

CITY OF CONCORD NEW HAMPSHIRE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
June 30, 2018**

CITY OF CONCORD

NEW HAMPSHIRE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018



**Prepared by:
The Finance Department**

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

**Katherine A. Graff
Assistant Finance Director**

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>	
Letter of Transmittal	3
Table of Organization	10
Locational Drawing	11
List of Principal Officials	12
Certificate of Achievement	13
<u>FINANCIAL SECTION:</u>	
INDEPENDENT AUDITORS' REPORT	17
MANAGEMENT'S DISCUSSION AND ANALYSIS	20
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	31
Statement of Activities	33
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	35
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	36
Statement of Revenues, Expenditures, and Changes in Fund Balances	37
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	38
Statement of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual - General Fund - Budget Basis	39

	<u>Page</u>
Proprietary Funds:	
Statement of Net Position	40
Statement of Revenues, Expenses, and Changes in Fund Net Position	41
Statement of Cash Flows	42
Fiduciary Funds:	
Statement of Fiduciary Net Position	43
Notes to Financial Statements	45
REQUIRED SUPPLEMENTARY INFORMATION	
Pension:	
Schedule of Proportionate Share of the Net Pension Liability	87
Schedule of Pension Contributions	88
OPEB:	
Schedule of Proportionate Share of Total OPEB Liability (GASB 75)	89
Schedules of Changes in the Net OPEB Liability and Contributions (GASB 75)	90
SUPPLEMENTARY STATEMENTS AND SCHEDULES:	
Governmental Funds:	
Combining Financial Statements:	
Combining Balance Sheet - Nonmajor Governmental Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Equity - Nonmajor Governmental Funds	102
Detail and Combining Budget and Actual Schedules:	
Detail Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund	111
Detail Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund	113

	<u>Page</u>
Schedule of Revenues, Expenditures and Other Financing - Sources and Uses - Budget and Actual - Annually Budgeted Nonmajor Governmental Funds	116
Proprietary Funds:	
Combining Financial Statements:	
Combining Statement of Net Position - Nonmajor Proprietary Funds	122
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Proprietary Funds	123
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	124
Detail Combining Budget and Actual Schedule:	
Schedule of Revenues and Expenses - Budget and Actual - Enterprise Funds	128
Fiduciary Funds:	
Combining Financial Statement:	
Combining Statement of Changes in Assets and Liabilities - Agency Funds	135
<u>STATISTICAL SECTION:</u>	
<i>Financial Trend Data</i>	
Net Position by Component - Last Ten Fiscal Years	140
Change in Net Position - Last Ten Fiscal Years	141
Fund Balances, Governmental Funds - Last Ten Fiscal Years	142
Change in Fund Balances, Governmental Funds - Last Ten Fiscal Years	143
<i>Information on Revenue Capacity:</i>	
General Government Tax Revenues by Source - Last Ten Fiscal Years	144

Assessed and Estimated Full Value of Real Property - Last Ten Fiscal Years	145
Property Tax Rates per \$1,000 of Assessed Value - Direct and Overlapping Governments - Last Ten Fiscal Years	146
Principal Taxpayers - Current Year and Nine Years Ago	147
Property Tax Levies and Collections - Last Ten Fiscal Years	148

Debt Capacity Information:

Ratios of Outstanding Debt by Debt Type - Last Ten Fiscal Years	149
Computation of Overlapping Debt by Debt - Merrimack County Long Term Debt - Last Ten Fiscal Years	150
Ratios of Long-term Debt Outstanding and Legal Debt Limits - Last Ten Fiscal Years	151

Demographic and Economic Information:

Demographic Statistics - Last Ten Fiscal Years	152
Principal Employers - Current Year and Nine Years Ago	153

Operating Information:

City Government Employees by Function - Full Time Equivalents - Last Ten Fiscal Years	154
Operating Indicators by Function - Last Ten Fiscal Years	155
Capital Asset Statistics by Function - Last Ten Fiscal Years	156

INTRODUCTORY SECTION

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CITY OF CONCORD

New Hampshire's Main Street™

Finance

October 26, 2018

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, 2018.

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

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

The Report

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

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

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

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

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

Profile of the Government

The City of Concord is located in Merrimack County, approximately 70 miles north of Boston, Massachusetts, on the Merrimack River in South Central New Hampshire. According to the U.S. Census Bureau, the City has an estimated population of 43,019 as of July 1, 2017, a 0.76% increase 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 four-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 2017, he was re-elected for his sixth 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 among 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 among 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 2018 was 2.3%. This compares favorably to New Hampshire's rate of 2.6% and to the United States rate of 4.0%. Concord's rate also remains the lowest among the top three New Hampshire cities with Manchester at 2.8% and Nashua at 2.9%. 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, 2017, increased overall by 2.53% compared to April 1, 2016. The cumulative total residential, manufactured homes, and condominiums increased 3.65% in assessed value. The average assessed value of a single-family home in Concord as of April 1, 2017, was \$244,011, up slightly from \$237,011 the year before.

Tax collections percentage as of June 30, 2018, for the 2017 Tax Year was 98.6%, slightly lower than the previous year. Total tax delinquencies for all years were stated at \$2.2 million, up \$0.2 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 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 has a robust program of business attraction and retention coordinated by its Economic Development Director, Community Development Department, and City Administration. In FY 2018, the City launched a separate Economic Development website as well as a real estate database to assist site selectors. The Economic Development Director also continued the City's business visitation program and set up a framework for convening business "strike teams" to address specific recruiting needs.

In an effort to further stimulate tax base growth, the City Council—in the fall of 2017—voted to rescind the assessment of impact fees on non-residential development. This same year, the remaining school impact fees assessed for the Concord School District were "sunsetting" with the final payment of the School's 1990s era bond. These two initiatives dramatically reduced the cost of development in the City.

In FY 2018, City Council also eliminated a number of license and inspection requirements on businesses such as bowling alleys, arcades, dance venues, nursing homes, etc. This step further streamlined the process of doing business in Concord.

In May 2017, the City entered into a Purchase Option Agreement to sell 2.5 acres of the former Allied Leather Tannery site to the Caleb Development Corporation for \$540,000. Caleb plans to develop a 54-unit workforce housing project at the property.

When fully completed, the project will generate \$3 million in new Assessed Value. The developer has secured development permits and approvals for the project, and is currently pursuing financing for the project. Construction on Phase I of the project (34 units - \$8.6 million) is scheduled for Summer/Fall 2019.

In October 2017, the City Council approved selling the former NH Employment Security property to Dol Soul Properties LLC. for \$1.075 million. The developer plans to construct a new 180,000 SF mixed use building featuring approximately 125 apartments, 5,000 SF of commercial space, and a 125-space internal parking garage. The development is projected to generate \$12.5 million in new Assessed Value. The project is tentatively scheduled to begin in Summer 2019.

The Dol Soul project will add to the growing number of market rate residential units in downtown Concord. Since the completion of the Downtown Complete Streets Project (aka the Main Street Project), over 200 new or renovated market rate apartments have been built or are in the development “pipeline” for the greater Main Street area. These apartments have tapped into a significant demand for quality housing in Concord demonstrated by a .8% vacancy rate for residential.

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. The exception is the Golf Fund, which received general fund support for their Fiscal Year 2017 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 2017 reported surpluses ranging from \$369,286 to \$1.5 million. The Fiscal Year 2018 surplus is \$519,209.

The total General Fund Unassigned Fund Balance increased to \$11.4 million after City management assigned \$975,000 which is anticipated to be transferred to trust fund reserve accounts in Fiscal Year 2019. The \$11.4 million Unassigned Fund Balance represents a \$360,000 increase over Fiscal Year 2017. The purposes of the

Assigned Fund Balance are for transfers to Highway Paving Reserve (\$270,000), Equipment Reserve (\$175,000), Economic Development (\$100,000), and Recreation (\$400,000), and Education and Training (\$30,000).

OPEB Action/GASB Statement No. 75

Effective in Fiscal Year 2017, the City adopted Government Accounting Standards Board (GASB) Statement No. 75, as reported in Note 19 of this CAFR. As of June 30, 2018, the total Other Postemployment Benefits (OPEB) liability was \$51.8 million. As of June 30, 2017, the City reported a total OPEB liability of \$53.0 million as restated for GASB 75.

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 2019.

Relevant Financial Policies

Goals

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

The goals address the topics of: Accounting, Auditing, and Financial Reporting, Budgetary and Financial Management, Capital Improvements, Cash Management, Debt Management, Employee Compensation and Benefits, Enterprise/Special Revenue and Other Funds Management, Municipal Services Expenditures and Revenues, and Tax Rate Management. In addition to the cash management goal cited above; another goal that stands out is Goal E1 under Debt Management that limits debt service to 10% of total expenditures. For Fiscal Year 2018, this amount was 10.3%.

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, 2018 the Unassigned Fund Balance was 19.3%.

Credit Rating and Debt Limit

As of January 2018, Standard and Poor's Rating Group affirmed the City's bond rating of AA+ in conjunction with a \$16.49 million General Obligation bond offering and affirmed the AA+ rating on the City's \$95.0 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 2018 budget was adopted by the City Council with several major initiatives to further the City's efforts to create a more sustainable and economically viable community. Specific investments include completion of the design and construction of the new City-Wide Community Center, School Street Garage repairs, Loudon Road Traffic safety improvements, the replacement of the Keach Park pool, reconstruction of five tennis courts at Memorial Field, replacement of Ambulances #4 and #5, continuation of the Annual Neighborhood Paving Program, replacement of water mains, and improvements to the Hall Street wastewater treatment plant.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded twenty-three consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Concord, New Hampshire for its CAFR beginning with the fiscal year ended December 31, 1995, through June 30, 2017, 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* (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 2018. Also displayed are previous CAFRs and other summary financial information.

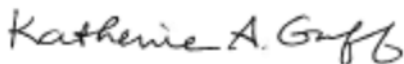
Sincerely,



Thomas J. Aspell, Jr.
City Manager

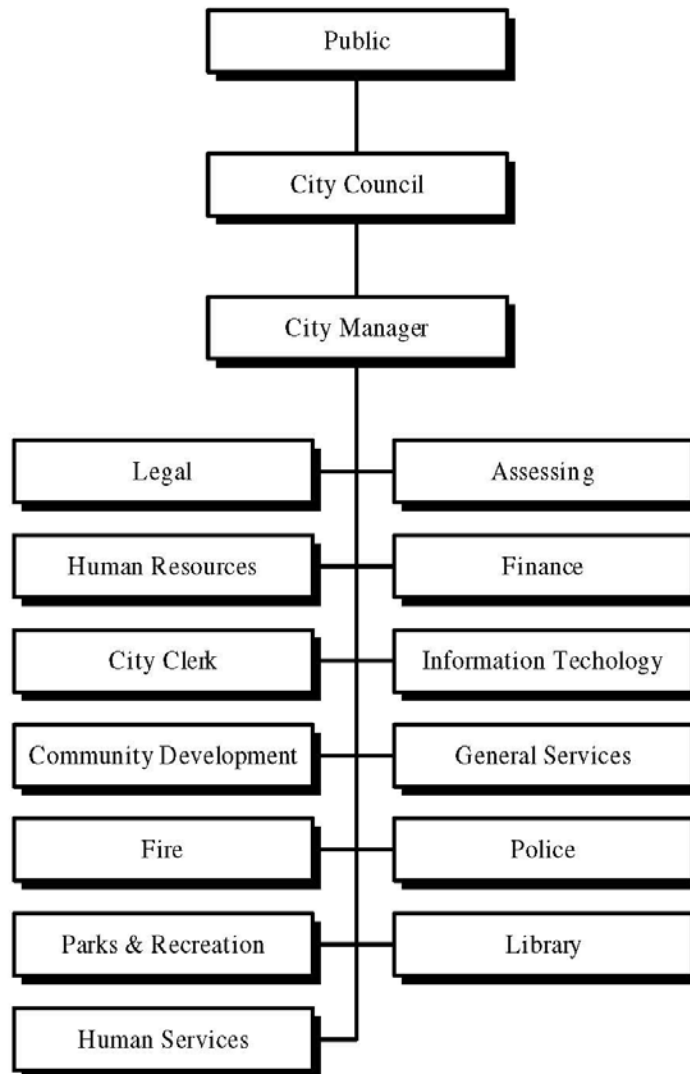


Brian G. LeBrun
Deputy City Manager – Finance



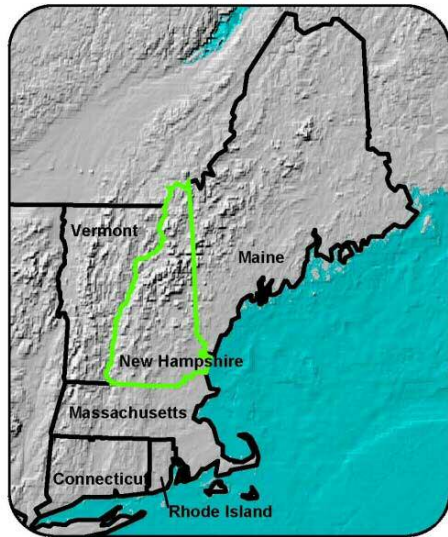
Katherine A. Graff
Assistant Finance Director

CITY OF CONCORD, NEW HAMPSHIRE
TABLE OF ORGANIZATION



City of Concord, NH

Geographic Location



City of Concord, New Hampshire
List of Principal Officials
As of June 30, 2018

Title:	Name:
<u>Elected by the Public:</u>	
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
<u>Appointed by Council:</u>	
City Manager	Thomas J. Aspell
<u>Appointed by City Manager:</u>	
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 Johnston
Director of Real Estate Assessments	Kathryn H. Temchack
Director of Redevelopment, Downtown & Special Projects	Matthew R. Walsh
Fire Chief	Daniel L. Andrus
Director of General Services	Earle M. Chesley
Director of Human Services	Karen O. Emis-Williams
Library Director	Andrew T. Fabian
Director of Parks & Recreation	David B. Gill
Police Chief	Bradley C. Osgood
Assistant Finance Director	Katherine A. Graff
Budget Director	Robert J. McManus
City Engineer	David Cedarholm
Code Administrator	Michael M. Santa
Economic Development Director	Suzanne Pegg
Purchasing Director	Tina M. Waterman
Treasurer / Tax Collector	Michael P. Jache



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
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**City of Concord
New Hampshire**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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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, 2018, 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 opinion

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord, New Hampshire, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Pension and OPEB schedules appearing on pages 87 to 90 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

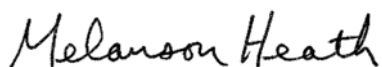
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information appearing on pages 96 through 135 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived

from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

A handwritten signature in cursive script that reads "Melanson Heath".

October 26, 2018

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, 2018. This section should be read in conjunction with the Letter of Transmittal beginning on page 3.

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, liabilities, and deferred outflows/inflows of resources with the difference 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 fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities 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 and sewer funds are considered major funds.

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

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

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by 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 and deferred outflows exceeded liabilities and deferred inflows by \$162,794,417 (i.e., net position), a change of \$4,601,339 in comparison to the prior year, as restated for GASB 75.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$40,909,797, a change of \$(4,647,377) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,371,395, a change of \$356,316 in comparison to the prior year. In addition, total general fund balance increased by \$39,799.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	NET POSITION					
	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 112,187	\$ 111,563	\$ 21,261	\$ 22,368	\$ 133,448	\$ 133,931
Capital assets	177,496	159,951	131,355	128,347	308,851	288,298
Total assets	<u>289,683</u>	<u>271,514</u>	<u>152,616</u>	<u>150,715</u>	<u>442,299</u>	<u>422,229</u>
Deferred outflows of resources	18,356	23,442	1,387	1,832	19,743	25,274
Total assets and deferred outflows	<u>\$ 308,039</u>	<u>\$ 294,956</u>	<u>\$ 154,003</u>	<u>\$ 152,547</u>	<u>\$ 462,042</u>	<u>\$ 447,503</u>
Long-term liabilities outstanding	\$ 175,675	\$ 169,057	\$ 46,639	\$ 44,768	\$ 222,314	\$ 213,825
Other liabilities	9,538	8,301	3,138	2,190	12,676	10,491
Total liabilities	<u>185,213</u>	<u>177,358</u>	<u>49,777</u>	<u>46,958</u>	<u>234,990</u>	<u>224,316</u>
Deferred inflows of resources	63,836	60,075	422	304	64,258	60,379
Net position:						
Net investment in capital assets	118,412	110,350	99,470	100,852	217,882	211,202
Restricted	20,238	18,327	1,389	1,600	21,627	19,927
Unrestricted	<u>(79,660)</u>	<u>(71,154)</u>	<u>2,945</u>	<u>2,833</u>	<u>(76,715)</u>	<u>(68,321)</u>
Total net position	<u>58,990</u>	<u>57,523</u>	<u>103,804</u>	<u>105,285</u>	<u>162,794</u>	<u>162,808</u>
Total liabilities, deferred inflows and net position	<u>\$ 308,039</u>	<u>\$ 294,956</u>	<u>\$ 154,003</u>	<u>\$ 152,547</u>	<u>\$ 462,042</u>	<u>\$ 447,503</u>

The largest portion of net position \$217,881,740 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, \$21,627,445 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 \$(76,714,768) primarily resulting from the City's unfunded net pension and net OPEB liabilities.

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 \$162,794,417, a change of \$(4,601,339) from the prior year.

<u>CHANGES IN NET POSITION</u>						
	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 10,259	\$ 9,336	\$ 17,940	\$ 17,955	\$ 28,199	\$ 27,291
Operating grants and contributions	4,414	4,190	356	876	4,770	5,066
Capital grants and contributions	3,324	5,874	56	62	3,380	5,936
General revenues:						
Property taxes	48,553	46,002	-	-	48,553	46,002
Penalties and interest on taxes	731	976	-	-	731	976
Investment income	1,905	1,734	228	80	2,133	1,814
Other	927	739	136	207	1,063	946
Total revenues	70,113	68,851	18,716	19,180	88,829	88,031
Expenses:						
General government	9,413	8,867	-	-	9,413	8,867
Public safety	29,777	29,900	-	-	29,777	29,900
General services	12,469	12,413	-	-	12,469	12,413
Community development	5,667	5,278	-	-	5,667	5,278
Leisure and information services	5,536	5,171	-	-	5,536	5,171
Human services	661	728	-	-	661	728
Interest on long-term debt	2,023	1,830	-	-	2,023	1,830
Water operations	-	-	5,587	5,553	5,587	5,553
Sewer operations	-	-	7,745	6,378	7,745	6,378
Solid waste operations	-	-	4,036	3,921	4,036	3,921
Other operations	-	-	1,582	1,542	1,582	1,542
Total expenses	65,546	64,187	18,950	17,394	84,496	81,581
Change in net position before transfers and contributions	4,567	4,664	(234)	1,786	4,333	6,450
Transfers in (out)	1,185	1,180	(1,185)	(1,180)	-	-
Permanent fund contributions	269	282	-	-	269	282
Change in net position	6,021	6,126	(1,419)	606	4,602	6,732
Net position - beginning of year, as restated	52,970	51,397	105,223	104,679	158,193	156,076
Net position - end of year	* \$ 58,991	\$ 57,523	\$ 103,804	\$ 105,285	\$ 162,795	\$ 162,808

*Fiscal year 2017 amounts were not restated for the OPEB liability resulting from the NHRS medical subsidy program as all applicable amounts were not available.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$6,020,055. Key elements of this change are as follows:

Capital grants and contributions	\$	3,323,526
Capital assets acquired with revenues		3,940,556
Change in net OPEB liability		1,062,858
Change in OPEB related deferred inflows and outflows		(1,450,958)
Change in net pension liability		3,293,656
Change in pension related deferred inflows and outflows		(5,077,920)
Other		<u>928,337</u>
Total	\$	<u>6,020,055</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$(1,418,716). This change primarily results from the City upgrading the heating, ventilation, and air conditioning system in the Sewer administration building. HVAC replacement is a maintenance item that does not meet the definition of a capital asset (as defined in the Summary of Significant Accounting Policies). This cost was funded by issuance of debt.

