

CITY OF CONCORD NEW HAMPSHIRE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
June 30, 2016**

CITY OF CONCORD

NEW HAMPSHIRE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2016



**Prepared by:
The Finance Department**

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

**Katherine A. Graff
Assistant Finance Director**

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INTRODUCTORY SECTION



City of Concord, New Hampshire

FINANCE DEPARTMENT

41 GREEN STREET, CONCORD, NH 03301

(603) 225-8560

November 21, 2016

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, 2016.

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 auditors' 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 42,620 as of July 1, 2015, a 0.18% 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 2015 he was re-elected for his fifth 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 2016 was 2.4%. This compares favorably to New Hampshire's rate of 2.8% and to the United States rate of 5.1%. Concord's rate also remains the lowest among the top three New Hampshire cities with Manchester at 3.1% and Nashua at 3.3%. 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, 2015 increased overall by 2.39% compared to April 1, 2014. 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, 2015 was 228,355, up slightly from \$222,700 the year before.

Tax collections percentage as of June 30, 2016 for the 2015 Tax Year was 98.5%, slightly lower than the previous year. Total tax delinquencies for all years were stated at \$2.6 million, up \$0.5 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 2016, the Mayor and Council issued a call to the Greater Concord Chamber of Commerce and the City's Economic Development Advisory Council to provide strategic recommendations that the City should consider to bolster economic development. The most prominent of these measures was the creation of an Economic Development Director position which was subsequently funded as part of the FY 17 budget.

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, is currently renovating the 34,000 SF building into 20 market rate apartments with ground floor commercial space. The total cost for the project is approximately 2.4 million. The project will be completed in March 2017.

Another key economic development initiative that continued during Fiscal Year 2016 was the \$14 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 15 +/- properties, public art, as well as comprehensive street-scape 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 2016 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. Other than Fiscal Year 2014, Fiscal Years 2010 through 2015 reported surpluses ranging from \$953,000 to \$1.5 million. The Fiscal Year 2016 surplus is \$549,668.

The total General Fund Unassigned Fund Balance increased to \$10.7 million after City management assigned \$930,000 which is anticipated to be transferred to trust fund reserve accounts in Fiscal Year 2017. The \$10.7 million Unassigned Fund Balance represents a \$565,000 increase over Fiscal Year 2015. The purposes of the Assigned Fund Balance are for transfers to Highway Paving Reserve (\$450,000), Equipment Reserve (\$50,000), Office Furniture and Equipment (\$30,000), and Community Improvement Reserve (\$400,000).

OPEB Action

The City is in compliance with Government Accounting Standards Board (GASB) Statement No. 45, as reported in Note 16 of this CAFR. As of June 30, 2016 the Unfunded Actuarial Accrued Liability (UAAL) was \$34.2 million, an \$11.3 million decrease from 2015. This was due primarily to a reduction in the cost of the City's Medicare Enhance Plan.

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 2017.

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 2016 this amount was 10.0%.

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 18.5% of expenditures by the end of Fiscal Year 2017. For Fiscal Year ending June 30, 2016 the Unassigned Fund Balance was 19.5%.

Credit Rating and Debt Limit

As of June 2016 Standard and Poor's Rating Group affirmed the city's bond rating of AA+ in conjunction with a \$9.2 million General Obligation bond offering and affirmed the AA+ rating on the City's \$82 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 2016 budget was adopted by the City Council with several major initiatives including funding for the Exit 16 Mountain Road/Shawmut Avenue roundabout final design and construction phase, City Hall renovations, Rolfe Park pool replacement, City wide community center at Keach Park, Engine 5 apparatus replacement, an increase to the annual highway improvement paving program, water main construction and replacements, water treatment plant improvements and wastewater treatment equipment and plant improvements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded twenty-one 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, 2015 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 Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit*

Requirements of Federal Awards (the Uniform Guidance), as applicable. 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 2016. Also displayed are previous CAFRs and other summary financial information.

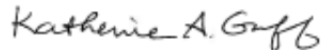
Sincerely,



Thomas J. Aspell
City Manager

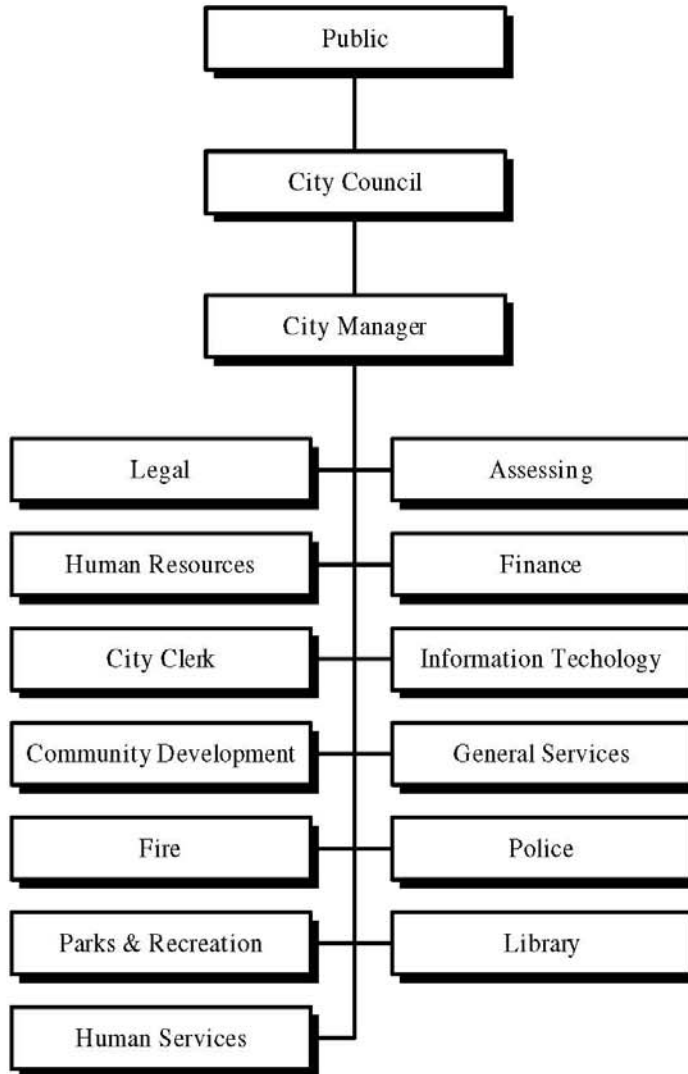


Brian G. LeBrun
Deputy City Manager – Finance



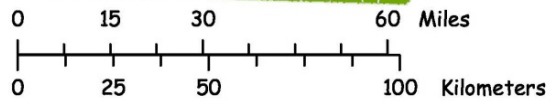
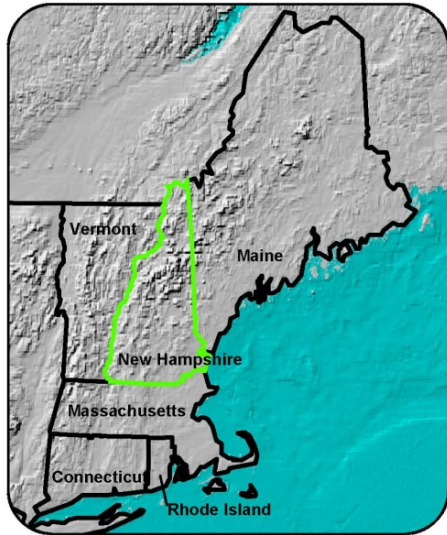
Katherine A. Graff
Assistant Finance Director

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, 2016

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	Jennifer Kretovic
Councilor Ward 4	Byron O. Champlin
Councilor Ward 5	Robert Werner
Councilor Ward 6	Linda Kenison
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, 2015

Executive Director/CEO

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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, 2016, 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.

Auditors' 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 auditors' 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, 2016, 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 OPEB Funding Progress, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Pension 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 84 through 127 is presented

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Melanson Heath

November 21, 2016

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, 2016. 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 \$186,623,448 (i.e., net position), a change of \$13,716,930 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$41,858,738, a change of \$(3,421,891) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,735,579, a change of \$564,511 in comparison to the prior year. In addition, total general fund balance increased by \$1,390,045.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$82,186,008, a change of \$5,631,548 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 105,435	\$ 104,340	\$ 20,014	\$ 14,034	\$ 125,449	\$ 118,374
Capital assets	149,353	133,214	126,657	127,410	276,010	260,624
Deferred outflows	4,566	4,262	278	261	4,844	4,523
Total assets and deferred outflows	259,354	241,816	146,949	141,705	406,303	383,521
Long-term liabilities outstanding	114,306	110,293	37,435	32,079	151,741	142,372
Other liabilities	8,373	6,578	1,531	1,503	9,904	8,081
Deferred inflows	57,618	59,625	417	537	58,035	60,162
Total liabilities and deferred inflows	180,297	176,496	39,383	34,119	219,680	210,615
Net position:						
Net investment in capital assets	102,584	90,448	102,279	102,512	204,863	192,960
Restricted	14,569	15,393	1,814	1,932	16,383	17,325
Unrestricted	(38,096)	(40,521)	3,473	3,142	(34,623)	(37,379)
Total net position	\$ 79,057	\$ 65,320	\$ 107,566	\$ 107,586	\$ 186,623	\$ 172,906

CHANGES IN NET POSITION

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 9,478	\$ 8,100	\$ 17,232	\$ 16,846	\$ 26,710	\$ 24,946
Operating grants and contributions	3,962	2,236	359	272	4,321	2,508
Capital grants and contributions	9,320	5,135	49	75	9,369	5,210
General revenues:						
Property taxes	44,973	44,429	-	-	44,973	44,429
Penalties and interest on taxes	978	945	-	-	978	945
Investment income	742	1,356	39	13	781	1,369
Other	975	2,843	108	267	1,083	3,110
Total revenues	<u>70,428</u>	<u>65,044</u>	<u>17,787</u>	<u>17,473</u>	<u>88,215</u>	<u>82,517</u>
Expenses:						
General government	8,098	8,376	-	-	8,098	8,376
Public safety	26,288	26,071	-	-	26,288	26,071
General services	11,339	12,147	-	-	11,339	12,147
Community development	4,913	5,723	-	-	4,913	5,723
Leisure and information services	4,831	4,911	-	-	4,831	4,911
Human services	808	818	-	-	808	818
Interest on long-term debt	1,773	2,054	-	-	1,773	2,054
Water operations	-	-	5,000	5,471	5,000	5,471
Sewer operations	-	-	6,493	7,178	6,493	7,178
Solid Waste operations	-	-	3,792	3,871	3,792	3,871
Other operations	-	-	1,569	1,409	1,569	1,409
Total expenses	<u>58,050</u>	<u>60,100</u>	<u>16,854</u>	<u>17,929</u>	<u>74,904</u>	<u>78,029</u>
Change in net position before transfers and contributions	12,378	4,944	933	(456)	13,311	4,488
Transfers in (out)	953	289	(953)	(289)	-	-
Permanent fund contributions	406	310	-	-	406	310
Change in net position	<u>13,737</u>	<u>5,543</u>	<u>(20)</u>	<u>(745)</u>	<u>13,717</u>	<u>4,798</u>
Net position - beginning of year	<u>65,320</u>	<u>59,777</u>	<u>107,586</u>	<u>108,331</u>	<u>172,906</u>	<u>168,108</u>
Net position - end of year	<u>\$ 79,057</u>	<u>\$ 65,320</u>	<u>\$ 107,566</u>	<u>\$ 107,586</u>	<u>\$ 186,623</u>	<u>\$ 172,906</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 \$186,623,448, a change of \$13,716,930 from the prior year.

The largest portion of net position \$204,863,687 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets

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

An additional portion of net position, \$16,383,214 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 \$(34,623,453) primarily resulting from the City's unfunded net pension liability.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$13,737,106. Key elements of this change are as follows:

Capital grants and contributions	\$	9,320,137
General fund operations		1,390,045
Change in net OPEB obligation		(986,818)
Change in net pension liability		(2,497,168)
Change in pension related deferred inflows and outflows		3,959,185
Capital assets from current year revenues		2,345,447
Other		<u>206,278</u>
Total	\$	<u><u>13,737,106</u></u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$(20,176). 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	\$	10,486
Sewer operations		178,027
Solid Waste operations		(148,759)
Nonmajor funds		<u>(59,930)</u>
Total	\$	<u><u>(20,176)</u></u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$41,858,738, a change of \$(3,421,891) 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 \$10,735,579, while total fund balance was \$15,939,783. 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>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 10,735,579	\$ 10,171,068	\$ 564,511	19.5%
Total fund balance ⁽¹⁾	\$ 15,939,783	\$ 14,549,738	\$ 1,390,045	29.0%

⁽¹⁾ Includes capital reserve funds.

The unassigned amount exceeded the City Council Fund Balance Policy minimum requirement of 18.5%.

The total General Fund balance increased by \$1,390,045 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	\$ 10,171	\$ 960	\$ 3,266	\$ 153	\$ 14,550
Liquidation	960	(960)	-	-	-
Budgeted use of fund balance	(1,260)	-	-	-	(1,260)
Revenues and transfers over budget	458	-	-	-	458
Expenditures and transfers under budget	1,352	-	-	-	1,352
Transfers	(930)	930	-	-	-
Reserve fund changes	-	-	840	-	840
Other	(15)	-	-	15	-
End of Year	<u>\$ 10,736</u>	<u>\$ 930</u>	<u>\$ 4,106</u>	<u>\$ 168</u>	<u>\$ 15,940</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>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
Insured retention	\$ 635,950	\$ 818,113	\$ (182,163)
Highways	1,171,712	1,077,336	94,376
Economic development	363,067	92,842	270,225
Equipment	211,622	365,883	(154,261)
ERIP	127	127	-
OPEB	815,338	770,831	44,507
Building improvement	49,021	48,842	179
Fire apparatus replacement	156,005	53,634	102,371
Recreation reserve	650,000	-	650,000
Other	53,335	38,191	15,144
Total	<u>\$ 4,106,177</u>	<u>\$ 3,265,799</u>	<u>\$ 840,378</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 \$3,472,819, a change of \$330,936 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 \$2,061,426. The City passed resolutions in December 2015 to amend the budget by increasing transfers out to the capital reserve trust funds by \$960,000, funded by the budgetary use of fund balance. In addition, the City passed a resolution in June 2016 to amend the budget by appropriating \$650,000 for recreation purposes funded by unanticipated revenues and fund balance. Additionally, the City Council appropriated \$300,000 from unassigned fund balance as a transfer to the economic development reserve. Other City Council resolutions included minor supplemental appropriations as well as the transfer of funds between departmental line items.

Charges for services revenues exceeded budget amount primarily from ambulance revenues being approximately \$391,000 and motor vehicle registrations \$540,000 in excess of budget estimates. Property Tax Revenues were short of budget by \$471,000 due to additional reserves for abatements. A large portion of the unspent appropriation represents contingency funds, which are reported in the general overhead budget.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$276,009,927 (net of accumulated depreciation), a change of \$15,386,202 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 2016, 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, including unamortized bond premiums, was \$82,186,008, 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 8 and 11, 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 2016 adopted to the fiscal 2017 adopted City General Fund budget and tax rate:

<u>Use of Funds</u>	2016 COUNCIL ADOPTED	2017 COUNCIL ADOPTED
Budget Appropriations	\$ 58,059,662	\$ 59,478,112
War Credits	261,225	261,225
Overlay	<u>300,000</u>	<u>300,000</u>
Total Uses of Funds	<u>\$ 58,620,887</u>	<u>\$ 60,039,337</u>
 <u>Sources of Funds</u>		
Miscellaneous Revenues	\$ 21,676,973	\$ 21,985,074
Amount to be raised by property taxes	<u>36,943,914</u>	<u>38,054,263</u>
Total Sources of Funds	<u>\$ 58,620,887</u>	<u>\$ 60,039,337</u>

(continued)

(continued)

	2016 COUNCIL <u>ADOPTED</u>	2017 COUNCIL <u>ADOPTED</u>
<u>TAX RATE DETERMINATION</u>		
Assessed Value (A.V.) in thousands of dollars*	\$ 3,779,545	\$ 3,867,334
Amount to be Raised	\$ 35,313,115	\$ 38,054,263
Current Year Recommended Tax Rate/\$ 1,000 A.V.	\$ 9.77	\$ 9.84 **
Prior Year Tax Rate/\$ 1,000 A.V.	<u>9.38</u>	<u>9.60 *</u>
Increase over Prior Year	\$ 0.39	\$ 0.24
% Change	4.16%	2.50%
* Market and real growth adjustments after budget adoption resulted in a taxable assessed value of \$3,853,334,193 for municipal purposes and a tax rate of \$9.60 per \$1,000 of assessed value.		
** Portion of Recommended Tax Rate Allocated to Debt Service		1.42
Portion of Prior Year Tax Rate Allocated to Debt Service		<u>1.42</u>
Increase over Prior Year		0.00
% Change		0.7%
** Portion of Recommended Tax Rate Allocated to All Other Costs		8.42
Portion of Prior Year Tax Rate Allocated to All Other Costs		<u>8.18</u>
Increase over Prior Year		0.24
% Change		2.93%

