>	<u>(300,489)</u>
Net change in fund balance	443,430	64,483	118,395	503	626,811
Fund Balance, beginning	<u>9,344,182</u>	<u>1,207,652</u>	<u>1,431,140</u>	<u>21,550</u>	<u>12,004,524</u>
Fund Balance, ending	<u>\$ 9,787,612</u>	<u>\$ 1,272,135</u>	<u>\$ 1,549,535</u>	<u>\$ 22,053</u>	<u>\$ 12,631,335</u>

Debt Service Funds

NEOC Fund	SBTIFD Fund	PVTIFD Fund	Subtotal	Total Nonmajor Governmental Funds
\$ 646,416	\$ 851,757	\$ 56,352	\$ 1,554,525	\$ 1,554,525
-	-	-	-	630,055
-	-	-	-	2,128,492
1,093	7,631	102	8,826	712,700
-	-	-	-	751,717
-	-	-	-	694,484
-	-	-	-	330,542
<u>647,509</u>	<u>859,388</u>	<u>56,454</u>	<u>1,563,351</u>	<u>6,802,515</u>
-	-	-	-	830,851
-	-	-	-	782,891
-	-	-	-	498,251
-	-	-	-	320,891
-	-	-	-	350
344,000	158,100	15,000	517,100	1,149,975
15,565	81,026	5,972	102,563	366,078
-	9,615	-	9,615	4,623,962
<u>359,565</u>	<u>248,741</u>	<u>20,972</u>	<u>629,278</u>	<u>8,573,249</u>
287,944	610,647	35,482	934,073	(1,770,734)
-	-	-	-	5,280,100
-	-	-	-	260,600
-	-	-	-	728,715
<u>(132,140)</u>	<u>(552,780)</u>	<u>(1,240)</u>	<u>(686,160)</u>	<u>(2,281,797)</u>
<u>(132,140)</u>	<u>(552,780)</u>	<u>(1,240)</u>	<u>(686,160)</u>	<u>3,987,618</u>
155,804	57,867	34,242	247,913	2,216,884
<u>455,519</u>	<u>335,584</u>	<u>35,525</u>	<u>826,628</u>	<u>20,974,378</u>
<u>\$ 611,323</u>	<u>\$ 393,451</u>	<u>\$ 69,767</u>	<u>\$ 1,074,541</u>	<u>\$ 23,191,262</u>

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

**Detail and Combining Budget
and Actual Schedules**

General Fund

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

Special Revenue Fund

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

CITY OF CONCORD, NEW HAMPSHIRE

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

For the Fiscal Year Ended June 30, 2015

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
<u>Taxes</u>				
Property taxes - current	\$ 34,747,965	\$ 34,744,142	\$ 34,767,887	\$ 23,745
Timber tax yield	15,000	15,000	29,574	14,574
Excavation activity tax	200	200	804	604
Motor vehicle registrations	5,600,000	5,600,000	6,123,498	523,498
Rooms and meals	2,056,670	2,053,492	2,053,492	-
Payment in lieu of taxes	<u>728,948</u>	<u>728,948</u>	<u>704,089</u>	<u>(24,859)</u>
Total Taxes	43,148,783	43,141,782	43,679,344	537,562
<u>Licenses and Permits</u>				
Engineering	4,660	4,660	4,970	310
City clerk records	32,800	32,800	34,295	1,495
Health services	134,041	134,041	139,187	5,146
Police/protection/amusement	75,800	75,800	77,584	1,784
Code enforcement/building permits	<u>780,468</u>	<u>780,468</u>	<u>637,169</u>	<u>(143,299)</u>
Total Licenses and Permits	1,027,769	1,027,769	893,205	(134,564)
<u>Intergovernmental</u>				
Railroad tax	2,000	1,999	1,609	(390)
Forest loss reimbursement	700	210	393	183
Fire service aid	125,000	125,000	125,000	-
Highway block grant	749,893	757,385	764,379	6,994
School District	145,610	145,610	142,739	(2,871)
Retiree health insurance reimbursements	1,505,360	1,505,360	1,468,728	(36,632)
Other state	<u>-</u>	<u>-</u>	<u>10,621</u>	<u>10,621</u>
Total Intergovernmental	2,528,563	2,535,564	2,513,469	(22,095)
<u>Charges For Services</u>				
Finance	3,200	3,200	1,296	(1,904)
Legal	66,994	66,994	64,010	(2,984)
City clerk	41,000	41,000	55,288	14,288
Public safety	2,536,460	2,536,460	2,779,166	242,706
General services	41,400	41,400	45,701	4,301
Community development	70,100	70,100	100,652	30,552
Human services	100,000	100,000	103,119	3,119

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Library	8,250	8,250	8,446	196
Recreation	372,190	374,190	302,489	(71,701)
Tower lease/ fire hdqtrts	24,720	24,720	24,844	124
Cable franchise fee	745,000	745,000	799,876	54,876
School district lease	56,100	56,100	59,700	3,600
Community Center rental	156,520	156,520	159,139	2,619
Code prosecution	15,000	15,000	29,130	14,130
Restitution	20,000	20,000	16,461	(3,539)
Parking fines - non meters	100,000	100,000	99,944	(56)
False alarm penalties	10,000	10,000	8,362	(1,638)
Overdue book fines	32,000	32,000	33,720	1,720
	<u>4,398,934</u>	<u>4,400,934</u>	<u>4,691,343</u>	<u>290,409</u>
<u>Investment Income</u>				
Earnings on investments	<u>24,400</u>	<u>24,400</u>	<u>56,135</u>	<u>31,735</u>
	<u>24,400</u>	<u>24,400</u>	<u>56,135</u>	<u>31,735</u>
<u>Miscellaneous</u>				
Miscellaneous revenue not anticipated	450,490	493,479	851,376	357,897
Other share of capital debt	36,500	36,500	36,499	(1)
Sale of city property	30,000	69,141	92,888	23,747
MV transportation surcharge	331,000	331,000	336,334	5,334
Advertising	11,000	11,000	18,700	7,700
Interest, costs, and penalties	425,000	425,000	614,213	189,213
	<u>1,283,990</u>	<u>1,366,120</u>	<u>1,950,010</u>	<u>583,890</u>
<u>Other Financing Sources</u>				
Transfers in	2,592,580	2,637,580	2,562,364	(75,216)
Budgetary use of fund balance	<u>-</u>	<u>1,053,015</u>	<u>-</u>	<u>(1,053,015)</u>
	<u>2,592,580</u>	<u>3,690,595</u>	<u>2,562,364</u>	<u>(1,128,231)</u>
	<u>\$ 55,005,019</u>	<u>\$ 56,187,164</u>	<u>\$ 56,345,870</u>	<u>\$ 158,706</u>

CITY OF CONCORD, NEW HAMPSHIRE

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

For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>General Government</u>				
City Manager	\$ 1,110,526	\$ 1,180,526	\$ 1,193,026	\$ (12,500)
Legal services	1,108,946	1,108,946	1,109,928	(982)
Assessor	635,978	635,978	699,209	(63,231)
Human resources	414,576	414,576	397,024	17,552
Finance	2,576,712	2,476,712	1,934,393	542,319
Information technology	655,756	655,756	633,284	22,472
City Council	29,390	29,390	26,003	3,387
City Clerk	<u>363,441</u>	<u>363,441</u>	<u>356,948</u>	<u>6,493</u>
Total General Government	6,895,325	6,865,325	6,349,815	515,510
<u>Public Safety</u>				
Police	10,893,738	10,895,738	11,123,092	(227,354)
Fire	<u>12,697,323</u>	<u>12,697,323</u>	<u>12,663,859</u>	<u>33,464</u>
Total Public Safety	23,591,061	23,593,061	23,786,951	(193,890)
<u>General Services</u>				
Total General Services	<u>7,987,299</u>	<u>8,365,314</u>	<u>8,278,940</u>	<u>86,374</u>
<u>Community Development</u>				
Total Community Development	<u>3,058,625</u>	<u>3,063,339</u>	<u>3,010,228</u>	<u>53,111</u>
<u>Leisure and Information Services</u>				
Library	1,619,171	1,619,171	1,597,145	22,026
Recreation and parks	<u>2,598,597</u>	<u>2,600,597</u>	<u>2,600,379</u>	<u>218</u>
Total Leisure and Information Services	4,217,768	4,219,768	4,197,524	22,244
<u>Human Services</u>				
Total Human Services	<u>826,080</u>	<u>826,080</u>	<u>790,648</u>	<u>35,432</u>