D. FINANCIAL ANALYSIS OF 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 \$40,909,797, a change of \$(4,647,377) 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 \$11,371,395, while total fund balance was \$17,514,013. 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>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>	% of Total General Fund Expenditures
Unassigned fund balance	\$ 11,371,395	\$ 11,015,079	\$ 356,316	19.3%
Total fund balance ⁽¹⁾	\$ 17,514,013	\$ 17,474,214	\$ 39,799	29.7%

⁽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 \$39,799 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	\$ 11,015	\$ 975	\$ 5,271	\$ 213	\$ 17,474
Liquidation	-	(975)	-	-	(975)
Revenues and transfers over budget	954	-	-	-	954
Expenditures and transfers under budget	681	-	-	-	681
Transfers	(975)	975	-	-	-
Reserve fund changes	-	-	(479)	-	(479)
Other	<u>(304)</u>	<u>-</u>	<u>-</u>	<u>163</u>	<u>(141)</u>
End of Year	<u>\$ 11,371</u>	<u>\$ 975</u>	<u>\$ 4,792</u>	<u>\$ 376</u>	<u>\$ 17,514</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>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
Insured retention	\$ 232,326	\$ 638,006	\$ (405,680)
Highways	1,542,669	2,126,463	(583,794)
Economic development	680,690	546,823	133,867
Equipment	103,160	163,467	(60,307)
OPEB	930,946	885,672	45,274
Community improvement	173,166	170,783	2,383
Recreation	1,018,055	656,083	361,972
Other	<u>110,902</u>	<u>84,024</u>	<u>26,878</u>
Total	<u>\$ 4,791,914</u>	<u>\$ 5,271,321</u>	<u>\$ (479,407)</u>

The major capital project fund had a net change in fund balance of \$(6,228,730). Most of capital outlay was spent on two projects, \$9,035,801 for infrastructure improvements and \$6,776,126 for building facilities design and construction. The funding sources for both projects were mostly received in the prior year. At the end of fiscal year 2018, the fund had \$2,552,589 in fund balance, which related to unspent proceeds of debt and other funding sources of \$5,463,251 and deficit balance of \$2,910,662 which primarily relates to the authorized unissued debt of \$2,825,000 for the city-wide community center design and construction.

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 proprietary funds at the end of the year amounted to \$2,945,414, a change of \$112,099 in comparison to the prior year.

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 \$2,211,639. The majority of this increase results from two supplemental resolutions. In October 2017, the City amended the budget by increasing transfers out to the highway reserve fund by \$749,030 funded by a one-time highway block grant. In December 2017, the City amended the budget by increasing transfers out to the capital reserve trust funds by \$975,000, funded by the budgetary use of fund balance. Other City Council resolutions included minor supplemental appropriations as well as the transfer of funds between departmental line items.

Property tax revenues were less than anticipated as a result of accruing estimated refunds due to real estate tax payors for appeals at year-end, softened by strong motor vehicle registration revenues. The favorable variance in our Charges for Service revenues results primarily from increase in ambulance service charges. 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 \$308,850,244 (net of accumulated depreciation), a change of \$20,552,481 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 continued construction costs for the Sewalls Falls Bridge replacement and construction costs for the new Community Center, as well as other on-going infrastructure improvements.

Credit rating. The City is currently assigned an “Aa1” rating from Moody’s for general obligation debt and an “AA+” rating for Standard and Poor’s for general obligation debt.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding, including unamortized bond premiums, was \$98,180,092, all of which was backed by the full faith and credit of the government.

Additional information on capital assets and long-term debt can be found in Notes 9 and 14, 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 2018 adopted to the fiscal 2019 adopted City General Fund budget and tax rate:

<u>Use of Funds</u>	2018 COUNCIL ADOPTED	2019 COUNCIL ADOPTED
Budget Appropriations	\$ 61,809,837	\$ 65,104,962
War Credits	267,800	267,400
Overlay	300,000	300,000
Total Uses of Funds	<u>\$ 62,377,637</u>	<u>\$ 65,672,362</u>
<u>Sources of Funds</u>		
Miscellaneous Revenues	\$ 22,780,391	\$ 24,287,252
Amount to be raised by property taxes	<u>39,597,246</u>	<u>41,385,110</u>
Total Sources of Funds	<u>\$ 62,377,637</u>	<u>\$ 65,672,362</u>

	2018 COUNCIL ADOPTED	2019 COUNCIL ADOPTED
<u>TAX RATE DETERMINATION</u>		
Assessed Value (A.V.) in thousands of dollars*	\$ 3,955,771	\$ 4,055,231
Amount to be Raised	\$ 39,597,246	\$ 41,385,110
Current Year Recommended Tax Rate/\$ 1,000 A.V.	\$ 10.01	\$ 10.21 **
Prior Year Tax Rate/\$ 1,000 A.V.	<u>9.68</u>	<u>9.84 *</u>
Increase over Prior Year	\$ 0.33	\$ 0.37
% Change	3.41%	3.72%

* Market and real growth adjustments after budget adoption resulted in a taxable assessed value of \$4,030,230,653 for municipal purposes and a tax rate of \$9.84 per \$1,000 of assessed value.

** Portion of Recommended Tax Rate Allocated to Debt Service	1.73
Portion of Prior Year Tax Rate Allocated to Debt Service	<u>1.57</u>
Increase over Prior Year	0.16
% Change	10.2%
** Portion of Recommended Tax Rate Allocated to All Other Costs	8.48
Portion of Prior Year Tax Rate Allocated to All Other Costs	<u>8.27</u>
Increase over Prior Year	0.21
% Change	2.5%

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, 2018

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS			
Current:			
Cash and short-term equivalents	\$ 52,467,389	\$ 17,766,009	\$ 70,233,398
Investments	23,581,879	-	23,581,879
Receivables, net of allowance for uncollectibles:			
Property taxes	33,865,791	-	33,865,791
Accounts	1,352,985	-	1,352,985
User fees	-	1,258,516	1,258,516
Intergovernmental	-	187,614	187,614
Loans	539,433	-	539,433
Other	-	612,956	612,956
Other assets	<u>379,741</u>	<u>235,142</u>	<u>614,883</u>
Total current assets	112,187,218	20,060,237	132,247,455
Noncurrent:			
Receivables:			
Intergovernmental	-	1,201,434	1,201,434
Capital assets:			
Land and construction in progress	61,615,673	12,891,036	74,506,709
Other capital assets, net of accumulated depreciation	<u>115,879,810</u>	<u>118,463,725</u>	<u>234,343,535</u>
Total non-current assets	<u>177,495,483</u>	<u>132,556,195</u>	<u>310,051,678</u>
TOTAL ASSETS	289,682,701	152,616,432	442,299,133
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	13,891,225	787,534	14,678,759
Related to OPEB	4,350,641	400,371	4,751,012
Related to refunding	<u>113,832</u>	<u>198,832</u>	<u>312,664</u>
Total deferred outflows of resources	<u>18,355,698</u>	<u>1,386,737</u>	<u>19,742,435</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 308,038,399	\$ 154,003,169	\$ 462,041,568

(continued)

(continued)

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
LIABILITIES			
Current:			
Accounts payable	\$ 2,447,421	\$ 1,839,952	\$ 4,287,373
Retainage payable	539,295	427,476	966,771
Accrued liabilities	2,484,157	491,918	2,976,075
Unearned revenues	-	212,341	212,341
Due to other governments	70,746	-	70,746
Notes payable	3,510,000	-	3,510,000
Other current liabilities	485,980	166,101	652,081
Current portion of long-term liabilities:			
Bonds and loans payable	6,303,378	4,017,352	10,320,730
Capital leases	-	9,595	9,595
Other liabilities	2,210,299	233,262	2,443,561
Total current liabilities	18,051,276	7,397,997	25,449,273
Noncurrent:			
Bonds and loans payable, net of current portion	53,956,538	33,902,824	87,859,362
Capital leases	-	23,188	23,188
Net pension liability	65,030,443	3,886,231	68,916,674
Net OPEB liability	47,254,263	4,566,746	51,821,009
Other liabilities, net of current portion	919,741	-	919,741
Total non-current liabilities	167,160,985	42,378,989	209,539,974
TOTAL LIABILITIES	185,212,261	49,776,986	234,989,247
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	1,981,295	113,801	2,095,096
Related to OPEB	2,937,954	307,911	3,245,865
Related to taxes	58,916,943	-	58,916,943
Total deferred inflows of resources	63,836,192	421,712	64,257,904
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	249,048,453	50,198,698	299,247,151
NET POSITION			
Net investment in capital assets	118,411,731	99,470,009	217,881,740
Restricted for:			
Grants and other statutory restrictions	1,467,681	-	1,467,681
Enabling legislation	3,754,844	-	3,754,844
Permanent funds:			
Nonexpendable	15,015,872	-	15,015,872
Debt service	-	1,389,048	1,389,048
Unrestricted	(79,660,182)	2,945,414	(76,714,768)
TOTAL NET POSITION	\$ 58,989,946	\$ 103,804,471	\$ 162,794,417

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, 2018

		Program Revenues			
		Charges for	Operating	Capital	
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u> <u>Contributions</u>	<u>Grants and</u> <u>Contributions</u>	<u>Net (Expenses)</u> <u>Revenues</u>
GOVERNMENTAL ACTIVITIES					
General government	\$ 9,412,888	\$ 1,775,364	\$ 4,143,823	\$ 2,762,433	\$ (731,268)
Public safety	29,777,085	5,828,778	243,614	45,881	(23,658,812)
General services	12,469,650	100,478	-	-	(12,369,172)
Community development	5,667,222	1,950,690	-	515,212	(3,201,320)
Leisure and information services	5,535,662	603,303	-	-	(4,932,359)
Human services	660,915	-	26,300	-	(634,615)
Interest on long-term debt	<u>2,022,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,022,990)</u>
Total Governmental Activities	65,546,412	10,258,613	4,413,737	3,323,526	(47,550,536)
BUSINESS-TYPE ACTIVITIES					
Water	5,586,811	6,121,079	44,194	-	578,462
Sewer	7,745,179	7,105,077	256,433	56,026	(327,643)
Solid Waste	4,036,547	3,105,294	55,710	-	(875,543)
Golf	1,068,548	993,899	-	-	(74,649)
Arena	<u>513,059</u>	<u>615,033</u>	<u>-</u>	<u>-</u>	<u>101,974</u>
Total Business-Type Activities	<u>18,950,144</u>	<u>17,940,382</u>	<u>356,337</u>	<u>56,026</u>	<u>(597,399)</u>
Total	<u>\$ 84,496,556</u>	<u>\$ 28,198,995</u>	<u>\$ 4,770,074</u>	<u>\$ 3,379,552</u>	<u>\$ (48,147,935)</u>

(continued)

CITY OF CONCORD, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

(continued)

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Changes in Net Position:			
Net (expenses) revenue from previous page	\$ (47,550,536)	\$ (597,399)	\$ (48,147,935)
GENERAL REVENUES			
Property taxes	48,553,111	-	48,553,111
Penalties, interest and other taxes	731,415	-	731,415
Grants and contributions not restricted to specific programs	460	-	460
Investment income	1,905,412	227,754	2,133,166
Miscellaneous	926,515	135,777	1,062,292
Transfers, net	1,184,848	(1,184,848)	-
Permanent fund contributions	<u>268,830</u>	<u>-</u>	<u>268,830</u>
Total general revenues, transfers, and contributions	<u>53,570,591</u>	<u>(821,317)</u>	<u>52,749,274</u>
Change in Net Position	6,020,055	(1,418,716)	4,601,339
NET POSITION			
Beginning of year, as restated	<u>52,969,891</u>	<u>105,223,187</u>	<u>158,193,078</u>
End of year	<u>\$ 58,989,946</u>	<u>\$ 103,804,471</u>	<u>\$ 162,794,417</u>

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

CITY OF CONCORD, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2018

	<u>General</u>	<u>Major Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and short-term equivalents	\$ 40,726,573	\$ 6,549,807	\$ 5,191,009	\$ 52,467,389
Investments	5,583,160	-	17,998,719	23,581,879
Receivables:				
Property taxes	33,865,791	-	-	33,865,791
Accounts	1,082,918	25,778	244,289	1,352,985
Loans	-	-	539,433	539,433
Due from other funds	105,619	-	-	105,619
Inventory	206,282	-	-	206,282
Prepays	169,422	-	4,037	173,459
TOTAL ASSETS	<u>\$ 81,739,765</u>	<u>\$ 6,575,585</u>	<u>\$ 23,977,487</u>	<u>\$ 112,292,837</u>
LIABILITIES				
Accounts payable	\$ 450,546	\$ 1,898,095	\$ 98,780	\$ 2,447,421
Retainage payable	-	539,295	-	539,295
Accrued liabilities	1,637,268	-	16,281	1,653,549
Notes payable	-	1,520,000	1,990,000	3,510,000
Other liabilities	415,472	54,228	357,560	827,260
Due to other funds	-	-	105,619	105,619
Due to other governments	70,746	-	-	70,746
TOTAL LIABILITIES	<u>2,574,032</u>	<u>4,011,618</u>	<u>2,568,240</u>	<u>9,153,890</u>
DEFERRED INFLOWS OF RESOURCES				
Taxes collected in advance	24,931,101	-	-	24,931,101
Unavailable revenues	36,720,619	-	577,430	37,298,049
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>61,651,720</u>	<u>-</u>	<u>577,430</u>	<u>62,229,150</u>
FUND BALANCES				
Nonspendable	375,704	-	13,547,616	13,923,320
Restricted	-	4,675,291	6,881,214	11,556,505
Committed	4,791,914	799,338	2,239,426	7,830,678
Assigned	975,000	-	-	975,000
Unassigned	11,371,395	(2,910,662)	(1,836,439)	6,624,294
TOTAL FUND BALANCES	<u>17,514,013</u>	<u>2,563,967</u>	<u>20,831,817</u>	<u>40,909,797</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 81,739,765</u>	<u>\$ 6,575,585</u>	<u>\$ 23,977,487</u>	<u>\$ 112,292,837</u>

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, 2018

Total governmental fund balances	\$ 40,909,797
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	177,495,483
• Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,669,766
• Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date and change in assumptions, change in proportion, and change in expected versus actual experience will be recognized as increase to pension expense in the years ending June 30, 2019 through June 30, 2022.	13,891,225
• Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and differences between expected and actual experience will be recognized as an increase in OPEB expense in the years ending June 30, 2019 through June 30, 2022.	4,350,641
• Deferred outflows of resources related to deferred amount on advance refunding will be recognized in the years ending ending June 30, 2019 through June 30, 2029.	113,832
• 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, 2019 through June 30, 2022.	(1,981,295)
• Deferred inflows of resources related to OPEB resulting from changes in assumption will be recognized as a reduction of OPEB expense in the years ending June 30, 2019 through June 30, 2022.	(2,937,954)
• Interest accrued on outstanding long-term debt.	(846,889)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(60,259,916)
Net pension liability	(65,030,443)
Net OPEB liability	(47,254,263)
Other (compensated absences, landfill closure liability, etc.)	<u>(3,130,038)</u>
Net position of governmental activities	<u><u>\$ 58,989,946</u></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, 2018

	<u>General</u>	<u>Major Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Taxes	\$ 46,157,159	\$ -	\$ 1,733,213	\$ 47,890,372
Licenses and permits	1,243,082	-	-	1,243,082
Intergovernmental	5,649,974	575,734	1,299,135	7,524,843
Charges for services	5,688,008	-	2,116,713	7,804,721
Investment income	655,683	-	1,249,730	1,905,413
Contributions	-	17,149	481,361	498,510
Miscellaneous	877,643	91,560	615,751	1,584,954
Total Revenues	60,271,549	684,443	7,495,903	68,451,895
EXPENDITURES:				
Current:				
General government	8,074,158	93,533	963,625	9,131,316
Public safety	26,970,329	-	872,278	27,842,607
General services	8,734,940	-	508,076	9,243,016
Community development	3,418,449	-	437,426	3,855,875
Leisure and information services	4,941,781	-	-	4,941,781
Human services	642,077	-	-	642,077
Debt service				
Principal	4,530,636	-	828,875	5,359,511
Interest	1,559,858	-	335,067	1,894,925
Capital outlay	-	22,426,177	789,835	23,216,012
Total Expenditures	58,872,228	22,519,710	4,735,182	86,127,120
Excess (deficiency) of revenues over expenditures	1,399,321	(21,835,267)	2,760,721	(17,675,225)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds	-	10,995,200	95,000	11,090,200
Bond premium	-	747,800	5,000	752,800
Transfers in	3,565,299	3,940,556	566,587	8,072,442
Transfers out	(4,924,821)	(65,641)	(1,897,132)	(6,887,594)
Total Other Financing Sources (Uses)	(1,359,522)	15,617,915	(1,230,545)	13,027,848
Net change in fund balance	39,799	(6,217,352)	1,530,176	(4,647,377)
Fund Balance, at Beginning of Year	17,474,214	8,781,319	19,301,641	45,557,174
Fund Balance, at End of Year	\$ 17,514,013	\$ 2,563,967	\$ 20,831,817	\$ 40,909,797

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, 2018

Net Changes in Fund Balances - Total Governmental Funds	\$ (4,647,377)																												
<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> <tr> <td>Capital outlay</td><td style="text-align: right;">23,099,840</td></tr> <tr> <td>Loss on disposal of assets</td><td style="text-align: right;">(164,119)</td></tr> <tr> <td>Depreciation</td><td style="text-align: right;">(5,390,872)</td></tr> </table> Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property, liens, land use, and timber yield) differ between the two statements. This amount represents the net change in deferred revenue. <div style="text-align: right;">1,856,751</div> 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> <tr> <td>Repayments of debt</td><td style="text-align: right;">5,359,511</td></tr> <tr> <td>Issuance of debt</td><td style="text-align: right;">(11,090,200)</td></tr> <tr> <td>Bond premiums</td><td style="text-align: right;">(752,000)</td></tr> <tr> <td>Amortization of bond premiums</td><td style="text-align: right;">72,178</td></tr> <tr> <td>Amortization of refunding</td><td style="text-align: right;">(12,648)</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. <div style="text-align: right;">(128,065)</div> Pension and OPEB related inflows and outflows are not reported as expenditures in the governmental funds, but are recorded as expenses in the statement of activities. <table> <tr> <td>Net pension liability</td><td style="text-align: right;">3,293,656</td></tr> <tr> <td>Pension related deferred inflows and outflows of resources</td><td style="text-align: right;">(5,077,920)</td></tr> <tr> <td>Net other post employment benefits liability</td><td style="text-align: right;">1,062,858</td></tr> <tr> <td>OPEB related deferred inflows and outflows of resources</td><td style="text-align: right;">(1,450,958)</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> <tr> <td>Compensated absences</td><td style="text-align: right;">(18,880)</td></tr> <tr> <td>Landfill post-closure liability</td><td style="text-align: right;">8,300</td></tr> </table> 	Capital outlay	23,099,840	Loss on disposal of assets	(164,119)	Depreciation	(5,390,872)	Repayments of debt	5,359,511	Issuance of debt	(11,090,200)	Bond premiums	(752,000)	Amortization of bond premiums	72,178	Amortization of refunding	(12,648)	Net pension liability	3,293,656	Pension related deferred inflows and outflows of resources	(5,077,920)	Net other post employment benefits liability	1,062,858	OPEB related deferred inflows and outflows of resources	(1,450,958)	Compensated absences	(18,880)	Landfill post-closure liability	8,300	<div style="border-top: 1px solid black; border-bottom: 3px double black;"> \$ 6,020,055 </div>
Capital outlay	23,099,840																												
Loss on disposal of assets	(164,119)																												
Depreciation	(5,390,872)																												
Repayments of debt	5,359,511																												
Issuance of debt	(11,090,200)																												
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OPEB related deferred inflows and outflows of resources	(1,450,958)																												
Compensated absences	(18,880)																												
Landfill post-closure liability	8,300																												
Change in Net Position of Governmental Activities	\$ 6,020,055																												

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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues:				
Property Taxes	\$ 48,326,114	\$ 48,304,815	\$ 48,243,711	\$ (61,104)
Licenses and permits	1,264,072	1,264,072	1,246,603	(17,469)
Intergovernmental	2,597,685	3,476,133	3,459,162	(16,971)
Charges for services	4,568,909	4,691,409	5,353,933	662,524
Investment income	225,000	225,000	532,695	307,695
Miscellaneous	1,011,880	1,019,380	1,208,196	188,816
Total Revenues	57,993,660	58,980,809	60,044,300	1,063,491
Expenditures:				
General government	8,356,809	8,315,079	7,879,640	435,439
Public safety	26,052,979	26,303,828	26,048,781	255,047
General services	9,217,786	9,217,786	9,246,461	(28,675)
Community development	3,232,569	3,249,569	3,277,834	(28,265)
Leisure and information services	4,505,128	4,598,618	4,645,334	(46,716)
Human services	785,321	785,321	622,668	162,653
Employee benefits	2,227,160	2,227,160	2,179,680	47,480
Debt service	6,141,740	6,141,740	6,036,648	105,092
Total Expenditures	60,519,492	60,839,101	59,937,046	902,055
Excess (deficiency) of revenue over expenditures	(2,525,832)	(1,858,292)	107,254	1,965,546
Other Financing Sources (Uses):				
Transfers in	3,816,177	3,924,177	3,815,184	(108,993)
Transfers out	(1,290,345)	(3,182,375)	(3,403,229)	(220,854)
Budgetary use of fund balance	-	1,116,490	-	(1,116,490)
Total Other Financing Sources (Uses)	2,525,832	1,858,292	411,955	(1,446,337)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 519,209	\$ 519,209

