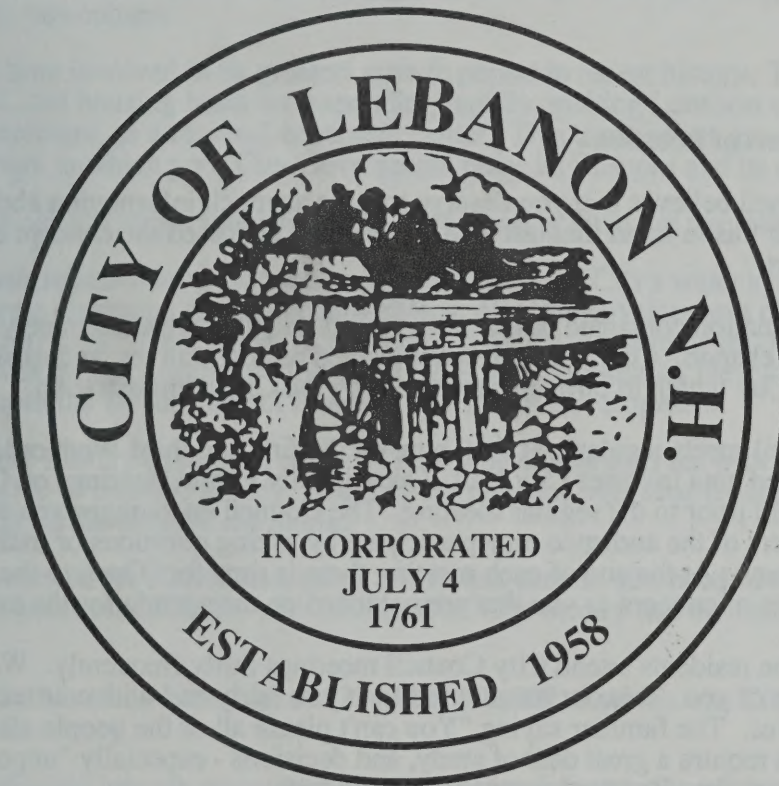


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CITY OF LEBANON, NEW HAMPSHIRE



1986 CITY REPORT

Containing Operating Results

for the

Year Ended December 31, 1985

University of New Hampshire
Library

OFFICE OF City Mayor



51 North Park Street
Lebanon, New Hampshire 03766
Telephone (603) 448-4220

To All the Residents of Lebanon

Your City Council believes that you deserve to have as much information about your City as possible. It is with this in mind that last year the Council endorsed the concept of providing an annual City Report.

While the information contained in this report refers to 1985, we encourage you to take an ongoing interest in Lebanon. Councilors are your elected representatives, and as such make policy decisions for the City which in turn are carried out by the City administration.

The City Council meets regularly at 7:30 p.m. on the first and third Wednesday of each month in the newly renovated area in lower City Hall. Occasionally Public Hearings on City ordinances or other items are held prior to the regular meeting. The Council encourages you to attend these meetings. Members of the audience may participate by asking questions or making comments on various agenda items. At the end of each meeting there is time for "Open to the Public" where you may bring up items of concern to you that are not listed on the agenda for the evening.

Several Lebanon residents attend City Council meetings fairly frequently. We look forward to seeing many more of you. It is our intention to treat you fairly and with courtesy as we serve as your representatives. The familiar saying "You can't please all of the people all of the time" is very true. Some issues require a great deal of study, and decisions - especially "unpopular" ones - are sometimes hard to make. But they are made in good faith.

Our system of government works, and we appreciate the continued confidence of Lebanon residents as we carry out our elected responsibilities - to set policy for the City of Lebanon.

Sincerely,

Karen O. Wadsworth
Mayor

OFFICE OF City Manager



51 North Park Street
Lebanon, New Hampshire 03766
Telephone (603) 448-4220

To All the Residents of Lebanon:

This is the first of what I hope will be an Annual City Report for the City of Lebanon. I believe that the City government has an obligation to communicate with its residents, to let its residents know what types of projects the City engaged in during the year just past, to explain long term trends in tax base growth and tax rates, to outline the City's financial condition, and to describe the volunteer City Boards and Commissions which help guide the City. The report might also be used to introduce the City to newcomers.

Your City is at this time involved in its greatest growth period in recent history. Lebanon's industrial, commercial, and housing bases are expanding rapidly, making Lebanon even more dynamic, and more important, as a regional economic center. This tremendous growth has serious implications for the ways in which your City Government plans its finances and its operations.

The City engaged in several major projects during 1985. Among them are the following:

1. The start of construction of long planned improvements to the City's water system, including two new concrete reservoirs and connecting mains; plus, the development of the City's Airport Industrial Park. This project is assisted by a \$600,000 Grant from the U.S. Economic Development Administration and a \$200,000 Community Development Block Grant from the Department of Housing and Urban Development.
2. Completion of the Library expansion project. This project was paid for with a \$260,000 City bond and \$70,000 of donated money. The Library now has over four thousand more square feet with which to serve the public.
3. Total reconstruction of the Riverdale Bridge, which has been in dire need of repair for many years. This project cost \$600,000 with \$120,000 of City money and the balance state funds.
4. Re-decking of the Nu-bridge at a cost of \$224,000, \$56,000 of which was City money and the balance state money.