REQUESTS FOR INFORMATION

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

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

Basic Financial Statements

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CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS			
Current:			
Cash and short-term equivalents	\$ 50,048,318	\$ 16,190,403	\$ 66,238,721
Investments	18,718,776	-	18,718,776
Receivables, net of allowance for uncollectibles:			
Property taxes	31,831,214	-	31,831,214
Accounts	3,858,964	-	3,858,964
User fees	-	1,777,881	1,777,881
Intergovernmental	4,612	214,004	218,616
Loans	586,351	-	586,351
Other assets	<u>387,105</u>	<u>230,296</u>	<u>617,401</u>
Total current assets	105,435,340	18,412,584	123,847,924
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	1,600,204	1,600,204
Capital assets:			
Land and construction in progress	52,478,665	9,057,610	61,536,275
Other capital assets, net of accumulated depreciation	<u>96,874,187</u>	<u>117,599,465</u>	<u>214,473,652</u>
Total non-current assets	149,352,852	128,257,279	277,610,131
DEFERRED OUTFLOWS OF RESOURCES:			
Pension related	<u>4,566,300</u>	<u>278,355</u>	<u>4,844,655</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	259,354,492	146,948,218	406,302,710
LIABILITIES			
Current:			
Accounts payable	2,034,530	787,622	2,822,152
Retainage payable	545,551	108,421	653,972
Accrued liabilities	2,540,267	432,427	2,972,694
Due to other governments	71,382	-	71,382
Notes payable	1,990,000	-	1,990,000
Other current liabilities	1,191,762	202,457	1,394,219
Current portion of long-term liabilities:			
Bonds and loans payable	4,803,870	3,509,388	8,313,258
Other liabilities	<u>2,143,496</u>	<u>218,760</u>	<u>2,362,256</u>
Total current liabilities	15,320,858	5,259,075	20,579,933
Noncurrent:			
Bonds and loans payable, net of current portion	44,572,017	29,300,733	73,872,750
Net pension liability	49,925,708	3,045,864	52,971,572
Other liabilities, net of current portion	<u>12,860,442</u>	<u>1,360,000</u>	<u>14,220,442</u>
Total non-current liabilities	107,358,167	33,706,597	141,064,764
DEFERRED INFLOWS OF RESOURCES:			
Non-pension related	54,498,677	226,363	54,725,040
Pension related	<u>3,119,227</u>	<u>190,298</u>	<u>3,309,525</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	180,296,929	39,382,333	219,679,262
NET POSITION			
Net investment in capital assets	102,584,829	102,278,858	204,863,687
Restricted for:			
Grants and other statutory restrictions	2,016,242	-	2,016,242
Enabling legislation	1,087,654	-	1,087,654
Permanent funds:			
Nonexpendable	11,465,110	-	11,465,110
Debt service	-	1,814,208	1,814,208
Unrestricted	<u>(38,096,272)</u>	<u>3,472,819</u>	<u>(34,623,453)</u>
TOTAL NET POSITION	\$ 79,057,563	\$ 107,565,885	\$ 186,623,448

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, 2016

	<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	\$ 8,098,118	\$ 2,838,579	\$ 3,802,473	\$ 9,203,833
Public safety	26,288,254	4,556,639	135,500	55,448
General services	11,339,476	92,528	-	-
Community development	4,913,433	1,363,586	-	60,856
Leisure and information services	4,831,033	627,166	-	-
Human services	808,266	-	24,444	-
Interest on long-term debt	1,772,950	-	-	-
Total Governmental Activities	<u>58,051,530</u>	<u>9,478,498</u>	<u>3,962,417</u>	<u>9,320,137</u>
Business-Type Activities:				
Water	4,999,970	5,905,710	38,045	-
Sewer	6,493,519	7,067,548	321,163	48,762
Solid Waste	3,792,440	2,657,151	-	-
Golf	948,340	994,807	-	-
Arena	620,745	607,275	-	-
Total Business-Type Activities	<u>16,855,014</u>	<u>17,232,491</u>	<u>359,208</u>	<u>48,762</u>
Total	<u>\$ 74,906,544</u>	<u>\$ 26,710,989</u>	<u>\$ 4,321,625</u>	<u>\$ 9,368,899</u>

General Revenues, Transfers & Permanent Fund Contributions:
General Revenues:
 Property Taxes
 Penalties, interest and other taxes
 Grants and contributions not restricted to specific programs
 Investment income
 Miscellaneous
 Transfers, net
 Permanent fund contributions
 Total general revenues, transfers, and contributions
 Change in Net Position

Net Position:
 Beginning of year
 End of year

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

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ 7,746,767	\$ -	\$ 7,746,767
(21,540,667)	-	(21,540,667)
(11,246,948)	-	(11,246,948)
(3,488,991)	-	(3,488,991)
(4,203,867)	-	(4,203,867)
(783,822)	-	(783,822)
<u>(1,772,950)</u>	<u>-</u>	<u>(1,772,950)</u>
(35,290,478)	-	(35,290,478)
-	943,785	943,785
-	943,954	943,954
-	(1,135,289)	(1,135,289)
-	46,467	46,467
<u>-</u>	<u>(13,470)</u>	<u>(13,470)</u>
<u>-</u>	<u>785,447</u>	<u>785,447</u>
(35,290,478)	785,447	(34,505,031)
44,973,370	-	44,973,370
977,949	-	977,949
400	-	400
742,464	39,299	781,763
974,869	107,624	1,082,493
952,546	(952,546)	-
<u>405,986</u>	<u>-</u>	<u>405,986</u>
<u>49,027,584</u>	<u>(805,623)</u>	<u>48,221,961</u>
13,737,106	(20,176)	13,716,930
<u>65,320,457</u>	<u>107,586,061</u>	<u>172,906,518</u>
<u>\$ 79,057,563</u>	<u>\$ 107,565,885</u>	<u>\$ 186,623,448</u>

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2016

	<u>General</u>	Major Capital Project Fund (Post 2008)	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and short-term equivalents	\$ 38,321,504	\$ 4,966,738	\$ 6,760,076	\$ 50,048,318
Investments	3,833,266	-	14,885,510	18,718,776
Receivables:				
Property taxes	31,831,214	-	-	31,831,214
Accounts	203,422	3,576,079	79,463	3,858,964
Intergovernmental	4,612	-	-	4,612
Loans	-	-	586,351	586,351
Due from other funds	134,987	-	-	134,987
Inventory	168,027	-	-	168,027
Other assets	215,103	-	3,975	219,078
TOTAL ASSETS	\$ 74,712,135	\$ 8,542,817	\$ 22,315,375	\$ 105,570,327
LIABILITIES				
Accounts payable	\$ 554,073	\$ 1,440,015	\$ 40,443	\$ 2,034,531
Retainage payable	-	308,355	237,197	545,552
Accrued liabilities	1,760,824	-	124,408	1,885,232
Other liabilities	1,023,051	54,228	1,990,000	3,067,279
Due to other funds	-	-	134,987	134,987
Due to other governments	71,382	-	-	71,382
TOTAL LIABILITIES	3,409,330	1,802,598	2,527,035	7,738,963
DEFERRED INFLOWS OF RESOURCES	55,363,022	-	609,604	55,972,626
FUND BALANCES				
Nonspendable	168,027	-	11,465,110	11,633,137
Restricted	-	4,597,864	6,507,754	11,105,618
Committed	4,106,177	2,214,549	3,225,051	9,545,777
Assigned	930,000	-	-	930,000
Unassigned	10,735,579	(72,194)	(2,019,179)	8,644,206
TOTAL FUND BALANCES	15,939,783	6,740,219	19,178,736	41,858,738
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 74,712,135	\$ 8,542,817	\$ 22,315,375	\$ 105,570,327

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, 2016

Total governmental fund balances	\$ 41,858,738
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	149,352,852
• Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,473,950
• Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase in pension expense in the year ended June 30, 2017.	4,566,300
• Deferred inflows of resources related to pensions resulting from projected vs. actual earnings, changes in experiences and changes in proportion will be recognized as a reduction of pension expense in the years ending June 30, 2017 through June 30, 2021.	(3,119,227)
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(769,517)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(49,375,887)
Net pension liability	(49,925,708)
Net OPEB obligation	(12,247,472)
Other (compensated absences, landfill closure liability, etc)	<u>(2,756,466)</u>
Net position of governmental activities	\$ <u>79,057,563</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, 2016

	<u>General</u>	Major Capital Project Fund (Post 2008)	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 43,195,386	\$ -	\$ 1,312,059	\$ 44,507,445
Licenses and permits	1,173,367	-	-	1,173,367
Intergovernmental	4,625,449	8,277,045	163,796	13,066,290
Charges for services	5,234,596	-	2,409,997	7,644,593
Investment income	155,474	-	586,990	742,464
Contributions	-	62,906	559,745	622,651
Miscellaneous	<u>1,507,742</u>	<u>-</u>	<u>533,977</u>	<u>2,041,719</u>
Total Revenues	55,892,014	8,339,951	5,566,564	69,798,529
Expenditures:				
Current:				
General government	7,273,232	1,780,933	2,816,987	11,871,152
Public safety	24,567,481	-	827,889	25,395,370
General services	7,373,838	-	429,737	7,803,575
Community development	2,902,880	-	369,055	3,271,935
Leisure and information services	4,237,059	-	-	4,237,059
Human services	782,138	-	-	782,138
Employee benefits	2,243,415	-	-	2,243,415
Debt service				
Principal	4,117,232	-	1,025,575	5,142,807
Interest	1,357,514	-	361,750	1,719,264
Capital outlay	<u>75,000</u>	<u>15,341,482</u>	<u>1,933,769</u>	<u>17,350,251</u>
Total Expenditures	<u>54,929,789</u>	<u>17,122,415</u>	<u>7,764,762</u>	<u>79,816,966</u>
Excess (deficiency) of revenues over expenditures	962,225	(8,782,464)	(2,198,198)	(10,018,437)
Other Financing Sources (Uses):				
Issuance of bonds	-	5,410,750	-	5,410,750
Bond premium	-	233,250	-	233,250
Transfers in	1,482,706	2,345,447	84,764	3,912,917
Transfers out	<u>(1,054,886)</u>	<u>(6,393)</u>	<u>(1,899,092)</u>	<u>(2,960,371)</u>
Total Other Financing Sources (Uses)	<u>427,820</u>	<u>7,983,054</u>	<u>(1,814,328)</u>	<u>6,596,546</u>
Net change in fund balance	1,390,045	(799,410)	(4,012,526)	(3,421,891)
Fund Balance, at Beginning of Year	<u>14,549,738</u>	<u>7,539,629</u>	<u>23,191,262</u>	<u>45,280,629</u>
Fund Balance, at End of Year	<u>\$ 15,939,783</u>	<u>\$ 6,740,219</u>	<u>\$ 19,178,736</u>	<u>\$ 41,858,738</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, 2016

Net Changes in Fund Balances - Total Governmental Funds	\$ (3,421,891)																		
<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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Capital outlay purchases</td> <td style="width: 30%; text-align: right;">21,223,232</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(5,059,259)</td> </tr> </table> • Governmental funds report only the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the gain of disposed capital assets reduced by the actual proceeds received from the sale of capital assets. (24,910) • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue. 1,126,463 • 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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Bond repayments</td> <td style="width: 30%; text-align: right;">5,142,807</td> </tr> <tr> <td>Issuance of bonds</td> <td style="text-align: right;">(5,644,000)</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. (53,690) • Pension and OPEB related inflows and outflows are not reported as expenses in the statement of activities, but are recorded as expenditures in the governmental funds. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Net pension liability</td> <td style="width: 30%; text-align: right;">(2,497,168)</td> </tr> <tr> <td>Pension related deferred inflows</td> <td style="text-align: right;">3,959,185</td> </tr> <tr> <td>Other post employment benefits</td> <td style="text-align: right;">(986,818)</td> </tr> </table> • Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Compensated absences</td> <td style="width: 30%; text-align: right;">(56,845)</td> </tr> <tr> <td>Landfill liability</td> <td style="text-align: right;">30,000</td> </tr> </table> 		Capital outlay purchases	21,223,232	Depreciation	(5,059,259)	Bond repayments	5,142,807	Issuance of bonds	(5,644,000)	Net pension liability	(2,497,168)	Pension related deferred inflows	3,959,185	Other post employment benefits	(986,818)	Compensated absences	(56,845)	Landfill liability	30,000
Capital outlay purchases	21,223,232																		
Depreciation	(5,059,259)																		
Bond repayments	5,142,807																		
Issuance of bonds	(5,644,000)																		
Net pension liability	(2,497,168)																		
Pension related deferred inflows	3,959,185																		
Other post employment benefits	(986,818)																		
Compensated absences	(56,845)																		
Landfill liability	30,000																		
Change in Net Position of Governmental Activities	\$ <u>13,737,106</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		Positive (Negative)
Revenues:				
Taxes	\$ 45,145,211	\$ 45,145,742	\$ 45,181,343	\$ 35,601
Licenses and permits	994,790	994,790	1,176,228	181,438
Intergovernmental	2,656,285	2,742,050	2,582,725	(159,325)
Charges for services	4,510,373	4,512,503	4,909,749	397,246
Investment income	68,690	68,690	102,606	33,916
Miscellaneous	1,241,454	1,771,454	1,829,727	58,273
Total Revenues	54,616,803	55,235,229	55,782,378	547,149
Expenditures:				
General government	7,850,373	7,990,373	7,348,231	642,142
Public safety	24,573,298	24,598,428	24,567,478	30,950
General services	7,835,305	7,715,305	7,373,838	341,467
Community development	2,890,137	2,890,137	2,902,880	(12,743)
Leisure and information services	4,374,514	4,394,514	4,237,059	157,455
Human services	852,999	852,999	782,138	70,861
Employee benefits	2,352,460	2,352,460	2,243,415	109,045
Debt service	5,489,690	5,489,690	5,474,746	14,944
Total Expenditures	56,218,776	56,283,906	54,929,785	1,354,121
Excess (deficiency) of revenue over expenditures	(1,601,973)	(1,048,677)	852,593	1,901,270
Other Financing Sources (Uses):				
Transfers in	3,442,859	3,625,859	3,535,955	(89,904)
Transfers out	(1,840,886)	(3,837,182)	(3,838,880)	(1,698)
Budgetary use of fund balance	-	1,260,000	-	(1,260,000)
Total Other Financing Sources (Uses)	1,601,973	1,048,677	(302,925)	(1,351,602)
Excess of expenditures and other financing uses over revenues and other financing sources	\$ -	\$ -	\$ 549,668	\$ 549,668

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

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2016

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
ASSETS					
Current:					
Cash and short-term equivalents	\$ 6,645,867	\$ 8,600,253	\$ 662,917	\$ 281,366	\$ 16,190,403
User fees, net of allowance for uncollectibles	574,284	773,147	422,329	8,121	1,777,881
Intergovernmental receivables	-	214,004	-	-	214,004
Prepaid assets	11,932	13,975	1,209	2,731	29,847
Inventory	8,788	-	115,949	75,712	200,449
Total current assets	7,240,871	9,601,379	1,202,404	367,930	18,412,584
Noncurrent:					
Intergovernmental	-	1,600,204	-	-	1,600,204
Capital assets:					
Land and construction in progress	4,056,758	4,453,600	194,531	352,721	9,057,610
Other capital assets, net of accumulated depreciation	60,601,633	55,278,687	288,631	1,430,514	117,599,465
Total noncurrent assets	64,658,391	61,332,491	483,162	1,783,235	128,257,279
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	124,458	153,897	-	-	278,355
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	72,023,720	71,087,767	1,685,566	2,151,165	146,948,218
LIABILITIES					
Current:					
Accounts payable	79,333	224,002	437,741	46,546	787,622
Retainage payable	65,296	43,125	-	-	108,421
Accrued liabilities	199,975	213,812	3,884	14,756	432,427
Other current liabilities	70,625	37,092	94,740	-	202,457
Current portion of long-term liabilities:					
Bonds and loans payable	1,426,124	1,941,227	22,000	120,037	3,509,388
Other liabilities	79,625	94,849	9,552	34,734	218,760
Total current liabilities	1,920,978	2,554,107	567,917	216,073	5,259,075
Noncurrent:					
Bonds and loans payable, net of current portion	13,316,739	15,047,244	239,150	697,600	29,300,733
Net pension liability	1,361,369	1,684,495	-	-	3,045,864
Other liabilities, net of current portion	680,000	680,000	-	-	1,360,000
Total noncurrent liabilities	15,358,108	17,411,739	239,150	697,600	33,706,597
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	167,200	59,163	226,363
Pension related	85,055	105,243	-	-	190,298
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	17,364,141	20,071,089	974,267	972,836	39,382,333
NET POSITION					
Net investment in capital assets	53,649,600	47,413,662	222,012	993,584	102,278,858
Restricted for debt service	-	1,814,208	-	-	1,814,208
Unrestricted	1,009,979	1,788,808	489,287	184,745	3,472,819
TOTAL NET POSITION	\$ 54,659,579	\$ 51,016,678	\$ 711,299	\$ 1,178,329	\$ 107,565,885