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

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2018

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Funds	Total
ASSETS				
Current:				
Cash and short-term equivalents	\$ 6,851,351	\$ 8,881,860	\$ 2,032,798	\$ 17,766,009
Receivables:				
User fees	616,537	641,979	-	1,258,516
Intergovernmental	-	187,614	-	187,614
Other	-	66,394	546,562	612,956
Prepays	8,650	10,075	4,097	22,822
Inventory	8,788	-	203,532	212,320
Total current assets	7,485,326	9,787,922	2,786,989	20,060,237
Noncurrent:				
Intergovernmental	-	1,201,434	-	1,201,434
Capital assets:				
Land and construction in progress	4,651,077	7,852,666	387,293	12,891,036
Other capital assets, net of accumulated depreciation	61,803,057	54,736,293	1,924,375	118,463,725
Total noncurrent assets	66,454,134	63,790,393	2,311,668	132,556,195
TOTAL ASSETS	73,939,460	73,578,315	5,098,657	152,616,432
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	375,056	412,478	-	787,534
Related to OPEB	191,776	208,595	-	400,371
Related to refunding	126,103	72,729	-	198,832
Total deferred outflows of resources	692,935	693,802	-	1,386,737
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	74,632,395	74,272,117	5,098,657	154,003,169
LIABILITIES				
Current:				
Accounts payable	528,805	668,773	642,374	1,839,952
Retainage payable	218,690	206,561	2,225	427,476
Accrued liabilities	230,689	261,229	-	491,918
Unearned revenues	-	-	212,341	212,341
Other current liabilities	65,408	4,296	96,397	166,101
Current portion of long-term liabilities:				
Bonds and loans payable	1,572,106	2,283,546	161,700	4,017,352
Capital leases	-	-	9,595	9,595
Other liabilities	78,836	97,532	56,894	233,262
Total current liabilities	2,694,534	3,521,937	1,181,526	7,397,997
Noncurrent:				
Bonds and loans payable, net of current portion	14,963,903	17,914,871	1,024,050	33,902,824
Capital leases	-	-	23,188	23,188
Net pension liability	1,859,950	2,026,281	-	3,886,231
Net OPEB liability	2,187,862	2,378,884	-	4,566,746
Total noncurrent liabilities	19,011,715	22,320,036	1,047,238	42,378,989
TOTAL LIABILITIES	21,706,249	25,841,973	2,228,764	49,776,986
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	54,265	59,536	-	113,801
Related to OPEB	147,558	160,353	-	307,911
Total deferred inflows of resources	201,823	219,889	-	421,712
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	21,908,072	26,061,862	2,228,764	50,198,698
NET POSITION				
Net investment in capital assets	52,196,854	46,147,165	1,125,990	99,470,009
Restricted for debt service	-	1,389,048	-	1,389,048
Unrestricted	527,469	674,042	1,743,903	2,945,414
TOTAL NET POSITION	\$ 52,724,323	\$ 48,210,255	\$ 2,869,893	\$ 103,804,471

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, 2018

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Funds	Total
OPERATING REVENUES				
Charges for services	\$ 6,121,079	\$ 7,105,077	\$ 4,769,936	\$ 17,996,092
Other	<u>59,418</u>	<u>49,817</u>	<u>26,542</u>	<u>135,777</u>
Total Operating Revenues	6,180,497	7,154,894	4,796,478	18,131,869
OPERATING EXPENSES				
Salaries and benefits	2,233,386	2,370,519	1,157,948	5,761,853
Other operating expenses	858,998	2,409,843	4,209,591	7,478,432
Depreciation	<u>1,958,612</u>	<u>2,395,752</u>	<u>218,618</u>	<u>4,572,982</u>
Total Operating Expenses	<u>5,050,996</u>	<u>7,176,114</u>	<u>5,586,157</u>	<u>17,813,267</u>
Operating Income (Loss)	1,129,501	(21,220)	(789,679)	318,602
NONOPERATING REVENUES (EXPENSES)				
Investment income	79,258	90,063	58,433	227,754
Intergovernmental	44,194	256,433	-	300,627
Interest expense	<u>(535,815)</u>	<u>(569,065)</u>	<u>(31,997)</u>	<u>(1,136,877)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(412,363)</u>	<u>(222,569)</u>	<u>26,436</u>	<u>(608,496)</u>
Income (Loss) Before Contributions and Transfers	717,138	(243,789)	(763,243)	(289,894)
Capital contributions	-	56,026	-	56,026
Transfers in	17,785	127,395	1,132,574	1,277,754
Transfers out	<u>(1,055,269)</u>	<u>(1,315,146)</u>	<u>(92,187)</u>	<u>(2,462,602)</u>
Change in Net Position	(320,346)	(1,375,514)	277,144	(1,418,716)
Net Position at Beginning of Year, as restated	<u>53,044,669</u>	<u>49,585,769</u>	<u>2,592,749</u>	<u>105,223,187</u>
Net Position at End of Year	<u>\$ 52,724,323</u>	<u>\$ 48,210,255</u>	<u>\$ 2,869,893</u>	<u>\$ 103,804,471</u>

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

CITY OF CONCORD, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,056,667	\$ 7,103,385	\$ 4,752,925	\$ 17,912,977
Payments to employees for services	(2,089,682)	(2,251,822)	(1,156,279)	(5,497,783)
Payments to vendor for goods and services	(464,549)	(1,846,400)	(4,296,502)	(6,607,451)
Net Cash Provided By (Used For) Operating Activities	3,502,436	3,005,163	(699,856)	5,807,743
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenues	44,194	459,864	55,710	559,768
Other	-	-	595,525	595,525
Transfers in	17,785	185,785	1,132,574	1,336,144
Transfers out	(1,055,269)	(1,373,536)	(92,187)	(2,520,992)
Net Cash Provided by (Used For) Noncapital Financing Activities	(993,290)	(727,887)	1,691,622	(29,555)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuance of bonds	1,917,800	3,296,100	185,900	5,399,800
Principal payments on bonds	(1,411,957)	(2,091,376)	(127,300)	(3,630,633)
Bond premium	121,200	252,900	-	374,100
Acquisition and construction of capital assets, net disposals	(3,379,128)	(3,836,632)	(332,071)	(7,547,831)
Capital contributions	-	56,026	-	56,026
Interest expense	(521,672)	(528,540)	(35,102)	(1,085,314)
Net Cash (Used For) Capital and Related Financing Activities	(3,273,757)	(2,851,522)	(308,573)	(6,433,852)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	79,260	90,063	2,723	172,046
Net Cash Provided by Investing Activities	79,260	90,063	2,723	172,046
Net Change in Cash and Short-Term Equivalents	(685,351)	(484,183)	685,916	(483,618)
Cash and Short-Term Equivalents, Beginning of Year	7,536,702	9,366,043	1,346,882	18,249,627
Cash and Short-Term Equivalents, End of Year	\$ 6,851,351	\$ 8,881,860	\$ 2,032,798	\$ 17,766,009
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,129,501	\$ (21,220)	\$ (789,679)	\$ 318,602
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,958,612	2,395,752	218,618	4,572,982
Bond premium amortization	(34,437)	(32,919)	-	(67,356)
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
User fees	(89,391)	(18,592)	(49,090)	(157,073)
Other assets	(6,300)	-	(12,902)	(19,202)
Accounts payable	364,936	526,167	(92,742)	798,361
Retainage payable	53,164	69,776	2,225	125,165
Compensated absences	(7,361)	5,820	1,669	128
Net pension liability	(69,095)	(77,868)	-	(146,963)
Net/total OPEB liability	(53,218)	(99,303)	-	(152,521)
Deferred inflows	57,263	60,658	-	117,921
Deferred outflows	216,115	229,390	-	445,505
Other liabilities	(17,353)	(32,498)	22,045	(27,806)
Net Cash Provided By (Used For) Operating Activities	\$ 3,502,436	\$ 3,005,163	\$ (699,856)	\$ 5,807,743

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, 2018

	Agency Fund
<u>ASSETS</u>	
Cash and short-term equivalents	\$ <u>283,550</u>
Total Assets	\$ <u><u>283,550</u></u>
<u>LIABILITIES</u>	
Other liabilities	\$ <u>283,550</u>
Total Liabilities	\$ <u><u>283,550</u></u>

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

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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 2018, 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*. 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 City 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, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The City 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.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

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 City reports the following major proprietary funds:

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

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

The agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. Agency funds report only assets and liabilities, and therefore, have no measurement focus. The agency fund consists of the Internal Revenue Code Section 125 cafeteria plan known in the City as Beneflex.

D. Cash and Short-Term Investments

The City'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. Participation units of the NHPDIP are considered short-term for financial presentation purposes due to high liquidity of the fund and is carried at amortized cost in accordance with GASB Statement 79.

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 City 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.

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
- Alcoholic beverage stock

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 at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

H. Accrued Employee Benefits

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

I. Long-Term Obligations

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

J. Fund Equity

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

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

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

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent 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)	\$ 60,271,549	\$ 58,872,228
Other financing sources/uses (GAAP Basis)	<u>3,565,299</u>	<u>4,924,821</u>
Subtotal (GAAP Basis)	63,836,848	63,797,049
Capital reserve fund activity	<u>22,636</u>	<u>(456,774)</u>
Budgetary Basis	<u>\$ 63,859,484</u>	<u>\$ 63,340,275</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:

Legal services	\$	(9,331)
Human resources	\$	(15,373)
Information technology	\$	(2,886)
General services	\$	(28,675)
Community development	\$	(28,265)
Recreation and parks	\$	(68,996)
Transfers out	\$	(220,854)

E. Deficit Fund Equity

The following funds or projects had deficits as of June 30, 2018:

Major Capital Project Fund (post 2008)	\$	(2,910,662)
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Nonmajor Governmental Funds:

Miscellaneous Special Revenue Funds	(24,868)
Sears Block Capital Fund	<u>(1,811,571)</u>
Total	<u>\$ (4,747,101)</u>

The temporary deficits in these funds will be eliminated when permanent financing is issued. At June 30, 2018, authorized but unissued debt was available for the Major Capital Project Fund and a short-term bond anticipation note was financing the Sears Block Capital Fund.

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, 2018, none of the City’s bank balance of \$69,131,741 was exposed to custodial credit risk as uninsured or uncollateralized. The amount invested in the state pool, NHPDIP, of \$6,280,121 is not subject to custodial credit risk disclosure.

Trust Funds

The Investment Policy of the City’s Trustees of Trust Funds does not have a policy for custodial credit risk.

Investments at June 30, 2018 consisted of the following:

Certificates of deposit	\$ 5,070,247
U.S. Treasury securities	3,662,273
U.S. Government agencies	1,571,989
Corporate and foreign bonds	2,756,710
Common equities	7,247,845
Closed equity mutual funds	<u>3,272,815</u>
Total investments	<u>\$ 23,581,879</u>

Of the City’s total investments, the City has a custodial credit risk exposure of \$18,261,633 because the related securities are uninsured, unregistered and held by the City’s brokerage firm, which is also the Counterparty to these securities. The City manages this risk with SIPC (up to \$250,000) and the assets are held in separately identifiable trust accounts.

B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

City Funds

The City's Investment Policy minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying institutions and diversifying the portfolio.

Trust Funds

The Investment Policy of the City's Trustees of Trust Funds does not have a policy for custodial credit risk.

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.):

Investment Type	Total	Investment Maturities			Average Rating
		<1	1-5	6-10	
Federal Agency Securities	\$ 3,662,273	\$ 224,678	\$ 2,216,686	\$ 1,220,909	AAA
U.S. Government agencies	1,571,989	148,911	1,281,321	141,757	AAA
Corporate and foreign bonds	2,756,710	723,852	1,937,392	95,466	Aa3
Total	\$ 7,990,972	\$ 1,097,441	\$ 5,435,399	\$ 1,458,132	

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.

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 Trust Fund has a primary total return objective of exceeding the long-term rate of inflation, as measured by the CPI. 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 and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

The City has the following fair value measurements as of June 30, 2018:

		Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Description				
Investments by fair value level:				
Debt securities				
U.S. Treasury securities	\$ 3,662,273	\$ -	\$ 3,662,273	\$ -
U.S. Government securities	1,571,989	-	1,571,989	-
Corporate and foreign bonds	2,756,710	-	2,756,710	-
Equity securities				
Communication Services	239,176	239,176	-	-
Technology	1,776,021	1,776,021	-	-
Energy	287,915	287,915	-	-
Industrials	829,903	829,903	-	-
Healthcare	1,044,869	1,044,869	-	-
Consumer staples	1,374,506	1,374,506	-	-
Financial Services	1,263,958	1,263,958	-	-
Real Estate	316,246	316,246	-	-
Utilities	115,251	115,251	-	-
Closed end equity mutual funds	3,272,815	3,272,815	-	-
Total	\$ 18,511,632	\$ 10,520,660	\$ 7,990,972	\$ -

4. Property Taxes Receivable

The City bills property taxes semi-annually and collects taxes quarterly. Payments are due July 1, October 1, January 2, and March 31. The July and October bills are estimates, each based upon 25% of the prior year's total bill (four quarters). The January 2 and March 31 payments are final bills for the year. Each represents one quarter of the total amount due, adjusted by the estimated July and October bills. The City sends the July and October bills in a single mailing on or about June 1. The January and March bills are mailed about December 1.

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.

Property tax receivables at June 30, 2018 consist of the following, net of an estimated allowance for doubtful account in the government-wide financial statements:

<u>Receivables</u>	<u>Amount</u>
Property taxes	\$ 1,541,549
Tax liens	34,547,009
Land use change	84,800
Timber yield	1,816
Elderly deferrals	<u>9,558</u>
Gross tax receivable	36,184,732
Allowance for abatements (overlay)	<u>(2,318,941)</u>
Net total taxes receivable	<u><u>\$ 33,865,791</u></u>

5. Water, Sewer, and Solid Waste User Fees

The City provides public water, sewer and solid waste services. Water and sewer user charges are based on water usage data read by the City's water

meters. Bills are mailed monthly and cover both water and sewer charges, as well as an availability charge (if applicable).

Water charges are calculated by multiplying the amount of water used by the appropriate rate found in the monthly water rate schedule. The amount of water usage is measured in cubic feet. A minimum monthly charge is also included in the bill depending on the size of the water meter.

Sewer charges are similarly calculated by multiplying the metered water usage by the sewer rate of \$4.50 per hundred cubic feet. There is a minimum monthly charge of \$13.50 for the first 300 cubic feet used. Sewer bills are based upon the metered consumption of water on any premise connected with the sewer system.

Availability charges are assessed to cover the costs of the oversized piping, pumps and water tanks needed in order to provide adequate water flow for fire protection. Any property owners who have building or property improvements within six hundred feet of a City fire hydrant are assessed annually for this charge. The fee is calculated at the rate of fifty cents (\$0.50) per thousand dollars of appraised value of improvements.

Solid Waste charges are based on Pay-As-You-Throw (PAYT) bag purchases. Residents purchase purple PAYT bags to set out for weekly curbside trash collection. There is no charge for recycling. The program is designed to offset the cost of trash collection and disposal while allowing residents to control the cost of their trash disposal.

6. **Loans Receivable**

Loans receivable of \$539,433 in non-major governmental funds represent the uncollected balance of community development loans.

7. **Intergovernmental Receivables**

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

Fiscal Year Ended	Reimbursement For		
	Principal	Interest	Total
June 30			
2019	\$ 187,614	\$ 47,517	\$ 235,131
2020	189,609	43,266	232,875
2021	91,427	38,725	130,152
2022	95,329	32,574	127,903
2023	95,879	26,401	122,280
2023-2027	489,258	91,484	580,742
2028-2032	227,021	29,836	256,857
2033-2035	12,911	418	13,329
Total	\$ 1,389,048	\$ 310,221	\$ 1,699,269

8. Interfund 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	\$ 105,619	\$ -
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Community Development	-	84,129
Parking	-	21,490
Total	<u>\$ 105,619</u>	<u>\$ 105,619</u>

Transfers

The City reports Interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is an analysis of interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Fund:</u>		
Major Funds:		
General Fund	\$ 3,565,299	\$ 4,924,821
Major Capital Project Fund	3,940,556	65,641
Nonmajor Funds:		
Special Revenue Funds:		
Community Development		
Engineering Inspection	-	3,742
Community Development		
Conservation Property Management	-	45,000
Parking	205,130	180,543
Airport	-	81,555
Impact Fee	50,000	65,390
Forest and Conservation	11,457	300,000
Dedicated Income Library	-	186,300
Capital Project Funds:		
Open Space Protection	300,000	-
Route 3 Corridor Fund	-	59,919
Fire Facility Renovations	-	1,459
Permanent Funds:		
Cemetery (Nonexpendable)	-	138,187
Debt Service Funds:		
NEOC	-	153,000
Sears Block	-	675,012
Penacook	-	7,025

(continued)

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	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Business-Type Funds:</u>		
Major Funds:		
Water	17,785	1,055,269
Sewer	127,395	1,315,146
Nonmajor Funds:		
Golf	48,000	3,000
Arena	16,000	85,587
Solid Waste	<u>1,068,574</u>	<u>3,600</u>
Total	<u>\$ 9,350,196</u>	<u>\$ 9,350,196</u>

The majority of the Solid Waste fund transfer in is from the General Fund to subsidize the fund operations. In addition, \$507,630 and \$599,785 were transferred from the Water and Sewer funds, respectively, to the General Fund for indirect costs. \$3,298,140 of the transfer into the Major Capital Project Fund (post 2008) was transferred from the General Fund (Highway Reserve Trust Fund) as part of the City's practice of financing various capital projects with operating revenues.

9. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 7,038	\$ 3,131	\$ -	\$ 10,169
Buildings and improvement	46,518	555	-	47,073
Machinery, equipment, and furnishing	9,600	1,643	(40)	11,203
Infrastructure	93,523	11,589	-	105,112
Licensed vehicles	<u>17,156</u>	<u>828</u>	<u>(1,069)</u>	<u>16,915</u>
Total capital assets, being depreciated	173,835	17,746	(1,109)	190,472
Less accumulated depreciation for:				
Land improvements	(4,434)	(177)	-	(4,611)
Buildings and improvement	(20,840)	(1,794)	-	(22,634)
Machinery, equipment, and furnishing	(8,780)	(344)	40	(9,084)
Infrastructure	(22,353)	(1,814)	-	(24,167)
Licensed vehicles	<u>(13,739)</u>	<u>(1,262)</u>	<u>905</u>	<u>(14,096)</u>
Total accumulated depreciation	<u>(70,146)</u>	<u>(5,391)</u>	<u>945</u>	<u>(74,592)</u>
Total capital assets, being depreciated, net	103,689	12,355	(164)	115,880
Capital assets, not being depreciated:				
Land	18,183	647	-	18,830
Historical items	75	-	-	75
Construction in progress	<u>38,004</u>	<u>21,045</u>	<u>(16,339)</u>	<u>42,710</u>
Total capital assets, not being depreciated	<u>56,262</u>	<u>21,692</u>	<u>(16,339)</u>	<u>61,615</u>
Governmental activities capital assets, net	<u>\$ 159,951</u>	<u>\$ 34,047</u>	<u>\$ (16,503)</u>	<u>\$ 177,495</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 406	\$ -	\$ -	\$ 406
Buildings and improvement	69,449	2,544	-	71,993
Machinery, equipment, and furnishing	7,387	800	-	8,187
Infrastructure	145,373	2,491	-	147,864
Licensed vehicles	1,398	147	(40)	1,505
Total capital assets, being depreciated	224,013	5,982	(40)	229,955
Less accumulated depreciation for:				
Land improvements	(87)	(20)	-	(107)
Buildings and improvement	(31,999)	(1,846)	-	(33,845)
Machinery, equipment, and furnishing	(6,006)	(318)	-	(6,324)
Infrastructure	(67,755)	(2,241)	-	(69,996)
Licensed vehicles	(1,111)	(148)	40	(1,219)
Total accumulated depreciation	(106,958)	(4,573)	40	(111,491)
Total capital assets, being depreciated, net	117,055	1,409	-	118,464
Capital assets, not being depreciated:				
Land	1,064	-	-	1,064
Construction in progress	10,228	7,091	(5,492)	11,827
Total capital assets, not being depreciated	11,292	7,091	(5,492)	12,891
Business-type activities capital assets, net	\$ 128,347	\$ 8,500	\$ (5,492)	\$ 131,355

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

Governmental Activities:	
Public safety	\$ 668
General services	2,642
Community Development	1,662
Leisure and information services	419
Total depreciation expense - governmental activities	\$ 5,391
Business-Type Activities:	
Water	\$ 1,959
Sewer	2,396
Non-major	218
Total depreciation expense - business-type activities	\$ 4,573

10. Accounts Payable

Accounts payable represent fiscal year 2018 expenses paid in July, August, and September 2018.

11. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the City that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to the City's net pension and net OPEB liabilities, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

As of June 30, 2018, non-pension and OPEB related deferred outflows of resources consisted of a loss on advance refunding.