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>Employee Benefits</u>				
Employee benefits	<u>2,140,020</u>	<u>2,140,020</u>	<u>2,174,927</u>	<u>(34,907)</u>
Total Employee Benefits	<u>2,140,020</u>	<u>2,140,020</u>	<u>2,174,927</u>	<u>(34,907)</u>
<u>Debt Service</u>				
Principal	<u>4,123,525</u>	<u>4,123,525</u>	<u>4,015,667</u>	<u>107,858</u>
Interest	<u>1,308,748</u>	<u>1,308,748</u>	<u>1,553,904</u>	<u>(245,156)</u>
Total Debt Service	<u>5,432,273</u>	<u>5,432,273</u>	<u>5,569,571</u>	<u>(137,298)</u>
<u>Other Financing Uses</u>				
Transfers out	<u>856,568</u>	<u>1,681,984</u>	<u>1,682,691</u>	<u>(707)</u>
Total Other Financing Uses	<u>856,568</u>	<u>1,681,984</u>	<u>1,682,691</u>	<u>(707)</u>
Total Expenditures and Other Financing Uses	<u>\$ 55,005,019</u>	<u>\$ 56,187,164</u>	<u>\$ 55,841,295</u>	<u>\$ 345,869</u>

CITY OF CONCORD, NEW HAMPSHIRE

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

Annually Budgeted Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2015

	Parking		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services:			
Parking - meters	649,750	735,149	85,399
Prepaid parking	75,000	90,895	15,895
Fuel flow fees	-	-	-
Rentals	-	-	-
Total Charges for Services	724,750	826,044	101,294
Investment income	250	233	(17)
Miscellaneous:			
Meter parking penalties	330,000	328,134	(1,866)
Rentals	522,686	550,196	27,510
Miscellaneous	11,000	12,750	1,750
Total Miscellaneous	863,686	891,080	27,394
Total Revenues	1,588,686	1,717,357	128,671
Expenditures:			
Public Safety:			
Compensation	326,337	318,918	7,419
Outside services	179,137	154,088	25,049
Fringe benefits	125,880	126,785	(905)
Supplies	37,470	44,556	(7,086)
Insurance	4,310	4,330	(20)
Taxes	79,772	134,214	(54,442)
Capital outlay	876,149	876,146	3
General Services:			
Compensation	56,687	44,657	12,030
Outside services	24,910	23,050	1,860
Fringe benefits	98,745	68,348	30,397
Supplies	6,520	3,001	3,519
Utilities	58,401	55,081	3,320
Insurance	17,400	17,270	130
Taxes	9,480	9,480	-
Community Development:			
Compensation	-	-	-
Outside services	-	-	-
Fringe benefits	-	-	-
Debt service	-	-	-
Total Expenditures	1,901,198	1,879,924	21,274
Other Financing Sources (Uses):			
Transfer in	402,744	403,490	746
Transfer out	(167,850)	(167,850)	-
Total Other Financing Sources (Uses)	234,894	235,640	746
Excess of revenues and other financing sources over expenditures and other financing uses	\$ (77,618)	\$ 73,073	\$ 150,691

Airport			Total		
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
\$ 2,100	\$ 1,108	\$ (992)	\$ 2,100	\$ 1,108	\$ (992)
-	-	-	649,750	735,149	85,399
-	-	-	75,000	90,895	15,895
10,500	27,050	16,550	10,500	27,050	16,550
<u>366,050</u>	<u>328,461</u>	<u>(37,589)</u>	<u>366,050</u>	<u>328,461</u>	<u>(37,589)</u>
376,550	355,511	(21,039)	1,101,300	1,181,555	80,255
600	875	275	850	1,108	258
-	-	-	330,000	328,134	(1,866)
-	-	-	522,686	550,196	27,510
-	-	-	11,000	12,750	1,750
<u>-</u>	<u>-</u>	<u>-</u>	<u>863,686</u>	<u>891,080</u>	<u>27,394</u>
379,250	357,494	(21,756)	1,967,936	2,074,851	106,915
-	-	-	326,337	318,918	7,419
-	-	-	179,137	154,088	25,049
-	-	-	125,880	126,785	(905)
-	-	-	37,470	44,556	(7,086)
-	-	-	4,310	4,330	(20)
-	-	-	79,772	134,214	(54,442)
-	-	-	876,149	876,146	3
58,716	51,032	7,684	115,403	95,689	19,714
22,233	23,523	(1,290)	47,143	46,573	570
87,776	87,005	771	186,521	155,353	31,168
45,445	33,446	11,999	51,965	36,447	15,518
25,329	23,328	2,001	83,730	78,409	5,321
7,460	7,430	30	24,860	24,700	160
47,328	51,599	(4,271)	56,808	61,079	(4,271)
26,810	35,038	(8,228)	26,810	35,038	(8,228)
10,249	10,816	(567)	10,249	10,816	(567)
-	-	-	-	-	-
<u>12,830</u>	<u>20,244</u>	<u>(7,414)</u>	<u>12,830</u>	<u>20,244</u>	<u>(7,414)</u>
344,176	343,461	715	2,245,374	2,223,385	21,989
-	-	-	402,744	403,490	746
<u>(102,733)</u>	<u>(102,733)</u>	<u>-</u>	<u>(270,583)</u>	<u>(270,583)</u>	<u>-</u>
<u>(102,733)</u>	<u>(102,733)</u>	<u>-</u>	<u>132,161</u>	<u>132,907</u>	<u>746</u>
\$ <u>(67,659)</u>	\$ <u>(88,700)</u>	\$ <u>(21,041)</u>	\$ <u>(145,277)</u>	\$ <u>(15,627)</u>	\$ <u>129,650</u>

Combining Financial Statements

NONMAJOR BUSINESS-TYPE FUNDS

PROPRIETARY (ENTERPRISE) FUNDS

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

The City of Concord has the following Nonmajor Enterprise Funds:

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

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

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Net Position

Nonmajor Proprietary Funds

June 30, 2015

	Business-Type Activities Enterprise Funds		
	<u>Golf Fund</u>	<u>Arena Fund</u>	<u>Total Other Funds</u>
ASSETS			
Current:			
Cash and short-term equivalents	\$ 87,938	\$ 294,586	\$ 382,524
User fees, net of allowance for uncollectibles	-	5,936	5,936
Prepaid assets	789	919	1,708
Inventory	<u>63,556</u>	<u>-</u>	<u>63,556</u>
Total current assets	152,283	301,441	453,724
Noncurrent:			
Capital assets:			
Land and construction in progress	87,855	148,059	235,914
Other capital assets, net of accumulated depreciation	<u>445,580</u>	<u>970,507</u>	<u>1,416,087</u>
Total noncurrent assets	<u>533,435</u>	<u>1,118,566</u>	<u>1,652,001</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	685,718	1,420,007	2,105,725
LIABILITIES			
Current:			
Accounts payable	43,839	8,418	52,257
Accrued liabilities	4,655	7,284	11,939
Current portion of long-term liabilities:			
Bonds payable	43,000	78,937	121,937
Compensated absences	<u>21,678</u>	<u>9,053</u>	<u>30,731</u>
Total current liabilities	113,172	103,692	216,864
Noncurrent:			
Bonds payable, net of current portion	<u>134,000</u>	<u>460,637</u>	<u>594,637</u>
Total noncurrent liabilities	<u>134,000</u>	<u>460,637</u>	<u>594,637</u>
DEFERRED INFLOWS OF RESOURCES	<u>47,190</u>	<u>8,775</u>	<u>55,965</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	294,362	573,104	867,466
NET POSITION			
Net investment in capital assets	356,435	622,173	978,608
Unrestricted	<u>34,921</u>	<u>224,730</u>	<u>259,651</u>
TOTAL NET POSITION	\$ <u>391,356</u>	\$ <u>846,903</u>	\$ <u>1,238,259</u>

CITY OF CONCORD, NEW HAMPSHIRE

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

Nonmajor Proprietary Funds

For the Fiscal Year Ended June 30, 2015

	<u>Golf</u> <u>Fund</u>	<u>Arena</u> <u>Fund</u>	<u>Total</u> <u>Other</u> <u>Funds</u>
Operating Revenues:			
Charges for services	\$ 902,735	\$ 578,792	\$ 1,481,527
Other	<u>5,000</u>	<u>6,069</u>	<u>11,069</u>
Total Operating Revenues	907,735	584,861	1,492,596
Operating Expenses:			
Operating expenses	827,075	425,016	1,252,091
Depreciation	<u>61,356</u>	<u>74,477</u>	<u>135,833</u>
Total Operating Expenses	<u>888,431</u>	<u>499,493</u>	<u>1,387,924</u>
Operating Income	19,304	85,368	104,672
Nonoperating Revenues (Expenses):			
Investment income	26	394	420
Interest expense	<u>(5,361)</u>	<u>(15,812)</u>	<u>(21,173)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(5,335)</u>	<u>(15,418)</u>	<u>(20,753)</u>
Income Before Transfers	13,969	69,950	83,919
Transfers:			
Transfers in	26,480	16,030	42,510
Transfers out	<u>(78,750)</u>	<u>(49,044)</u>	<u>(127,794)</u>
Change in Net Position	(38,301)	36,936	(1,365)
Net Position at Beginning of Year	<u>429,657</u>	<u>809,967</u>	<u>1,239,624</u>
Net Position at End of Year	\$ <u><u>391,356</u></u>	\$ <u><u>846,903</u></u>	\$ <u><u>1,238,259</u></u>

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

For the Fiscal Year Ended June 30, 2015

	<u>Golf Fund</u>	<u>Arena Fund</u>	<u>Total Other Funds</u>
<u>Cash Flows From Operating Activities:</u>			
Receipts from customers and users	\$ 915,491	\$ 593,569	\$ 1,509,060
Payments to employees	(440,602)	(304,452)	(745,054)
Payments to vendors	<u>(387,393)</u>	<u>(116,077)</u>	<u>(503,470)</u>
Net Cash Provided By Operating Activities	87,496	173,040	260,536
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfers in	26,480	16,030	42,510
Transfers out	<u>(78,750)</u>	<u>(49,044)</u>	<u>(127,794)</u>
Net Cash (Used For) Noncapital Financing Activities	(52,270)	(33,014)	(85,284)
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Proceeds from bonds and notes	77,000	40,900	117,900
Principal payments on bonds and notes	(43,500)	(76,537)	(120,037)
Acquisition and construction of capital assets, net disposals	(43,603)	(135,165)	(178,768)
Interest expense	<u>(4,927)</u>	<u>(14,487)</u>	<u>(19,414)</u>
Net Cash (Used For) Capital and Related Financing Activities	(15,030)	(185,289)	(200,319)
<u>Cash Flows From Investing Activities:</u>			
Investment income	<u>26</u>	<u>394</u>	<u>420</u>
Net Cash Provided by Investing Activities	<u>26</u>	<u>394</u>	<u>420</u>
Net Change in Cash and Short-Term Equivalents	20,222	(44,869)	(24,647)
Cash and Short-Term Equivalents, Beginning of Year	<u>67,716</u>	<u>339,455</u>	<u>407,171</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 87,938</u>	<u>\$ 294,586</u>	<u>\$ 382,524</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>			
Operating income	\$ 19,304	\$ 85,368	\$ 104,672
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	61,356	74,477	135,833
Changes in assets and liabilities:			
User fees	9,126	2,423	11,549
Other assets	(52)	(592)	(644)
Accounts payable	(13,236)	3,315	(9,921)
Retainage payable	(500)	-	(500)
Compensated absences	1,301	1,764	3,065
Unearned revenues	2,879	6,285	9,164
Other liabilities	<u>7,318</u>	<u>-</u>	<u>7,318</u>
Net Cash Provided By Operating Activities	<u>\$ 87,496</u>	<u>\$ 173,040</u>	<u>\$ 260,536</u>

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**Detail Combining Budget
And Actual Schedule**

PROPRIETARY (ENTERPRISE) FUNDS

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

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

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

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

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

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

CITY OF CONCORD, NEW HAMPSHIRE

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

Enterprise Funds

For the Fiscal Year Ended June 30, 2015

		<u>Water Fund</u>	
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Operating revenue	\$ 5,552,395	\$ 5,802,643	\$ 250,248
Miscellaneous	<u>4,000</u>	<u>48,039</u>	<u>44,039</u>
Total Operating Revenues	5,556,395	5,850,682	294,287
Operating Expenses:			
Personnel	1,820,085	1,744,600	75,485
Non-personnel	1,213,745	1,130,900	82,845
Capital outlay	111,000	77,680	33,320
Debt service	<u>1,414,660</u>	<u>1,414,660</u>	<u>-</u>
Total Operating Expenses	<u>4,559,490</u>	<u>4,367,840</u>	<u>191,650</u>
Operating Income (Loss)	996,905	1,482,842	485,937
Non-Operating Income (Expenses):			
Interest expense	(469,210)	(431,321)	37,889
Investment income	5,500	6,162	662
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(463,710)</u>	<u>(425,159)</u>	<u>38,551</u>
Net Income (Loss) Before Transfers	533,195	1,057,683	524,488
Other Financing Sources:			
Use of Fund Balance	-	-	-
Transfers in	-	-	-
Transfers out	<u>(832,370)</u>	<u>(832,098)</u>	<u>272</u>
Total Other Financing Sources	<u>(832,370)</u>	<u>(832,098)</u>	<u>272</u>
Net Income (Loss)	<u>\$ (299,175)</u>	<u>\$ 225,585</u>	<u>\$ 524,760</u>