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, 2016

	Business-Type Activities				Total
	Enterprise Funds				
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
Operating Revenues:					
Charges for services	\$ 5,905,710	\$ 7,067,548	\$ 2,657,151	\$ 1,602,082	\$ 17,232,491
Other	80,972	11,169	-	15,483	107,624
Total Operating Revenues	5,986,682	7,078,717	2,657,151	1,617,565	17,340,115
Operating Expenses:					
Personnel	1,818,292	2,243,902	297,174	809,702	5,169,070
Non-personnel	917,896	1,559,011	3,453,581	600,922	6,531,410
Depreciation	1,811,053	2,285,342	33,532	137,617	4,267,544
Total Operating Expenses	4,547,241	6,088,255	3,784,287	1,548,241	15,968,024
Operating Income (Loss)	1,439,441	990,462	(1,127,136)	69,324	1,372,091
Nonoperating Revenues (Expenses):					
Investment income	17,690	20,954	-	655	39,299
Intergovernmental	38,045	321,163	-	-	359,208
Interest expense	(452,729)	(405,264)	(8,153)	(20,844)	(886,990)
Total Nonoperating Revenues (Expenses), Net	(396,994)	(63,147)	(8,153)	(20,189)	(488,483)
Income (Loss) Before Contributions and Transfers	1,042,447	927,315	(1,135,289)	49,135	883,608
Capital contributions	-	48,762	-	-	48,762
Transfers in	-	302,447	990,130	92,447	1,385,024
Transfers out	(1,031,961)	(1,100,497)	(3,600)	(201,512)	(2,337,570)
Change in Net Position	10,486	178,027	(148,759)	(59,930)	(20,176)
Net Position at Beginning of Year	54,649,093	50,838,651	860,058	1,238,259	107,586,061
Net Position at End of Year	\$ 54,659,579	\$ 51,016,678	\$ 711,299	\$ 1,178,329	\$ 107,565,885

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, 2016

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Funds	
<u>Cash Flows From Operating Activities:</u>					
Receipts from customers and users	\$ 6,032,684	\$ 7,172,166	\$ 2,725,441	\$ 1,618,578	\$ 17,548,869
Payments to employees	(1,808,654)	(2,275,935)	(297,145)	(805,699)	(5,187,433)
Payments to vendors	<u>(1,122,478)</u>	<u>(1,322,150)</u>	<u>(3,358,509)</u>	<u>(618,424)</u>	<u>(6,421,561)</u>
Net Cash Provided By (Used For) Operating Activities	3,101,552	3,574,081	(930,213)	194,455	5,939,875
<u>Cash Flows From Noncapital Financing Activities:</u>					
Transfers in	-	302,447	990,130	92,447	1,385,024
Transfers out	<u>(1,031,961)</u>	<u>(1,100,497)</u>	<u>(3,600)</u>	<u>(201,512)</u>	<u>(2,337,570)</u>
Net Cash Provided by (Used For) Noncapital Financing Activities	(1,031,961)	(798,050)	986,530	(109,065)	(952,546)
<u>Cash Flows From Capital and Related Financing Activities:</u>					
Proceeds from issuance of bonds and notes	3,127,750	4,833,500	-	223,000	8,184,250
Principal payments on bonds and notes	(1,441,443)	(1,742,265)	(22,000)	(121,937)	(3,327,645)
Bond premium	147,250	126,500	-	-	273,750
Acquisition and construction of capital assets, net disposals	(1,090,574)	(2,146,929)	(8,331)	(268,851)	(3,514,685)
Capital contributions	38,045	369,925	-	-	407,970
Interest expense	<u>(438,809)</u>	<u>(396,045)</u>	<u>(8,155)</u>	<u>(19,415)</u>	<u>(862,424)</u>
Net Cash (Used For) Capital and Related Financing Activities	342,219	1,044,686	(38,486)	(187,203)	1,161,216
<u>Cash Flows From Investing Activities:</u>					
Investment income	<u>17,690</u>	<u>20,954</u>	<u>-</u>	<u>655</u>	<u>39,299</u>
Net Cash Provided by Investing Activities	<u>17,690</u>	<u>20,954</u>	<u>-</u>	<u>655</u>	<u>39,299</u>
Net Change in Cash and Short-Term Equivalents	2,429,500	3,841,671	17,831	(101,158)	6,187,844
Cash and Short-Term Equivalents, Beginning of Year	<u>4,216,367</u>	<u>4,758,582</u>	<u>645,086</u>	<u>382,524</u>	<u>10,002,559</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 6,645,867</u>	<u>\$ 8,600,253</u>	<u>\$ 662,917</u>	<u>\$ 281,366</u>	<u>\$ 16,190,403</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:</u>					
Operating income (loss)	\$ 1,439,441	\$ 990,462	\$ (1,127,136)	\$ 69,324	\$ 1,372,091
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,811,053	2,285,342	33,532	137,617	4,267,544
Changes in assets and liabilities:					
User fees	46,014	94,409	(35,210)	(2,185)	103,028
Inventory	-	-	5,494	-	5,494
Other assets	(2,736)	116,305	143	(13,180)	100,532
Accounts payable	(172,751)	96,650	100,792	(5,710)	18,981
Retainage payable	(25,943)	20,493	-	-	(5,450)
Compensated absences	13,032	(25,119)	27	4,003	(8,057)
Net pension liability	52,301	73,335	-	-	125,636
Deferred inflows	(101,917)	(124,877)	-	-	(226,794)
Deferred outflows	(7,779)	(9,372)	-	-	(17,151)
Other liabilities	<u>50,837</u>	<u>56,453</u>	<u>92,145</u>	<u>4,586</u>	<u>204,021</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 3,101,552</u>	<u>\$ 3,574,081</u>	<u>\$ (930,213)</u>	<u>\$ 194,455</u>	<u>\$ 5,939,875</u>

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, 2016

	Agency <u>Fund</u>
<u>ASSETS</u>	
Cash and short-term equivalents	\$ <u>239,659</u>
Total Assets	\$ <u><u>239,659</u></u>
<u>LIABILITIES</u>	
Other liabilities	\$ <u>239,659</u>
Total Liabilities	\$ <u><u>239,659</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 2016, 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, except certificates of deposits which are reported at cost.

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 acquisition value.

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 because they are legally or contractually required to be maintained intact (i.e., perpetual care).
- 2) Restricted funds are used for specific purposes as imposed by creditors, grantors, contributors, or laws or regulations of other governments, or have constraints imposed by law through constitutional provisions or enabling legislation. 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, the City Council. A resolution, the highest level action, constitutes the most binding constraint that should be considered to establish, modify, or rescind a fund balance commitment.
- 4) Assigned funds are used for specific purposes as established by management with City Council approval. The City’s fund balance policy, approved by the City Council, permits the City Manager and Finance Director to assign fund balance amounts to a specific purpose.

- 5) Unassigned funds represent the residual classification for the General Fund and include all amounts not contained in the other classifications. Unassigned amounts are available for any purpose. Temporary fund balance deficits are reported as negative amounts in the unassigned classification in other governmental funds. Positive unassigned amounts are reported only in the General Fund.

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 and enterprise funds, as well as the following special revenue funds: parking, airport, community development engineering inspection, and community development conservation property management. 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 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)	\$ 55,892,014	\$ 54,929,789
Other financing sources/uses (GAAP Basis)	<u>1,482,706</u>	<u>1,054,886</u>
Subtotal (GAAP Basis)	57,374,720	55,984,675
Reverse nonbudgeted activity	<u>1,943,613</u>	<u>2,783,990</u>
Budgetary Basis	<u>\$ 59,318,333</u>	<u>\$ 58,768,665</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:

Human resources	\$ (3,475)
Police	\$ (142,599)
Community development	\$ (12,743)
Transfers out	\$ (1,698)

E. Deficit Fund Equity

The following funds or projects had deficits as of June 30, 2016:

Major Capital Project Fund (post 2008)	\$ (72,194)
<u>Nonmajor Governmental Funds:</u>	
Community Development Fund	(1,194)
Miscellaneous Special Revenue Fund	(103,666)
Manchester Street Fund	(133,401)
Sears Block Capital Fund	<u>(1,780,918)</u>
Total	\$ <u>(2,091,373)</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 2017.

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, 2016, City’s bank balance of \$65,862,753 was insured or collateralized.

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

- Unregistered or restricted stock
- Commodities, including gold, precious gems or currency futures
- Private placement debt

- Conditional sales contracts
- Uncovered options
- Short sales or margin purchases
- Transferable certificates of participation in business trusts and limited partnerships
- Securities of the investment managers or their respective parents, subsidiaries or affiliates
- Tobacco stock

Investments at June 30, 2016 consisted of the following:

Certificates of deposit	\$ 3,017,928
U.S. Treasury securities	747,949
U.S. Government agencies	1,801,139
Corporate and foreign bonds	2,858,256
Common equities	5,596,548
International equity mutual funds pool	1,177,543
Closed equity mutual funds	2,612,985
Taxable fixed income funds pool	906,428
Total investments	<u>\$ 18,718,776</u>

Of the City's total investments, the City has a custodial credit risk exposure of \$15,700,848 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 the assets are held in separately identifiable trust accounts.

B. Credit Risk

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

<u>Investment Type</u>	<u>Total</u>	<u>Investment Maturities</u> (in Years)			<u>Average Rating</u>
		<u><1</u>	<u>1-5</u>	<u>6-10</u>	
U.S. Treasury securities	\$ 748	\$ -	\$ 380	\$ 368	AAA
U.S. Government agencies	1,801	-	1,672	129	AAA
Corporate and foreign bonds	<u>2,858</u>	<u>553</u>	<u>1,943</u>	<u>362</u>	A2
Total	<u>\$ 5,407</u>	<u>\$ 553</u>	<u>\$ 3,995</u>	<u>\$ 859</u>	

C. Concentration of Credit Risk

City Funds

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

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is to not allow more than 5% of the portfolio to be invested in the securities of one issuer, with the exception of the U.S. Government or its agencies. As of and for the fiscal year ended June 30, 2016, 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 is 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.

F. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following fair value measurements as of June 30, 2016:

<u>Description</u>	<u>Fair Value Measurements Using:</u>		
	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments by fair value level:			
Debt securities			
U.S. Treasury securities	\$ 747,949	\$ -	\$ 747,949
U.S. Government securities	1,801,139	-	1,801,139
Corporate and foreign bonds	2,858,256	-	2,858,256
Taxable fixed income	906,428	-	906,428
Equity securities			
Common equities	5,596,548	5,596,548	-
International equity mutual funds	1,177,543	1,177,543	-
Closed end equity mutual funds	<u>2,612,985</u>	<u>2,612,985</u>	-
Total	\$ <u>15,700,848</u>		

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, 2016 consist of the following:

Property taxes:		
Levy of 2016	\$ 31,260,511	
Levy of 2015	1,630,746	
Levy of 2014	800,791	
Levy of 2013	98,959	
Levy of 2012	18,005	
Prior years	<u>14,031</u>	
Subtotal		33,823,043
Other taxes:		
Land use change taxes	9,809	
Timber yield taxes	8,058	
Elderly tax liens	<u>9,558</u>	
Subtotal		<u>27,425</u>
Gross Tax Receivable		<u>33,850,468</u>
Allowance for Abatements (overlay)		<u>(2,019,254)</u>
Net Total Taxes Receivables		<u>\$ 31,831,214</u>

5. Loans Receivable

Loans receivable of \$586,351 in non-major governmental funds represent the uncollected balance of community development loans.

6. 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	Reimbursement For			
	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$	214,004	\$ 55,945	\$ 269,949
2018		211,156	51,783	262,939
2019		187,614	47,517	235,131
2020		189,609	43,266	232,875
2021		91,427	38,725	130,152
2021-2025		480,296	122,417	602,713
2026-2030		334,773	51,521	386,294
2031-2035		105,329	6,775	112,104
Total	\$	<u>1,814,208</u>	\$ <u>417,949</u>	\$ <u>2,232,157</u>

7. Interfund Fund Accounts

Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 134,987	\$ -
Nonmajor Governmental Funds:		
Capital Project Funds:		
Manchester Street	-	134,987
Total	\$ <u>134,987</u>	\$ <u>134,987</u>

Transfers

The City reports Interfund transfers between various funds. The sum of all transfers presented in the table agrees with the sum of Interfund transfers presented in the governmental and proprietary fund financial statements. The following is an analysis of interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Fund:</u>		
Major Funds:		
General Fund	\$ 1,482,706	\$ 1,054,886
Major Capital Project Fund	2,345,447	6,393
Nonmajor Funds:		
Special Revenue Funds:		
Community Development	1,194	-
Community Development		
Engineering Inspection	-	4,336
Community Development		
Conservation Property Management	-	55,600
Parking	397,077	230,170
Airport	73,230	133,815
Impact Fee	-	397,502
Miscellaneous Special Revenue	9,835	-
Durgin Garage	10,500	132,744
Forest and Conservation	505	1,067
Library	-	10,635
Dedicated Income Library	-	185,500
Mountain Green	-	250,000
Capital Project Funds:		
Sears Block Capital	30,000	-
Permanent Funds:		
Cemetery (Nonexpendable)	-	116,453
Other	-	125
Debt Service Funds:		
NEOC	-	138,749
Sears Block	-	673,355
Penacook	-	6,618
<u>Business-Type Funds:</u>		
Major Funds:		
Water	-	1,031,961
Sewer	302,447	1,100,497
Solid Waste	990,130	3,600
Nonmajor Funds:		
Golf	20,725	79,440
Arena	71,722	122,072
	<u> </u>	<u> </u>
Total	\$ <u>5,735,518</u>	\$ <u>5,735,518</u>

Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes.

The entire \$990,130 transfer into the Solid Waste fund was transferred from the General Fund to subsidize the fund operations. In addition, approximately \$471,315 and \$570,825 were transferred from the Water and Sewer funds, respectively, to the General Fund for indirect costs. \$1,327,339 of the transfer into the Major Capital Project Fund (post 2008) was transferred from the General Fund (Highway Reserve Trust Fund). An additional \$340,000 of the transfer into this fund was transferred from the General Fund.

8. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 5,417	\$ -	\$ -	\$ 5,417
Buildings and improvement	42,595	1,993	-	44,588
Machinery, equipment, and furnishing	9,025	167	-	9,192
Infrastructure	82,034	4,734	-	86,768
Licensed vehicles	<u>15,315</u>	<u>1,531</u>	<u>(182)</u>	<u>16,664</u>
Total capital assets, being depreciated	154,386	8,425	(182)	162,629
Less accumulated depreciation for:				
Land improvements	(4,242)	(96)	-	(4,338)
Buildings and improvement	(17,530)	(1,613)	-	(19,143)
Machinery, equipment, and furnishing	(8,044)	(504)	-	(8,548)
Infrastructure	(19,057)	(1,618)	-	(20,675)
Licensed vehicles	<u>(11,979)</u>	<u>(1,229)</u>	<u>157</u>	<u>(13,051)</u>
Total accumulated depreciation	<u>(60,852)</u>	<u>(5,060)</u>	<u>157</u>	<u>(65,755)</u>
Total capital assets, being depreciated, net	93,534	3,365	(25)	96,874
Capital assets, not being depreciated:				
Land	18,183	-	-	18,183
Historical items	-	75	-	75
Construction in progress	<u>21,497</u>	<u>19,160</u>	<u>(6,436)</u>	<u>34,221</u>
Total capital assets, not being depreciated	<u>39,680</u>	<u>19,235</u>	<u>(6,436)</u>	<u>52,479</u>
Governmental activities capital assets, net	<u>\$ 133,214</u>	<u>\$ 22,600</u>	<u>\$ (6,461)</u>	<u>\$ 149,353</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 388	\$ 18	\$ -	\$ 406
Buildings and improvement	64,765	2,145	-	66,910
Machinery, equipment, and furnishing	6,754	389	-	7,143
Infrastructure	143,424	835	-	144,259
Licensed vehicles	<u>1,220</u>	<u>64</u>	<u>-</u>	<u>1,284</u>
Total capital assets, being depreciated	216,551	3,451	-	220,002
Less accumulated depreciation for:				
Land improvements	(48)	(19)	-	(67)
Buildings and improvement	(28,646)	(1,629)	-	(30,275)
Machinery, equipment, and furnishing	(5,228)	(304)	-	(5,532)
Infrastructure	(63,332)	(2,204)	-	(65,536)
Licensed vehicles	<u>(882)</u>	<u>(111)</u>	<u>-</u>	<u>(993)</u>
Total accumulated depreciation	<u>(98,136)</u>	<u>(4,267)</u>	<u>-</u>	<u>(102,403)</u>
Total capital assets, being depreciated, net	118,415	(816)	-	117,599
Capital assets, not being depreciated:				
Land	1,064	-	-	1,064
Construction in progress	<u>7,931</u>	<u>3,245</u>	<u>(3,182)</u>	<u>7,994</u>
Total capital assets, not being depreciated	<u>8,995</u>	<u>3,245</u>	<u>(3,182)</u>	<u>9,058</u>
Business-type activities capital assets, net	<u>\$ 127,410</u>	<u>\$ 2,429</u>	<u>\$ (3,182)</u>	<u>\$ 126,657</u>

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

Governmental Activities:	
Public safety	\$ 573
General services	2,721
Community Development	1,457
Leisure and information services	<u>309</u>
Total depreciation expense - governmental activities	<u>\$ 5,060</u>
Business-Type Activities:	
Water	\$ 1,811
Sewer	2,285
Solid Waste	34
Non-major	<u>137</u>
Total depreciation expense - business-type activities	<u>\$ 4,267</u>

9. Accounts Payables

Accounts payable represent fiscal year 2016 expenses paid in July, 2016.

10. Notes Payables

The City had the following bond anticipation notes outstanding at June 30, 2016.