12. Notes Payables

The following summarizes the note payable activity for the year ending June 30, 2018:

<u>Governmental Activities:</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
Acquisition of NH Employment Security Building	0.45%	12/15/16	12/15/17	\$ 1,900,000	\$ -	\$ (1,900,000)	\$ -
NH Employment Security Building Weatherization	0.45%	12/15/16	12/15/17	90,000	-	(90,000)	-
Downtown Complete Streets Underground Utilities	1.08%	12/15/16	12/15/17	1,710,000	-	(1,710,000)	-
Acquisition of NH Employment Security Building	1.45%	12/15/17	12/15/18	-	1,900,000	-	1,900,000
NH Employment Security Building Weatherization	1.45%	12/15/17	12/15/18	-	90,000	-	90,000
Downtown Complete Streets Underground Utilities	1.45%	12/15/17	12/15/18	-	1,520,000	-	1,520,000
Total				\$ <u>3,700,000</u>	\$ <u>3,510,000</u>	\$ <u>(3,700,000)</u>	\$ <u>3,510,000</u>

13. Capital Lease Obligations

The City is the lessee of certain equipment under capital leases expiring in 2022. Future minimum lease payments under the capital leases consisted of the following as of June 30, 2018:

	<u>Business-Type Activities</u>
2019	\$ 9,595
2020	9,595
2021	9,595
2022	<u>3,998</u>
Total minimum lease payments	\$ <u>32,783</u>

14. 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:

<u>Governmental Activities:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/18</u>
Bonds Payable:				
Public improvements	\$ 10,161,000	07/15/25	3.75 - 5.00	\$ 4,045,000
Public improvements	4,250,710	08/15/28	3.00 - 5.00	265,000
Public improvements	2,949,811	01/15/30	2.00 - 4.00	1,214,516
Public improvements	5,063,000	01/15/26	2.00 - 4.00	2,599,000
Public improvements	2,380,631	07/15/26	2.00 - 3.20	1,341,214
Public improvements	4,333,851	01/15/32	2.00 - 3.00	2,215,000
Public improvements	6,988,240	01/15/33	2.125 - 4.00	4,010,990
Public improvements	96,500	12/15/25	3.00 - 4.00	40,000
Public improvements	8,635,500	06/15/34	2.00 - 4.00	6,514,000
Public improvements	14,264,050	07/15/34	2.00 - 4.00	11,625,400
Public improvements	1,975,000	01/15/36	2.25 - 5.00	1,690,000
Public improvements	3,435,750	01/15/36	2.00 - 2.75	2,789,000
Public improvements	9,658,600	01/15/37	2.00 - 4.00	8,915,400
Public improvements	11,090,200	01/15/38	3.25 - 4.00	11,090,200
Total Governmental Activities				<u>\$ 58,354,720</u>

<u>Business-Type Activities:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/18</u>
Water Fund:				
Bonds Payable:				
Water	\$ 2,994,840	08/15/29	3.00 - 5.00	\$ 145,000
Water	1,205,450	01/15/30	2.00 - 4.00	300,484
Water	2,072,500	01/15/26	2.00 - 4.00	1,188,000
Water	1,653,750	01/15/32	2.00 - 3.00	1,051,700
Water	3,766,650	01/15/33	2.125 - 4.00	1,707,550
Water	1,627,800	12/15/29	3.00 - 4.00	1,150,000
Water	2,594,900	07/15/34	2.00 - 4.00	2,102,400
Water	2,420,000	01/15/36	2.25 - 5.00	2,170,000
Water	707,750	01/15/36	2.00 - 2.75	580,000
Water	3,613,050	01/15/37	2.00 - 4.00	3,476,050
Water	1,917,800	01/15/38	3.25 - 4.00	1,917,800
Total Bonds Payable:				15,788,984
Other Long-term Debt:				
Water State Revolving Loan	245,000	05/01/30	0.864	161,760
Total Other Long-term Debt				161,760
Total Water Fund				15,950,744

<u>Business-Type Activities:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/18</u>
Sewer Fund:				
Bonds Payable				
Sanitary sewer	1,754,450	08/15/29	3.00 - 5.00	90,000
Sanitary sewer	2,328,700	01/15/30	2.00 - 4.00	1,120,000
Sanitary sewer	213,000	01/15/30	2.00 - 4.00	78,000
Sanitary sewer	1,399,900	01/15/32	2.00 - 3.00	725,700
Sanitary sewer	78,182	07/15/26	2.00 - 3.20	58,787
Sanitary sewer	3,080,660	01/15/33	2.125 - 4.00	1,736,310
Sanitary sewer	1,176,200	12/15/29	3.00 - 4.00	820,000
Sanitary sewer	3,058,150	07/15/34	2.00 - 4.00	2,432,200
Sanitary sewer	4,833,500	01/15/36	2.00 - 2.75	4,160,000
Sanitary sewer	4,057,950	01/15/37	2.00 - 4.00	3,838,450
Sanitary sewer	3,296,100	01/15/38	3.25 - 4.00	3,296,100
Total Bonds Payable				18,355,547
Other Long-term Debt:				
Sewer State Revolving Loan	2,062,745	07/15/19	1.02	700,678
Sewer State Revolving Loan	1,279,126	07/15/19	1.02	373,518
Total Other Long-term Debt				1,074,196
Total Sewer Fund				19,429,743

(continued)

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<u>Business-Type Activities:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/18</u>
Nonmajor Enterprise Funds:				
Bonds Payable:				
BMGC improvements	52,500	12/15/21	3.00	20,000
BMGC club house	19,000	06/15/29	2.00 - 4.00	11,000
BMGC improvements	77,000	07/15/21	2.00 - 4.00	40,000
BMGC improvements	223,000	01/15/26	2.00 - 2.75	151,000
BMGC improvements	97,400	01/15/27	2.00 - 4.00	87,100
BMGC improvements	99,000	01/15/38	3.25 - 4.00	99,000
Arena	460,550	01/15/32	2.00 - 3.00	310,600
Arena	63,500	06/15/27	3.00 - 4.00	45,000
Arena	40,900	07/15/23	2.00 - 4.00	30,000
Arena	93,000	01/15/37	2.00 - 4.00	88,000
Arena	86,900	01/15/38	3.25 - 4.00	86,900
Solid Waste	241,950	01/15/32	2.00 - 3.00	152,000
Solid Waste	172,450	01/15/28	2.125 - 4.00	65,150
Total Nonmajor Enterprise Funds				<u>1,185,750</u>
Total Business-Type Activities				<u>\$ 36,566,237</u>

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2018 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 6,194,551	\$ 2,050,840	\$ 8,245,391
2020	5,846,661	1,827,292	7,673,953
2021	5,700,161	1,603,852	7,304,013
2022	5,346,161	1,386,452	6,732,613
2023	4,898,830	1,192,504	6,091,334
2024-2028	19,322,036	3,515,762	22,837,798
2029-2033	8,333,520	1,123,652	9,457,172
2034-2038	<u>2,712,800</u>	<u>178,283</u>	<u>2,891,083</u>
Total	<u>\$ 58,354,720</u>	<u>\$ 12,878,637</u>	<u>\$ 71,233,357</u>

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,931,308	\$ 1,185,579	\$ 5,116,887
2020	3,649,978	1,060,677	4,710,655
2021	3,011,993	942,960	3,954,953
2022	2,766,341	836,943	3,603,284
2023	2,699,028	742,009	3,441,037
2024-2028	12,348,004	2,421,560	14,769,564
2029-2033	6,607,385	766,243	7,373,628
2030-2033	<u>1,552,200</u>	<u>109,920</u>	<u>1,662,120</u>
Total	<u>\$ 36,566,237</u>	<u>\$ 8,065,891</u>	<u>\$ 44,632,128</u>

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2018 are as follows:

<u>Purpose</u>	<u>Amount</u>
Open space	\$ 2,565,626
City Wide Community Center	2,355,000
City Wide Community Center	470,000
Fire Training Facility	570,000
Phase I Rehabilitation	73,449
School Street Parking Garage improvements	660,000
Timekeeping Software	103,000
Purchase Development Permitting software	70,000
Bond anticipation notes outstanding (SBTIF debt)	1,520,000
Timekeeping software - parking	3,000
School Street Parking Garage repairs and improvements	1,700,000
Storrs Street Parking Garage improvements	160,000
Multi-Purpose Building at White Park	1,150,000
NH Employment Security Building demolition	300,000
NH Employment Security Building purchase	1,900,000
NH Employment Security Building weatherization	90,000
Airport Terminal Lobby and Pilot Lounge	20,000
State Street Parking Garage improvements	30,000
Parking Strategic Plan signage and improvements	30,000
Timekeeping software - golf	3,000
Timekeeping software - arena	3,000
Timekeeping software - water	36,500
Timekeeping software - sewer	<u>36,500</u>
Total	<u>\$ 13,849,075</u>

E. Changes in General Long-Term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/17	Additions	Reductions	Total Balance 6/30/18	Less Current Portion	Equals Long-Term Portion 6/30/18
<u>Governmental Activities</u>						
Bonds	\$ 52,625	\$ 11,090	\$ (5,360)	\$ 58,355	\$ (6,195)	\$ 52,160
Unamortized debt premiums	1,225	752	(71)	1,906	(109)	1,797
Subtotal	53,850	11,842	(5,431)	60,261	(6,304)	53,957
Net pension liability	68,324	-	(3,294)	65,030	-	65,030
Net OPEB liability	48,317 *	-	(1,063)	47,254	-	47,254
Other:						
Accrued employee benefits	2,552	1,730	(1,711)	2,571	(2,185)	386
Landfill closure	567	-	(8)	559	(25)	534
Subtotal	3,119	1,730	(1,719)	3,130	(2,210)	920
Totals	\$ 173,610	\$ 13,572	\$ (11,507)	\$ 175,675	\$ (8,514)	\$ 167,161

*as restated

	Total Balance 7/1/17	Additions	Reductions	Total Balance 6/30/18	Less Current Portion	Equals Long-Term Portion 6/30/18
<u>Business-Type Activities</u>						
Bonds and loans payable	\$ 34,797	\$ 5,400	\$ (3,632)	\$ 36,565	\$ (3,931)	\$ 32,634
Unamortized debt premiums	1,047	375	(67)	1,355	(86)	1,269
Subtotal	35,844	5,775	(3,699)	37,920	(4,017)	33,903
Capital leases	-	33	-	33	(10)	23
Net pension liability	4,033	-	(147)	3,886	-	3,886
Net OPEB liability	4,719 *	-	(152)	4,567	-	4,567
Accrued employee benefits	233	211	(211)	233	(233) ^(A)	-
Totals	\$ 44,829	\$ 6,019	\$ (4,209)	\$ 46,639	\$ (4,260)	\$ 42,379

*as restated

^(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, 2018, the amount of defeased debt still outstanding on the fiscal year 2010 refunding is \$100,804. Defeased debt for fiscal year 2015 refunding of the 2005 issue was \$840,000. Defeased debt for fiscal year 2015 refunding of the 2006 issue was \$1,315,000. Defeased debt for fiscal year 2015 refunding of the 2007 issue was

\$3,625,000. Defeased debt for fiscal year 2017 refunding of the 2008 issue was \$3,385,000.

15. 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 \$559,100 as the estimate of the remaining postclosure care liability at June 30, 2018 in the Governmental Activities Statement of Net Position. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

16. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized in expense in future years and is more fully described in in the corresponding pension and OPEB notes.

Taxes collected in advance are reported in the governmental funds balance sheet and statement of net position in connection with May tax bills due July 1 for subsequent fiscal year taxes that were collected prior to June 30.

Unavailable revenues are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities for the current year.

17. Governmental Funds - Balances

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

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

The following types of fund balances are reported at June 30, 2018:

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, 2018:

	General Fund	Major Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories	\$ 375,704	\$ -	\$ -	\$ 375,704
Nonexpendable permanent funds	-	-	13,547,616	13,547,616
Total Nonspendable	375,704	-	13,547,616	13,923,320
Restricted				
Capital project funds	-	4,675,291	-	4,675,291
Community Development	-	-	1,801	1,801
House Revolving	-	-	946,478	946,478
Airport	-	-	519,402	519,402
Impact Fees	-	-	472,243	472,243
Dedicated income library	-	-	2,583,679	2,583,679
Miscellaneous special revenue	-	-	698,922	698,922
NEOC TIF	-	-	1,334,110	1,334,110
Capital project funds	-	-	10,872	10,872
Sears Block TIF	-	-	220,387	220,387
Penacook Village TIF	-	-	93,320	93,320
Total Restricted	-	4,675,291	6,881,214	11,556,505
Committed				
Insured retention	232,326	-	-	232,326
Highways	1,542,669	-	-	1,542,669
Economic development	680,690	-	-	680,690
Equipment	103,160	-	-	103,160
OPEB	930,946	-	-	930,946
Community improvement	173,166	-	-	173,166
Recreation reserve	1,018,055	-	-	1,018,055
Other capital reserves	110,902	-	-	110,902
Capital project funds	-	799,338	-	799,338
Community Development/ Engineering	-	-	53,228	53,228
Community Development/ Property Management	-	-	49,952	49,952
Parking	-	-	3,761	3,761
NEOC Capital	-	-	22,478	22,478
Capital project funds	-	-	118,924	118,924
Expendable permanent funds	-	-	1,991,083	1,991,083
Total Committed	4,791,914	799,338	2,239,426	7,830,678
Assigned				
Highway/paving	270,000	-	-	270,000
Economic development	250,000	-	-	250,000
Recreation	350,000	-	-	350,000
Equipment and other	75,000	-	-	75,000
Furniture and equipment	30,000	-	-	30,000
Total Assigned	975,000	-	-	975,000
Unassigned	11,371,395	(2,910,662)	(1,836,439)	6,624,294
Total Fund Balance	\$ 17,514,013	\$ 2,563,967	\$ 20,831,817	\$ 40,909,797

18. 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 1 benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service, and a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012, the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service, as follows:

<u>Years of creditable service as of January 1, 2012</u>	<u>Minimum Age</u>	<u>Minimum Service</u>	<u>Benefit Multiplier</u>
At least 3 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	12	2.2%
Less than 4 years	49	24	2.1%

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 11.08% to 27.79% of covered compensation. The City's contribution to NHRS for the year ended June 30, 2018 was \$5,586,493 (exclusive of a \$592,713 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, 2018, the City reported a liability of \$68,916,674 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. 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, 2017, the City's proportion was 1.4013 percent, which was an increase of 0.0403 percent from its previous year proportion.

For the year ended June 30, 2018, the City recognized pension expense of \$7,665,360. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,263	\$ 877,111
Net difference between projected and actual earnings on pension plan investments	-	877,688
Changes in assumptions	6,920,144	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,015,858	340,297
Contributions subsequent to the measurement date	<u>5,586,494</u>	<u>-</u>
Total	<u>\$ 14,678,759</u>	<u>\$ 2,095,096</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized in pension expense in the year ended June 30, 2019. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 1,623,508
2020	3,369,841
2021	2,765,586
2022	<u>(761,766)</u>
Total	<u>\$ 6,997,169</u>

F. Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent per year
Salary increases	5.60 percent average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study.

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 %	4.25%
Small/Mid cap equities	7.50	4.50%
Total domestic equities	30.00	
Int'l equities (unhedged)	13.00	4.75%
Emerging int'l equities	7.00	6.25%
Total international equities	20.00	
Core bonds	5.00	0.64%
Short duration	2.00	-0.25%
Global multi-sector fixed income	11.00	1.71%
Absolute return fixed income	7.00	1.08%
Total fixed income	25.00	
Private equity	5.00	6.25%
Private debt	5.00	4.75%
Opportunistic	5.00	3.68%
Total alternative investments	15.00	
Real estate	10.00	3.25%
Total	100.00 %	

G. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 7.25 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 (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
June 30, 2018	\$ 90,794,260	\$ 68,916,674	\$ 68,916,675

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.

19. Other Post-Employment Benefits – OPEB (GASB 75)

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

A. City OPEB Plan

All the following OPEB disclosures are based on a measurement date of June 30, 2018.

General Information about the OPEB Plan

Plan Description

The City indirectly provides post-employment healthcare for retired employees, including an implicit rate covered by current employees. Since retirees are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the City pays for the retirees.

The benefits, benefit levels, employee contributions, and employer contributions are based on requirements of the New Hampshire Retirement System (NHRS) and governed by RSA 100-A:50.

Benefits Provided

City Explicit Subsidy Eligibility

All employees meeting the following requirements are eligible for subsidized retiree health care benefits through the City:

- Hired in a permanent, full-time position prior to January 1, 1991
- Retire at the earlier of:
 - Age 62 with 10 years of service with the City; or
 - Age 60 with 35 years of City of Concord service

Employees, who retire after meeting the retirement eligibility requirements but prior to meeting the above explicit subsidy eligibility requirements, are still eligible for the City subsidy but it will commence at age 60 or 62 depending on the years of service at retirement.

Disabled employees hired prior to January 1, 1991 are not required to meet the above age and service requirements. Disabled employees hired after January 1, 1991 are not eligible for the City's explicit subsidy.

City Subsidy

Beginning in FY 2017/18, the City will cover up to the full cost of the Harvard Best Buy 500 \$25 or Harvard Elevate Health HMO plans. The premium rates effective on July 1, 2017 for these plans are as shown below.

Harvard Best Buy 500 \$25

1 Person - \$863.31

2 Person - \$1,743.54

Harvard Elevate Health HMO

1 Person - \$738.34

2 Person - \$1,491.00

The City subsidy is expected to increase according to the assumed increase in the Harvard Best Buy 500 \$25 and Harvard Elevate Health HMO plans premium rates.

Retiree Cost Sharing

Retirees are responsible for the portion of premium rates not covered by the City or State explicit subsidy.

Plan Membership

At June 30, 2017 (the last full valuation date), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	295
Inactive employees entitled to but not yet receiving benefit payments	26
Active employees	<u>422</u>
Total	<u>743</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.25% per year
Salary increases	3.25% for general wage inflation plus merit and productivity increases which are based on those used in the New Hampshire Retirement System (NHRS) actuarial valuation as of June 30, 2016.
Discount rate	3.87%
Healthcare cost trend rates	8.5% for 2019, fluctuating 0.5%, to an ultimate rate of 5.0% as of 2026 and later years

The discount rate was based on the 20-year tax-exempt general obligation municipal bond indices at June 30, 2018.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2009.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Total OPEB Liability

The City's total OPEB liability of \$47,325,889 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at 7/1/2017	\$ 48,421,277
Changes for the year:	
Service cost	626,474
Interest	1,718,326
Changes in assumptions or other inputs	(1,866,063)
Benefit payments	<u>(1,574,125)</u>
Net Changes	<u>(1,095,388)</u>
Balances at 6/30/2018	\$ <u>47,325,889</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.56 percent in 2017 to 3.87 percent in 2018 and actual premium changes from 2017/2018 to 2018/2019 which caused a reduction in the City's liabilities. Also, the initial amortization period for differences between expected and actual experience and changes in assumptions created as of June 30, 2017 has been modified from 11 years to 5 years to take into account average expected service lives for inactive participations. The unamortized balance as of June 30, 2017 for these two items have been amortized over a 4-year period at the annual recognition amounts.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 53,764,882	\$ 47,325,889	\$ 41,986,206

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend

rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 41,534,631	\$ 47,325,889	\$ 54,289,745

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized an OPEB expense of \$2,763,635. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,114,972	\$ -
Change in assumptions	-	3,231,681
Total	\$ <u>4,114,972</u>	\$ <u>3,231,681</u>

B. New Hampshire Retirement System Medical Subsidy Plan Description

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed in Note 19A, the City participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer defined benefit postemployment medical subsidy healthcare plan designated in statute by membership type. The four membership groups are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical

subsidy. The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The monthly Medical Subsidy rates are:

1 Person -	\$375.56
2 Person -	\$751.12
1 Person Medicare Supplement -	\$236.84
2 person Medicare Supplement -	\$473.68

Actuarial Assumptions and Other Inputs

The City's proportionate share of the NHRS Medical Subsidy as of June 30, 2018 is based upon an actuarial valuation performed as of June 30, 2016 (rolled forward to June 30, 2017). The actuarial valuation used the following actuarial assumptions:

Price inflation	2.5% per year
Wage inflation	3.25% per year
Salary increases	5.6% average, including inflation
Investment rate of return	7.25%, net OPEB plan investment expense including inflation

Mortality rates were based on the RP-2014 healthy annuitant and employee generational mortality tables for males and females with credibility adjustments, adjusted for fully generational mortality improvements using scale MP-2015, based on the last experience study.

Net OPEB Liability, Expense, and Deferred Outflows and Inflows

The City's proportionate share of the net NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2017 was \$4,495,120.

For the year ended June 30, 2018, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$433,556. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes in proportion	\$ 43,327	\$ -
Net difference between projected and actual OPEB investment earnings	-	14,184
Contributions subsequent to measurement date	<u>592,713</u>	<u>-</u>
Total	<u>\$ 636,040</u>	<u>\$ 14,184</u>

The \$592,713 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2019.