Sewer Fund			Solid Waste Fund		
<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
\$ 6,942,335	\$ 7,068,458	\$ 126,123	\$ 2,944,302	\$ 2,741,909	\$ (202,393)
<u>1,100</u>	<u>49,668</u>	<u>48,568</u>	<u>300</u>	<u>794</u>	<u>494</u>
6,943,435	7,118,126	174,691	2,944,602	2,742,703	(201,899)
2,223,955	2,185,443	38,512	289,308	325,355	(36,047)
1,891,983	1,767,916	124,067	3,733,189	3,484,043	249,146
53,000	40,101	12,899	-	-	-
<u>1,815,330</u>	<u>1,815,330</u>	<u>-</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>
<u>5,984,268</u>	<u>5,808,790</u>	<u>175,478</u>	<u>4,044,497</u>	<u>3,831,398</u>	<u>213,099</u>
959,167	1,309,336	350,169	(1,099,895)	(1,088,695)	11,200
(437,695)	(408,473)	29,222	(8,460)	(8,462)	(2)
45,000	57,572	12,572	-	-	-
<u>241,278</u>	<u>74,851</u>	<u>(166,427)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(151,417)</u>	<u>(276,050)</u>	<u>(124,633)</u>	<u>(8,460)</u>	<u>(8,462)</u>	<u>(2)</u>
807,750	1,033,286	225,536	(1,108,355)	(1,097,157)	11,198
17,015	-	(17,015)	-	-	-
-	-	-	1,003,395	1,002,352	(1,043)
<u>(714,661)</u>	<u>(726,488)</u>	<u>(11,827)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(697,646)</u>	<u>(726,488)</u>	<u>(28,842)</u>	<u>1,003,395</u>	<u>1,002,352</u>	<u>(1,043)</u>
<u>\$ 110,104</u>	<u>\$ 306,798</u>	<u>\$ 196,694</u>	<u>\$ (104,960)</u>	<u>\$ (94,805)</u>	<u>\$ 10,155</u>

(continued)

CITY OF CONCORD, NEW HAMPSHIRE

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

Enterprise Funds

For the Fiscal Year Ended June 30, 2015

(continued)

		<u>Golf Fund</u>	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 939,195	\$ 902,343	\$ (36,852)
Miscellaneous	-	379	379
Total Operating Revenues	<u>939,195</u>	<u>902,722</u>	<u>(36,473)</u>
Operating Expenses:			
Personnel	466,983	441,903	25,080
Non-personnel	340,540	368,109	(27,569)
Debt service	<u>42,300</u>	<u>44,300</u>	<u>(2,000)</u>
Total Operating Expenses	<u>849,823</u>	<u>854,312</u>	<u>(4,489)</u>
Operating Income (Loss)	89,372	48,410	(40,962)
Non-Operating Income (Expenses):			
Interest expense	(4,300)	(4,927)	(627)
Investment income	<u>280</u>	<u>26</u>	<u>(254)</u>
Total Non-Operating Income (Expenses)	<u>(4,020)</u>	<u>(4,901)</u>	<u>(881)</u>
Net Income (Loss) Before Transfers	85,352	43,509	(41,843)
Other Financing Sources			
Transfers in	26,480	26,480	-
Transfers out	<u>(97,950)</u>	<u>(77,950)</u>	<u>20,000</u>
Total Other Financing Sources	<u>(71,470)</u>	<u>(51,470)</u>	<u>20,000</u>
Net Income (Loss)	<u>\$ 13,882</u>	<u>\$ (7,961)</u>	<u>\$ (21,843)</u>

Arena Fund		
<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 583,459	\$ 578,792	\$ (4,667)
<u>-</u>	<u>1,969</u>	<u>1,969</u>
583,459	580,761	(2,698)
270,570	234,798	35,772
184,276	182,455	1,821
<u>78,410</u>	<u>77,137</u>	<u>1,273</u>
<u>533,256</u>	<u>494,390</u>	<u>38,866</u>
50,203	86,371	36,168
(15,930)	(16,086)	(156)
<u>490</u>	<u>394</u>	<u>(96)</u>
<u>(15,440)</u>	<u>(15,692)</u>	<u>(252)</u>
34,763	70,679	35,916
16,030	16,030	-
<u>(88,444)</u>	<u>(37,753)</u>	<u>50,691</u>
<u>(72,414)</u>	<u>(21,723)</u>	<u>50,691</u>
\$ <u><u>(37,651)</u></u>	\$ <u><u>48,956</u></u>	\$ <u><u>86,607</u></u>

FIDUCIARY FUNDS

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

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2015

	Balance July 1, <u>2014</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2015</u>
Assets - cash and short-term investments	\$ 235,511	\$ 7,995,075	\$ (7,988,117)	\$ 242,469
Assets - due from other funds	<u>-</u>	<u>8,500,879</u>	<u>(8,500,879)</u>	<u>-</u>
Total Assets	<u>\$ 235,511</u>	<u>\$ 16,495,954</u>	<u>\$ (16,488,996)</u>	<u>\$ 242,469</u>
Liabilities - other liabilities	<u>\$ 235,511</u>	<u>\$ 16,763,571</u>	<u>\$ (16,756,613)</u>	<u>\$ 242,469</u>
Total liabilities	<u>\$ 235,511</u>	<u>\$ 16,763,571</u>	<u>\$ (16,756,613)</u>	<u>\$ 242,469</u>

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STATISTICAL SECTION

CITY OF CONCORD, NEW HAMPSHIRE

STATISTICAL SECTION

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

	<u>Page</u>
<i>Financial Trend Data:</i> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	128 - 131
<i>Information on Revenue Capacity:</i> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	132 - 136
<i>Debt Capacity Information:</i> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	137 - 139
<i>Demographic and Economic Information:</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	140 - 141
<i>Operating Information:</i> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.	142 - 144

City of Concord, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 43,016,795	\$ 53,651,076	\$ 61,819,702	\$ 66,566,664	\$ 70,966,637	\$ 69,642,960	\$ 71,316,684	\$ 81,481,167	\$ 88,864,614	\$ 90,447,692
Restricted	11,513,702	12,132,027	12,970,495	10,576,342	11,614,642	12,582,557	12,241,140	13,112,717	14,754,794	15,394,106
Unrestricted	21,209,276	18,577,263	16,400,737	15,559,497	13,778,355	17,718,246	16,800,855	14,473,038	7,308,618	(40,521,341)
Total governmental activities net position	\$ 75,739,773	\$ 84,360,366	\$ 91,190,934	\$ 92,702,503	\$ 96,359,634	\$ 99,943,763	\$ 100,358,679	\$ 109,066,922	\$ 110,928,026	\$ 65,320,457
Business-type activities										
Net investment in capital assets	\$ 104,696,142	\$ 103,870,146	\$ 104,711,008	\$ 104,127,148	\$ 104,095,897	\$ 103,659,124	\$ 103,454,627	\$ 102,153,278	\$ 103,459,912	\$ 102,511,741
Restricted	1,409,447	1,604,674	1,467,712	1,326,168	1,180,931	1,042,044	882,459	717,895	2,174,669	1,932,437
Unrestricted	7,957,766	7,796,545	5,920,390	5,235,417	4,864,595	5,643,666	5,877,988	7,524,806	5,848,190	3,141,883
Total business-type activities net position	\$ 114,063,355	\$ 113,271,365	\$ 112,099,110	\$ 110,688,733	\$ 110,141,423	\$ 110,344,834	\$ 110,215,074	\$ 110,395,979	\$ 111,482,771	\$ 107,586,061
Primary government										
Net investment in capital assets	\$ 147,712,937	\$ 157,521,222	\$ 166,530,710	\$ 170,693,812	\$ 175,062,534	\$ 173,302,084	\$ 174,771,311	\$ 183,634,445	\$ 192,324,526	\$ 192,959,433
Restricted	12,923,149	13,736,701	14,438,207	11,902,510	12,795,573	13,624,601	13,123,599	13,830,612	16,929,463	17,326,543
Unrestricted	29,167,042	26,373,808	22,321,127	20,794,914	18,642,950	23,361,912	22,678,843	21,997,844	13,156,808	(37,379,458)
Total primary government net position	\$ 189,803,128	\$ 197,631,731	\$ 203,290,044	\$ 203,391,236	\$ 206,501,057	\$ 210,288,597	\$ 210,573,753	\$ 219,462,901	\$ 222,410,797	\$ 172,906,518

Data Source:

Audited Financial Statements

City of Concord, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,789,574	\$ 2,270,638	\$ 1,300,105	\$ 1,169,269	\$ 966,768	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,329,762	3,453,608	4,447,779	5,302,478	7,025,545	-	-	-	-	-
Nonspendable	-	-	-	-	-	181,815	152,871	152,871	152,871	152,871
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	4,316,925	4,938,869	4,729,164	3,416,913	3,265,799
Assigned	-	-	-	-	-	1,355,353	894,000	935,000	750,000	960,000
Unassigned	-	-	-	-	-	6,736,075	8,168,250	9,079,250	9,879,330	10,171,068
Total General Fund	\$ 7,119,336	\$ 5,724,246	\$ 5,747,884	\$ 6,471,747	\$ 7,992,313	\$ 12,590,168	\$ 14,153,990	\$ 14,896,285	\$ 14,199,114	\$ 14,549,738
Other Governmental Funds										
Reserved	\$ 7,733,404	\$ 8,686,203	\$ 13,154,406	\$ 11,784,460	\$ 10,652,150	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	8,738,047	8,651,431	9,077,496	7,675,674	8,124,307	-	-	-	-	-
Capital Project Funds	20,587,665	14,906,493	5,017,047	4,261,481	3,500,587	-	-	-	-	-
Debt Service	591,867	657,335	760,163	856,787	1,248,100	-	-	-	-	-
Nonspendable	-	-	-	-	-	9,239,526	9,394,226	10,335,606	12,004,524	12,631,335
Restricted	-	-	-	-	-	4,214,191	2,803,781	3,148,961	9,539,642	11,848,567
Committed	-	-	-	-	-	10,842,872	9,916,209	7,765,227	5,109,805	6,977,411
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(915)	(1,290)	-	(1,329,031)	(726,422)
Total Other Funds	\$ 37,650,983	\$ 32,901,462	\$ 28,009,112	\$ 24,578,402	\$ 23,525,144	\$ 24,295,674	\$ 22,112,926	\$ 21,249,794	\$ 25,324,940	\$ 30,730,891

Data Source

Audited Financial Statements

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

City of Concord, New Hampshire

Change in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 31,748,630	\$ 33,143,681	\$ 35,087,252	\$ 37,282,375	\$ 37,659,356	\$ 39,407,949	\$ 40,430,610	\$ 41,872,465	\$ 40,464,277	\$ 45,233,870
Licenses and permits	1,479,654	1,020,239	1,089,628	825,833	712,811	1,112,391	1,119,219	896,393	1,022,818	890,025
Intergovernmental	3,903,521	2,862,450	3,442,121	3,442,953	2,687,051	2,732,763	4,415,890	4,723,291	5,151,188	6,885,722
Charges for services	5,918,886	6,638,525	6,211,386	5,586,277	6,019,719	6,293,673	6,639,003	6,769,954	6,983,376	7,210,273
Investment income	2,508,864	3,729,057	1,552,449	(564,323)	1,066,457	2,234,008	618,261	1,630,988	2,677,101	805,143
Contributions and miscellaneous	3,560,162	4,543,349	5,423,293	3,023,671	3,216,792	3,186,673	2,972,587	2,688,069	4,664,783	4,420,159
Total revenues	49,119,717	51,937,301	52,806,129	49,596,786	51,362,186	54,967,457	56,195,570	58,581,160	60,963,543	65,445,192
Expenditures by Function										
General government	5,125,653	5,455,316	5,159,601	5,900,248	6,589,039	6,841,119	7,793,292	8,591,958	7,379,236	8,007,392
Public safety	17,053,365	18,120,382	18,728,040	19,410,584	19,621,616	21,114,273	22,716,619	22,571,706	24,075,356	24,569,843
General services	6,990,518	7,096,899	8,243,164	8,249,971	7,394,625	7,797,609	6,522,464	6,878,891	7,441,782	7,787,061
Community development	3,042,749	2,432,444	3,317,979	3,007,202	2,881,251	2,865,969	3,020,346	3,119,704	3,134,170	3,319,034
Leisure and information services	2,156,899	2,249,001	2,147,886	2,230,489	1,952,782	2,029,908	3,629,417	3,829,765	4,031,719	4,197,524
Human services	1,056,671	1,033,422	697,719	789,101	749,114	752,485	735,447	748,690	801,071	790,648
Employee benefits	441,505	555,182	656,039	328,542	445,033	661,188	2,327,580	2,281,856	2,209,785	2,174,927
Miscellaneous	968,568	1,762,956	195,830	53,929	131,653	45,491	3,722	1,186	301	350
Debt service										
Principal	3,416,587	4,075,251	4,823,966	4,220,938	4,594,563	4,369,633	4,531,234	4,744,015	5,036,926	5,190,642
Interest	1,043,828	1,245,528	1,855,218	1,597,727	1,555,289	1,516,016	1,547,441	1,544,862	1,515,899	1,919,982
Capital outlay	16,928,041	24,240,722	11,397,517	9,935,126	7,479,876	6,624,538	8,352,413	9,666,796	10,833,357	12,622,833
Total expenditures	58,224,384	68,267,103	57,222,959	55,723,857	53,394,841	54,618,229	61,179,975	63,979,429	66,459,602	70,580,236
Excess of revenues										
Over(under) expenditures	(9,104,667)	(16,329,802)	(4,416,830)	(6,127,071)	(2,032,655)	349,228	(4,984,405)	(5,398,269)	(5,496,059)	(5,135,044)
Other Financing Sources (Uses)										
Bond proceeds	16,081,000	10,632,960	-	4,250,710	2,494,750	5,063,000	4,333,851	5,164,900	8,732,000	10,027,500
Bond premium	-	-	-	-	-	-	-	-	-	575,556
Refunding, net	-	-	-	-	-	-	-	103,855	-	-
Transfers in	4,958,316	5,874,169	3,520,143	3,862,715	3,462,513	3,818,374	4,042,411	3,550,609	5,363,383	4,843,029
Transfers out	(5,468,888)	(6,321,938)	(3,972,025)	(4,693,201)	(3,457,300)	(3,862,217)	(4,010,783)	(3,541,932)	(5,221,349)	(4,554,466)
Total other financing sources (uses)	15,570,428	10,185,191	(451,882)	3,420,224	2,499,963	5,019,157	4,365,479	5,277,432	8,874,034	10,891,619
Net Change in fund balances	\$ 6,465,761	\$ (6,144,611)	\$ (4,868,712)	\$ (2,706,847)	\$ 467,308	\$ 5,368,385	\$ (618,926)	\$ (120,837)	\$ 3,377,975	\$ 5,756,575

Debt Service as a percentage of non-capital outlay expenditures	10.80%	12.09%	14.58%	12.71%	13.39%	11.80%	11.52%	12.88%	11.56%	11.93%
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Data Source
Audited Financial Statements

City of Concord, New Hampshire

General Government Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Timber Tax	Excavation Tax	Motor Vehicle Registrations	Boat Registrations	Payment in Lieu of Taxes	Total
2015	\$ 38,375,905	\$ 29,574	\$ 804	\$ 6,123,498	\$ -	\$ 704,089	\$ 45,233,870
2014	34,081,941	20,516	39	5,662,857	-	698,924	40,464,277
2013	35,810,332	7,917	-	5,415,538	-	638,678	41,872,465
2012	34,628,966	17,648	-	5,118,581	-	665,415	40,430,610
2011	33,748,980	24,146	964	5,023,729	-	610,130	39,407,949
2010	32,012,232	18,310	174	5,001,592	-	627,048	37,659,356
2009	31,459,024	12,107	405	5,192,228	-	618,611	37,282,375
2008	29,233,127	7,582	9	5,326,909	-	519,625	35,087,252
2007	27,057,926	20,398	3,358	5,491,026	-	570,973	33,143,681
2006	25,549,119	26,010	3,307	5,636,297	4,218	529,679	31,748,630