	Interest Rate	Date of Issue	Date of Maturity	Balance at 6/30/16
Acquisition of NH Employment Security Building	0.70%	12/16/15	12/15/16	\$ 1,900,000
NH Employment Security Building Weatherization	0.70%	12/16/15	12/15/16	90,000
Total				<u>\$ 1,990,000</u>

The activity in the notes payable for the year ending June 30, 2016 was as follows:

	Balance Beginning of Year	New Issues	Maturities	Balance End of Year
NH Employment Building	\$ 1,900,000	\$ 1,900,000	\$ (1,900,000)	\$ 1,900,000
NH Employment Building	90,000	90,000	(90,000)	90,000
Total	<u>\$ 1,990,000</u>	<u>\$ 1,990,000</u>	<u>\$ (1,990,000)</u>	<u>\$ 1,990,000</u>

11. Long-Term Debt

A. Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences, pension and other postemployment benefits 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 investment in capital assets. General obligation bonds currently outstanding are as follows:

	Original Amount	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/16
<u>Governmental Activities:</u>				
Bonds Payable:				
Public improvements	\$ 10,161,000	07/15/25	3.75 - 5.00	\$ 4,865,000
Public improvements	10,632,960	01/15/27	4.00 - 5.50	615,000
Public improvements	4,250,710	08/15/28	3.00 - 5.00	2,175,000
Public improvements	2,949,811	01/15/30	2.00 - 4.00	1,631,936
Public improvements	5,063,000	01/15/26	2.00 - 4.00	3,281,000
Public improvements	2,380,631	07/15/26	2.00 - 3.20	1,693,111
Public improvements	4,333,851	01/15/32	2.00 - 3.00	2,894,200
Public improvements	6,988,240	01/15/33	2.125-4.00	5,310,940
Public improvements	96,500	12/15/25	3.00 - 4.00	70,000
Public improvements	8,635,500	06/15/34	2.00 - 4.00	7,555,000
Public improvements	14,264,050	07/15/34	2.00 - 4.00	13,640,700
Public improvements	1,975,000	01/15/36	2.25 - 5.00	1,975,000
Public improvements	3,435,750	01/15/36	2.00 - 2.75	3,435,750
Total Governmental Activities:				<u>\$ 49,142,637</u>

	Original Amount	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/16
<u>Business-Type Activities:</u>				
Water Fund:				
Bonds Payable:				
Water meters	\$ 2,023,545	07/15/24	3.00 - 5.00	\$ 24,915
Water	2,994,840	08/15/29	3.00 - 5.00	1,780,000
Water	1,205,450	01/15/30	2.00 - 4.00	393,064
Water	2,072,500	01/15/26	2.00 - 4.00	1,434,000
Water	1,653,750	01/15/32	2.00 - 3.00	1,240,700
Water	3,766,650	01/15/33	2.125-4.00	2,536,300
Water	1,627,800	12/15/29	3.00 - 4.00	1,380,000
Water	2,594,900	07/15/34	2.00 - 4.00	2,495,100
Water	2,420,000	01/15/36	2.25 - 5.00	2,420,000
Water	707,750	01/15/36	2.00 - 2.75	707,750
Total Bonds Payable:				14,411,829
Other Long-term Debt:				
Water State Revolving Loan	245,000	05/01/30	0.864	183,783
Total Other Long-term Debt				183,783
Total Water Fund				14,595,612

<u>Business-Type Activities:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/16</u>
Sewer Fund:				
Bonds Payable				
Sanitary sewer	1,465,790	07/15/24	3.00 - 5.00	18,500
Sanitary sewer	2,210,990	01/15/27	4.00 - 5.50	115,200
Sanitary sewer	1,754,450	08/15/29	3.00 - 5.00	1,035,000
Sanitary sewer	2,328,700	01/15/30	2.00 - 4.00	1,405,000
Sanitary sewer	213,000	01/15/30	2.00 - 4.00	90,000
Sanitary sewer	1,399,900	01/15/32	2.00 - 3.00	937,500
Sanitary sewer	78,182	07/15/26	2.00 - 3.20	66,651
Sanitary sewer	3,080,660	01/15/33	2.125-4.00	2,279,610
Sanitary sewer	1,176,200	12/15/29	3.00 - 4.00	995,000
Sanitary sewer	3,058,150	07/15/34	2.00 - 4.00	2,959,200
Sanitary sewer	4,833,500	01/15/36	2.00 - 2.75	<u>4,833,500</u>
Total Bonds Payable				14,735,161
Other Long-term Debt:				
Sewer State Revolving Loan	2,062,745	07/15/19	1.02	1,387,279
Sewer State Revolving Loan	1,279,126	07/15/19	1.02	<u>739,531</u>
Total Other Long-term Debt				<u>2,126,810</u>
Total Sewer Fund				16,861,971
Solid Waste:				
Bonds Payable				
Solid Waste	241,950	01/15/32	2.00 - 3.00	182,000
Solid Waste	172,450	01/15/28	2.125-4.00	<u>79,150</u>
Total Solid Waste Fund				261,150
Nonmajor Enterprise Funds:				
Bonds Payable:				
Clubhouse improvements	87,000	01/15/33	2.125-4.00	19,000
BMGC improvements	52,500	12/15/21	3.00	35,000
BMGC club house	19,000	06/15/29	2.00 - 4.00	15,000
BMGC improvements	77,000	07/15/21	2.00 - 4.00	65,000
BMGC improvements	223,000	01/15/36	2.00 - 2.75	223,000
Arena	48,750	01/15/27	4.00 - 5.50	4,800
Arena	1,187	07/15/26	2.00 - 3.20	237
Arena	460,550	01/15/32	2.00 - 3.00	360,600
Arena	63,500	06/15/27	3.00 - 4.00	55,000
Arena	40,900	07/15/23	2.00 - 4.00	<u>40,000</u>
Total Nonmajor Enterprise Funds				<u>817,637</u>
Total Business-Type Activities:				<u>\$ 32,536,370</u>

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2016 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 4,792,207	\$ 1,669,764	\$ 6,461,971
2018	4,616,311	1,500,431	6,116,742
2019	4,463,651	1,350,849	5,814,500
2020	4,229,361	1,186,060	5,415,421
2021	4,100,361	1,027,278	5,127,639
2022-2026	16,402,086	3,141,149	19,543,235
2027-2031	7,720,660	1,081,987	8,802,647
2032-2036	<u>2,818,000</u>	<u>181,832</u>	<u>2,999,832</u>
Total	\$ <u>49,142,637</u>	\$ <u>11,139,350</u>	\$ <u>60,281,987</u>

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,495,700	\$ 986,520	\$ 4,482,220
2018	3,258,834	883,001	4,141,835
2019	3,127,208	788,717	3,915,925
2020	2,907,278	690,877	3,598,155
2021	2,271,793	602,814	2,874,607
2022-2026	9,674,106	2,004,169	11,678,275
2027-2031	6,489,451	706,301	7,195,752
2030-2033	<u>1,312,000</u>	<u>93,903</u>	<u>1,405,903</u>
Total	\$ <u>32,536,370</u>	\$ <u>6,756,302</u>	\$ <u>39,292,672</u>

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2016 are as follows:

<u>Purpose</u>	<u>Amount</u>
Open Space	\$ 2,565,626
City Wide Community Center	480,000
Steam/Natural Gas Conversion	697,000
Two year Paving Program	2,000,000
Culvert Design/Permitting/Construction	275,000
Timekeeping Software	103,000
Purchase Development Permitting Software	70,000
Timekeeping Software	3,000
Horseshoe Pond Drain Improvement	143,332
City Wide Community Center	6,355,000
Downtown Streetscape Improvements	2,000,000
Golf Maintenance Barn Improvements	15,000
Timekeeping Software - Golf	3,000
Cart Barn Improvements	42,000
Timekeeping Software - Water	36,500
Replace Zamboni	3,000
Timekeeping Software - Sewer	<u>36,500</u>
Total	\$ <u>14,827,958</u>

E. Changes in General Long-Term Liabilities

During the year ended June 30, 2016, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/15	Additions	Reductions	Total Balance 6/30/16	Less Current Portion	Equals Long-Term Portion 6/30/16
<u>Governmental Activities</u>						
Bonds and loans payable	\$ 48,875	\$ 5,411	\$ (5,143)	\$ 49,143	\$ (4,792)	\$ 44,351
Unamortized debt premiums	-	233	-	233	(12)	221
Subtotal	48,875	5,644	(5,143)	49,376	(4,804)	44,572
Net pension liability	47,428	2,498	-	49,926	-	49,926
Other:						
Net OPEB obligation	11,261	3,000	(2,014)	12,247	-	12,247
Accrued employee benefits	2,430	96	(40)	2,486	(2,113)	373
Landfill closure	300	-	(30)	270	(30)	240
Subtotal	13,991	3,096	(2,084)	15,003	(2,143)	12,860
Totals	\$ <u>110,294</u>	\$ <u>11,238</u>	\$ <u>(7,227)</u>	\$ <u>114,305</u>	\$ <u>(6,947)</u>	\$ <u>107,358</u>

	Total Balance 7/1/15	Additions	Reductions	Total Balance 6/30/16	Less Current Portion	Equals Long-Term Portion 6/30/16
<u>Business-Type Activities</u>						
Bonds and loans payable	\$ 27,680	\$ 8,184	\$ (3,328)	\$ 32,536	\$ (3,496)	\$ 29,040
Unamortized debt premiums	-	274	-	274	(13)	261
Subtotal	27,680	8,458	(3,328)	32,810	(3,509)	29,301
Net pension liability	2,920	126	-	3,046	-	3,046
Other:						
Net OPEB obligation	1,252	332	(224)	1,360	-	1,360
Accrued employee benefits	227	19	(27)	219	(219) ^(A)	-
Subtotal	1,479	351	(251)	1,579	(219)	1,360
Totals	\$ <u>32,079</u>	\$ <u>8,935</u>	\$ <u>(3,579)</u>	\$ <u>37,435</u>	\$ <u>(3,728)</u>	\$ <u>33,707</u>

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

F. Prior Year's Debt Defeasance

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, 2016, the amount of defeased debt still outstanding on the fiscal year 2010 refunding is \$201,608. Defeased debt for fiscal year 2015 refunding of the 2005 issue was \$1,085,000. Defeased debt for fiscal year 2015 refunding of the 2006 issue was \$1,835,000. Defeased debt for fiscal year 2015 refunding of the 2007 issue was \$4,170,000.

12. Landfill Closure and Postclosure Care Costs

The City is required by state and federal laws and regulations to construct a final capping system on the Concord Sanitary Landfill and perform certain maintenance and monitoring functions at the site for 30 years. The landfill stopped accepting waste in May 1994, and the final capping system was completed in July 1995. The City has reflected \$270,000 as the estimate of the remaining postclosure care liability at June 30, 2016 in the Governmental Activities Statement of Net Position. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

13. Deferred Inflows of Resources – Non Pension Related

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, 2016:

	Entity-wide Basis		Fund Basis			
	Governmental	Business-type	Governmental Funds		Proprietary Funds	
	Activities	Activities	General Fund	Nonmajor	Solid Waste	Nonmajor
Taxes collected in advance	\$ 54,240,336	\$ -	\$ 55,053,748	\$ -	\$ -	\$ -
Prepaid revenues	258,341	226,363	-	-	167,200	59,163
Unavailable revenues	-	-	309,274	609,604	-	-
Total	\$ 54,498,677	\$ 226,363	\$ 55,363,022	\$ 609,604	\$ 167,200	\$ 59,163

14. 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 following types of fund balances are reported at June 30, 2016:

Nonspendable - This fund balance classification includes an offset for inventory and reserves for the principal portion of permanent trust funds.

Restricted - This fund balance classification includes various special revenue funds, capital project balances funded by bond issuances, debt service fund balances and the income portion of permanent trust funds.

Committed - This fund balance classification includes General Fund capital reserve funds set aside by City Council vote for future capital acquisitions and improvements, amounts used from operations for capital per City Council resolutions, and various special revenue funds.

Assigned - This fund balance classification includes General Fund surplus balances that management assigns for specific purposes with City Council approval.

Unassigned - This fund balance classification includes General Fund available balance and other funds' temporary fund balance deficits.

Following is a breakdown of the City's fund balances at June 30, 2016:

	General Fund	Major Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories	\$ 168,027	\$ -	\$ -	\$ 168,027
Nonexpendable permanent funds	-	-	11,465,110	11,465,110
Total Nonspendable	168,027	-	11,465,110	11,633,137
Restricted				
Capital project funds	-	4,597,864	-	4,597,864
Community Development	-	-	2,995	2,995
House Revolving	-	-	886,711	886,711
Airport	-	-	540,185	540,185
Impact Fees	-	-	536,251	536,251
Dedicated income library	-	-	1,716,960	1,716,960
Miscellaneous special revenue	-	-	551,403	551,403
Sears Block Capital	-	-	1,254,529	1,254,529
NEOC TIF	-	-	733,552	733,552
Sears Block TIF	-	-	208,037	208,037
Penacook Village TIF	-	-	77,131	77,131
Total Restricted	-	4,597,864	6,507,754	11,105,618
Committed				
Insured retention	635,950	-	-	635,950
Highways	1,171,712	-	-	1,171,712
Economic development	363,067	-	-	363,067
Equipment	211,622	-	-	211,622
ERIP	127	-	-	127
OPEB	815,338	-	-	815,338
Building improvement	49,021	-	-	49,021
Fire apparatus replacement	156,005	-	-	156,005
Recreation reserve	650,000	-	-	650,000
Other capital reserves	53,335	-	-	53,335
Capital project funds	-	2,214,549	-	2,214,549
Community Development/ Engineering	-	-	73,775	73,775
Community Development/ Property Management	-	-	93,893	93,893
Parking	-	-	126,601	126,601
NEOC Capital	-	-	115,185	115,185
Penacook Village Capital	-	-	2,505	2,505
Capital project funds	-	-	273,563	273,563
Expendable permanent funds	-	-	2,539,529	2,539,529
Total Committed	4,106,177	2,214,549	3,225,051	9,545,777
Assigned				
Paving	450,000	-	-	450,000
Equipment and other reserves	480,000	-	-	480,000
Total Assigned	930,000	-	-	930,000
Unassigned				
	10,735,579	(72,194)	(2,019,179)	8,644,206
Total Fund Balance	\$ 15,939,783	\$ 6,740,219	\$ 19,178,736	\$ 41,858,738

15. 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.

16. 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, 2016, 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 2016 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, 2016, 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)	\$ 2,767,371
Interest on net OPEB obligation	563,069
Adjustment to ARC	<u>(768,171)</u>
Annual OPEB cost	2,562,269
Contributions made	<u>(1,467,451)</u>
Increase in net OPEB obligation	1,094,818
Net OPEB obligation - beginning of year	<u>12,512,654</u>
Net OPEB obligation - end of year	<u>\$ 13,607,472</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>
2016	\$ 2,562,269	57.3%	\$ 13,607,472
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, 2016 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)	\$ 34,195,948
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ <u>34,195,948</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0%</u>
Covered payroll (active plan members)	\$ <u>26,494,964</u>
UAAL as a percentage of covered payroll	<u>129.1%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of OPEB 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 funded its obligation. The actuarial assumptions included a 4.5% investment rate of return, a 3.0% inflation rate, projected salary increases of 3% per year, and an initial annual healthcare cost trend rate of 10% which decreases to a 5.0% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level dollar amount for a period of 30 years, on an open group.

17. Retirement System

The City follows 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 ranging from 11.17% to 29.16% of covered compensation. The City's contribution to NHRS for the year ended June 30, 2016 was \$4,844,654 (exclusive of a \$527,401 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, 2016, the City reported a liability of \$52,971,572 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. 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 the most recent measurement date of June 30, 2015, the City's proportion was 1.3372 percent, which was a decrease of 0.0042 percent from its previous year proportion.

For the year ended June 30, 2016, the City recognized pension expense of \$3,227,069. 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>
Differences between expected and actual experience	\$ -	\$ 1,162,409
Net difference between projected and actual earnings on pension plan investments	-	1,415,728
Changes in proportion and differences between contributions and proportionate share of contributions	-	731,388
Contributions subsequent to the measurement date	<u>4,844,655</u>	<u>-</u>
Total	<u>\$ 4,844,655</u>	<u>\$ 3,309,525</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase in pension expense in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized as a reduction in pension expense as follows:

Year ended June 30:	
2017	\$ 1,215,391
2018	1,215,391
2019	1,215,391
2020	(453,898)
2021	<u>117,250</u>
Total	<u>\$ 3,309,525</u>

F. 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, 2014 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 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	4.50	-0.70%
Short Duration	2.50	-1.00%
Global Multi-Sector Fixed Income	11.00	0.28%
Unconstrained Fixed Income	7.00	0.16%
Total fixed income	25.00	
Private equity	5.00	5.50%
Private debt	5.00	4.50%
Real estate	10.00	3.50%
Opportunistic	5.00	2.75%
Total alternative investments	25.00	
Total	100.00 %	

G. 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.

H. 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, 2016	\$ 69,730,190	\$ 52,971,572	\$ 38,684,753

I. Pension Plan Fiduciary Net Position

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

18. 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.

19. Implementation of New GASB Standard

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, replacing requirements of Statements No. 45 and 57, effective for the City beginning with its year ending June 30, 2018. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specific criteria and for employers whose employees are provided with defined contribution OPEB. Management’s current assessment is that this pronouncement will have an impact by increasing the net OPEB liability, and as a result, decreasing the unrestricted net position of the government-wide financial statements.