Sensitivity of the Net NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 4,892,027	\$ 4,495,120	\$ 4,151,230

C. Consolidation of Net OPEB Liabilities and Related Deferred Outflows and Inflows

The following consolidates the City's total OPEB liability and related deferred outflows/inflows, and the City's proportionate share of the NHRS Medical Subsidy net OPEB liability and related deferred outflows/inflows at June 30, 2018:

	<u>Net OPEB Liability</u>	<u>Total Deferred Outflows of Resources</u>	<u>Total Deferred Inflows of Resources</u>
Town OPEB Plan	\$ 47,325,889	\$ 4,114,972	\$ 3,231,681
Proportionate share of NHRS Medical Subsidy Plan	<u>4,495,120</u>	<u>636,040</u>	<u>14,184</u>
Total	<u>\$ 51,821,009</u>	<u>\$ 4,751,012</u>	<u>\$ 3,245,865</u>

Amounts reported as deferred outflows and (inflows) of resources (other than Contributions Subsequent to the Measurement Date) related to the net OPEB liability will be recognized in OPEB expense as follows:

Year Ended June 30:

2019	\$ 426,121
2020	426,121
2021	426,117
2022	<u>(365,925)</u>
Total	<u>\$ 912,434</u>

20. Tax Abatements

The City provides property tax abatements authorized under New Hampshire RSA 79E, Community Revitalization Tax Relief Incentive. The purpose of the program is to provide significant tax relief on improvements made to existing buildings or selected properties in designated areas of the City. Projects which might be eligible for the RSA 79-E program are as follows:

a. Rehabilitation Projects:

- i. Buildings located within the Downtown or Penacook Village RSA 79-E Districts shall be eligible for RSA 79-E, provided that the cost of rehabilitation (excluding real estate acquisition, if any) equals at least 15% of existing assessed value (excluding land), or \$75,000, whichever is less.
- ii. Buildings not located within the Downtown or Penacook RSA 79-E Districts can also be eligible for RSA 79-E provided that the building is listed on, or has been determined eligible for, the State or National Register of Historic Places and cost of rehabilitation (excluding real estate acquisition, if any) equals at least 25% of existing assessed value (excluding land), or \$250,000, whichever is less.

b. Replacement Projects: For projects involving the demolition and replacement of buildings, said projects might be eligible for RSA 79-E provided that the property is located in either the Downtown or Penacook Village RSA 79-E Districts; meets project 15% assessed value or \$75,000 cost thresholds; and, the property does not possess significant historical, cultural, or architectural value.

In order to qualify for tax relief, the proposed substantial rehabilitation must provide at least one of the following public benefits:

- Project enhances the economic vitality of the downtown Concord or Penacook Village.
- Project enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, town center, or village center in which the building is located.
- Project promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.
- Project promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B (NH Smart Growth Policy).
- Project increases residential housing in urban or town centers.

RSA Chapter 79E stipulates that the City Council must review the application submitted by the property owner, schedule a public hearing within 60 days of

receiving the application, and render a decision on the application within 45 days of the public hearing.

Property tax revenues were reduced by approximately \$75,795 under agreements in effect during fiscal year 2018.

21. 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.

22. 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	\$	10,384,010
Investment interest		167,810
Other		164,031
		<u>10,715,851</u>
Expenditures:		
Principal		5,319,400
Interest on debt		1,905,948
Outside services		2,156,394
		<u>9,381,742</u>
Excess (deficiency) of revenue		<u>1,334,109</u>
Fund Balance Reserved for Debt Service	\$	<u>1,334,109</u>
Long-Term Debt Payable:		
Principal	\$	(490,000)
Interest		<u>(124,116)</u>
		(614,116)
Available fund balance		<u>1,334,109</u>
Deficit to be Raised by Tax Increment District	\$	<u>719,993</u>
Assessment Information:		
Base Value	\$	<u>4,842,600</u>
Captured Value*	\$	<u>51,061,500</u>

* = As of April 1, 2017

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	\$ 5,880,723	
Interest on proceeds from sale of bonds	24,872	
Investment interest	62,321	
Other	<u>9,386</u>	5,977,302
Expenditures:		
Principal	1,560,360	
Interest on debt	1,100,861	
Outside services	<u>3,095,695</u>	5,756,916
Excess (deficiency) of revenue		<u>220,386</u>
Fund Balance Reserved for Debt Service		\$ <u>220,386</u>
Long-Term Debt Payable:		
Principal	\$ (5,175,000)	
Interest	<u>(836,492)</u>	(6,011,492)
Available fund balance		<u>220,386</u>
Deficit to be Raised by Tax Increment District		\$ <u>(5,791,106)</u>
Assessment Information:		
Base Value		\$ <u>10,794,100</u>
Captured Value*		\$ <u>38,236,540</u>
* = As of April 1, 2017		

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	\$ 338,047	
Investment interest	<u>3,217</u>	341,264
Expenditures:		
Principal	120,400	
Interest on debt	48,795	
Outside services	<u>78,749</u>	247,944
Excess (deficiency) of revenue		<u>93,320</u>
Fund Balance Reserved for Debt Service		\$ <u>93,320</u>
Long-Term Debt Payable:		
Principal	\$ (316,400)	
Interest	<u>(60,885)</u>	(377,285)
Available fund balance		<u>93,320</u>
Deficit to be Raised by Tax Increment District		\$ <u>(283,965)</u>
Assessment Information:		
Base Value		\$ <u>239,800</u>
Captured Value*		\$ <u>1,745,600</u>
* = As of April 1, 2017		

23. **Beginning Net Position Restatement**

The City's beginning net position has been restated from the previous fiscal year due to implementation of GASB 75 for the New Hampshire Retirement

System medical subsidy cost sharing plan. Accordingly, the following reconciliation is provided:

Government-Wide Financial Statements:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
As previously reported	\$ 57,523,012	\$ 105,285,178
NHRS medical subsidy GASB 75 plan	<u>(4,553,121)</u>	<u>(61,991)</u>
As restated	<u>\$ 52,969,891</u>	<u>\$ 105,223,187</u>

Fund Basis Financial Statements:

	Water Fund	Sewer <u>Fund</u>
As previously reported	\$ 53,073,696	\$ 49,618,733
NHRS medical subsidy GASB 75 plan	<u>(29,027)</u>	<u>(32,964)</u>
As restated	<u>\$ 53,044,669</u>	<u>\$ 49,585,769</u>

CITY OF CONCORD, NEW HAMPSHIRE
SCHEDULE OF PROPORTIONATE SHARE (GASB 68)
OF THE NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018
(Unaudited)

New Hampshire Retirement System						
<u>Fiscal Year</u>	<u>Measurement Date</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, 2018	June 30, 2017	1.40%	\$68,916,674	\$30,454,246	226.30%	62.66%
June 30, 2017	June 30, 2016	1.36%	\$72,357,293	\$28,908,627	250.30%	58.30%
June 30, 2016	June 30, 2015	1.34%	\$52,971,572	\$28,070,389	188.71%	65.47%
June 30, 2015	June 30, 2014	1.34%	\$50,348,768	\$27,155,200	185.41%	66.32%

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

See Independent Auditors' Report.

CITY OF CONCORD, NEW HAMPSHIRE

SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2018

(Unaudited)

New Hampshire Retirement System						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2018	June 30, 2017	\$ 5,133,632	\$ (5,133,632)	\$ -	\$ 30,884,085	16.62%
June 30, 2017	June 30, 2016	\$ 5,021,118	\$ (5,021,118)	\$ -	\$ 30,454,246	16.49%
June 30, 2016	June 30, 2015	\$ 4,844,654	\$ (4,844,654)	\$ -	\$ 28,908,627	16.76%
June 30, 2015	June 30, 2014	\$ 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.

**CITY OF CONCORD, NEW HAMPSHIRE
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (GASB 75)
JUNE 30, 2018
(Unaudited)**

New Hampshire Retirement System Medical Subsidy

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Net OPEB Liability</u>
June 30, 2018	June 30, 2017	0.98%	\$4,495,120	\$ 30,884,085	14.55%	7.91%
June 30, 2017	June 30, 2016	0.95%	\$4,615,112	\$ 30,454,246	15.15%	5.21%

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
OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Schedules of Changes in the Total OPEB Liability and Contributions (GASB 75)

(Unaudited)

Changes in Total OPEB Liability

	<u>2018</u>	<u>2017</u>
Total OPEB liability		
Service cost	\$ 626,474	\$ 772,003
Interest on unfunded liability - time value of money	1,718,326	1,271,036
Changes of benefit terms	-	-
Differences between expected and actual experience	-	6,035,293
Changes of assumptions	(1,866,063)	(2,550,285)
Benefit payments, including refunds of member contributions	<u>(1,574,125)</u>	<u>(1,261,751)</u>
Net change in total OPEB liability	(1,095,388)	4,266,296
Total OPEB liability - beginning	<u>48,421,277</u>	<u>44,154,981</u>
Total OPEB liability - ending	* \$ <u>47,325,889</u>	\$ <u>48,421,277</u>
Covered employee payroll	\$ 27,571,512	\$ 26,703,644
Total OPEB liability as a percentage of covered employee payroll	171.65%	181.33%

* Does not include New Hampshire Retirement System Medical Subsidy.

Schedule of Contributions

	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,574,125	\$ 1,261,751
Contributions in relation to the actuarially determined contribution	<u>1,574,125</u>	<u>1,261,751</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 27,571,512	\$ 26,703,644
Contributions as a percentage of covered employee payroll	5.71%	4.73%

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

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**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.
- 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 contributions (dedicated income) received by the City to support library operations and expendable gifts to the City designated for the libraries.
- Mountain Green - to account for assessment revenues designated for the repair, maintenance, and replacement of the sanitary sewer system.

CAPITAL PROJECT FUNDS

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

The current funds were established for the following purposes:

- Fire Facility Renovations - to account for the construction and renovation of the City's Fire Department Facility.
- Open Space Protection Fund - to account for annually planned acquisitions of open space and conservation easements in accordance with the priorities of the Master Plan and Vision 2020.
- 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.

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, 2018

	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	\$ -	\$ 952,152	\$ 412,398	\$ 50,846
Investments	-	-	-	-
Accounts receivable	107,930	-	8,556	-
Loans receivable	-	539,433	-	-
Other assets	-	-	967	16
Total Assets	<u>\$ 107,930</u>	<u>\$ 1,491,585</u>	<u>\$ 421,921</u>	<u>\$ 50,862</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 22,000	\$ 5,674	\$ 252	\$ 910
Other liabilities	-	-	10,881	-
Notes payable	-	-	-	-
Loans payable	-	-	357,560	-
Due to other funds	<u>84,129</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	106,129	5,674	368,693	910
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	<u>-</u>	<u>539,433</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	-	539,433	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,801	946,478	-	-
Committed	-	-	53,228	49,952
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,801</u>	<u>946,478</u>	<u>53,228</u>	<u>49,952</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 107,930</u>	<u>\$ 1,491,585</u>	<u>\$ 421,921</u>	<u>\$ 50,862</u>

Special Revenue Funds

<u>Parking Fund</u>	<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>	<u>Forest & Conservation Fund</u>	<u>Cemetery Fund</u>
\$ -	\$ 527,790	\$ 472,243	\$ 646,632	\$ -	\$ -
-	-	-	-	1,846,307	15,717
80,327	2,631	-	44,845	-	-
-	-	-	-	-	-
<u>2,596</u>	<u>458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 82,923</u>	<u>\$ 530,879</u>	<u>\$ 472,243</u>	<u>\$ 691,477</u>	<u>\$ 1,846,307</u>	<u>\$ 15,717</u>
\$ 19,675	\$ 11,477	\$ -	\$ 17,423	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
41,165	11,477	-	17,423	-	-
<u>37,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
37,997	-	-	-	-	-
-	-	-	-	-	-
-	519,402	472,243	698,922	-	-
3,761	-	-	-	1,846,307	15,717
<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,868)</u>	<u>-</u>	<u>-</u>
<u>3,761</u>	<u>519,402</u>	<u>472,243</u>	<u>674,054</u>	<u>1,846,307</u>	<u>15,717</u>
<u>\$ 82,923</u>	<u>\$ 530,879</u>	<u>\$ 472,243</u>	<u>\$ 691,477</u>	<u>\$ 1,846,307</u>	<u>\$ 15,717</u>

(continued)

(continued)

	<u>Special Revenue Funds</u>			<u>Capital Project Funds</u>	
	<u>Library Fund</u>	<u>Mountain Green Fund</u>	<u>Subtotal</u>	<u>Fire Facility Renovations</u>	<u>Open Space Protection Fund</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ -	\$ 129,059	\$ 3,191,120	\$ 21,861	\$ -
Investments	2,583,679	-	4,445,703	-	-
Accounts receivable	-	-	244,289	-	-
Loans receivable	-	-	539,433	-	-
Other assets	-	-	4,037	-	-
Total Assets	<u>\$ 2,583,679</u>	<u>\$ 129,059</u>	<u>\$ 8,424,582</u>	<u>\$ 21,861</u>	<u>\$ -</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 77,411	\$ 9,123	\$ -
Other liabilities	-	-	10,881	-	-
Notes payable	-	-	-	-	-
Loans payable	-	-	357,560	-	-
Due to other funds	-	-	105,619	-	-
Total Liabilities	-	-	551,471	9,123	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	577,430	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	577,430	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	2,583,679	-	5,222,525	-	-
Committed	-	129,059	2,098,024	12,738	-
Unassigned	-	-	(24,868)	-	-
Total Fund Balances	<u>2,583,679</u>	<u>129,059</u>	<u>7,295,681</u>	<u>12,738</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,583,679</u>	<u>\$ 129,059</u>	<u>\$ 8,424,582</u>	<u>\$ 21,861</u>	<u>\$ -</u>

(continued)

Capital Project Funds

<u>Route 3 Corridor Fund</u>	<u>Manchester Street Fund</u>	<u>NEOC Capital Fund</u>	<u>Sears Block Capital Fund</u>	<u>Subtotal</u>
\$ 10,827	\$ 115,467	\$ 22,478	\$ 178,687	\$ 349,320
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 10,827</u>	<u>\$ 115,467</u>	<u>\$ 22,478</u>	<u>\$ 178,687</u>	<u>\$ 349,320</u>
\$ 4,431	\$ 4,805	\$ -	\$ 258	\$ 18,617
-	-	-	-	-
-	-	-	1,990,000	1,990,000
-	-	-	-	-
-	-	-	-	-
<u>4,431</u>	<u>4,805</u>	<u>-</u>	<u>1,990,258</u>	<u>2,008,617</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
10,872	-	-	-	10,872
(4,476)	110,662	22,478	-	141,402
-	-	-	(1,811,571)	(1,811,571)
<u>6,396</u>	<u>110,662</u>	<u>22,478</u>	<u>(1,811,571)</u>	<u>(1,659,297)</u>
<u>\$ 10,827</u>	<u>\$ 115,467</u>	<u>\$ 22,478</u>	<u>\$ 178,687</u>	<u>\$ 349,320</u>

(continued)

(continued)

	Permanent Funds			
	Cemetery Fund	Library Fund	Other Fund	Subtotal
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	11,979,059	1,544,804	23,753	13,547,616
Accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Other assets	-	-	-	-
Total Assets	<u>\$ 11,979,059</u>	<u>\$ 1,544,804</u>	<u>\$ 23,753</u>	<u>\$ 13,547,616</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-
Notes payable	-	-	-	-
Loans payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
Fund Balances:				
Nonspendable	11,979,059	1,544,804	23,753	13,547,616
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>11,979,059</u>	<u>1,544,804</u>	<u>23,753</u>	<u>13,547,616</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,979,059</u>	<u>\$ 1,544,804</u>	<u>\$ 23,753</u>	<u>\$ 13,547,616</u>

Debt Service Funds

NEOC Fund	SBTIFD Fund	PVTIFD Fund	Subtotal	Total Nonmajor Governmental Funds
\$ 1,336,126	\$ 220,723	\$ 93,720	\$ 1,650,569	\$ 5,191,009
-	-	5,400	5,400	17,998,719
-	-	-	-	244,289
-	-	-	-	539,433
-	-	-	-	4,037
<u>\$ 1,336,126</u>	<u>\$ 220,723</u>	<u>\$ 99,120</u>	<u>\$ 1,655,969</u>	<u>\$ 23,977,487</u>
\$ 2,016	\$ 336	\$ 400	\$ 2,752	\$ 98,780
-	-	5,400	5,400	16,281
-	-	-	-	1,990,000
-	-	-	-	357,560
-	-	-	-	105,619
<u>2,016</u>	<u>336</u>	<u>5,800</u>	<u>8,152</u>	<u>2,568,240</u>
-	-	-	-	577,430
-	-	-	-	577,430
-	-	-	-	13,547,616
1,334,110	220,387	93,320	1,647,817	6,881,214
-	-	-	-	2,239,426
-	-	-	-	(1,836,439)
<u>1,334,110</u>	<u>220,387</u>	<u>93,320</u>	<u>1,647,817</u>	<u>20,831,817</u>
<u>\$ 1,336,126</u>	<u>\$ 220,723</u>	<u>\$ 99,120</u>	<u>\$ 1,655,969</u>	<u>\$ 23,977,487</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, 2018

	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	515,212	-	-	-
Charges for services	-	111,987	96,473	62,675
Investment income (loss)	-	11,199	4,472	-
Contributions	-	-	-	-
Miscellaneous:				
Departmental	-	-	279,807	-
Interest and penalties	-	-	-	-
Total Revenues	<u>515,212</u>	<u>123,186</u>	<u>380,752</u>	<u>62,675</u>
Expenditures:				
Current:				
General government	515,212	157,106	-	-
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	350,582	42,086
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>515,212</u>	<u>157,106</u>	<u>350,582</u>	<u>42,086</u>
Excess (deficiency) of revenues over expenditures	-	(33,920)	30,170	20,589
Other Financing Sources (Uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(3,742)	(45,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,742)</u>	<u>(45,000)</u>
Net change in fund balance	-	(33,920)	26,428	(24,411)
Fund Balance, beginning	<u>1,801</u>	<u>980,398</u>	<u>26,800</u>	<u>74,363</u>
Fund Balance, ending	<u>\$ 1,801</u>	<u>\$ 946,478</u>	<u>\$ 53,228</u>	<u>\$ 49,952</u>

Special Revenue Funds

<u>Parking Fund</u>	<u>Airport Fund</u>	<u>Impact Fee Fund</u>	<u>Miscellaneous Special Revenue Fund</u>	<u>Forest & Conservation Fund</u>	<u>Cemetery Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ 104,260	\$ -
-	1,324	-	195,357	-	-
1,400,630	346,291	82,745	15,912	-	-
53	6,720	4,628	-	123,284	155
10,500	-	-	143,860	-	1,836
-	-	-	3,634	-	-
<u>332,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,743,493	354,335	87,373	358,763	227,544	1,991
-	-	(2,355)	280,317	-	-
872,278	-	-	-	-	-
273,935	234,141	-	-	-	-
-	23,822	-	-	-	-
578,275	26,900	-	-	-	-
191,329	6,740	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>35,662</u>	<u>-</u>	<u>-</u>
<u>1,915,817</u>	<u>291,603</u>	<u>(2,355)</u>	<u>315,979</u>	<u>-</u>	<u>-</u>
(172,324)	62,732	89,728	42,784	227,544	1,991
-	-	-	-	-	-
-	-	-	-	-	-
205,130	-	50,000	-	11,457	-
<u>(180,543)</u>	<u>(81,555)</u>	<u>(65,390)</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
<u>24,587</u>	<u>(81,555)</u>	<u>(15,390)</u>	<u>-</u>	<u>(288,543)</u>	<u>-</u>
(147,737)	(18,823)	74,338	42,784	(60,999)	1,991
<u>151,498</u>	<u>538,225</u>	<u>397,905</u>	<u>631,270</u>	<u>1,907,306</u>	<u>13,726</u>
<u>\$ 3,761</u>	<u>\$ 519,402</u>	<u>\$ 472,243</u>	<u>\$ 674,054</u>	<u>\$ 1,846,307</u>	<u>\$ 15,717</u>

(continued)

(continued)

	Special Revenue Funds			Capital Project Funds	
	Library Fund	Mountain Green Fund	Subtotal	Fire Facility Renovations	Open Space Protection Fund
Revenues:					
Property taxes	\$ -	\$ -	\$ 104,260	\$ -	\$ -
Intergovernmental	-	-	711,893	34,756	300,000
Charges for services	-	-	2,116,713	-	-
Investment income (loss)	34,747	1,776	187,034	-	-
Contributions	268,830	-	425,026	-	-
Miscellaneous:					
Departmental	-	-	283,441	-	-
Interest and penalties	-	-	332,310	-	-
Total Revenues	303,577	1,776	4,160,677	34,756	300,000
Expenditures:					
Current:					
General government	-	-	950,280	-	-
Public safety	-	-	872,278	-	-
General services	-	-	508,076	-	-
Community development	-	-	416,490	-	-
Debt service:					
Principal	-	-	605,175	-	-
Interest	-	-	198,069	-	-
Capital outlay	-	-	35,662	131,140	600,000
Total Expenditures	-	-	3,586,030	131,140	600,000
Excess (deficiency) of revenues over expenditures	303,577	1,776	574,647	(96,384)	(300,000)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	95,000	-
Bond premium	-	-	-	5,000	-
Transfers in	-	-	266,587	-	300,000
Transfers out	(186,300)	-	(862,530)	(1,459)	-
Total Other Financing Sources (Uses)	(186,300)	-	(595,943)	98,541	300,000
Net change in fund balance	117,277	1,776	(21,296)	2,157	-
Fund Balance, beginning	2,466,402	127,283	7,316,977	10,581	-
Fund Balance, ending	\$ 2,583,679	\$ 129,059	\$ 7,295,681	\$ 12,738	\$ -