Data Source
Audited Financial Statements

City of Concord, New Hampshire

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

Fiscal Year	Local Assessed Value (1)			Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/Industrial	Utilities						
2015	\$ 2,101,417,750	\$ 1,534,639,311	\$ 161,176,300	\$ 3,797,233,361	\$ 33,688,716	\$ 3,763,544,645	\$ 23.58	\$ 3,942,193,209	96.3%
2014	2,074,759,050	1,584,155,007	167,511,600	3,826,425,657	33,299,807	3,793,125,850	22.59	4,074,453,253	93.9%
2013	2,087,208,900	1,614,705,822	166,101,300	3,868,016,022	35,915,240	3,832,100,782	21.61	3,899,194,377	99.2%
2012	2,139,560,300	1,419,233,200	165,340,900	3,724,134,400	37,130,879	3,687,003,521	21.70	3,708,962,523	100.4%
2011	2,299,881,800	1,424,486,800	152,774,300	3,877,142,900	42,168,733	3,834,974,167	20.35	3,871,416,766	100.1%
2010	2,508,467,100	1,434,618,400	152,792,400	4,095,877,900	42,345,930	4,053,531,970	18.98	4,044,243,693	101.3%
2009	2,593,546,800	1,601,861,700	146,592,000	4,342,000,500	37,066,758	4,304,933,742	17.99	4,353,125,485	99.7%
2008	2,666,662,100	1,444,077,300	123,884,800	4,234,624,200	38,830,192	4,195,794,008	17.43	4,408,573,930	96.1%
2007	2,715,013,500	1,311,668,800	119,115,400	4,145,797,700	40,371,086	4,105,426,614	17.26	4,269,260,047	97.1%
2006	2,477,724,500	1,170,940,000	111,931,500	3,760,596,000	34,805,148	3,725,790,852	17.66	3,934,309,242	95.6%

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
2015	\$ 9.38	\$ 9.38	\$ 11.60	\$ 2.60	\$ 14.20	\$ 23.58	\$ 3.23	\$ 26.81
2014	9.04	9.04	11.14	2.41	13.55	22.59	2.99	25.58
2013	8.67	8.67	10.50	2.44	12.94	21.61	2.76	24.37
2012	8.72	8.72	10.39	2.59	12.98	21.70	2.90	24.60
2011	8.19	8.19	9.65	2.51	12.16	20.35	2.81	23.16
2010	7.49	7.49	9.14	2.35	11.49	18.98	2.69	21.67
2009	6.84	6.84	9.01	2.14	11.15	17.99	2.50	20.49
2008	6.55	6.55	8.75	2.13	10.88	17.43	2.20	19.63
2007	6.28	6.28	8.70	2.26	10.98	17.26	1.96	19.22
2006	6.57	6.57	8.61	2.48	11.09	17.66	2.11	19.77

Penacook Direct Rates							Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2015	\$ 9.38	\$ 9.38	\$ 17.29	\$ 2.49	\$ 19.78	\$ 29.16	\$ 3.23	\$ 32.39
2014	9.04	9.04	14.93	2.38	17.31	26.35	2.99	29.34
2013	8.67	8.67	13.62	2.47	16.09	24.76	2.76	27.52
2012	8.72	8.72	12.57	2.56	15.13	23.85	2.90	26.75
2011	8.19	8.19	12.11	2.57	14.68	22.87	2.81	25.68
2010	7.49	7.49	11.41	2.42	13.83	21.32	2.69	24.01
2009	6.84	6.84	11.22	2.18	13.40	20.24	2.50	22.74
2008	6.55	6.55	10.18	2.16	12.34	18.89	2.20	21.09
2007	6.28	6.28	9.14	2.43	11.57	17.85	1.96	19.81
2006	6.57	6.57	9.84	2.46	12.30	18.87	2.11	20.98

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

**City of Concord, New Hampshire
Principal Taxpayers
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015 Net Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>2006 Net Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Net Assessed Value</u>
Wheelabrator Concord Co LP	Trash to Energy	\$ 52,097,600	1	1.38 %	\$ 39,039,100	3	1.05 %
UNITIL Energy Systems, Inc (formerly Concord Electric Company. LP)	Utility	47,728,550	2	1.27	36,198,000	4	0.97
Liberty Utilities (formerly EnergyNorth Natural Gas Inc)	Utility	40,175,250	3	1.07	20,469,700	9	0.55
Public Service Co of NH (Eversource)	Utility	33,470,400	4	0.89			
Walmart/Sam's Club	Retail	31,327,350	5	0.83	27,000,400	6	0.72
Hodges Properties Inc	Rentals	25,406,700	6	0.68	45,645,900	2	1.23
Steeplegate Mall, LLC	Mall	25,290,400	7	0.67	69,097,600	1	1.85
St Paul's School	Private School	23,889,500	8	0.63	23,102,300	7	0.62
Hodges Development Corp	Rentals	23,114,100	9	0.61			
Card Says Moops LLC	Rentals	22,800,000	10	0.61			
Capital Region Health Care Development	Health Care			-	29,957,300	5	0.80
Eddy Plaza Associates Inc	Retail			-	21,392,000	8	0.57
Dayton Hudson Corporation	Retail			-	15,583,800	10	0.42
Total Principal Taxpayers		325,299,850		8.64 %	327,486,100		8.78 %
Total Net Assessed Taxable Value		<u>\$ 3,763,544,645</u>			<u>\$ 3,725,790,852</u>		

Data Source
City of Concord Tax Warrant

City of Concord, New Hampshire

Property Tax Levies and Collections Last Ten Fiscal Years

Tax Year (1)	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Tax lien Collections	Balance at end of Current Fiscal year	Total Collections to Date	
		Amount	% of Levy			Amount	% of Levy
2014	\$ 104,676,371	\$ 103,058,356	98.5%	\$ 243,578	\$ 1,374,437	\$103,301,934	98.7%
2013	99,543,287	97,564,510	98.0%	276,816	1,701,961	97,841,326	98.3%
2012	95,589,658	93,738,015	98.1%	333,022	1,518,621	94,071,037	98.4%
2011	92,246,890	90,471,786	98.1%	295,163	1,479,942	90,766,948	98.4%
2010	90,288,009	88,050,231	97.5%	388,256	1,849,522	88,438,487	97.9%
2009	89,364,495	87,058,646	97.4%	262,295	2,043,554	87,320,941	97.7%
2008	89,495,403	87,291,314	97.5%	270,475	1,933,614	87,561,789	97.8%
2007	83,179,918	81,235,289	97.7%	346,868	1,597,761	81,582,157	98.1%
2006	79,322,705	78,171,510	98.5%	-	1,151,195	78,171,510	98.5%
2005	74,270,000	73,359,000	98.8%	-	911,000	73,359,000	98.8%

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 2015 is the City's tax year 2014.