20. 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	\$ 9,399,950	
Investment interest	147,290	
Other	<u>164,031</u>	9,711,271
Expenditures:		
Principal	5,264,400	
Interest on debt	1,872,435	
Outside services	<u>1,840,885</u>	<u>8,977,720</u>
Excess (deficiency) of revenue		<u>733,551</u>
Fund Balance Reserved for Debt Service		\$ <u><u>733,551</u></u>
Long-Term Debt Payable:		
Principal	\$ (545,000)	
Interest	<u>(157,628)</u>	(702,628)
Available fund balance		<u>733,551</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>30,923</u></u>
Assessment Information:		
Base Value		\$ <u><u>4,842,600</u></u>
Captured Value*		\$ <u><u>49,923,900</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	\$ 4,024,313	
Interest on proceeds from sale of bonds	24,872	
Investment interest	59,738	
Other	<u>9,386</u>	4,118,309
Expenditures:		
Principal	1,220,760	
Interest on debt	911,908	
Outside services	<u>1,777,605</u>	<u>3,910,273</u>
Excess (deficiency) of revenue		<u>208,036</u>
Fund Balance Reserved for Debt Service		\$ <u><u>208,036</u></u>
Long-Term Debt Payable:		
Principal	\$ (6,295,000)	
Interest	<u>(1,269,074)</u>	(7,564,074)
Available fund balance		<u>208,036</u>
Deficit to be Raised by Tax Increment District		\$ <u><u>(7,356,038)</u></u>
Assessment Information:		
Base Value		\$ <u><u>6,699,700</u></u>
Captured Value*		\$ <u><u>27,001,018</u></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	\$	220,638
Investment interest		<u>1,740</u>
		222,378
Expenditures:		
Principal		70,400
Interest on debt		29,140
Outside services		<u>45,708</u>
		<u>145,248</u>
Excess (deficiency) of revenue		<u>77,130</u>
Fund Balance Reserved for Debt Service	\$	<u><u>77,130</u></u>
Long-Term Debt Payable:		
Principal	\$	(366,400)
Interest		<u>(80,539)</u>
		(446,939)
Available fund balance		<u>77,130</u>
Deficit to be Raised by Tax Increment District	\$	<u><u>(369,809)</u></u>
Assessment Information:		
Base Value	\$	<u>93,900</u>
Captured Value*	\$	<u><u>1,739,800</u></u>
* = As of April 1, 2014		

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

**June 30, 2016
(Unaudited)**

Other Post-Employment Benefits

<u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Projected Unit Credit <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percent- age of Covered Payroll <u>[(b-a)/c]</u>
06/30/16	\$ -	\$ 34,195,948	\$ 34,195,948	0.0%	\$ 26,494,964	129.1%
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, 2016
(Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2016	1.34%	\$52,971,572	\$28,070,389	188.71%	65.47%
June 30, 2015	1.34%	\$50,348,768	\$27,155,200	185.41%	66.32%

Information above is presented as of the most recent measurement date.

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 PENSION CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2016
(Unaudited)**

New Hampshire Retirement System					
<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2016	\$ 4,844,654	\$ (4,844,654)	\$ -	\$ 28,908,627	16.76%
June 30, 2015	\$ 4,523,241	\$ (4,523,241)	\$ -	\$ 28,070,389	16.11%

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

See Independent Auditors' Report.

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**Governmental Funds
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.
- 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.
- Dedicated Income - to account for contributions received by the City to support operations.
- 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.

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.
- 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.
- 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, 2016

	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	\$ 886,711	\$ 115,959	\$ 94,379
Investments	-	-	-	-
Accounts receivable	-	-	2,644	-
Loans receivable	-	586,351	-	-
Other assets	-	-	1,341	6
Total Assets	\$ 1,801	\$ 1,473,062	\$ 119,944	\$ 94,385
 <u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 187	\$ 464
Retainage payable	-	-	-	-
Other liabilities	-	-	45,982	28
Loans payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	46,169	492
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	586,351	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	586,351	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	2,995	886,711	-	-
Committed	-	-	73,775	93,893
Unassigned	(1,194)	-	-	-
Total Fund Balances	1,801	886,711	73,775	93,893
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,801	\$ 1,473,062	\$ 119,944	\$ 94,385

Special Revenue Funds

<u>Parking Fund</u>	<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>
\$ 153,907	\$ 542,615	\$ 607,309	\$ 409,462
-	-	-	-
21,502	2,913	-	41,432
-	-	-	-
<u>2,274</u>	<u>354</u>	<u>-</u>	<u>-</u>
<u>\$ 177,683</u>	<u>\$ 545,882</u>	<u>\$ 607,309</u>	<u>\$ 450,894</u>
\$ 21,405	\$ 4,781	\$ -	\$ 3,157
-	-	-	-
6,424	916	71,058	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
27,829	5,697	71,058	3,157
<u>23,253</u>	<u>-</u>	<u>-</u>	<u>-</u>
23,253	-	-	-
-	-	-	-
-	540,185	536,251	551,403
126,601	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(103,666)</u>
<u>126,601</u>	<u>540,185</u>	<u>536,251</u>	<u>447,737</u>
<u>\$ 177,683</u>	<u>\$ 545,882</u>	<u>\$ 607,309</u>	<u>\$ 450,894</u>

(continued)

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	<u>Special Revenue Funds</u>		
	<u>Durgin Garage Fund</u>	<u>Forest & Conservation Fund</u>	<u>Cemetery Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 58,993	\$ 203,093	\$ -
Investments	-	1,534,790	13,535
Accounts receivable	-	-	-
Loans receivable	-	-	-
Other assets	-	-	-
Total Assets	<u>\$ 58,993</u>	<u>\$ 1,737,883</u>	<u>\$ 13,535</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	58,993	1,737,883	13,535
Unassigned	-	-	-
Total Fund Balances	<u>58,993</u>	<u>1,737,883</u>	<u>13,535</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 58,993</u>	<u>\$ 1,737,883</u>	<u>\$ 13,535</u>

Special Revenue Funds

<u>Library Fund</u>	<u>Dedicated Income Library Fund</u>	<u>Mountain Green Fund</u>	<u>Downtown Economic Development Fund</u>	<u>Subtotal</u>
\$ -	\$ 179,956	\$ 154,222	\$ 11,132	\$ 3,419,539
563,764	1,537,004	-	-	3,649,093
-	-	-	-	68,491
-	-	-	-	586,351
-	-	-	-	3,975
<u>\$ 563,764</u>	<u>\$ 1,716,960</u>	<u>\$ 154,222</u>	<u>\$ 11,132</u>	<u>\$ 7,727,449</u>
\$ -	\$ -	\$ -	\$ -	\$ 29,994
-	-	-	-	-
-	-	-	-	124,408
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	154,402
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>609,604</u>
-	-	-	-	609,604
-	-	-	-	-
-	1,716,960	-	-	4,234,505
563,764	-	154,222	11,132	2,833,798
-	-	-	-	(104,860)
<u>563,764</u>	<u>1,716,960</u>	<u>154,222</u>	<u>11,132</u>	<u>6,963,443</u>
<u>\$ 563,764</u>	<u>\$ 1,716,960</u>	<u>\$ 154,222</u>	<u>\$ 11,132</u>	<u>\$ 7,727,449</u>

(continued)

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	<u>Capital Project Funds</u>	
	<u>Fire Facility Renovations</u>	<u>Route 3 Corridor Fund</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,058	\$ 514,960
Investments	-	-
Accounts receivable	-	-
Loans receivable	-	-
Other assets	-	-
Total Assets	<u>\$ 1,058</u>	<u>\$ 514,960</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ -	\$ 8,852
Retainage payable	-	233,603
Other liabilities	-	-
Loans payable	-	-
Due to other funds	-	-
Total Liabilities	-	242,455
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-
Fund Balances:		
Nonspendable	-	-
Restricted	-	-
Committed	1,058	272,505
Unassigned	-	-
Total Fund Balances	<u>1,058</u>	<u>272,505</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,058</u>	<u>\$ 514,960</u>

Capital Project Funds

Manchester Street Fund	NEOC Capital Fund	Sears Block Capital Fund	Penacook Village Capital Fund	Subtotal
\$ -	\$ 118,779	\$ 1,464,148	\$ 2,505	\$ 2,101,450
-	-	-	-	-
1,586	-	-	-	1,586
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,586</u>	<u>\$ 118,779</u>	<u>\$ 1,464,148</u>	<u>\$ 2,505</u>	<u>\$ 2,103,036</u>
\$ -	\$ -	\$ 537	\$ -	\$ 9,389
-	3,594	-	-	237,197
-	-	-	-	-
-	-	1,990,000	-	1,990,000
<u>134,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,987</u>
134,987	3,594	1,990,537	-	2,371,573
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	1,254,529	-	1,254,529
-	115,185	-	2,505	391,253
<u>(133,401)</u>	<u>-</u>	<u>(1,780,918)</u>	<u>-</u>	<u>(1,914,319)</u>
<u>(133,401)</u>	<u>115,185</u>	<u>(526,389)</u>	<u>2,505</u>	<u>(268,537)</u>
<u>\$ 1,586</u>	<u>\$ 118,779</u>	<u>\$ 1,464,148</u>	<u>\$ 2,505</u>	<u>\$ 2,103,036</u>

(continued)

(continued)

	<u>Permanent Funds</u>			
	<u>Cemetery Fund</u>	<u>Library Fund</u>	<u>Other Fund</u>	<u>Subtotal</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 228,693	\$ -	\$ -	\$ 228,693
Investments	9,893,590	1,321,752	21,075	11,236,417
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Other assets	-	-	-	-
Total Assets	<u>\$ 10,122,283</u>	<u>\$ 1,321,752</u>	<u>\$ 21,075</u>	<u>\$ 11,465,110</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	10,122,283	1,321,752	21,075	11,465,110
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>10,122,283</u>	<u>1,321,752</u>	<u>21,075</u>	<u>11,465,110</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,122,283</u>	<u>\$ 1,321,752</u>	<u>\$ 21,075</u>	<u>\$ 11,465,110</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>
\$ 734,212	\$ 198,651	\$ 77,531	\$ 1,010,394	\$ 6,760,076
-	-	-	-	14,885,510
-	9,386	-	9,386	79,463
-	-	-	-	586,351
-	-	-	-	3,975
<u>\$ 734,212</u>	<u>\$ 208,037</u>	<u>\$ 77,531</u>	<u>\$ 1,019,780</u>	<u>\$ 22,315,375</u>
\$ 660	\$ -	\$ 400	\$ 1,060	\$ 40,443
-	-	-	-	237,197
-	-	-	-	124,408
-	-	-	-	1,990,000
-	-	-	-	134,987
<u>660</u>	<u>-</u>	<u>400</u>	<u>1,060</u>	<u>2,527,035</u>
-	-	-	-	609,604
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>609,604</u>
-	-	-	-	11,465,110
733,552	208,037	77,131	1,018,720	6,507,754
-	-	-	-	3,225,051
-	-	-	-	(2,019,179)
<u>733,552</u>	<u>208,037</u>	<u>77,131</u>	<u>1,018,720</u>	<u>19,178,736</u>
<u>\$ 734,212</u>	<u>\$ 208,037</u>	<u>\$ 77,531</u>	<u>\$ 1,019,780</u>	<u>\$ 22,315,375</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, 2016

	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	60,856	-	-	-
Charges for services	-	105,565	101,137	68,000
Investment income (loss)	-	3,144	649	-
Contributions	-	-	-	-
Miscellaneous:				
Departmental	-	-	205,576	-
Interest and penalties	-	-	-	-
Total Revenues	60,856	108,709	307,362	68,000
Expenditures:				
Current:				
General government	60,856	254,731	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	299,451	22,957
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	29,839	-
Total Expenditures	60,856	254,731	329,290	22,957
Excess (deficiency) of revenues over expenditures	-	(146,022)	(21,928)	45,043
Other Financing Sources (Uses):				
Transfers in	1,194	-	-	-
Transfers out	-	-	(4,336)	(55,600)
Total Other Financing Sources (Uses)	1,194	-	(4,336)	(55,600)
Net change in fund balance	1,194	(146,022)	(26,264)	(10,557)
Fund Balance, beginning	607	1,032,733	100,039	104,450
Fund Balance, ending	\$ 1,801	\$ 886,711	\$ 73,775	\$ 93,893

Special Revenue Funds

Parking Fund	Airport Fund	Impact Fee Fund	Miscellaneous Special Revenue Fund
\$ -	\$ -	\$ -	\$ -
-	1,715	-	101,225
1,338,827	339,903	439,069	17,496
174	1,575	1,958	-
10,500	-	-	92,585
6,282	2,765	-	4,925
<u>312,064</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,667,847	345,958	441,027	216,231
-	-	77,219	167,687
827,889	-	-	-
223,618	206,119	-	-
-	36,333	-	-
628,375	29,400	-	-
234,115	7,664	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>61,116</u>
<u>1,913,997</u>	<u>279,516</u>	<u>77,219</u>	<u>228,803</u>
(246,150)	66,442	363,808	(12,572)
397,077	73,230	-	9,835
<u>(230,170)</u>	<u>(133,815)</u>	<u>(397,502)</u>	<u>-</u>
<u>166,907</u>	<u>(60,585)</u>	<u>(397,502)</u>	<u>9,835</u>
(79,243)	5,857	(33,694)	(2,737)
<u>205,844</u>	<u>534,328</u>	<u>569,945</u>	<u>450,474</u>
<u>\$ 126,601</u>	<u>\$ 540,185</u>	<u>\$ 536,251</u>	<u>\$ 447,737</u>

(continued)

(continued)

	<u>Special Revenue Funds</u>			
	<u>Durgin Garage Fund</u>	<u>Forest & Conservation Fund</u>	<u>Cemetery Fund</u>	<u>Library Fund</u>
Revenues:				
Property taxes	\$ -	\$ 56,765	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	291	54,867	397	13,424
Contributions	-	-	-	109,945
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	<u>291</u>	<u>111,632</u>	<u>397</u>	<u>123,369</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	291	111,632	397	123,369
Other Financing Sources (Uses):				
Transfers in	10,500	505	-	-
Transfers out	<u>(132,744)</u>	<u>(1,067)</u>	<u>-</u>	<u>(10,635)</u>
Total Other Financing Sources (Uses)	<u>(122,244)</u>	<u>(562)</u>	<u>-</u>	<u>(10,635)</u>
Net change in fund balance	(121,953)	111,070	397	112,734
Fund Balance, beginning	<u>180,946</u>	<u>1,626,813</u>	<u>13,138</u>	<u>451,030</u>
Fund Balance, ending	<u>\$ 58,993</u>	<u>\$ 1,737,883</u>	<u>\$ 13,535</u>	<u>\$ 563,764</u>

Special Revenue Funds

Dedicated Income Library <u>Fund</u>	Mountain Green <u>Fund</u>	Downtown Economic Development <u>Fund</u>	<u>Subtotal</u>
\$ -	\$ -	\$ -	\$ 56,765
-	-	-	163,796
-	-	-	2,409,997
56,884	718	41	134,122
296,041	-	-	509,071
-	-	-	219,548
-	-	-	312,064
<u>352,925</u>	<u>718</u>	<u>41</u>	<u>3,805,363</u>
-	-	-	560,493
-	-	-	827,889
-	-	-	429,737
-	-	-	358,741
-	-	-	657,775
-	-	-	241,779
-	-	-	90,955
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,167,369</u>
352,925	718	41	637,994
-	-	-	492,341
<u>(185,500)</u>	<u>(250,000)</u>	<u>-</u>	<u>(1,401,369)</u>
<u>(185,500)</u>	<u>(250,000)</u>	<u>-</u>	<u>(909,028)</u>
167,425	(249,282)	41	(271,034)
<u>1,549,535</u>	<u>403,504</u>	<u>11,091</u>	<u>7,234,477</u>
<u>\$ 1,716,960</u>	<u>\$ 154,222</u>	<u>\$ 11,132</u>	<u>\$ 6,963,443</u>

(continued)

(continued)

	<u>Capital Project Funds</u>	
	<u>Fire Facility Renovations</u>	<u>Route 3 Corridor Fund</u>
Revenues:		
Property taxes	\$ -	\$ -
Intergovernmental	-	-
Charges for services	-	-
Investment income (loss)	-	-
Contributions	-	-
Miscellaneous:		
Departmental	-	-
Interest and penalties	-	-
Total Revenues	<u>-</u>	<u>-</u>
Expenditures:		
Current:		
General government	-	2,248,032
Public safety	-	-
General services	-	-
Community development	-	-
Debt service:		
Principal	-	-
Interest	-	-
Capital outlay	<u>6,195</u>	<u>364,638</u>
Total Expenditures	<u>6,195</u>	<u>2,612,670</u>
Excess (deficiency) of revenues over expenditures	(6,195)	(2,612,670)
Other Financing Sources (Uses):		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net change in fund balance	(6,195)	(2,612,670)
Fund Balance, beginning	<u>7,253</u>	<u>2,885,175</u>
Fund Balance, ending	<u>\$ 1,058</u>	<u>\$ 272,505</u>

Capital Project Funds

Manchester Street Fund	NEOC Capital Fund	Sears Block Capital Fund	Penacook Village Capital Fund	Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,227	-	4,908	-	2,256,167
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	183,748	1,274,274	13,959	1,842,814
3,227	183,748	1,279,182	13,959	4,098,981
(3,227)	(183,748)	(1,279,182)	(13,959)	(4,098,981)
-	-	30,000	-	30,000
-	-	-	-	-
-	-	30,000	-	30,000
(3,227)	(183,748)	(1,249,182)	(13,959)	(4,068,981)
(130,174)	298,933	722,793	16,464	3,800,444
\$ (133,401)	\$ 115,185	\$ (526,389)	\$ 2,505	\$ (268,537)

(continued)

(continued)