(continued)

(continued)

(continued)

	Permanent Funds			
	Cemetery Fund	Library Fund	Other Fund	Subtotal
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	943,222	99,305	1,204	1,043,731
Contributions	56,335	-	-	56,335
Miscellaneous:				
Departmental	-	-	-	-
Interest and penalties	-	-	-	-
Total Revenues	999,557	99,305	1,204	1,100,066
Expenditures:				
Current:				
General government	179	60	148	387
Public safety	-	-	-	-
General services	-	-	-	-
Community development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	179	60	148	387
Excess (deficiency) of revenues over expenditures	999,378	99,245	1,056	1,099,679
Other Financing Sources (Uses):				
Issuance of bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(138,187)	-	-	(138,187)
Total Other Financing Sources (Uses)	(138,187)	-	-	(138,187)
Net change in fund balance	861,191	99,245	1,056	961,492
Fund Balance, beginning	11,117,868	1,445,559	22,697	12,586,124
Fund Balance, ending	\$ 11,979,059	\$ 1,544,804	\$ 23,753	\$ 13,547,616

Debt Service Funds				
NEOC Fund	SBTIFD Fund	PVTIFD Fund	Subtotal	Total Nonmajor Governmental Funds
\$ 489,942	\$ 1,079,800	\$ 59,211	\$ 1,628,953	\$ 1,733,213
-	-	-	-	1,299,135
-	-	-	-	2,116,713
15,897	1,951	1,117	18,965	1,249,730
-	-	-	-	481,361
-	-	-	-	283,441
-	-	-	-	332,310
505,839	1,081,751	60,328	1,647,918	7,495,903
-	-	-	-	963,625
-	-	-	-	872,278
-	-	-	-	508,076
9,625	1,904	9,407	20,936	437,426
25,000	173,700	25,000	223,700	828,875
16,481	110,940	9,577	136,998	335,067
-	-	-	-	789,835
51,106	286,544	43,984	381,634	4,735,182
454,733	795,207	16,344	1,266,284	2,760,721
-	-	-	-	95,000
-	-	-	-	5,000
-	-	-	-	566,587
(153,000)	(675,012)	(7,025)	(835,037)	(1,897,132)
(153,000)	(675,012)	(7,025)	(835,037)	(1,330,545)
301,733	120,195	9,319	431,247	1,530,176
1,032,377	100,192	84,001	1,216,570	19,301,641
\$ 1,334,110	\$ 220,387	\$ 93,320	\$ 1,647,817	\$ 20,831,817

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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, 2018

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
<u>Taxes</u>				
Property taxes - current	\$ 39,029,446	\$ 39,009,301	\$ 38,180,141	\$ (829,160)
Timber tax yield	15,000	15,000	23,870	8,870
Excavation activity tax	200	200	-	(200)
Motor vehicle registrations	6,389,000	6,389,000	7,141,635	752,635
Rooms and meals	2,191,965	2,190,811	2,190,811	-
Payment in lieu of taxes	<u>700,503</u>	<u>700,503</u>	<u>707,254</u>	<u>6,751</u>
Total Taxes	48,326,114	48,304,815	48,243,711	(61,104)
<u>Licenses and Permits</u>				
Engineering	4,370	4,370	4,407	37
City clerk records	33,800	33,800	29,812	(3,988)
Health services	139,462	139,462	138,909	(553)
Police/protection/amusement	75,440	75,440	82,256	6,816
Code enforcement/building permits	<u>1,011,000</u>	<u>1,011,000</u>	<u>991,219</u>	<u>(19,781)</u>
Total Licenses and Permits	1,264,072	1,264,072	1,246,603	(17,469)
<u>Intergovernmental</u>				
Railroad tax	2,000	664	708	44
Forest loss reimbursement	393	450	460	10
Fire service aid	125,000	125,000	125,000	-
Emergency management aid	-	108,119	108,114	(5)
Highway block grant	862,762	1,634,370	1,633,864	(506)
School District	157,000	157,000	153,467	(3,533)
Retiree health insurance reimbursements	1,435,530	1,435,530	1,411,249	(24,281)
Other state	<u>15,000</u>	<u>15,000</u>	<u>26,300</u>	<u>11,300</u>
Total Intergovernmental	2,597,685	3,476,133	3,459,162	(16,971)
<u>Charges For Services</u>				
Finance	2,000	2,000	5,089	3,089
Legal	67,620	67,620	67,902	282
City clerk	46,440	46,440	57,548	11,108
Public safety	2,667,304	2,667,304	3,074,745	407,441
General services	119,700	119,700	99,808	(19,892)
Community development	94,850	214,850	475,405	260,555
Human services	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Library	39,000	39,000	36,957	(2,043)
Recreation	273,575	276,075	293,620	17,545
Tower lease/fire hdqtrs	27,000	27,000	27,147	147
Cable franchise fee	918,460	918,460	889,139	(29,321)
School district lease	90,600	90,600	83,555	(7,045)
Community Center rental	33,360	33,360	29,005	(4,355)
Code prosecution	20,000	20,000	6,526	(13,474)
Restitution	12,000	12,000	12,754	754
Parking fines - non meters	90,000	90,000	115,281	25,281
False alarm penalties	<u>32,000</u>	<u>32,000</u>	<u>44,452</u>	<u>12,452</u>
Total Charges For Services	4,568,909	4,691,409	5,353,933	662,524
<u>Investment Income</u>				
Earnings on investments	<u>225,000</u>	<u>225,000</u>	<u>532,695</u>	<u>307,695</u>
Total Investment Income	225,000	225,000	532,695	307,695
<u>Miscellaneous</u>				
Miscellaneous revenue not anticipated	220,380	227,880	363,137	135,257
Sale of city property	30,000	30,000	90,877	60,877
MV surcharge and administrative costs	331,000	331,000	349,578	18,578
Advertising	5,500	5,500	5,500	-
Interest, costs, and penalties	<u>425,000</u>	<u>425,000</u>	<u>399,104</u>	<u>(25,896)</u>
Total Miscellaneous	1,011,880	1,019,380	1,208,196	188,816
<u>Other Financing Sources</u>				
Transfers in	3,816,177	3,924,177	3,815,184	(108,993)
Budgetary use of fund balance	<u>-</u>	<u>1,116,490</u>	<u>-</u>	<u>(1,116,490)</u>
Total Other Financing Sources	<u>3,816,177</u>	<u>5,040,667</u>	<u>3,815,184</u>	<u>(1,225,483)</u>
Total Revenues and Other Financing Sources	<u>\$ 61,809,837</u>	<u>\$ 64,021,476</u>	<u>\$ 63,859,484</u>	<u>\$ (161,992)</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>General Government</u>				
City Manager	\$ 585,135	\$ 656,135	\$ 619,997	\$ 36,138
Legal services	1,258,368	1,258,368	1,267,699	(9,331)
Assessor	657,979	657,979	631,959	26,020
Human resources	530,939	530,939	546,312	(15,373)
Finance	2,169,585	2,199,585	2,194,995	4,590
Information technology	891,435	891,435	894,321	(2,886)
City Council	40,654	40,654	34,180	6,474
City Clerk	411,217	411,217	398,230	12,987
General overhead	<u>1,811,497</u>	<u>1,668,767</u>	<u>1,291,947</u>	<u>376,820</u>
Total General Government	8,356,809	8,315,079	7,879,640	435,439
<u>Public Safety</u>				
Police	12,201,721	12,201,721	11,981,220	220,501
Fire	<u>13,851,258</u>	<u>14,102,107</u>	<u>14,067,561</u>	<u>34,546</u>
Total Public Safety	26,052,979	26,303,828	26,048,781	255,047
<u>General Services</u>	<u>9,217,786</u>	<u>9,217,786</u>	<u>9,246,461</u>	<u>(28,675)</u>
Total General Services	9,217,786	9,217,786	9,246,461	(28,675)
<u>Community Development</u>	<u>3,232,569</u>	<u>3,249,569</u>	<u>3,277,834</u>	<u>(28,265)</u>
Total Community Development	3,232,569	3,249,569	3,277,834	(28,265)
<u>Leisure and Information Services</u>				
Library	1,728,394	1,747,664	1,725,384	22,280
Recreation and parks	<u>2,776,734</u>	<u>2,850,954</u>	<u>2,919,950</u>	<u>(68,996)</u>
Total Leisure and Information Services	4,505,128	4,598,618	4,645,334	(46,716)
<u>Human Services</u>	<u>785,321</u>	<u>785,321</u>	<u>622,668</u>	<u>162,653</u>
Total Human Services	785,321	785,321	622,668	162,653

(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>2,227,160</u>	<u>2,227,160</u>	<u>2,179,680</u>	<u>47,480</u>
Total Employee Benefits	<u>2,227,160</u>	<u>2,227,160</u>	<u>2,179,680</u>	<u>47,480</u>
<u>Debt Service</u>				
Principal	<u>4,530,640</u>	<u>4,530,640</u>	<u>4,530,640</u>	<u>-</u>
Interest	<u>1,611,100</u>	<u>1,611,100</u>	<u>1,506,008</u>	<u>105,092</u>
Total Debt Service	<u>6,141,740</u>	<u>6,141,740</u>	<u>6,036,648</u>	<u>105,092</u>
<u>Other Financing Uses</u>				
Transfers out	<u>1,290,345</u>	<u>3,182,375</u>	<u>3,403,229</u>	<u>(220,854)</u>
Total Other Financing Uses	<u>1,290,345</u>	<u>3,182,375</u>	<u>3,403,229</u>	<u>(220,854)</u>
Total Expenditures and Other Financing Uses	<u>\$ 61,809,837</u>	<u>\$ 64,021,476</u>	<u>\$ 63,340,275</u>	<u>\$ 681,201</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, 2018

	Parking Fund			Airport 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>
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,300	\$ 1,324	\$ 24
Charges for services:	1,356,674	1,400,630	43,956	348,077	346,289	(1,788)
Investment income	250	53	(197)	1,800	6,720	4,920
Contributions	10,500	10,500	-	-	-	-
Miscellaneous:	346,300	332,310	(13,990)	-	-	-
Total Revenues	1,713,724	1,743,493	29,769	351,177	354,333	3,156
Expenditures:						
Public Safety:	1,156,544	1,146,212	10,332	-	-	-
General Services:	-	-	-	258,877	234,140	24,737
Community Development:	-	-	-	39,286	23,822	15,464
Debt service	769,610	769,604	6	33,640	33,640	-
Total Expenditures	1,926,154	1,915,816	10,338	331,803	291,602	40,201
Other Financing Sources (Uses):						
Transfer in	205,130	205,130	-	-	-	-
Transfer out	(180,730)	(180,543)	187	(83,812)	(81,555)	2,257
Budgetary use of fund balance	-	-	-	-	-	-
Total Other Financing Sources (Uses)	24,400	24,587	187	(83,812)	(81,555)	2,257
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ (188,030)</u>	<u>\$ (147,736)</u>	<u>\$ 40,294</u>	<u>\$ (64,438)</u>	<u>\$ (18,824)</u>	<u>\$ 45,614</u>

Community Development Engineering Inspection Fund			Community Development Conservation Property Management Fund		
<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106,000	96,473	(9,527)	69,100	62,676	(6,424)
550	4,472	3,922	-	-	-
-	-	-	-	-	-
<u>250,300</u>	<u>279,806</u>	<u>29,506</u>	<u>-</u>	<u>-</u>	<u>-</u>
356,850	380,751	23,901	69,100	62,676	(6,424)
-	-	-	-	-	-
-	-	-	-	-	-
352,570	350,582	1,988	85,436	42,086	43,350
-	-	-	-	-	-
<u>352,570</u>	<u>350,582</u>	<u>1,988</u>	<u>85,436</u>	<u>42,086</u>	<u>43,350</u>
-	-	-	16,336	-	(16,336)
(1,870)	(3,742)	(1,872)	(45,000)	(45,000)	-
-	-	-	<u>45,000</u>	<u>-</u>	<u>(45,000)</u>
<u>(1,870)</u>	<u>(3,742)</u>	<u>(1,872)</u>	<u>16,336</u>	<u>(45,000)</u>	<u>(61,336)</u>
<u>\$ 2,410</u>	<u>\$ 26,427</u>	<u>\$ 24,017</u>	<u>\$ -</u>	<u>\$ (24,410)</u>	<u>\$ (24,410)</u>

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**Proprietary Funds
Combining Financial Statements**

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NONMAJOR PROPRIETARY 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.

Solid Waste Fund - to account for the collection and disposal of the City trash.

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Net Position

Nonmajor Proprietary Funds

June 30, 2018

	Business-Type Activities Enterprise Funds			
	<u>Golf Fund</u>	<u>Arena Fund</u>	<u>Solid Waste Fund</u>	<u>Total Other Funds</u>
ASSETS				
Current:				
Cash and short-term equivalents	\$ 71,819	\$ 285,944	\$ 1,675,035	\$ 2,032,798
Other receivables	10,500	3,724	532,338	546,562
Prepays	2,138	1,054	905	4,097
Inventory	<u>75,366</u>	<u>-</u>	<u>128,166</u>	<u>203,532</u>
Total current assets	159,823	290,722	2,336,444	2,786,989
Noncurrent:				
Capital assets:				
Land and construction in progress	138,642	54,251	194,400	387,293
Other capital assets, net of accumulated depreciation	<u>584,924</u>	<u>1,117,885</u>	<u>221,566</u>	<u>1,924,375</u>
Total noncurrent assets	<u>723,566</u>	<u>1,172,136</u>	<u>415,966</u>	<u>2,311,668</u>
TOTAL ASSETS	883,389	1,462,858	2,752,410	5,098,657
LIABILITIES				
Current:				
Accounts payable	20,736	9,423	612,215	642,374
Retainage payable	-	2,225	-	2,225
Unearned revenues	57,513	4,578	150,250	212,341
Other current liabilities	500	-	95,897	96,397
Current portion of long-term liabilities:				
Bonds payable	82,800	56,900	22,000	161,700
Capital leases	-	9,595	-	9,595
Compensated absences	<u>35,155</u>	<u>10,063</u>	<u>11,676</u>	<u>56,894</u>
Total current liabilities	196,704	92,784	892,038	1,181,526
Noncurrent:				
Bonds payable, net of current portion	325,300	503,600	195,150	1,024,050
Capital leases	<u>-</u>	<u>23,188</u>	<u>-</u>	<u>23,188</u>
Total noncurrent liabilities	<u>325,300</u>	<u>526,788</u>	<u>195,150</u>	<u>1,047,238</u>
TOTAL LIABILITIES	522,004	619,572	1,087,188	2,228,764
NET POSITION				
Net investment in capital assets	348,320	578,854	198,816	1,125,990
Unrestricted	<u>13,065</u>	<u>264,432</u>	<u>1,466,406</u>	<u>1,743,903</u>
TOTAL NET POSITION	<u>\$ 361,385</u>	<u>\$ 843,286</u>	<u>\$ 1,665,222</u>	<u>\$ 2,869,893</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, 2018

	Business-Type Activities Enterprise Funds			
	<u>Golf Fund</u>	<u>Arena Fund</u>	<u>Solid Waste Fund</u>	<u>Total Other Funds</u>
Operating Revenues				
Charges for services	\$ 993,899	\$ 615,033	\$ 3,161,004	\$ 4,769,936
Other	<u>8,000</u>	<u>18,542</u>	<u>-</u>	<u>26,542</u>
Total Operating Revenues	1,001,899	633,575	3,161,004	4,796,478
Operating Expenses				
Personnel	587,570	294,028	276,350	1,157,948
Non-personnel	376,286	113,362	3,719,943	4,209,591
Depreciation	<u>94,427</u>	<u>90,659</u>	<u>33,532</u>	<u>218,618</u>
Total Operating Expenses	<u>1,058,283</u>	<u>498,049</u>	<u>4,029,825</u>	<u>5,586,157</u>
Operating Income (Loss)	(56,384)	135,526	(868,821)	(789,679)
Nonoperating Revenues (Expenses)				
Investment income	250	2,473	55,710	58,433
Interest expense	<u>(10,265)</u>	<u>(15,010)</u>	<u>(6,722)</u>	<u>(31,997)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(10,015)</u>	<u>(12,537)</u>	<u>48,988</u>	<u>26,436</u>
Income (Loss) Before Transfers	(66,399)	122,989	(819,833)	(763,243)
Transfers				
Transfers in	48,000	16,000	1,068,574	1,132,574
Transfers out	<u>(3,000)</u>	<u>(85,587)</u>	<u>(3,600)</u>	<u>(92,187)</u>
Change in Net Position	(21,399)	53,402	245,141	277,144
Net Position at Beginning of Year	<u>382,784</u>	<u>789,884</u>	<u>1,420,081</u>	<u>2,592,749</u>
Net Position at End of Year	<u>\$ 361,385</u>	<u>\$ 843,286</u>	<u>\$ 1,665,222</u>	<u>\$ 2,869,893</u>

CITY OF CONCORD, NEW HAMPSHIRE

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

For the Fiscal Year Ended June 30, 2018

	Business-Type Activities Enterprise Funds			
	Golf Fund	Arena Fund	Solid Waste Fund	Total Other Funds
<u>Cash Flows From Operating Activities</u>				
Receipts from customers and users	\$ 1,001,861	\$ 629,020	\$ 3,122,044	\$ 4,752,925
Payments to employees	(586,551)	(292,090)	(277,638)	(1,156,279)
Payments to vendors	(384,733)	(124,653)	(3,787,116)	(4,296,502)
Net Cash Provided By Operating Activities	30,577	212,277	(942,710)	(699,856)
<u>Cash Flows From Noncapital Financing Activities</u>				
Intergovernmental revenues	-	-	55,710	55,710
Other	-	-	595,525	595,525
Transfers in	48,000	16,000	1,068,574	1,132,574
Transfers out	(3,000)	(85,587)	(3,600)	(92,187)
Net Cash (Used For) Noncapital Financing Activities	45,000	(69,587)	1,716,209	1,691,622
<u>Cash Flows From Capital and Related Financing Activities</u>				
Proceeds from bonds and notes	99,000	86,900	-	185,900
Principal payments on bonds and notes	(65,300)	(40,000)	(22,000)	(127,300)
Acquisition and construction of capital assets, net disposals	(142,737)	(189,334)	-	(332,071)
Interest expense	(10,265)	(18,115)	(6,722)	(35,102)
Net Cash (Used For) Capital and Related Financing Activities	(119,302)	(160,549)	(28,722)	(308,573)
<u>Cash Flows From Investing Activities</u>				
Investment income	250	2,473	-	2,723
Net Cash Provided by Investing Activities	250	2,473	-	2,723
Net Change in Cash and Short-Term Equivalents	(43,475)	(15,386)	744,777	685,916
Cash and Short-Term Equivalents, Beginning of Year	115,294	301,330	930,258	1,346,882
Cash and Short-Term Equivalents, End of Year	\$ 71,819	\$ 285,944	\$ 1,675,035	\$ 2,032,798
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities</u>				
Operating income (loss)	\$ (56,384)	\$ 135,526	\$ (868,821)	\$ (789,679)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	94,427	90,659	33,532	218,618
Changes in assets and liabilities:				
User fees	(10,452)	322	(38,960)	(49,090)
Other assets	(10,139)	(1,054)	(1,709)	(12,902)
Accounts payable	7,178	(12,462)	(87,458)	(92,742)
Retainage payable	-	2,225	-	2,225
Compensated absences	1,019	1,938	(1,288)	1,669
Other liabilities	4,928	(4,877)	21,994	22,045
Net Cash Provided By Operating Activities	\$ 30,577	\$ 212,277	\$ (942,710)	\$ (699,856)

**Proprietary Funds
Detail and Combining Budget
and Actual Schedule**

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PROPRIETARY (ENTERPRISE) FUNDS