City of Concord, New Hampshire

Ratios of Outstanding Debt by Debt Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Per Capita	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property
	General Obligation Bonds	General Obligation Bonds	General Obligation Bonds				
2015	\$ 48,874,693	\$ 27,679,766	\$ 76,554,459	\$ 1,804	5.94%	2.03%	
2014	44,125,550	28,035,460	72,161,010	1,701	5.65%	2.11%	
2013	40,430,476	28,732,324	69,162,800	1,615	5.51%	2.00%	
2012	40,161,251	27,072,972	67,234,223	1,569	5.50%	2.03%	
2011	40,031,119	26,601,474	66,632,593	1,557	5.45%	1.74%	
2009	38,882,692	27,547,146	66,429,838	1,503	6.84%	1.64%	
2008	40,860,105	27,175,987	68,036,092	1,540	7.01%	1.58%	
2008	40,934,133	25,377,493	66,311,626	1,509	6.87%	1.58%	
2007	45,758,099	28,369,871	74,127,970	1,687	7.68%	1.81%	
2006	39,200,390	22,566,126	61,766,516	1,431	5.53%	1.66%	
2005	26,510,977	20,858,880	47,369,857	1,105	4.27%	1.40%	

Data Sources:

Audited Financial Statements

U.S. Census Bureau

Assessors Department MS-1 Report

City of Concord, New Hampshire

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Direct Debt:										
City of Concord										
Net General Obligation Debt Outstanding	\$ 39,200,390	\$ 45,758,099	\$ 40,934,133	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251	\$ 40,430,476	\$ 44,125,550	\$ 48,874,693
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 39,200,390	\$ 45,758,099	\$ 40,934,133	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251	\$ 40,430,476	\$ 44,125,550	\$ 48,874,693
Subtotal Direct Debt	\$ 39,200,390	\$ 45,758,099	\$ 40,934,133	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251	\$ 40,430,476	\$ 44,125,550	\$ 48,874,693
Overlapping Debt:										
Merrimack County										
Net General Obligation Debt Outstanding	\$ 26,240,000	\$ 47,630,000	\$ 68,100,000	\$ 64,650,000	\$ 61,200,000	\$ 58,000,000	\$ 54,800,000	\$ 51,195,000	\$ 47,995,000	\$ 43,765,000
Percentage Applicable to Government	25.27%	25.56%	25.87%	26.13%	25.71%	25.44%	25.14%	26.85%	27.40%	25.86%
Amount Applicable to Government	\$ 6,630,848	\$ 12,174,228	\$ 17,617,470	\$ 16,893,045	\$ 15,734,520	\$ 14,755,200	\$ 13,774,254	\$ 13,748,315	\$ 13,149,382	\$ 11,319,598
Concord School District										
Net General Obligation Debt Outstanding	\$ 16,929,484	\$ 14,867,062	\$ 12,977,812	\$ 11,116,401	\$ 9,913,895	\$ 66,958,729	\$ 64,151,495	\$ 60,303,640	\$ 56,476,940	\$ 52,720,035
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 16,929,484	\$ 14,867,062	\$ 12,977,812	\$ 11,116,401	\$ 9,913,895	\$ 66,958,729	\$ 64,151,495	\$ 60,303,640	\$ 56,476,940	\$ 52,720,035
Merrimack Valley School District										
Net General Obligation Debt Outstanding	\$ 19,840,000	\$ 19,760,000	\$ 16,865,000	\$ 13,890,000	\$ 9,910,000	\$ 5,940,000	\$ 3,960,000	\$ 1,985,000	\$ 1,980,000	\$ -
Percentage Applicable to Government	25.24%	25.51%	25.24%	25.18%	25.36%	25.79%	26.24%	26.68%	29.83%	26.25%
Amount Applicable to Government	\$ 5,007,616	\$ 5,040,776	\$ 4,256,726	\$ 3,497,502	\$ 2,513,176	\$ 1,531,926	\$ 1,038,954	\$ 529,641	\$ 590,540	\$ -
Subtotal Overlapping Debt	\$ 28,567,948	\$ 32,082,066	\$ 34,852,008	\$ 31,506,948	\$ 28,161,591	\$ 83,245,855	\$ 78,964,703	\$ 74,581,596	\$ 70,216,863	\$ 64,039,633
Grand Total	\$ 67,768,338	\$ 77,840,165	\$ 75,786,141	\$ 72,367,053	\$ 67,044,283	\$ 123,276,974	\$ 119,125,954	\$ 115,012,072	\$ 114,342,413	\$ 112,914,326

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Base Value for Debt Limits (1)	\$ 4,007,515,023	\$ 4,286,124,163	\$ 4,436,535,484	\$ 4,390,660,275	\$ 4,020,634,140	\$ 3,851,394,810	\$ 3,688,748,087	\$ 3,877,480,169	\$ 4,050,513,509	\$ 3,911,961,065
Legal Debt Limits (% of Base Value)										
General - 1.75% thru 1998, 3% 1999 on (2)	\$ 120,225,451	\$ 128,583,725	\$ 133,096,065	\$ 131,719,808	\$ 120,619,024	\$ 115,541,844	\$ 110,662,443	\$ 116,324,405	\$ 121,515,405	\$ 117,358,832
Water - 10% (2)	400,751,502	428,612,416	443,653,548	439,066,028	402,063,414	385,139,481	368,874,809	387,748,017	405,051,351	391,196,107
Issued Debt at June 30										
Total Issued Debt at June 30	\$ 61,766,516	\$ 74,127,970	\$ 66,311,626	\$ 68,036,092	\$ 66,429,838	\$ 66,632,593	\$ 67,234,223	\$ 69,162,800	\$ 72,161,009	\$ 76,554,459
Less Water Fund	(13,056,546)	(11,760,598)	(10,305,044)	(11,855,335)	(11,435,119)	(11,768,711)	(11,930,388)	(12,802,341)	(12,718,866)	(12,909,306)
Less Sewer Fund (3)	(8,673,880)	(15,811,823)	(14,367,749)	(14,707,852)	(15,519,027)	(13,973,463)	(14,059,897)	(14,819,785)	(14,228,732)	(13,770,736)
Less Tax Increment Debt (3)	(13,421,000)	(12,975,000)	(12,280,000)	(11,570,000)	(10,899,000)	(10,130,000)	(9,347,000)	(8,965,400)	(8,095,400)	(7,947,200)
Less Landfill Debt (3)	(1,769,946)	(1,560,291)	(1,621,196)	(1,375,946)	(1,136,332)	(900,425)	(668,901)	(442,001)	(218,732)	-
Authorized Unissued at June 30										
Total Authorized Unissued Debt at June 30	11,639,672	5,167,672	14,161,972	9,008,972	7,850,672	5,367,672	6,033,172	5,495,000	10,462,220	3,209,305
Less Golf Fund	-	-	-	-	-	(80,000)	(80,000)	(80,000)	(60,000)	(93,000)
Less Arena Fund	-	-	-	-	-	(475,000)	-	-	-	-
Less Water Fund	-	(1,150,000)	(3,017,000)	(1,130,500)	(697,000)	(175,000)	(150,000)	-	-	(136)
Less Sewer Fund (3)	(387,672)	(117,672)	(2,570,672)	(1,390,672)	(392,672)	(552,672)	(2,168,172)	-	-	-
Less Tax Increment Debt (3)	-	-	-	-	(285,000)	(285,000)	-	-	-	-
Total Debt Subject to general limit	\$ 36,097,144	\$ 35,920,258	36,311,937	35,014,759	33,916,360	33,659,994	34,863,037	37,548,273	47,301,499	45,043,386
Legal Debt Margin										
General	\$ 84,128,307	\$ 92,663,467	96,784,128	96,705,049	86,702,665	81,881,850	75,799,406	78,776,132	74,213,906	72,315,446
Water Fund	\$ 387,694,956	\$ 415,701,818	430,331,504	426,080,193	389,931,295	373,195,770	356,794,421	374,945,676	392,332,485	378,286,665
% of Legal Debt Limits Used										
General	30.0%	27.9%	27.3%	26.6%	28.1%	29.1%	31.5%	32.3%	38.9%	38.4%
Water Fund	3.3%	2.7%	2.3%	2.7%	2.8%	3.1%	3.2%	3.3%	3.1%	3.3%