	<u>Permanent Funds</u>			
	<u>Cemetery</u> <u>Fund</u>	<u>Library</u> <u>Fund</u>	<u>Other</u> <u>Fund</u>	<u>Subtotal</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	400,777	49,617	(853)	449,541
Contributions	50,674	-	-	50,674
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	<u>451,451</u>	<u>49,617</u>	<u>(853)</u>	<u>500,215</u>
Expenditures:				
Current:				
General government	327	-	-	327
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>327</u>	<u>-</u>	<u>-</u>	<u>327</u>
Excess (deficiency) of revenues over expenditures	451,124	49,617	(853)	499,888
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	<u>(116,453)</u>	<u>-</u>	<u>(125)</u>	<u>(116,578)</u>
Total Other Financing Sources (Uses)	<u>(116,453)</u>	<u>-</u>	<u>(125)</u>	<u>(116,578)</u>
Net change in fund balance	334,671	49,617	(978)	383,310
Fund Balance, beginning	<u>9,787,612</u>	<u>1,272,135</u>	<u>22,053</u>	<u>11,081,800</u>
Fund Balance, ending	<u>\$ 10,122,283</u>	<u>\$ 1,321,752</u>	<u>\$ 21,075</u>	<u>\$ 11,465,110</u>

Debt Service Funds

NEOC Fund	SBTIFD Fund	PVTIFD Fund	Subtotal	Total Nonmajor Governmental Funds
\$ 460,960	\$ 738,208	\$ 56,126	\$ 1,255,294	\$ 1,312,059
-	-	-	-	163,796
-	-	-	-	2,409,997
2,322	780	225	3,327	586,990
-	-	-	-	559,745
-	2,365	-	2,365	221,913
-	-	-	-	312,064
<u>463,282</u>	<u>741,353</u>	<u>56,351</u>	<u>1,260,986</u>	<u>5,566,564</u>
-	-	-	-	2,816,987
-	-	-	-	827,889
-	-	-	-	429,737
1,320	2,425	6,569	10,314	369,055
180,400	162,000	25,400	367,800	1,025,575
20,584	88,987	10,400	119,971	361,750
-	-	-	-	1,933,769
<u>202,304</u>	<u>253,412</u>	<u>42,369</u>	<u>498,085</u>	<u>7,764,762</u>
260,978	487,941	13,982	762,901	(2,198,198)
-	-	-	-	522,341 ^(A)
<u>(138,749)</u>	<u>(673,355)</u>	<u>(6,618)</u>	<u>(818,722)</u>	<u>(2,336,669) ^(A)</u>
<u>(138,749)</u>	<u>(673,355)</u>	<u>(6,618)</u>	<u>(818,722)</u>	<u>(1,814,328)</u>
122,229	(185,414)	7,364	(55,821)	(4,012,526)
<u>611,323</u>	<u>393,451</u>	<u>69,767</u>	<u>1,074,541</u>	<u>23,191,262</u>
<u>\$ 733,552</u>	<u>\$ 208,037</u>	<u>\$ 77,131</u>	<u>\$ 1,018,720</u>	<u>\$ 19,178,736</u>

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

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**Governmental Funds
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, Airport, Community Development Engineering Inspection, and Property Management 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, 2016

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
<u>Taxes</u>				
Property taxes - current	\$ 36,382,689	\$ 36,394,497	\$ 35,923,057	\$ (471,440)
Timber tax yield	15,000	15,000	29,102	14,102
Excavation activity tax	200	200	240	40
Motor vehicle registrations	5,957,500	5,957,500	6,497,093	539,593
Rooms and meals	2,054,000	2,042,723	2,042,723	-
Payment in lieu of taxes	<u>735,822</u>	<u>735,822</u>	<u>689,128</u>	<u>(46,694)</u>
Total Taxes	45,145,211	45,145,742	45,181,343	35,601
<u>Licenses and Permits</u>				
Engineering	4,660	4,660	5,260	600
City clerk records	32,800	32,800	27,259	(5,541)
Health services	142,850	142,850	146,749	3,899
Police/protection/amusement	80,980	80,980	80,791	(189)
Code enforcement/building permits	<u>733,500</u>	<u>733,500</u>	<u>916,169</u>	<u>182,669</u>
Total Licenses and Permits	994,790	994,790	1,176,228	181,438
<u>Intergovernmental</u>				
Railroad tax	2,000	1,286	2,781	1,495
Forest loss reimbursement	210	393	400	7
Fire service aid	175,000	175,000	125,000	(50,000)
Highway block grant	757,385	843,681	863,882	20,201
School District	147,150	147,150	145,253	(1,897)
Retiree health insurance reimbursements	1,553,540	1,553,540	1,420,966	(132,574)
Other state	<u>21,000</u>	<u>21,000</u>	<u>24,443</u>	<u>3,443</u>
Total Intergovernmental	2,656,285	2,742,050	2,582,725	(159,325)
<u>Charges For Services</u>				
Finance	2,500	2,500	5,733	3,233
Legal	549,914	549,914	563,673	13,759
City clerk	42,000	42,000	56,716	14,716
Public safety	2,077,699	2,077,699	2,453,806	376,107
General services	46,400	46,400	31,003	(15,397)
Community development	81,350	81,350	99,617	18,267
Human services	130,000	130,000	146,609	16,609

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Library	40,300	40,300	41,636	1,336
Recreation	346,190	346,190	272,258	(73,932)
Tower lease/ fire hdqrtrs	25,440	25,440	25,589	149
Cable franchise fee	820,000	820,000	839,214	19,214
School district lease	61,500	61,500	61,500	-
Community Center rental	139,580	139,580	142,200	2,620
Code prosecution	15,000	15,000	22,618	7,618
Restitution	5,000	7,130	18,723	11,593
Parking fines - non meters	100,000	100,000	94,739	(5,261)
False alarm penalties	27,500	27,500	34,115	6,615
Total Charges For Services	4,510,373	4,512,503	4,909,749	397,246
<u>Investment Income</u>				
Earnings on investments	68,690	68,690	102,606	33,916
Total Investment Income	68,690	68,690	102,606	33,916
<u>Miscellaneous</u>				
Miscellaneous revenue not anticipated	420,210	860,210	770,856	(89,354)
Sale of city property	30,000	30,000	46,029	16,029
MV surcharge and administrative costs	328,000	328,000	341,457	13,457
Advertising	10,000	10,000	5,500	(4,500)
Interest, costs, and penalties	453,244	543,244	665,885	122,641
Total Miscellaneous	1,241,454	1,771,454	1,829,727	58,273
<u>Other Financing Sources</u>				
Transfers in	3,442,859	3,625,859	3,535,955	(89,904)
Budgetary use of fund balance	-	1,260,000	-	(1,260,000)
Total Other Financing Sources	3,442,859	4,885,859	3,535,955	(1,349,904)
Total Revenues and Other Financing Sources	\$ <u>58,059,662</u>	\$ <u>60,121,088</u>	\$ <u>59,318,333</u>	\$ <u>(802,755)</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>General Government</u>				
City Manager	\$ 558,048	\$ 648,048	\$ 635,258	\$ 12,790
Legal services	1,178,124	1,178,124	1,145,551	32,573
Assessor	645,224	645,224	629,278	15,946
Human resources	494,114	494,114	497,589	(3,475)
Finance	2,061,219	2,081,219	2,071,454	9,765
Information technology	842,093	842,093	775,303	66,790
City Council	42,904	42,904	31,075	11,829
City Clerk	431,687	431,687	424,551	7,136
General overhead	<u>1,596,960</u>	<u>1,626,960</u>	<u>1,138,172</u>	<u>488,788</u>
Total General Government	7,850,373	7,990,373	7,348,231	642,142
<u>Public Safety</u>				
Police	11,376,395	11,401,525	11,544,124	(142,599)
Fire	<u>13,196,903</u>	<u>13,196,903</u>	<u>13,023,354</u>	<u>173,549</u>
Total Public Safety	24,573,298	24,598,428	24,567,478	30,950
<u>General Services</u>				
Total General Services	<u>7,835,305</u>	<u>7,715,305</u>	<u>7,373,838</u>	<u>341,467</u>
<u>Community Development</u>				
Total Community Development	<u>2,890,137</u>	<u>2,890,137</u>	<u>2,902,880</u>	<u>(12,743)</u>
<u>Leisure and Information Services</u>				
Library	1,660,429	1,660,429	1,632,555	27,874
Recreation and parks	<u>2,714,085</u>	<u>2,734,085</u>	<u>2,604,504</u>	<u>129,581</u>
Total Leisure and Information Services	4,374,514	4,394,514	4,237,059	157,455
<u>Human Services</u>				
Total Human Services	<u>852,999</u>	<u>852,999</u>	<u>782,138</u>	<u>70,861</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>2,352,460</u>	<u>2,352,460</u>	<u>2,243,415</u>	<u>109,045</u>
Total Employee Benefits	<u>2,352,460</u>	<u>2,352,460</u>	<u>2,243,415</u>	<u>109,045</u>
<u>Debt Service</u>				
Principal	<u>4,117,230</u>	<u>4,117,230</u>	<u>4,117,232</u>	<u>(2)</u>
Interest	<u>1,372,460</u>	<u>1,372,460</u>	<u>1,357,514</u>	<u>14,946</u>
Total Debt Service	<u>5,489,690</u>	<u>5,489,690</u>	<u>5,474,746</u>	<u>14,944</u>
<u>Other Financing Uses</u>				
Transfers out	<u>1,840,886</u>	<u>3,837,182</u>	<u>3,838,880</u>	<u>(1,698)</u>
Total Other Financing Uses	<u>1,840,886</u>	<u>3,837,182</u>	<u>3,838,880</u>	<u>(1,698)</u>
Total Expenditures and Other Financing Uses	<u>\$ 58,059,662</u>	<u>\$ 60,121,088</u>	<u>\$ 58,768,665</u>	<u>\$ 1,352,423</u>

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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, 2016

	Parking Fund			Airport Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,715	\$ 715
Charges for services:	1,328,442	1,338,827	10,385	340,865	339,903	(962)
Investment income	250	174	(76)	550	1,575	1,025
Contributions	10,500	10,500	-	-	-	-
Miscellaneous:	325,500	318,346	(7,154)	-	2,765	2,765
Total Revenues	1,664,692	1,667,847	3,155	342,415	345,958	3,543
Expenditures:						
Public Safety:	1,126,737	1,051,507	75,230	-	-	-
General Services:	-	-	-	251,035	206,119	44,916
Community Development:	-	-	-	37,829	36,333	1,496
Debt service	862,485	862,490	(5)	37,060	37,064	(4)
Total Expenditures	1,989,222	1,913,997	75,225	325,924	279,516	46,408
Other Financing Sources (Uses):						
Transfer in	390,889	397,077	6,188	-	73,230	73,230
Transfer out	(230,170)	(230,170)	-	(133,815)	(133,815)	-
Budgetary use of fund balance	-	-	-	27,675	-	(27,675)
Total Other Financing Sources (Uses)	160,719	166,907	6,188	(106,140)	(60,585)	45,555
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ (163,811)</u>	<u>\$ (79,243)</u>	<u>\$ 84,568</u>	<u>\$ (89,649)</u>	<u>\$ 5,857</u>	<u>\$ 95,506</u>

Community Development Engineering Inspection Fund			Community Development Conservation Property Management 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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102,000	101,137	(863)	68,800	68,000	(800)
400	649	249	-	-	-
-	-	-	-	-	-
<u>201,661</u>	<u>205,576</u>	<u>3,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
304,061	307,362	3,301	68,800	68,000	(800)
-	-	-	-	-	-
-	-	-	-	-	-
331,734	329,290	2,444	71,474	22,957	48,517
-	-	-	-	-	-
<u>331,734</u>	<u>329,290</u>	<u>2,444</u>	<u>71,474</u>	<u>22,957</u>	<u>48,517</u>
-	-	-	2,674	-	(2,674)
(1,892)	(4,336)	(2,444)	(55,600)	(55,600)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>55,600</u>	<u>-</u>	<u>(55,600)</u>
<u>(1,892)</u>	<u>(4,336)</u>	<u>(2,444)</u>	<u>2,674</u>	<u>(55,600)</u>	<u>(58,274)</u>
<u>\$ (29,565)</u>	<u>\$ (26,264)</u>	<u>\$ 3,301</u>	<u>\$ -</u>	<u>\$ (10,557)</u>	<u>\$ (10,557)</u>

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**Proprietary Funds
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, 2016

	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	\$ 78,250	\$ 203,116	\$ 281,366
User fees, net of allowance for uncollectibles	1,121	7,000	8,121
Prepaid assets	1,798	933	2,731
Inventory	<u>75,712</u>	<u>-</u>	<u>75,712</u>
Total current assets	156,881	211,049	367,930
Noncurrent:			
Capital assets:			
Land and construction in progress	219,662	133,059	352,721
Other capital assets, net of accumulated depreciation	<u>497,099</u>	<u>933,415</u>	<u>1,430,514</u>
Total noncurrent assets	<u>716,761</u>	<u>1,066,474</u>	<u>1,783,235</u>
TOTAL ASSETS	873,642	1,277,523	2,151,165
LIABILITIES			
Current:			
Accounts payable	43,091	3,455	46,546
Accrued liabilities	6,175	8,581	14,756
Current portion of long-term liabilities:			
Bonds payable	80,000	40,037	120,037
Compensated absences	<u>27,480</u>	<u>7,254</u>	<u>34,734</u>
Total current liabilities	156,746	59,327	216,073
Noncurrent:			
Bonds payable, net of current portion	<u>277,000</u>	<u>420,600</u>	<u>697,600</u>
Total noncurrent liabilities	<u>277,000</u>	<u>420,600</u>	<u>697,600</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	<u>50,618</u>	<u>8,545</u>	<u>59,163</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	484,364	488,472	972,836
NET POSITION			
Net investment in capital assets	387,747	605,837	993,584
Unrestricted	<u>1,531</u>	<u>183,214</u>	<u>184,745</u>
TOTAL NET POSITION	<u>\$ 389,278</u>	<u>\$ 789,051</u>	<u>\$ 1,178,329</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, 2016

	Business-Type Activities Enterprise Funds		
	<u>Golf Fund</u>	<u>Arena Fund</u>	<u>Total Other Funds</u>
Operating Revenues:			
Charges for services	\$ 994,807	\$ 607,275	\$ 1,602,082
Other	<u>10,054</u>	<u>5,429</u>	<u>15,483</u>
Total Operating Revenues	1,004,861	612,704	1,617,565
Operating Expenses:			
Personnel	513,131	296,571	809,702
Non-personnel	371,153	229,769	600,922
Depreciation	<u>58,405</u>	<u>79,212</u>	<u>137,617</u>
Total Operating Expenses	<u>942,689</u>	<u>605,552</u>	<u>1,548,241</u>
Operating Income	62,172	7,152	69,324
Nonoperating Revenues (Expenses):			
Investment income	116	539	655
Interest expense	<u>(5,651)</u>	<u>(15,193)</u>	<u>(20,844)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(5,535)</u>	<u>(14,654)</u>	<u>(20,189)</u>
Income Before Transfers	56,637	(7,502)	49,135
Transfers:			
Transfers in	20,725	71,722	92,447
Transfers out	<u>(79,440)</u>	<u>(122,072)</u>	<u>(201,512)</u>
Change in Net Position	(2,078)	(57,852)	(59,930)
Net Position at Beginning of Year	<u>391,356</u>	<u>846,903</u>	<u>1,238,259</u>
Net Position at End of Year	<u>\$ 389,278</u>	<u>\$ 789,051</u>	<u>\$ 1,178,329</u>

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

For the Fiscal Year Ended June 30, 2016

	Business-Type Activities Enterprise Funds		
	Golf Fund	Arena Fund	Total Other Funds
<u>Cash Flows From Operating Activities:</u>			
Receipts from customers and users	\$ 1,007,168	\$ 611,410	\$ 1,618,578
Payments to employees	(507,329)	(298,370)	(805,699)
Payments to vendors	<u>(383,679)</u>	<u>(234,745)</u>	<u>(618,424)</u>
Net Cash Provided By Operating Activities	116,160	78,295	194,455
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfers in	20,725	71,722	92,447
Transfers out	<u>(79,440)</u>	<u>(122,072)</u>	<u>(201,512)</u>
Net Cash (Used For) Noncapital Financing Activities	(58,715)	(50,350)	(109,065)
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Proceeds from bonds and notes	223,000	-	223,000
Principal payments on bonds and notes	(43,000)	(78,937)	(121,937)
Acquisition and construction of capital assets, net disposals	(241,731)	(27,120)	(268,851)
Interest expense	<u>(5,518)</u>	<u>(13,897)</u>	<u>(19,415)</u>
Net Cash (Used For) Capital and Related Financing Activities	(67,249)	(119,954)	(187,203)
<u>Cash Flows From Investing Activities:</u>			
Investment income	<u>116</u>	<u>539</u>	<u>655</u>
Net Cash Provided by Investing Activities	<u>116</u>	<u>539</u>	<u>655</u>
Net Change in Cash and Short-Term Equivalents	(9,688)	(91,470)	(101,158)
Cash and Short-Term Equivalents, Beginning of Year	<u>87,938</u>	<u>294,586</u>	<u>382,524</u>
Cash and Short-Term Equivalents, End of Year	<u>\$ 78,250</u>	<u>\$ 203,116</u>	<u>\$ 281,366</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>			
Operating income	\$ 62,172	\$ 7,152	\$ 69,324
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	58,405	79,212	137,617
Changes in assets and liabilities:			
User fees	(1,121)	(1,064)	(2,185)
Other assets	(13,166)	(14)	(13,180)
Accounts payable	(748)	(4,962)	(5,710)
Compensated absences	5,802	(1,799)	4,003
Other liabilities	<u>4,816</u>	<u>(230)</u>	<u>4,586</u>
Net Cash Provided By Operating Activities	<u>\$ 116,160</u>	<u>\$ 78,295</u>	<u>\$ 194,455</u>

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**Proprietary Funds
Detail and 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.