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

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

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

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

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

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

CITY OF CONCORD, NEW HAMPSHIRE

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

Enterprise Funds

For the Fiscal Year Ended June 30, 2018

		<u>Water Fund</u>	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 5,873,670	\$ 6,122,077	\$ 248,407
Miscellaneous	<u>20,000</u>	<u>24,981</u>	<u>4,981</u>
Total Operating Revenues	5,893,670	6,147,058	253,388
Operating Expenses:			
Personnel	2,041,142	1,909,006	132,136
Non-personnel	1,009,858	868,635	141,223
Debt service	<u>1,411,960</u>	<u>1,411,957</u>	<u>3</u>
Total Operating Expenses	<u>4,462,960</u>	<u>4,189,598</u>	<u>273,362</u>
Operating Income (Loss)	1,430,710	1,957,460	526,750
Non-Operating Income (Expenses):			
Interest expense	(521,670)	(521,673)	(3)
Investment income	12,000	74,109	62,109
Intergovernmental	<u>43,290</u>	<u>44,194</u>	<u>904</u>
Total Non-Operating Income (Expenses)	<u>(466,380)</u>	<u>(403,370)</u>	<u>63,010</u>
Net Income (Loss) Before Transfers	964,330	1,554,090	589,760
Other Financing Sources:			
Transfers in	-	-	-
Transfers out	<u>(1,254,478)</u>	<u>(1,245,269)</u>	<u>9,209</u>
Total Other Financing Sources	<u>(1,254,478)</u>	<u>(1,245,269)</u>	<u>9,209</u>
Net Income (Loss)	\$ <u><u>(290,148)</u></u>	\$ <u><u>308,821</u></u>	\$ <u><u>598,969</u></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>
\$ 6,892,690	\$ 7,104,079	\$ 211,389	\$ 3,104,476	\$ 3,161,003	\$ 56,527
500	9,698	9,198	300	55,710	55,410
6,893,190	7,113,777	220,587	3,104,776	3,216,713	111,937
2,324,315	2,207,454	116,861	317,161	276,350	40,811
1,715,188	1,610,276	104,912	3,780,434	3,719,943	60,491
2,091,374	2,091,376	(2)	22,000	22,000	-
6,130,877	5,909,106	221,771	4,119,595	4,018,293	101,302
762,313	1,204,671	442,358	(1,014,819)	(801,580)	213,239
(528,540)	(528,540)	-	(6,722)	(6,722)	-
25,000	84,921	59,921	-	-	-
535,472	312,459	(223,013)	-	-	-
31,932	(131,160)	(163,092)	(6,722)	(6,722)	-
794,245	1,073,511	279,266	(1,021,541)	(808,302)	213,239
-	-	-	1,068,574	1,068,574	-
(1,263,243)	(1,258,946)	4,297	(13,600)	(13,600)	-
(1,263,243)	(1,258,946)	4,297	1,054,974	1,054,974	-
\$ (468,998)	\$ (185,435)	\$ 283,563	\$ 33,433	\$ 246,672	\$ 213,239

(continued)

CITY OF CONCORD, NEW HAMPSHIRE

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

Enterprise Funds

For the Fiscal Year Ended June 30, 2018

(continued)

		Golf Fund	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 1,125,690	\$ 993,899	\$ (131,791)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	1,125,690	993,899	(131,791)
Operating Expenses:			
Personnel	585,249	587,570	(2,321)
Non-personnel	366,753	376,286	(9,533)
Debt service	<u>65,300</u>	<u>65,300</u>	<u>-</u>
Total Operating Expenses	<u>1,017,302</u>	<u>1,029,156</u>	<u>(11,854)</u>
Operating Income (Loss)	108,388	(35,257)	(143,645)
Non-Operating Income (Expenses):			
Interest expense	(10,265)	(10,265)	-
Investment income	<u>110</u>	<u>250</u>	<u>140</u>
Total Non-Operating Income (Expenses)	<u>(10,155)</u>	<u>(10,015)</u>	<u>140</u>
Income Before Transfers	98,233	(45,272)	(143,505)
Other Financing Sources:			
Transfers in	-	48,000	48,000
Transfers out	<u>(79,650)</u>	<u>(3,000)</u>	<u>76,650</u>
Total Other Financing Sources	<u>(79,650)</u>	<u>45,000</u>	<u>124,650</u>
Net Income (Loss)	\$ <u>18,583</u>	\$ <u>(272)</u>	\$ <u>(18,855)</u>

Arena Fund		
<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
\$ 601,135	\$ 615,034	\$ 13,899
<u>-</u>	<u>11,942</u>	<u>11,942</u>
601,135	626,976	25,841
314,368	294,028	20,340
160,493	154,140	6,353
40,000	40,000	-
<u>514,861</u>	<u>488,168</u>	<u>26,693</u>
86,274	138,808	52,534
(15,010)	(15,010)	-
<u>400</u>	<u>2,473</u>	<u>2,073</u>
<u>(14,610)</u>	<u>(12,537)</u>	<u>2,073</u>
71,664	126,271	54,607
-	-	-
<u>(85,587)</u>	<u>(85,587)</u>	<u>-</u>
<u>(85,587)</u>	<u>(85,587)</u>	<u>-</u>
\$ <u><u>(13,923)</u></u>	\$ <u><u>40,684</u></u>	\$ <u><u>54,607</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, 2018

	Balance July 1, <u>2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2018</u>
Assets - cash and short-term investments	\$ 81,477	\$ 9,372,234	\$ (9,170,161)	\$ 283,550
Assets - due from other funds	<u>-</u>	<u>9,526,324</u>	<u>(9,526,324)</u>	<u>-</u>
Total Assets	<u>\$ 81,477</u>	<u>\$ 18,898,558</u>	<u>\$ (18,696,485)</u>	<u>\$ 283,550</u>
Liabilities - other liabilities	<u>\$ 81,477</u>	<u>\$ 9,803,554</u>	<u>\$ (9,601,481)</u>	<u>\$ 283,550</u>
Total liabilities	<u>\$ 81,477</u>	<u>\$ 9,803,554</u>	<u>\$ (9,601,481)</u>	<u>\$ 283,550</u>

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STATISTICAL SECTION

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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.	140 - 143
<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.	144 - 148
<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.	149 - 151
<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.	152 - 153
<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.	154 - 156

City of Concord, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 66,566,664	\$ 70,966,637	\$ 69,642,960	\$ 71,316,684	\$ 81,481,167	\$ 88,864,614	\$ 90,447,692	\$ 102,584,829	\$ 110,349,574	\$ 118,411,731
Restricted	10,576,342	11,614,642	12,582,557	12,241,140	13,112,717	14,754,794	15,394,106	14,569,006	18,326,881	20,238,397
Unrestricted	15,559,497	13,778,355	17,718,246	16,800,855	14,473,038	7,308,618	(40,521,341)	(38,096,272)	(71,153,443)	(79,660,182)
Total governmental activities net position	\$ 92,702,503	\$ 96,359,634	\$ 99,943,763	\$ 100,358,679	\$ 109,066,922	\$ 110,928,026	\$ 65,320,457	\$ 79,057,563	\$ 57,523,012	\$ 58,989,946
Business-type activities										
Net investment in capital assets	\$ 104,127,148	\$ 104,095,897	\$ 103,659,124	\$ 103,454,627	\$ 102,153,278	\$ 103,459,912	\$ 102,511,741	\$ 102,278,858	\$ 100,851,659	\$ 99,470,009
Restricted	1,326,168	1,180,931	1,042,044	882,459	717,895	2,174,669	1,932,437	1,814,208	1,600,204	1,389,048
Unrestricted	5,235,417	4,864,595	5,643,666	5,877,988	7,524,806	5,848,190	3,141,883	3,472,819	2,833,315	2,945,414
Total business-type activities net position	\$ 110,688,733	\$ 110,141,423	\$ 110,344,834	\$ 110,215,074	\$ 110,395,979	\$ 111,482,771	\$ 107,586,061	\$ 107,565,885	\$ 105,285,178	\$ 103,804,471
Primary government										
Net investment in capital assets	\$ 170,693,812	\$ 175,062,534	\$ 173,302,084	\$ 174,771,311	\$ 183,634,445	\$ 192,324,526	\$ 192,959,433	\$ 204,863,687	\$ 211,201,233	\$ 217,881,740
Restricted	11,902,510	12,795,573	13,624,601	13,123,599	13,830,612	16,929,463	17,326,543	16,383,214	19,927,085	21,627,445
Unrestricted	20,794,914	18,642,950	23,361,912	22,678,843	21,997,844	13,156,808	(37,379,458)	(34,623,453)	(68,320,128)	(76,714,768)
Total primary government net position	\$ 203,391,236	\$ 206,501,057	\$ 210,288,597	\$ 210,573,753	\$ 219,462,901	\$ 222,410,797	\$ 172,906,518	\$ 186,623,448	\$ 162,808,190	\$ 162,794,417

Data Source:

Audited Financial Statements

City of Concord, New Hampshire

Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 6,104,117	\$ 6,852,912	\$ 7,145,023	\$ 8,190,946	\$ 9,064,401	\$ 7,833,696	\$ 8,375,764	\$ 8,098,118	\$ 8,867,491	\$ 9,412,888
Public safety	21,144,583	21,069,118	22,584,828	24,766,159	24,731,680	26,302,929	26,071,162	26,288,254	29,899,639	29,777,085
General services	11,572,079	11,290,119	12,693,473	10,390,070	10,528,936	12,194,315	12,146,581	11,339,476	12,413,383	12,469,650
Community development	4,041,973	3,815,308	4,223,189	4,624,312	4,703,083	4,763,024	5,723,172	4,913,433	5,277,646	5,659,722
Leisure and information services	2,459,002	2,142,783	2,574,830	4,049,606	4,295,029	4,681,713	4,501,607	4,831,033	5,170,725	5,535,662
Human services	807,682	768,564	775,026	773,578	792,040	841,942	1,228,609	808,266	728,232	660,915
Interest	1,410,990	1,778,927	1,511,198	1,447,573	1,406,011	1,529,922	2,054,101	1,772,950	1,829,979	2,022,990
Miscellaneous	53,928	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	47,594,354	47,717,731	51,507,567	54,242,244	55,521,180	58,147,541	60,100,996	58,051,530	64,187,095	65,538,912
Business-type activities										
Water services	4,959,863	4,870,370	4,883,528	5,005,723	5,158,308	5,313,921	5,471,470	4,999,970	5,552,509	5,586,811
Wastewater services	6,436,028	6,368,985	6,247,273	6,285,448	6,427,740	6,755,444	7,177,767	6,493,519	6,377,685	7,745,179
Solid waste services	3,729,839	4,085,706	4,301,512	4,335,560	4,345,130	4,375,538	3,870,961	3,792,440	3,921,238	-
Other (nonmajor)	1,433,136	1,275,645	1,323,741	1,275,958	1,203,522	1,345,288	1,409,097	1,569,085	1,541,955	5,618,154
Total business-type activities expenses	16,558,866	16,600,706	16,758,054	16,902,689	17,134,700	17,790,191	17,929,295	16,855,014	17,393,387	18,950,144
Total primary government expenses	<u>\$ 64,153,220</u>	<u>\$ 64,318,437</u>	<u>\$ 68,265,621</u>	<u>\$ 71,144,933</u>	<u>\$ 72,655,880</u>	<u>\$ 75,937,732</u>	<u>\$ 78,030,291</u>	<u>\$ 74,906,544</u>	<u>\$ 81,580,482</u>	<u>\$ 84,489,056</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,458,413	\$ 1,484,734	\$ 1,525,641	\$ 1,930,291	\$ 2,236,423	\$ 3,047,065	\$ 2,377,466	\$ 2,838,579	\$ 1,928,281	\$ 1,775,364
Public safety	3,048,743	3,128,313	3,507,165	3,776,767	3,567,993	3,784,562	3,835,584	4,556,639	4,452,739	5,828,778
General services	298,694	273,935	451,690	116,418	111,015	124,650	105,401	92,528	112,071	100,478
Community development	1,131,134	1,280,954	1,450,678	1,212,966	1,014,926	1,198,302	1,086,657	1,363,586	2,258,451	1,950,690
Leisure and information services	462,796	523,031	502,022	721,780	735,989	699,419	695,191	627,166	584,711	603,303
Human services	12,330	41,063	17,966	-	-	-	-	-	-	-
Total charges for services	6,412,110	6,732,030	7,455,162	7,758,222	7,666,346	8,853,998	8,100,299	9,478,498	9,336,253	10,258,613
Operating grants and contributions	1,406,391	1,016,770	739,160	2,181,740	2,194,049	2,140,242	2,236,128	3,962,417	4,189,597	4,413,737
Capital grants and contributions	2,004,940	2,199,019	2,640,477	2,400,917	7,960,947	3,353,952	5,135,430	9,320,137	5,874,228	3,323,526
Total governmental activities program revenues	9,823,441	9,947,819	10,834,799	12,340,879	17,821,342	14,348,192	15,471,857	22,761,052	19,400,078	17,995,876
Business-type activities										
Water services	4,918,822	5,100,517	5,363,947	5,339,039	5,509,247	5,492,305	5,746,908	5,905,710	6,125,545	6,121,079
Wastewater services	5,593,025	5,716,639	6,346,565	6,510,709	6,703,482	6,849,496	6,875,159	7,067,548	7,230,401	7,105,077
Solid waste services	1,761,418	3,213,003	2,895,021	2,940,170	2,906,546	2,798,335	2,742,703	2,657,151	3,026,768	-
Other (nonmajor)	1,303,735	1,358,042	1,310,157	1,272,183	1,345,171	1,475,357	1,481,527	1,602,082	1,572,565	4,714,226
Total charges for services	13,577,000	15,388,201	15,915,690	16,062,101	16,464,446	16,615,493	16,846,297	17,232,491	17,955,279	17,940,382
Operating grants and contributions	243,344	228,364	188,926	290,323	279,414	2,019,907	271,915	359,208	875,993	356,337
Capital grants and contributions	268,581	201,882	162,701	41,241	34,657	86,341	74,851	48,762	61,574	56,026
Total business-type activities program revenues	14,088,925	15,818,447	16,267,317	16,393,665	16,778,517	18,721,741	17,193,063	17,640,461	18,892,846	18,352,745
Total primary government program revenues	<u>\$ 23,912,366</u>	<u>\$ 25,766,266</u>	<u>\$ 27,102,116</u>	<u>\$ 28,734,544</u>	<u>\$ 34,599,859</u>	<u>\$ 33,069,933</u>	<u>\$ 32,664,920</u>	<u>\$ 40,401,513</u>	<u>\$ 38,292,924</u>	<u>\$ 36,348,621</u>
Net (Expenses)Revenue										
Governmental activities	\$ (37,770,913)	\$ (37,769,912)	\$ (40,672,768)	\$ (41,901,365)	\$ (37,699,838)	\$ (43,799,349)	\$ (44,629,139)	\$ (35,290,478)	\$ (44,787,017)	\$ (47,543,036)
Business-type activities	(2,469,941)	(782,259)	(488,737)	(509,024)	(356,183)	931,550	(736,232)	785,447	1,499,459	(597,399)
Total Primary government net expense	<u>\$ (40,240,854)</u>	<u>\$ (38,552,171)</u>	<u>\$ (41,161,505)</u>	<u>\$ (42,410,389)</u>	<u>\$ (38,056,021)</u>	<u>\$ (42,867,799)</u>	<u>\$ (45,365,371)</u>	<u>\$ (34,505,031)</u>	<u>\$ (43,287,558)</u>	<u>\$ (48,140,435)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property tax	\$ 37,718,000	\$ 37,683,982	\$ 39,939,045	\$ 38,875,330	\$ 41,999,202	\$ 38,519,641	\$ 44,429,395	\$ 44,973,370	\$ 46,001,631	\$ 48,553,111
Penalties, interest and other taxes	804,871	885,170	1,267,571	1,037,812	821,981	913,597	944,755	977,949	975,690	731,415
Grants and contributions not restricted to specific programs	1,165,149	900	832	704	461	209	393	400	450	460
Investment income	(564,036)	1,066,457	2,233,996	611,071	1,886,501	2,677,097	1,356,311	742,464	1,734,204	1,905,412
Miscellaneous	743,489	1,563,028	1,165,035	1,486,553	1,428,889	3,125,212	2,842,713	974,869	739,075	919,015
Transfers, net	(830,487)	5,213	(43,843)	31,630	8,677	142,034	288,563	952,546	1,180,261	1,184,848
Permanent fund contributions	245,496	222,293	184,261	273,181	262,370	282,663	309,989	405,986	281,731	268,830
Total governmental activities	39,282,482	41,427,043	44,746,897	42,316,281	46,408,081	45,660,453	50,172,119	49,027,584	50,913,042	53,563,091
Business-type activities										
Investment income	197,313	178,641	150,328	68,834	251,110	7,947	12,884	39,299	79,733	227,754
Miscellaneous	31,764	61,521	7,977	342,060	294,655	289,329	266,973	107,624	207,295	135,777
Transfers, net	830,487	(5,213)	43,843	(31,630)	(8,677)	(142,034)	(288,563)	(952,946)	(1,180,261)	(1,184,848)
Total business-type activities	1,059,564	234,949	202,148	379,264	537,088	155,242	(8,706)	(806,023)	(893,233)	(821,317)
Total primary government	<u>\$ 40,342,046</u>	<u>\$ 41,661,992</u>	<u>\$ 44,949,045</u>	<u>\$ 42,695,545</u>	<u>\$ 46,945,169</u>	<u>\$ 45,815,695</u>	<u>\$ 50,163,413</u>	<u>\$ 48,221,561</u>	<u>\$ 50,019,809</u>	<u>\$ 52,741,774</u>
Change in Net Position										
Governmental activities	\$ 1,511,569	\$ 3,657,131	\$ 4,074,129	\$ 414,916	\$ 8,708,243	\$ 1,861,104	\$ 5,542,980	\$ 13,737,106	\$ 6,126,025	\$ 6,020,055
Business-type activities	(1,410,377)	(547,310)	(286,589)	(129,760)	180,905	1,086,792	(744,938)	(20,576)	606,226	(1,418,716)
Total primary government	<u>\$ 101,192</u>	<u>\$ 3,109,821</u>	<u>\$ 3,787,540</u>	<u>\$ 285,156</u>	<u>\$ 8,889,148</u>	<u>\$ 2,947,896</u>	<u>\$ 4,798,042</u>	<u>\$ 13,716,530</u>	<u>\$ 6,732,251</u>	<u>\$ 4,601,339</u>

Data Source

Audited Financial Statements

City of Concord, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010	2011 ⁽¹⁾	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,169,269	\$ 966,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,302,478	7,025,545	-	-	-	-	-	-	-	-
Nonspendable	-	-	181,815	152,871	152,871	152,871	152,871	168,027	212,814	375,704
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	4,316,925	4,938,869	4,729,164	3,416,913	3,265,799	4,106,177	5,271,321	4,791,914
Assigned	-	-	1,355,353	894,000	935,000	750,000	960,000	930,000	975,000	975,000
Unassigned	-	-	6,736,075	8,168,250	9,079,250	9,879,330	10,171,068	10,735,579	11,015,079	11,371,395
Total General Fund	\$ 6,471,747	\$ 7,992,313	\$ 12,590,168	\$ 14,153,990	\$ 14,896,285	\$ 14,199,114	\$ 14,549,738	\$ 15,939,783	\$ 17,474,214	\$ 17,514,013
Other Governmental Funds										
Reserved	\$ 11,784,460	\$ 10,652,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	7,675,674	8,124,307	-	-	-	-	-	-	-	-
Capital Project Funds	4,261,481	3,500,587	-	-	-	-	-	-	-	-
Debt Service	856,787	1,248,100	-	-	-	-	-	-	-	-
Nonspendable	-	-	9,239,526	9,394,226	10,335,606	12,004,524	12,631,335	11,465,110	12,586,124	13,547,616
Restricted	-	-	4,214,191	2,803,781	3,148,961	9,539,642	11,848,567	11,105,618	13,594,542	11,556,505
Committed	-	-	10,842,872	9,916,209	7,765,227	5,109,805	6,977,411	5,439,600	4,083,185	3,038,764
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(915)	(1,290)	-	(1,329,031)	(726,422)	(2,091,373)	(2,180,891)	(4,747,101)
Total Other Funds	\$ 24,578,402	\$ 23,525,144	\$ 24,295,674	\$ 22,112,926	\$ 21,249,794	\$ 25,324,940	\$ 30,730,891	\$ 25,918,955	\$ 28,082,960	\$ 23,395,784