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
2015	42,444 *	\$ 1,288,133	\$ 30,349 **	3.20% ***
2014	42,419	1,278,127	30,131	3.90%
2013	42,834	1,254,951	29,298	4.80%
2012	42,841	1,255,156	29,298	4.90%
2011	42,807	1,222,011	28,547	5.00%
2010	44,358	974,811	21,976	5.20%
2009	44,186	971,032	21,976	6.40%
2008	44,140	970,021	21,976	3.80%
2007	43,935	965,516	21,976	2.70%
2006	43,170	1,117,110	25,877	3.20%

* Population as of July 1, 2014 as estimated by Concord Planning Division

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

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

**City of Concord, New Hampshire
Principal Employers
Current Year and Nine Years Ago**

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of New Hampshire	5,740	1	26.01 %	10,523	1	48.03 %
Concord Hospital Capital Region Health Care	3,324	2	15.06	2,811	2	12.83
Concord School District	1,050	3	4.76	985	4	4.50
Lincoln Financial Group	600	4	2.72	652	5	2.98
City of Concord	475	5	2.15			
Sanel Auto Parts	400	6	1.81	500	8	2.28
Genesis Health Care Systems	400	7	1.81	392	9	1.79
Walmart	335	8	1.52			
Merrimack Valley School District	327	9	1.48			
Havenwood-Heritage Heights	325	10	1.47			
Steeplegate Regional Mall				1,233	3	5.63
Merrimack County				650	6	2.97
Market Basket				505	7	2.30
St Paul's School				307	10	1.40
Total Principal Employers	12,976		58.79 %	18,558		84.71 %
Total City Employment	<u>22,070</u> (1)			<u>21,910</u>		

Data Source

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

(1) Based on labor force residing in Concord - NHDES August 2015

City of Concord, New Hampshire

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

Departments	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Manager	3.0	3.0	4.0	3.5	3.2	3.2	3.0	3.0	3.0	3.0
Legal	9.0	9.0	9.0	9.0	9.6	9.6	9.6	9.6	9.5	9.5
Assessing	7.0	6.5	6.5	6.5	6.3	6.0	6.0	6.0	6.0	6.0
Personnel	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance/Accounting	7.6	7.6	7.6	7.6	6.0	5.5	6.0	6.0	6.0	6.0
Finance/Treas	8.6	8.0	8.0	8.0	7.7	7.5	7.5	7.5	7.5	7.5
Finance/Purch	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance/OMB	0.0	0.0	0.0	0.0	3.0	3.5	3.5	3.5	3.7	3.7
Info Technology	5.0	6.0	6.0	6.0	5.0	6.0	6.0	6.0	6.0	6.0
City Clerk	3.6	3.6	3.6	3.6	3.5	3.6	3.6	3.6	3.6	3.6
Gen Gov	49.8	49.7	50.7	50.2	50.2	50.9	51.2	51.2	51.3	51.3
Police	106.2	105.0	98.2	98.1	96.5	97.7	98.7	100.1	99.5	99.5
Police-Parking	9.6	9.6	9.6	9.6	9.6	8.6	8.6	8.6	8.6	8.5
Fire	117.7	115.2	115.0	114.7	107.0	107.0	106.0	105.0	104.0	101.0
Public Safety	233.5	229.8	222.8	222.4	213.1	213.3	213.3	213.7	212.1	209.0
Administration	17.5	17.5	17.5	17.5	16.5	16.5	16.5	15.5	15.5	15.5
Hwys & Util Sys	42.0	42.0	43.0	44.0	41.0	41.0	41.0	44.0	41.5	41.5
Grounds	25.0	25.0	24.0	23.0	21.0	21.0	0.0	0.0	0.0	0.0
Public Properties	21.0	20.5	21.0	21.5	19.0	19.0	19.0	18.0	18.0	18.0
Vehicle Maint	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0
Temporary	13.7	12.8	13.1	12.9	11.9	11.9	11.9	13.0	13.0	13.0
Water & Sewer	26.0	26.0	26.0	26.0	26.0	24.0	24.0	24.0	24.0	24.0
General Svcs	158.2	156.8	157.6	157.9	147.4	145.4	124.4	126.5	124.0	124.0
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	5.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Bldg & Code Svcs	11.5	11.5	11.5	11.8	10.3	10.3	10.1	10.1	10.1	10.1
Engineering Svcs	17.6	18.6	19.6	19.6	18.0	18.0	17.0	17.0	17.0	17.0
Comm Devel	36.6	36.6	37.1	37.4	34.3	34.3	33.1	33.1	33.1	33.1
Library	25.1	25.1	24.5	23.5	20.2	19.6	19.6	19.6	19.7	19.7
Parks & Recreation	10.7	10.0	9.7	10.0	9.8	10.0	11.6	11.6	13.7	13.7
Parks & Recreation - Grounds Div	0.0	0.0	0.0	0.0	0.0	0.0	18.5	17.5	20.0	19.5
Leisure Services	35.8	35.1	34.2	33.5	30.0	29.6	49.7	48.7	53.4	52.9
Human Services	4.7	4.7	4.7	4.7	4.5	4.7	4.7	4.7	4.4	4.4
Grand Totals	518.6	512.6	507.1	506.0	479.5	478.1	476.3	477.8	478.3	474.6

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Physical arrests	2,978	2,928	2,749	3,095	3,044	2,796	2,837	2,787	2,716	2,926
Traffic violations	5,768	5,548	4,535	5,455	5,325	3,993	3,576	3,595	3,993	4,388
Parking violations	49,216	39,318	40,625	37,749	34,860	28,458	25,541	24,519	23,269	21,411
Fire and Rescue										
Calls answered	7,565	7,875	7,529	7,321	6,882	7,327	7,182	7,217	7,431	7,994
General services - Solid waste										
Refuse collected (tons)	17,603	17,081	16,370	10,884	8,311	11,722	11,478	12,074	12,630	12,624
Recycling (tons) Note: Recycle program started Oct 2005	1,356	1,962	1,976	2,063	3,391	3,555	3,677	4,440	4,855	5,058
General services - Streets										
Streets resurfaced (miles)	16	18	23	3.5	3	6	1	6	4	4
Potholes repaired	14,895	7,934	11,335	10,100	4,176	7,780	5,210	7,115	11,547	8,163
Water										
Average daily consumption (in thousands of gallons)	4,910	4,910	3,740	3,744	3,348	3,761	3,792	3,560	3,564	3,996
Sewage System:										
Daily average treatment (in thousands of gallons)										
Concord Plant	4,605	4,680	4,730	4,540	4,360	4,580	4,100	3,850	3,780	3,690
Penacook Plant	575	585	610	570	530	460	490	420	470	466

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	15	15	15	15	15	15	15	15	15	15
Fire and Rescue										
Number of stations	4	4	4	4	4	4	4	4	4	4
Number of ladder trucks	2	2	2	2	2	2	2	2	2	2
Number of pumpers	6	6	6	5	5	5	5	5	5	5
Number of support vehicles	8	7	7	6	6	6	6	6	6	6
General Services - Streets										
Miles of streets	339	340	341	327	327	327	327	327	327	327
Number of traffic lights (in sets)	92	97	97	75	77	77	71	71	71	71
Number of street lights	2,183	2,128	2130	2130	2,130	2,130	*2,213	*2,213	*2,213	*2,213
Parks & Recreation - Culture and Recreation:										
Number of parks	20	20	20	20	20	20	20	20	20	20
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	21	21	21	21	21	21	21	21	20	20
Water										
Water main (miles)	169	170	171	172	172	172	172	172	172	172
Maximum daily capacity (in thousands of gallons)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Sewage System:										
Sanitary sewers (miles)	141	142	142	152	152	152	155	155	155	155
Maximum daily capacity of treatment (in 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	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370

* Includes ornamental lights

Data Source

Various city departments