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CITY OF CONCORD, NEW HAMPSHIRE

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

Enterprise Funds

For the Fiscal Year Ended June 30, 2016

		<u>Water Fund</u>	
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Operating revenue	\$ 5,661,100	\$ 5,905,710	\$ 244,610
Miscellaneous	<u>20,000</u>	<u>80,972</u>	<u>60,972</u>
Total Operating Revenues	5,681,100	5,986,682	305,582
Operating Expenses:			
Personnel	1,960,130	1,821,686	138,444
Non-personnel	998,557	903,577	94,980
Debt service	<u>1,441,440</u>	<u>1,441,443</u>	<u>(3)</u>
Total Operating Expenses	<u>4,400,127</u>	<u>4,166,706</u>	<u>233,421</u>
Operating Income (Loss)	1,280,973	1,819,976	539,003
Non-Operating Income (Expenses):			
Interest expense	(438,810)	(438,810)	-
Investment income	4,400	16,966	12,566
Intergovernmental	<u>40,685</u>	<u>38,045</u>	<u>(2,640)</u>
Total Non-Operating Income (Expenses)	<u>(393,725)</u>	<u>(383,799)</u>	<u>9,926</u>
Net Income (Loss) Before Transfers	887,248	1,436,177	548,929
Other Financing Sources:			
Transfers in	-	-	-
Transfers out	<u>(1,274,625)</u>	<u>(1,279,851)</u>	<u>(5,226)</u>
Total Other Financing Sources	<u>(1,274,625)</u>	<u>(1,279,851)</u>	<u>(5,226)</u>
Net Income (Loss)	<u>\$ (387,377)</u>	<u>\$ 156,326</u>	<u>\$ 543,703</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>
\$ 6,789,520	\$ 7,067,548	\$ 278,028	\$ 2,808,064	\$ 2,657,151	\$ (150,913)
350	11,169	10,819	-	-	-
<u>6,789,870</u>	<u>7,078,717</u>	<u>288,847</u>	<u>2,808,064</u>	<u>2,657,151</u>	<u>(150,913)</u>
2,389,442	2,250,816	138,626	305,621	297,172	8,449
1,677,012	1,508,192	168,820	3,637,165	3,453,564	183,601
1,742,260	1,742,265	(5)	22,000	22,000	-
<u>5,808,714</u>	<u>5,501,273</u>	<u>307,441</u>	<u>3,964,786</u>	<u>3,772,736</u>	<u>192,050</u>
981,156	1,577,444	596,288	(1,156,722)	(1,115,585)	41,137
(396,040)	(396,044)	(4)	(7,880)	(7,882)	(2)
5,000	20,347	15,347	-	-	-
531,159	369,925	(161,234)	-	-	-
<u>140,119</u>	<u>(5,772)</u>	<u>(145,891)</u>	<u>(7,880)</u>	<u>(7,882)</u>	<u>(2)</u>
1,121,275	1,571,672	450,397	(1,164,602)	(1,123,467)	41,135
-	-	-	990,130	992,123	1,993
<u>(1,196,345)</u>	<u>(1,210,497)</u>	<u>(14,152)</u>	<u>(3,600)</u>	<u>(3,600)</u>	<u>-</u>
<u>(1,196,345)</u>	<u>(1,210,497)</u>	<u>(14,152)</u>	<u>986,530</u>	<u>988,523</u>	<u>1,993</u>
\$ <u>(75,070)</u>	\$ <u>361,175</u>	\$ <u>436,245</u>	\$ <u>(178,072)</u>	\$ <u>(134,944)</u>	\$ <u>43,128</u>

(continued)

CITY OF CONCORD, NEW HAMPSHIRE

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

Enterprise Funds

For the Fiscal Year Ended June 30, 2016

(continued)

		<u>Golf Fund</u>	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 996,206	\$ 994,807	\$ (1,399)
Miscellaneous	-	5,054	5,054
Total Operating Revenues	<u>996,206</u>	<u>999,861</u>	3,655
Operating Expenses:			
Personnel	517,466	513,131	4,335
Non-personnel	366,918	371,152	(4,234)
Debt service	43,000	43,000	-
Total Operating Expenses	<u>927,384</u>	<u>927,283</u>	101
Operating Income (Loss)	68,822	72,578	3,756
Non-Operating Income (Expenses):			
Interest expense	(5,520)	(5,518)	2
Investment income	-	116	116
Total Non-Operating Income (Expenses)	<u>(5,520)</u>	<u>(5,402)</u>	118
Income Before Transfers	63,302	67,176	3,874
Other Financing Sources:			
Use of Fund Balance		-	-
Transfers in	20,520	20,520	-
Transfers out	<u>(79,440)</u>	<u>(79,440)</u>	-
Total Other Financing Sources	<u>(58,920)</u>	<u>(58,920)</u>	-
Net Income (Loss)	<u>\$ 4,382</u>	<u>\$ 8,256</u>	<u>\$ 3,874</u>

Arena Fund		
<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 592,400	\$ 607,275	\$ 14,875
<u>-</u>	<u>5,430</u>	<u>5,430</u>
592,400	612,705	20,305
298,960	276,693	22,267
182,193	158,568	23,625
<u>78,940</u>	<u>78,937</u>	<u>3</u>
<u>560,093</u>	<u>514,198</u>	<u>45,895</u>
32,307	98,507	66,200
(14,770)	(14,767)	3
<u>490</u>	<u>539</u>	<u>49</u>
<u>(14,280)</u>	<u>(14,228)</u>	<u>52</u>
18,027	84,279	66,252
45,730	-	(45,730)
15,280	25,992	10,712
<u>(111,360)</u>	<u>(111,360)</u>	<u>-</u>
<u>(50,350)</u>	<u>(85,368)</u>	<u>(35,018)</u>
\$ <u><u>(32,323)</u></u>	\$ <u><u>(1,089)</u></u>	\$ <u><u>31,234</u></u>

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**Fiduciary Funds
Combining Financial Statement**

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, 2016

	Balance July 1, <u>2015</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2016</u>
Assets - cash and short-term investments	\$ 242,469	\$ 8,526,125	\$ (8,528,935)	\$ 239,659
Assets - due from other funds	<u>-</u>	<u>8,782,911</u>	<u>(8,782,911)</u>	<u>-</u>
Total Assets	<u>\$ 242,469</u>	<u>\$ 17,309,036</u>	<u>\$ (17,311,846)</u>	<u>\$ 239,659</u>
Liabilities - other liabilities	<u>\$ 242,469</u>	<u>\$ 8,991,687</u>	<u>\$ (8,994,497)</u>	<u>\$ 239,659</u>
Total liabilities	<u>\$ 242,469</u>	<u>\$ 8,991,687</u>	<u>\$ (8,994,497)</u>	<u>\$ 239,659</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.	130 - 133
<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.	134 - 138
<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.	139 - 141
<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.	142 - 143
<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.	144 - 146

City of Concord, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 102,584,829
Restricted	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	14,569,006
Unrestricted	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)	(38,096,272)
Total governmental activities net position	\$ 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	\$ 79,057,563
Business-type activities										
Net investment in capital assets	\$ 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	\$ 102,278,858
Restricted	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	1,814,208
Unrestricted	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	3,472,819
Total business-type activities net position	\$ 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	\$ 107,565,885
Primary government										
Net investment in capital assets	\$ 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	\$ 204,863,687
Restricted	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	16,383,214
Unrestricted	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)	(34,623,453)
Total primary government net position	\$ 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	\$ 186,623,448

Data Source:

Audited Financial Statements

City of Concord, New Hampshire

Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 5,865,465	\$ 5,248,062	\$ 6,104,117	\$ 6,852,912	\$ 7,145,023	\$ 8,190,946	\$ 9,064,401	\$ 7,833,696	\$ 8,375,764	\$ 8,098,118
Public safety	18,989,365	19,956,305	21,144,583	21,069,118	22,584,828	24,766,159	24,731,680	26,302,929	26,071,162	26,288,254
General services	11,211,510	12,186,012	11,572,079	11,290,119	12,693,473	10,390,070	10,528,936	12,194,315	12,146,581	11,339,476
Community development	3,535,844	4,160,643	4,041,973	3,815,308	4,223,189	4,624,312	4,703,083	4,763,024	5,723,172	4,913,433
Leisure and information services	2,368,707	2,276,316	2,459,002	2,142,783	2,574,830	4,049,606	4,295,029	4,681,713	4,501,607	4,831,033
Human services	1,038,484	705,177	807,682	768,564	775,026	773,578	792,040	841,942	1,228,609	808,266
Interest	1,411,040	1,763,217	1,410,990	1,778,927	1,511,198	1,447,573	1,406,011	1,529,922	2,054,101	1,772,950
Miscellaneous	483,671	195,830	53,928	-	-	-	-	-	-	-
Total governmental activities expenses	44,904,086	46,491,562	47,594,354	47,717,731	51,507,567	54,242,244	55,521,180	58,147,541	60,100,996	58,051,530
Business-type activities										
Water services	5,084,681	5,129,399	4,959,863	4,870,370	4,883,528	5,005,723	5,158,308	5,313,921	5,471,470	4,999,970
Wastewater services	5,751,772	6,138,395	6,436,028	6,368,985	6,247,273	6,285,448	6,427,740	6,755,444	7,177,767	6,483,519
Solid waste services	N/A	N/A	3,729,839	4,085,706	4,301,512	4,335,560	4,345,130	4,375,538	3,870,961	3,792,440
Other (nonmajor)	4,988,056	5,009,056	1,433,136	1,275,645	1,323,741	1,275,958	1,203,522	1,345,288	1,409,097	1,569,085
Total business-type activities expense:	15,824,509	16,276,850	16,558,866	16,600,706	16,756,054	16,902,689	17,134,700	17,790,191	17,929,295	16,855,014
Total primary government expenses	\$ 60,728,595	\$ 62,768,412	\$ 64,153,220	\$ 64,318,437	\$ 68,263,621	\$ 71,144,933	\$ 72,655,880	\$ 75,937,732	\$ 78,030,291	\$ 74,906,544
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 3,223,376	\$ 2,765,164	\$ 1,458,413	\$ 1,484,734	\$ 1,525,641	\$ 1,930,291	\$ 2,236,423	\$ 3,047,065	\$ 2,377,466	\$ 2,838,579
Public safety	2,521,339	2,444,300	3,048,743	3,128,313	3,507,165	3,776,767	3,567,993	3,794,562	3,835,584	4,556,639
General services	318,029	325,078	298,694	273,935	451,690	116,418	111,015	124,650	105,401	92,528
Community development	1,190,109	1,172,608	1,131,134	1,280,954	1,450,678	1,212,966	1,014,926	1,198,302	1,086,657	1,363,586
Leisure and information services	426,243	417,470	462,796	523,031	502,022	721,780	735,989	699,419	695,191	627,166
Human services	155,657	176,394	12,330	41,063	17,966	-	-	-	-	-
Total charges for services	7,834,753	7,301,014	6,412,110	6,732,030	7,455,162	7,758,222	7,666,346	8,853,998	8,100,299	9,478,498
Operating grants and contributions	488,719	607,301	1,406,391	1,016,770	739,160	2,181,740	2,194,409	2,140,242	2,236,128	3,962,417
Capital grants and contributions	3,266,416	4,350,418	2,004,940	2,199,019	2,640,477	2,400,917	7,960,947	3,353,952	5,135,430	9,320,137
Total governmental activities program revenues	11,589,888	12,258,733	9,823,441	9,947,819	10,834,799	12,340,879	17,821,342	14,348,192	15,471,857	22,761,052
Business-type activities										
Water services	4,853,295	5,112,600	4,918,822	5,100,517	5,363,947	5,339,039	5,509,247	5,492,305	5,746,908	5,905,710
Wastewater services	5,377,820	5,505,914	5,593,025	5,716,639	6,346,565	6,510,709	6,703,482	6,849,496	6,875,159	7,067,548
Solid waste services	3,228,133	3,301,298	1,303,735	1,358,042	1,310,157	1,272,183	1,345,176	1,475,357	1,481,527	1,602,082
Total charges for services	13,459,248	13,919,812	13,577,000	15,388,201	15,915,690	16,062,101	16,464,446	16,615,493	16,846,297	17,232,491
Operating grants and contributions	-	-	243,344	228,364	188,926	290,323	279,414	2,019,907	271,915	359,208
Capital grants and contributions	337,063	177,098	268,581	201,882	162,701	41,241	34,657	86,341	74,851	48,762
Total business-type activities program revenues	13,796,311	14,096,910	14,088,925	15,818,447	16,267,317	16,393,665	16,778,517	18,721,741	17,193,063	17,640,461
Total primary government program revenues	\$ 25,386,199	\$ 26,355,643	\$ 23,912,366	\$ 25,766,266	\$ 27,102,116	\$ 28,734,544	\$ 34,599,859	\$ 33,069,933	\$ 32,664,920	\$ 40,401,513
Net (Expenses)Revenue										
Governmental activities	\$ (33,314,198)	\$ (34,232,829)	\$ (37,770,913)	\$ (37,769,912)	\$ (40,672,768)	\$ (41,901,365)	\$ (37,699,838)	\$ (43,799,349)	\$ (44,629,139)	\$ (35,290,478)
Business-type activities	(2,028,198)	(2,179,940)	(2,469,941)	(782,259)	(488,737)	(509,024)	(356,183)	931,550	(736,232)	785,447
Total Primary government net expense	\$ (35,342,396)	\$ (36,412,769)	\$ (40,240,854)	\$ (38,552,171)	\$ (41,161,505)	\$ (42,410,389)	\$ (38,056,021)	\$ (42,867,799)	\$ (45,365,371)	\$ (34,505,031)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property tax	\$ 33,483,212	\$ 36,055,134	\$ 37,718,000	\$ 37,683,982	\$ 39,939,045	\$ 38,875,330	\$ 41,999,202	\$ 38,519,641	\$ 44,429,395	\$ 44,973,370
Penalties, interest and other taxes	639,602	754,891	804,871	885,170	1,267,571	1,037,812	821,981	913,597	944,755	977,949
Grants and contributions not restricted to specific programs	3,502,469	1,694,459	1,165,149	900	832	704	461	209	393	400
Investment income	3,729,057	1,552,449	(564,036)	1,066,457	2,233,996	611,071	1,886,501	2,677,097	1,356,311	742,464
Miscellaneous	867,053	987,429	743,489	1,563,028	1,165,035	1,486,553	1,428,889	3,125,212	2,842,713	974,869
Transfers, net	(447,769)	(451,881)	(830,487)	5,213	(43,843)	31,630	8,677	142,034	288,563	952,546
Permanent fund contributions	161,167	470,916	245,496	222,293	184,261	273,181	262,370	282,663	309,989	405,986
Total governmental activities	41,934,791	41,063,397	39,282,482	41,427,043	44,746,897	42,316,281	46,408,081	45,660,453	50,172,119	49,027,584
Business-type activities										
Grants and contributions not restricted to specific programs	310,313	141,327	-	-	-	-	-	7,947	-	-
Investment income	457,032	345,891	197,313	178,641	150,328	68,834	251,110	7,947	12,884	39,299
Miscellaneous	21,094	68,586	31,764	61,521	7,977	342,060	294,655	289,329	266,973	107,624
Transfers, net	447,769	451,881	830,487	(5,213)	(43,843)	(31,630)	(8,677)	(142,034)	(288,563)	(952,546)
Total business-type activities	1,236,208	1,007,685	1,059,584	234,949	202,148	379,264	537,088	155,242	(6,706)	(805,623)
Total primary government	\$ 43,170,999	\$ 42,071,082	\$ 40,342,066	\$ 41,661,992	\$ 44,949,045	\$ 42,695,545	\$ 46,945,169	\$ 45,815,695	\$ 50,165,413	\$ 48,221,961
Change in Net Position										
Governmental activities										
Governmental activities	\$ 8,620,593	\$ 6,830,568	\$ 1,511,569	\$ 3,657,131	\$ 4,074,129	\$ 414,916	\$ 8,708,243	\$ 1,861,104	\$ 5,542,980	\$ 13,737,106
Business-type activities	(791,990)	(1,172,255)	(1,410,377)	(547,310)	(286,589)	(129,760)	180,905	1,086,792	(744,938)	(20,176)
Total primary government	\$ 7,828,603	\$ 5,658,313	\$ 101,192	\$ 3,109,821	\$ 3,787,540	\$ 285,156	\$ 8,889,148	\$ 2,947,896	\$ 4,798,042	\$ 13,716,930

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									
	2007	2008	2009	2010	2011 ⁽¹⁾	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 2,270,638	\$ 1,300,105	\$ 1,169,269	\$ 966,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,453,608	4,447,779	5,302,478	7,025,545	-	-	-	-	-	-
Nonspendable	-	-	-	-	181,815	152,871	152,871	152,871	152,871	168,027
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	4,316,925	4,938,869	4,729,164	3,416,913	3,265,799	4,106,177
Assigned	-	-	-	-	1,355,353	894,000	935,000	750,000	960,000	930,000
Unassigned	-	-	-	-	6,736,075	8,168,250	9,079,250	9,879,330	10,171,068	10,735,579
Total General Fund	<u>\$ 5,724,246</u>	<u>\$ 5,747,884</u>	<u>\$ 6,471,747</u>	<u>\$ 7,992,313</u>	<u>\$ 12,590,168</u>	<u>\$ 14,153,990</u>	<u>\$ 14,896,285</u>	<u>\$ 14,199,114</u>	<u>\$ 14,549,738</u>	<u>\$ 15,939,783</u>
Other Governmental Funds										
Reserved	\$ 8,686,203	\$ 13,154,406	\$ 11,784,460	\$ 10,652,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	8,651,431	9,077,496	7,675,674	8,124,307	-	-	-	-	-	-
Capital Project Funds	14,906,493	5,017,047	4,261,481	3,500,587	-	-	-	-	-	-
Debt Service	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	11,465,110
Restricted	-	-	-	-	4,214,191	2,803,781	3,148,961	9,539,642	11,848,567	11,105,618
Committed	-	-	-	-	10,842,872	9,916,209	7,765,227	5,109,805	6,977,411	5,439,600
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(915)	(1,290)	-	(1,329,031)	(726,422)	(2,091,373)
Total Other Funds	<u>\$ 32,901,462</u>	<u>\$ 28,009,112</u>	<u>\$ 24,578,402</u>	<u>\$ 23,525,144</u>	<u>\$ 24,295,674</u>	<u>\$ 22,112,926</u>	<u>\$ 21,249,794</u>	<u>\$ 25,324,940</u>	<u>\$ 30,730,891</u>	<u>\$ 25,918,955</u>