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 37,282,375	\$ 37,659,356	\$ 39,407,949	\$ 40,430,610	\$ 41,872,465	\$ 40,464,277	\$ 45,233,870	\$ 44,507,445	\$ 45,784,329	\$ 47,890,372
Licenses and permits	825,833	712,811	1,112,391	1,119,219	896,393	1,022,818	890,025	1,173,367	1,046,457	1,243,082
Intergovernmental	3,442,953	2,687,051	2,732,763	4,415,890	4,723,291	5,151,188	6,885,722	13,066,290	9,794,351	7,524,843
Charges for services	5,586,277	6,019,719	6,293,673	6,639,003	6,769,954	6,983,376	7,210,273	7,644,593	8,184,833	7,804,721
Investment income	(564,323)	1,066,457	2,234,008	618,261	1,630,988	2,677,101	805,143	742,464	1,734,207	1,905,413
Contributions and miscellaneous	3,023,671	3,216,792	3,186,673	2,972,587	2,688,069	4,664,783	4,420,159	2,664,370	2,242,497	2,083,464
Total revenues	49,596,786	51,362,186	54,967,457	56,195,570	58,581,160	60,963,543	65,445,192	69,798,529	68,786,674	68,451,895
Expenditures by Function										
General government	5,900,248	6,589,039	6,841,119	7,793,292	8,591,958	7,379,236	8,007,392	11,871,152	8,444,482	9,131,316
Public safety	19,410,584	19,621,616	21,114,273	22,716,619	22,571,706	24,075,356	24,569,843	25,395,370	26,666,807	27,842,607
General services	8,249,971	7,394,625	7,797,609	6,522,464	6,878,891	7,441,782	7,787,061	7,803,575	9,085,822	9,243,016
Community development	3,007,202	2,881,251	2,865,969	3,020,346	3,119,704	3,134,170	3,319,034	3,271,935	3,542,591	3,885,875
Leisure and information services	2,230,489	1,952,782	2,029,908	3,629,417	3,829,765	4,031,719	4,197,524	4,237,059	4,646,765	4,941,781
Human services	789,101	749,114	752,485	735,447	748,690	801,071	790,648	782,138	715,765	642,077
Employee benefits	328,542	445,033	661,188	2,327,580	2,281,856	2,209,785	2,174,927	2,243,415	-	-
Miscellaneous	53,929	131,653	45,491	3,722	1,186	301	350	-	-	-
Debt service										
Principal	4,220,938	4,594,563	4,369,633	4,531,234	4,744,015	5,036,926	5,190,642	5,142,807	4,792,207	5,359,511
Interest	1,597,727	1,555,289	1,516,016	1,547,441	1,544,862	1,515,899	1,919,982	1,719,264	1,880,673	1,894,925
Capital outlay	9,935,126	7,479,876	6,624,538	8,352,413	9,666,796	10,833,357	12,622,833	17,350,251	15,639,852	23,216,012
Total expenditures	55,723,857	53,394,841	54,618,229	61,179,975	63,979,429	66,459,602	70,580,236	79,816,966	75,414,964	86,157,120
Excess of revenues										
Over(under) expenditures	(6,127,071)	(2,032,655)	349,228	(4,984,405)	(5,398,269)	(5,496,059)	(5,135,044)	(10,018,437)	(6,628,290)	(17,705,225)
Other Financing Sources (Uses)										
Bond proceeds	4,250,710	2,494,750	5,063,000	4,333,851	5,164,900	8,732,000	10,027,500	5,410,750	8,313,600	11,090,200
Bond premium	-	-	-	-	-	-	575,556	233,250	810,732	752,800
Capital lease proceeds	-	-	-	-	-	-	-	-	188,513	-
Refunding, net	-	-	-	-	103,855	-	-	-	(166,480)	-
Transfers in	3,862,715	3,462,513	3,818,374	4,042,411	3,550,609	5,363,383	4,843,029	3,912,917	4,640,723	8,061,064
Transfers out	(4,693,201)	(3,457,300)	(3,862,217)	(4,010,783)	(3,541,932)	(5,221,349)	(4,554,466)	(2,960,371)	(3,460,462)	(6,876,216)
Total other financing sources (uses)	3,420,224	2,499,963	5,019,157	4,365,479	5,277,432	8,874,034	10,891,619	6,596,546	10,326,626	13,027,848
Net Change in fund balances	\$ (2,706,847)	\$ 467,308	\$ 5,368,385	\$ (618,926)	\$ (120,837)	\$ 3,377,975	\$ 5,756,575	\$ (3,421,891)	\$ 3,698,336	\$ (4,677,377)
Debt Service as a percentage of non-capital outlay expenditures ⁽¹⁾	12.71%	13.39%	11.80%	11.52%	12.88%	11.56%	11.93%	11.71%	11.16%	11.50%

Data Source

Audited Financial Statements

⁽¹⁾ Capital outlay purchases from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities are used to calculate this ratio.

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
2018	\$ 38,180,141	\$ 23,870	\$ -	\$ 7,141,635	\$ 707,254	\$ 46,052,900
2017	38,383,381	18,580	56	6,686,684	695,628	45,784,329
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

Data Source
Finance Department Records

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						
2018	\$ 2,341,028,799	\$ 1,531,794,890	\$ 188,082,990	\$ 4,060,906,679	\$ 30,676,314	\$ 4,030,230,653	\$ 25.38	\$ 4,253,023,855	95.5%
2017	2,258,430,650	1,526,604,188	177,017,200	3,962,052,038	31,281,237	3,930,770,801	24.77	4,061,020,935	97.6%
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%

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
2018	\$ 9.84	\$ 9.84	\$ 13.24	\$ 2.30	\$ 15.54	\$ 25.38	\$ 2.86	\$ 28.24
2017	9.68	9.68	12.70	2.39	15.09	24.77	2.90	27.67
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

Penacook Direct Rates							Overlapping Rate	
Fiscal Year	City	Total City	Local School	State School	Total School	Total Direct	County	Total
2018	\$ 9.84	\$ 9.84	\$ 19.01	\$ 2.21	\$ 21.22	\$ 31.06	\$ 2.86	\$ 33.92
2017	9.68	9.68	18.51	2.25	20.76	30.44	2.90	33.34
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

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	FY2018				FY2009			
		2017 Tax Year		Rank	Percentage of Total Assessed	2008 Tax Year		Rank	Percentage of Net Assessed
		Net Taxable Assessed Value				Net Taxable Assessed Value			
UNITIL Energy Systems, Inc (formerly Concord Electric Company. LP)	Utility	\$	61,333,290	1	1.52 %	\$	44,536,900	3	1.03 %
Liberty Utilities (formerly EnergyNorth Natural Gas Inc)	Utility		49,221,650	2	1.22		26,090,500	5	0.61
Public Service Co of NH (Eversource)	Utility		40,967,200	3	1.02				
Wheelabrator Concord Co LP	Trash to Energy		35,000,000	4	0.87		58,156,300	2	1.35
Walmart/Sam's Club	Retail		32,133,000	5	0.80		30,605,900	4	0.71
Hodges Properties Inc	Rentals		25,389,400	6	0.63		27,039,100	8	0.63
St Paul's School	Private School		24,088,850	7	0.60		26,427,200	6	0.61
Card Says Moops LLC	Apartments		22,800,000	8	0.57				
Capital Region Health Care Development	Health Care		22,282,600	9	0.55		34,476,400	9	0.80
Eddy Plaza Associates Inc	Retail		21,997,200	10	0.55		27,338,100	7	0.64
Steeplegate Mall, LLC	Mall				-		83,582,700	1	1.94
Hodges Development Corp	Rentals				-		21,177,800	10	0.49
Total Principal Taxpayers			335,213,190		8.33 %		379,430,900		8.82 %
Total Net Assessed Taxable Value			\$ 4,030,230,653				\$ 4,304,933,742		
Tax Year - April 1, 2017 - March 31, 2018									

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
2017	\$ 117,282,157	\$ 115,743,093	98.7%	\$ -	\$ 1,539,064	\$ 115,743,093	98.7%
2016	112,019,850	110,335,982	98.5%	404,711	1,279,157	110,740,693	98.9%
2015	108,121,924	106,227,601	98.2%	1,217,451	676,872	107,445,052	99.4%
2014	104,676,371	103,058,356	98.5%	1,594,644	23,371	104,653,000	100.0%
2013	99,543,287	97,564,510	98.0%	1,972,236	6,541	99,536,746	100.0%
2012	95,589,658	93,738,015	98.1%	1,845,741	5,902	95,583,756	100.0%
2011	92,246,890	90,471,786	98.1%	1,770,416	4,688	92,242,201	100.0%
2010	90,288,009	88,050,231	97.5%	2,237,049	729	90,287,280	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%

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 2018 is the City's tax year 2017.

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				
2018	\$ 58,354,719	\$ 36,566,237	\$ 94,920,956	\$ 2,206	7.15%	2.36%
2017	52,624,030	34,797,070	87,421,100	2,038	6.70%	2.22%
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%

City of Concord, New Hampshire

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Direct Debt:										
City of Concord										
Net General Obligation Debt Outstanding	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251	\$ 40,430,476	\$ 44,125,550	\$ 48,874,693	\$ 49,142,637	\$ 53,849,403	\$ 60,259,916
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251	\$ 40,430,476	\$ 44,125,550	\$ 48,874,693	\$ 49,142,637	\$ 53,849,403	\$ 60,259,916
Subtotal Direct Debt	\$ 40,860,105	\$ 38,882,692	\$ 40,031,119	\$ 40,161,251	\$ 40,430,476	\$ 44,125,550	\$ 48,874,693	\$ 49,142,637	\$ 53,849,403	\$ 60,259,916
Overlapping Debt:										
Merrimack County										
Net General Obligation Debt Outstanding	\$ 64,650,000	\$ 61,200,000	\$ 58,000,000	\$ 54,800,000	\$ 51,195,000	\$ 47,995,000	\$ 43,765,000	\$ 40,595,000	\$ 51,702,500	\$ 48,025,000
Percentage Applicable to Government	26.13%	25.71%	25.44%	25.14%	26.85%	27.40%	25.86%	25.67%	25.11%	24.99%
Amount Applicable to Government	\$ 16,893,045	\$ 15,734,520	\$ 14,755,200	\$ 13,774,254	\$ 13,748,315	\$ 13,149,382	\$ 11,319,598	\$ 10,421,833	\$ 12,981,935	\$ 12,001,448
Concord School District										
Net General Obligation Debt Outstanding	\$ 11,116,401	\$ 9,913,895	\$ 66,958,729	\$ 64,151,495	\$ 60,303,640	\$ 56,476,940	\$ 52,720,035	\$ 49,976,585	\$ 59,015,000	\$ 56,050,000
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 11,116,401	\$ 9,913,895	\$ 66,958,729	\$ 64,151,495	\$ 60,303,640	\$ 56,476,940	\$ 52,720,035	\$ 49,976,585	\$ 59,015,000	\$ 56,050,000
Merrimack Valley School District										
Net General Obligation Debt Outstanding	\$ 13,890,000	\$ 9,910,000	\$ 5,940,000	\$ 3,960,000	\$ 1,985,000	\$ 1,980,000	\$ -	\$ -	\$ -	\$ -
Percentage Applicable to Government	25.18%	25.36%	25.79%	26.24%	26.68%	29.83%	26.25%	25.95%	24.79%	24.37%
Amount Applicable to Government	\$ 3,497,502	\$ 2,513,176	\$ 1,531,926	\$ 1,038,954	\$ 529,641	\$ 590,540	\$ -	\$ -	\$ -	\$ -
Subtotal Overlapping Debt	\$ 31,506,948	\$ 28,161,591	\$ 83,245,855	\$ 78,964,703	\$ 74,581,596	\$ 70,216,863	\$ 64,039,633	\$ 60,398,418	\$ 71,996,935	\$ 68,051,448
Grand Total	\$ 72,367,053	\$ 67,044,283	\$ 123,276,974	\$ 119,125,954	\$ 115,012,073	\$ 114,342,413	\$ 112,914,326	\$ 109,541,055	\$ 125,846,338	\$ 128,311,364

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Base Value for Debt Limits (1)	\$ 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	\$ 4,033,007,307	\$ 4,224,516,413
Legal Debt Limits (% of Base Value)										
General - 1.75% thru 1998, 3% 1999 on (2)	\$ 131,719,808	\$ 120,619,024	\$ 115,541,844	\$ 110,662,443	\$ 116,324,405	\$ 121,515,405	\$ 117,358,832	\$ 120,054,278	\$ 120,990,219	\$ 126,735,492
Water - 10% (2)	\$ 439,066,028	\$ 402,063,414	\$ 385,139,481	\$ 368,874,809	\$ 387,748,017	\$ 405,051,351	\$ 391,196,107	\$ 400,180,926	\$ 403,300,731	\$ 422,451,641
Issued Debt at June 30										
Total Issued Debt at June 30	\$ 68,036,092	\$ 66,429,838	\$ 66,632,593	\$ 67,234,223	\$ 69,162,800	\$ 72,161,009	\$ 76,554,459	\$ 81,679,007	\$ 89,693,668	\$ 94,920,956
Less Water Fund	(11,855,335)	(11,435,119)	(11,768,711)	(11,930,388)	(12,802,341)	(12,718,866)	(12,909,306)	(14,595,612)	(15,943,403)	(15,950,744)
Less Sewer Fund (3)	(14,707,852)	(15,519,027)	(13,973,463)	(14,059,897)	(14,819,785)	(14,228,732)	(13,770,736)	(16,861,971)	(18,773,712)	(19,429,743)
Less Tax Increment Debt (3)	(11,570,000)	(10,899,000)	(10,130,000)	(9,347,000)	(8,965,400)	(8,095,400)	(7,947,200)	(7,206,400)	(6,586,400)	(5,981,400)
Less Landfill Debt (3)	(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	9,008,972	7,850,672	5,367,672	6,033,172	5,495,000	10,462,220	3,209,305	14,827,958	16,769,126	13,849,075
Less Golf Fund	-	-	(80,000)	(80,000)	(80,000)	(60,000)	(93,000)	(60,000)	(3,000)	(3,000)
Less Arena Fund	-	-	(475,000)	-	-	-	-	-	(76,500)	(3,000)
Less Solid Waste Fund	-	-	-	-	-	-	-	-	-	-
Less Water Fund	(1,130,500)	(697,000)	(175,000)	(150,000)	-	-	(136)	(36,500)	(136,500)	(36,500)
Less Sewer Fund (3)	(1,390,672)	(392,672)	(552,672)	(2,168,172)	-	-	-	(36,500)	(136,500)	(36,500)
Less Tax Increment Debt (3)	-	(285,000)	(285,000)	-	-	-	-	-	-	-
Total Debt Subject to general limit	\$ 35,014,759	\$ 33,916,360	\$ 33,659,994	\$ 34,863,037	\$ 37,548,273	\$ 47,301,499	\$ 45,043,386	\$ 57,709,982	\$ 64,806,779	\$ 67,329,144
Legal Debt Margin										
General	96,705,049	86,702,665	81,881,850	75,799,406	78,776,132	74,213,906	72,315,446	62,344,296	56,183,440	59,406,348
Water Fund	426,080,193	389,931,295	373,195,770	356,794,421	374,945,676	392,332,485	378,286,665	385,548,813	387,220,828	406,464,397
% of Legal Debt Limits Used										
General	26.6%	28.1%	29.1%	31.5%	32.3%	38.9%	38.4%	48.1%	53.6%	53.1%
Water Fund	2.7%	2.8%	3.1%	3.2%	3.3%	3.1%	3.3%	3.6%	4.0%	3.8%

Data Source
Audited Financial Statements

Notes:

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

City of Concord, New Hampshire

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Income	Unemployment Rate
2018	43,019 *	\$ 1,327,179	\$30,851 **	2.30% ***
2017	42,904	\$ 1,305,440	\$30,427	2.30%
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%

* Population as of July 1, 2017 as estimated by the US Census Bureau

** Based on 2015 census -- American Community Survey by the US Census

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

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of New Hampshire	6,069	1	26.48 %	13,000	1	58.77 %
Concord Hospital Capital Region Health Care	3,050	2	13.31	2,960	2	13.38
Concord School District	818	3	3.57	995	4	4.50
City of Concord	602	4	2.63	484	9	2.19
Lincoln Financial Group	405	5	1.77	640	6	2.89
Market Basket	405	6	1.77	503	7	2.27
Genesis Health Care Systems	385	7	1.68	400	10	1.81
St Paul's School	330	8	1.44			
Merrimack Valley School District	328	9	1.43	500	8	2.26
Concord Regional Visiting Nurses Assoc.	312	10	1.36			
Steeplegate Regional Mall				1,233	3	5.57
Merrimack County				726	5	3.28
Total Principal Employers	12,704		55.44 %	21,441		96.91 %
Total City Employment	<u>22,920</u> (1)			<u>22,120</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 June 2018

City of Concord, New Hampshire

City Government Employees by Division - Full Time Equivalents

Last Ten Fiscal Years

Departments	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City Manager	3.5	3.2	3.2	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Legal	9.0	9.6	9.6	9.6	9.6	9.5	9.5	9.8	9.9	9.9
Assessing	6.5	6.3	6.0	6.0	6.0	6.0	6.0	6.4	6.4	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	6.0	5.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Finance/Treas	8.0	7.7	7.5	7.5	7.5	7.5	7.5	7.6	7.6	7.6
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	3.0	3.5	3.5	3.5	3.7	3.7	3.0	3.0	3.0
Info Technology	6.0	5.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
City Clerk	3.6	3.5	3.6	3.6	3.6	3.6	3.6	7.4	7.4	7.4
Gen Gov	50.2	50.2	50.9	51.2	51.2	51.3	51.3	56.2	56.3	56.3
Police	98.1	96.5	97.7	98.7	100.1	99.5	99.5	97.9	99.6	100.7
Police-Parking	9.6	9.6	8.6	8.6	8.6	8.6	8.5	9.2	9.2	9.2
Fire	114.7	107.0	107.0	106.0	105.0	104.0	101.0	101.0	100.1	100.1
Public Safety	222.4	213.1	213.3	213.3	213.7	212.1	209.0	208.0	208.9	210.0
Administration	17.5	16.5	16.5	16.5	15.5	15.5	15.5	16.0	16.0	17.0
Hwys & Util Sys	44.0	41.0	41.0	41.0	44.0	41.5	41.5	41.5	41.5	41.5
Grounds	23.0	21.0	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Properties	21.5	19.0	19.0	19.0	18.0	18.0	18.0	18.9	20.9	20.6
Vehicle Maint	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	11.0
Temporary	12.9	11.9	11.9	11.9	13.0	13.0	13.0	11.9	8.5	8.4
Water & Sewer	26.0	26.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
General Svcs	157.9	147.4	145.4	124.4	126.5	124.0	124.0	124.3	122.9	122.5
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Planning	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Bldg & Code Svcs	11.8	10.3	10.3	10.1	10.1	10.1	10.1	10.1	10.1	10.1
Engineering Svcs	19.6	18.0	18.0	17.0	17.0	17.0	17.0	17.0	17.3	17.3
Comm Devel	37.4	34.3	34.3	33.1	33.1	33.1	33.1	33.1	34.4	34.4
Library	23.5	20.2	19.6	19.6	19.6	19.7	19.7	20.3	19.7	19.7
Parks & Recreation	10.0	9.8	10.0	11.6	11.6	13.7	13.7	26.0	27.9	28.0
Parks & Recreation - Grounds Div	0.0	0.0	0.0	18.5	17.5	20.0	19.5	19.5	19.6	19.1
Leisure Services	33.5	30.0	29.6	49.7	48.7	53.4	52.9	65.8	67.2	66.8
Human Services	4.7	4.5	4.7	4.7	4.7	4.4	4.4	4.4	4.4	4.5
Grand Totals	506.0	479.5	478.1	476.3	477.8	478.3	474.6	491.8	494.1	494.5

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Physical arrests	3,095	3,044	2,796	2,837	2,787	2,716	2,926	2,746	2,382	2,611
Traffic violations	5,455	5,325	3,993	3,576	3,595	3,993	4,388	3,698	2,027	2,176
Parking violations	37,749	34,860	28,458	25,541	24,519	23,269	21,411	21,702	21,503	22,363
Fire and Rescue										
Calls answered	7,321	6,882	7,327	7,182	7,217	7,431	7,994	8,109	8,257	8,600
General services - Solid waste										
Refuse collected (tons)	10,884	8,311	11,722	11,478	12,074	12,630	12,624	12,624	10,771	11,065
Recycling (tons) Note: Recycle program started Oct 2005	2,063	3,391	3,555	3,677	4,440	4,855	5,058	5,058	4,995	4,528
General services - Streets										
Streets resurfaced (miles)	4	3	6	1	6	4	4	12	10	10
Potholes repaired	10,100	4,176	7,780	5,210	7,115	11,547	8,163	9,064	9,976	12,534
Water										
Average daily consumption (in thousands of gallons)	3,744	3,348	3,761	3,792	3,560	3,564	3,996	3,667	3,669	3,717
Sewage System:										
Daily average treatment (in thousands of gallons)										
Concord Plant	4,540	4,360	4,580	4,100	3,850	3,780	3,690	3,420	3,355	3,269
Penacook Plant	570	530	460	490	420	470	466	426	341	398

Data Source

Various city departments

City of Concord, New Hampshire

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	5	5	5	5	5	5	5	5	5	5
Number of support vehicles	6	6	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)	75	77	77	71	71	71	71	71	71	71
Number of street lights	2130	2,130	2,130	*2,213	*2,213	*2,213	*2,213	*2,285	*2,285	2,290
Parks & Recreation - Culture and Recreation:										
Number of parks	20	20	20	20	20	20	29	29	29	29
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	21	21	21	21	21	20	20	20	20	20
Water										
Water main (miles)	172	172	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)	152	152	152	155	155	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	2,370	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