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 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	\$ 44,507,445
Licenses and permits	1,020,239	1,089,628	825,833	712,811	1,112,391	1,119,219	896,393	1,022,818	890,025	1,173,367
Intergovernmental	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	13,066,290
Charges for services	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	7,644,593
Investment income	3,729,057	1,552,449	(564,323)	1,066,457	2,234,008	618,261	1,630,988	2,677,101	805,143	742,464
Contributions and miscellaneous	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	2,664,370
Total revenues	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	69,798,529
Expenditures by Function										
General government	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	11,871,152
Public safety	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	25,395,370
General services	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	7,803,575
Community development	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	3,271,935
Leisure and information services	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	4,237,059
Human services	1,033,422	697,719	789,101	749,114	752,485	735,447	748,690	801,071	790,648	782,138
Employee benefits	555,182	656,039	328,542	445,033	661,188	2,327,580	2,281,856	2,209,785	2,174,927	2,243,415
Miscellaneous	1,762,956	195,830	53,929	131,653	45,491	3,722	1,186	301	350	-
Debt service										
Principal	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	5,142,807
Interest	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	1,719,264
Capital outlay	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	17,350,251
Total expenditures	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	79,816,966
Excess of revenues										
Over(under) expenditures	(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)	(10,018,437)
Other Financing Sources (Uses)										
Bond proceeds	10,632,960	-	4,250,710	2,494,750	5,063,000	4,333,851	5,164,900	8,732,000	10,027,500	5,410,750
Bond premium	-	-	-	-	-	-	-	-	575,556	233,250
Refunding, net	-	-	-	-	-	-	103,855	-	-	-
Transfers in	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	3,912,917
Transfers out	(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)	(2,960,371)
Total other financing sources (uses)	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	6,596,546
Net Change in fund balances	\$ (6,144,611)	\$ (4,868,712)	\$ (2,706,847)	\$ 467,308	\$ 5,368,385	\$ (618,926)	\$ (120,837)	\$ 3,377,975	\$ 5,756,575	\$ (3,421,891)

Debt Service as a percentage of non-capital outlay expenditures	12.09%	14.58%	12.71%	13.39%	11.80%	11.52%	12.88%	11.56%	11.93%	11.71%
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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	Payment in Lieu of Taxes	Total
2016	\$ 37,291,874	\$ 29,109	\$ 240	\$ 6,497,093	\$ 689,129	\$ 44,507,445
2015	36,322,413	29,574	804	6,123,498	704,089	43,180,378
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

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						
2016	\$ 2,168,810,800	\$ 1,539,035,833	\$ 178,446,300	\$ 3,886,292,933	\$ 32,958,740	\$ 3,853,334,193	\$ 24.36	\$ 4,033,984,178	96.3%
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%

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
2016	\$ 9.60	\$ 9.60	\$ 12.15	\$ 2.61	\$ 14.76	\$ 24.36	\$ 2.98	\$ 27.34
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

Penacook Direct Rates							Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2016	\$ 9.60	\$ 9.60	\$ 17.25	\$ 2.43	\$ 19.68	\$ 29.28	\$ 2.98	\$ 32.26
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

Data Source

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

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

Taxpayer	Type of Business	FY2016 2015 Tax Year		Percentage of Total Assessed	2007		Percentage of Net Assessed
		Net Taxable Assessed Value	Rank		Net Taxable Assessed Value	Rank	
Wheelabrator Concord Co LP	Trash to Energy	\$ 52,097,600	1	1.35 %	\$ 42,422,200	3	1.03 %
UNITIL Energy Systems, Inc (formerly Concord Electric Company. LP)	Utility	47,728,550	2	1.24	37,838,500	4	0.92
Liberty Utilities (formerly EnergyNorth Natural Gas Inc)	Utility	40,175,250	3	1.04	20,169,100	9	0.49
Public Service Co of NH (Eversource)	Utility	33,470,400	4	0.87	-		
Walmart/Sam's Club	Retail	31,327,350	5	0.81	31,627,000	6	0.77
Hodges Properties Inc	Rentals	25,406,700	6	0.66	50,122,100	2	1.22
Steeplegate Mall, LLC	Mall	25,290,400	7	0.66	78,899,700	1	1.92
St Paul's School	Private School	23,889,500	8	0.62	26,358,600	7	0.64
Hodges Development Corp	Rentals	23,114,100	9	0.60	-		-
Card Says Moops LLC	Rentals	22,800,000	10	0.59	-		-
Capital Region Health Care Development	Health Care	-		-	33,568,600	5	0.82
Eddy Plaza Associates Inc	Retail	-		-	24,674,000	8	0.60
McKerley Healthcare Center/Nursing	Health Care	-		-	16,690,000	10	0.41
Total Principal Taxpayers		325,299,850		8.44 %	362,369,800		8.83 %
Total Net Assessed Taxable Value		<u>\$ 3,853,334,193</u>			<u>\$ 4,105,126,614</u>		
Tax Year - April1, 2015 - March 31, 2016							

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
2015	\$ 108,121,924	\$ 106,227,601	98.2%	\$ 263,577	\$ 1,630,746	\$ 106,491,178	98.5%
2014	104,676,371	103,058,356	98.5%	817,224	800,791	103,875,580	99.2%
2013	99,543,287	97,564,510	98.0%	1,879,818	98,959	99,444,328	99.9%
2012	95,589,658	93,738,015	98.1%	1,833,638	18,005	95,571,653	100.0%
2011	92,246,890	90,471,786	98.1%	1,765,886	9,218	92,237,671	100.0%
2010	90,288,009	88,050,231	97.5%	2,234,905	2,873	90,285,136	97.9%
2009	89,364,495	87,058,646	97.4%	2,305,064	785	89,363,710	100.0%
2008	89,495,403	87,291,314	97.5%	2,203,510	579	89,494,824	100.0%
2007	83,179,918	81,235,289	97.7%	1,944,053	576	83,179,342	100.0%
2006	79,322,705	78,171,510	98.5%	1,151,195	-	79,322,705	100.0%

Data Source:

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

Notes:

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

Amounts are estimated to the nearest thousand

(1) Fiscal year 2016 is the City's tax year 2015.

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				
2016	\$ 49,142,637	\$ 32,536,370	\$ 81,679,007	\$ 1,916	6.38%	2.12%
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%
2010	38,882,692	27,547,146	66,429,838	1,503	6.84%	1.64%
2009	40,860,105	27,175,987	68,036,092	1,540	7.01%	1.58%
2008	40,934,133	25,377,493	66,311,626	1,509	6.87%	1.58%
2007	45,758,099	28,369,871	74,127,970	1,687	7.68%	1.81%

City of Concord, New Hampshire

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Direct Debt:										
City of Concord										
Net General Obligation Debt Outstanding	\$ 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	\$ 49,142,637
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 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	\$ 49,142,637
Subtotal Direct Debt	\$ 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	\$ 49,142,637
Overlapping Debt:										
Merrimack County										
Net General Obligation Debt Outstanding	\$ 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	\$ 40,595,000
Percentage Applicable to Government	25.56%	25.87%	26.13%	25.71%	25.44%	25.14%	26.85%	27.40%	25.86%	25.67%
Amount Applicable to Government	\$ 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	\$ 10,421,833
Concord School District										
Net General Obligation Debt Outstanding	\$ 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	\$ 49,976,585
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 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	\$ 49,976,585
Merrimack Valley School District										
Net General Obligation Debt Outstanding	\$ 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	25.51%	25.24%	25.18%	25.36%	25.79%	26.24%	26.68%	29.83%	26.25%	25.95%
Amount Applicable to Government	\$ 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	\$ 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	\$ 60,398,418
Grand Total	\$ 77,840,165	\$ 75,786,141	\$ 72,367,053	\$ 67,044,283	\$ 123,276,974	\$ 119,125,954	\$ 115,012,073	\$ 114,342,413	\$ 112,914,326	\$ 109,541,055

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Base Value for Debt Limits (1)	\$ 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	\$ 4,001,809,256
Legal Debt Limits (% of Base Value)										
General - 1.75% thru 1998, 3% 1999 on (2)	\$ 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	\$ 120,054,278
Water - 10% (2)	\$ 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	\$ 400,180,926
Issued Debt at June 30										
Total Issued Debt at June 30	\$ 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	\$ 81,679,007
Less Water Fund	(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)	(14,595,612)
Less Sewer Fund (3)	(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)	(16,861,971)
Less Tax Increment Debt (3)	(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)	(7,206,400)
Less Landfill Debt (3)	(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	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	14,827,958
Less Golf Fund	-	-	-	-	(80,000)	(80,000)	(80,000)	(60,000)	(93,000)	(60,000)
Less Arena Fund	-	-	-	-	(475,000)	-	-	-	-	-
Less Solid Waste Fund	-	-	-	-	-	-	-	-	-	-
Less Water Fund	(1,150,000)	(3,017,000)	(1,130,500)	(697,000)	(175,000)	(150,000)	-	-	(136)	(36,500)
Less Sewer Fund (3)	(117,672)	(2,570,672)	(1,390,672)	(392,672)	(552,672)	(2,168,172)	-	-	-	(36,500)
Less Tax Increment Debt (3)	-	-	-	(285,000)	(285,000)	-	-	-	-	-
Total Debt Subject to general limit	\$ 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	\$ 57,709,982
Legal Debt Margin										
General	\$ 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	62,344,296
Water Fund	\$ 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	385,548,813
% of Legal Debt Limits Used										
General	27.9%	27.3%	26.6%	28.1%	29.1%	31.5%	32.3%	38.9%	38.4%	48.1%
Water Fund	2.7%	2.3%	2.7%	2.8%	3.1%	3.2%	3.3%	3.1%	3.3%	3.6%

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
2016	42,620 *	\$ 1,280,433	\$30,043 **	2.40% ***
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%

* Population as of July 1, 2015 as estimated by the US Census Bureau

** Based on 2014 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**

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
State of New Hampshire	6,054	1	26.62 %	11,027	1	49.72 %
Concord Hospital Capital Region Health Care	3,230	2	14.20	2,960	2	13.35
Concord School District	994	3	4.37	964	4	4.35
Lincoln Financial Group	593	4	2.61	660	6	2.98
City of Concord	496	6	2.18	515	7	2.32
Sanel Auto Parts	540	5	2.37			
Genesis Health Care Systems	417	7	1.83	417	9	1.88
Market Basket	410	8	1.80			
Concord Regional Visiting Nurses Association	392	9	1.72			
Merrimack Valley School District	372	10	1.64	500	8	2.25
Steeplegate Regional Mall				1,235	3	5.57
Merrimack County				700	5	3.16
St Paul's School				340	10	1.53
Total Principal Employers	13,498		59.34 %	19,318		87.10 %
Total City Employment	<u>22,740</u> (1)			<u>22,180</u>		

Data Source

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

(1) Based on labor force residing in Concord - NHDES August 2016

City of Concord, New Hampshire

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

Departments	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City Manager	3.0	4.0	3.5	3.2	3.2	3.0	3.0	3.0	3.0	3.0
Legal	9.0	9.0	9.0	9.6	9.6	9.6	9.6	9.5	9.5	9.8
Assessing	6.5	6.5	6.5	6.3	6.0	6.0	6.0	6.0	6.0	6.4
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	6.0	5.5	6.0	6.0	6.0	6.0	6.0
Finance/Treas	8.0	8.0	8.0	7.7	7.5	7.5	7.5	7.5	7.5	8.6
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	3.0	3.5	3.5	3.5	3.7	3.7	2.0
Info Technology	6.0	6.0	6.0	5.0	6.0	6.0	6.0	6.0	6.0	7.0
City Clerk	3.6	3.6	3.6	3.5	3.6	3.6	3.6	3.6	3.6	7.4
Gen Gov	49.7	50.7	50.2	50.2	50.9	51.2	51.2	51.3	51.3	56.2
Police	105.0	98.2	98.1	96.5	97.7	98.7	100.1	99.5	99.5	97.9
Police-Parking	9.6	9.6	9.6	9.6	8.6	8.6	8.6	8.6	8.5	9.2
Fire	115.2	115.0	114.7	107.0	107.0	106.0	105.0	104.0	101.0	101.0
Public Safety	229.8	222.8	222.4	213.1	213.3	213.3	213.7	212.1	209.0	208.0
Administration	17.5	17.5	17.5	16.5	16.5	16.5	15.5	15.5	15.5	16.0
Hwys & Util Sys	42.0	43.0	44.0	41.0	41.0	41.0	44.0	41.5	41.5	41.5
Grounds	25.0	24.0	23.0	21.0	21.0	0.0	0.0	0.0	0.0	0.0
Public Properties	20.5	21.0	21.5	19.0	19.0	19.0	18.0	18.0	18.0	18.9
Vehicle Maint	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Temporary	12.8	13.1	12.9	11.9	11.9	11.9	13.0	13.0	13.0	11.9
Water & Sewer	26.0	26.0	26.0	26.0	24.0	24.0	24.0	24.0	24.0	24.0
General Svcs	156.8	157.6	157.9	147.4	145.4	124.4	126.5	124.0	124.0	124.3
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Bldg & Code Svcs	11.5	11.5	11.8	10.3	10.3	10.1	10.1	10.1	10.1	10.1
Engineering Svcs	18.6	19.6	19.6	18.0	18.0	17.0	17.0	17.0	17.0	17.0
Comm Devel	36.6	37.1	37.4	34.3	34.3	33.1	33.1	33.1	33.1	33.1
Library	25.1	24.5	23.5	20.2	19.6	19.6	19.6	19.7	19.7	20.3
Parks & Recreation	10.0	9.7	10.0	9.8	10.0	11.6	11.6	13.7	13.7	26.0
Parks & Recreation - Grounds Div	0.0	0.0	0.0	0.0	0.0	18.5	17.5	20.0	19.5	19.5
Leisure Services	35.1	34.2	33.5	30.0	29.6	49.7	48.7	53.4	52.9	65.8
Human Services	4.7	4.7	4.7	4.5	4.7	4.7	4.7	4.4	4.4	4.4
Grand Totals	512.6	507.1	506.0	479.5	478.1	476.3	477.8	478.3	474.6	491.8

Data Source

Budgeted Positions per City of Concord Budget. Full time equivalent based on 40 hours per week. Beginning in FY16, all temp positions are included.

City of Concord, New Hampshire

Operating Indicators by Function

Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Physical arrests	2,928	2,749	3,095	3,044	2,796	2,837	2,787	2,716	2,926	2,746
Traffic violations	5,548	4,535	5,455	5,325	3,993	3,576	3,595	3,993	4,388	3,698
Parking violations	39,318	40,625	37,749	34,860	28,458	25,541	24,519	23,269	21,411	21,702
Fire and Rescue										
Calls answered	7,875	7,529	7,321	6,882	7,327	7,182	7,217	7,431	7,994	8,109
General services - Solid waste										
Refuse collected (tons)	17,081	16,370	10,884	8,311	11,722	11,478	12,074	12,630	12,624	12,624
Recycling (tons) Note: Recycle program started Oct 2005	1,962	1,976	2,063	3,391	3,555	3,677	4,440	4,855	5,058	5,058
General services - Streets										
Streets resurfaced (miles)	18	23	4	3	6	1	6	4	4	12
Potholes repaired	7,934	11,335	10,100	4,176	7,780	5,210	7,115	11,547	8,163	9,064
Water										
Average daily consumption (in thousands of gallons)	4,910	3,740	3,744	3,348	3,761	3,792	3,560	3,564	3,996	3,667
Sewage System:										
Daily average treatment (in thousands of gallons)										
Concord Plant	4,680	4,730	4,540	4,360	4,580	4,100	3,850	3,780	3,690	3,420
Penacook Plant	585	610	570	530	460	490	420	470	466	426

Data Source

Various city departments

City of Concord, New Hampshire

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	5	5	5	5	5	5	5	5
Number of support vehicles	7	7	6	6	6	6	6	6	6	6
General Services - Streets										
Miles of streets	**217	**217	**217	**217	**217	**217	**217	**217	**217	217
Number of traffic lights (in sets)	97	97	75	77	77	71	71	71	71	71
Number of street lights	2,128	2130	2130	2,130	2,130	*2,213	*2,213	*2,213	*2,213	*2,285
Parks & Recreation - Culture and Recreation:										
Number of parks	20	20	20	20	20	20	20	20	29	29
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	21	21	21	21	21	21	21	20	20	20
Water										
Water main (miles)	170	171	172	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)	142	142	152	152	152	155	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	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370

* Includes ornamental lights

**Prior years have been restated to accurately reflect this item.

Data Source

Various city departments