This City report is divided into six major sections (1) a general description of the City, (2) reports of all the City Departments, (3) reports of City Boards and Commissions, (4) a Financial Section, lifted primarily from the City's independent audit, (5) a section on comparative analysis of the city's financial and economic statistics, and (6) a listing of the volunteer Boards and and City Council Standing Committees that do City business. The back cover is designed as a tear-off sheet with City phone numbers and hours of City facilities. We invite you to save this sheet for future reference.

I hope that this first annual City Report will tell you something new about your City. If you don't see a particular piece of information contained please call and ask. We would like to produce an even better report next year and would appreciate any suggestions you might have.

Sincerely,

Alan H. Edmond
City Manager

1986 Lebanon City Report
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1986 CITY REPORT

CITY OF LEBANON, NEW HAMPSHIRE

DESCRIPTION OF CITY

General Information

Lebanon is located on the Vermont/New Hampshire border midway between Massachusetts and Canada. It is one hundred and twenty miles from Boston and one hundred and fifty miles from Hartford, Connecticut. Located at the junction of the Mascoma, White, and Connecticut Rivers, the area grew from woolen mill profits in the 1800's. Due largely to the location of Dartmouth College and Mary Hitchcock Memorial Hospital in adjacent Hanover, a large and growing Veteran's Administration Hospital in Hartford (White River Junction), Vermont, a large hydropower generation facility, as well as its nearness to some of the largest ski areas in New England, the area has shown steady growth combined with low unemployment. New Hampshire had the lowest unemployment rate in the United States during 1985 and the Lebanon job center had the second lowest rate in the state.

Transportation and Economy

Lebanon is located near the intersection of Interstates 89 and 91. As a consequence several trucking companies and two bus systems serve Lebanon. The Lebanon area is served by the Boston and Maine railroad, Amtrak, and full-service commercial airlines to New York, Boston, and other major eastern cities from the City's airport. The Lebanon, Hanover, and Hartford (Vermont) area constitute a regional economic center for northern Vermont and New Hampshire. Large shopping malls attract consumers from a sixty mile radius. Three major hospitals serve persons from both states.

City Government

Lebanon was incorporated as a town in 1761 and granted a City Charter in 1958. The Charter established the City under the council/manager form of government. The City is governed by a nine member City Council. Three council members are elected at large, and two from each of three wards. Each ward elects councilors to the City Council. Each councilor holds office for a term of two years. The Mayor and Assistant Mayor are elected by the council to serve a one year term. The Mayor chairs the Council meetings. The City Council establishes policy relative to the administration of all fiscal, prudential, and municipal affairs within the City. The City Manager is the chief executive officer of the City and carries out the policies established by the City Council. The current manager has served for three years.

City Council	Term
Karen Wadsworth, Mayor	3/86 - 3/88
Patti Laurie	3/85 - 3/87
Channing T. Brown	3/86 - 3/88
Stephen C. Cole	3/86 - 3/87
Shirley Girouard	3/85 - 3/87
Philip W. Mans	3/86 - 3/88
Frank E. Mastro	3/86 - 3/88
Harold Sanderson	3/85 - 3/87
Feno H. Truax	3/86 - 3/88

Appointed Officials

Alan H. Edmond
Daniel A. Nash
Donald L. Vittum
Joseph B. Lariviere
Cindy M. Heath
Jean E. Mansell
Marcel J. Theberge
John P. Aubin

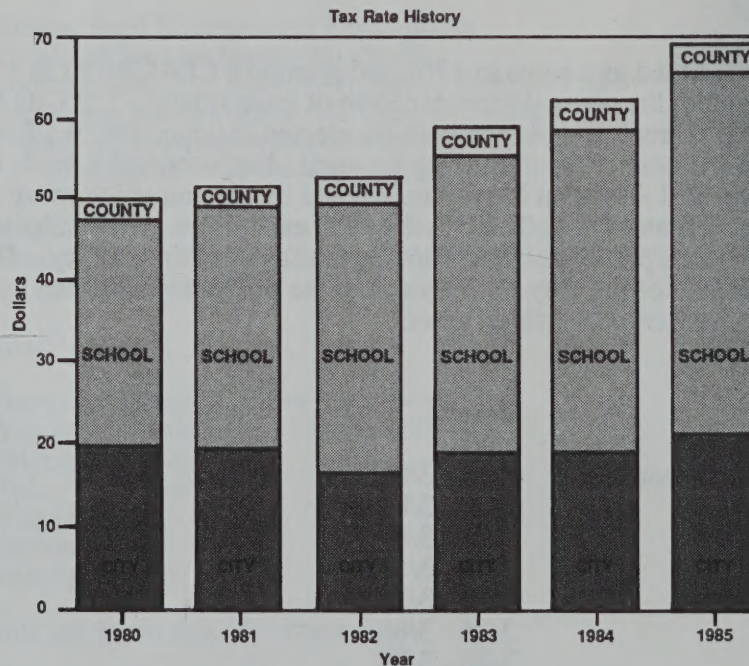
Office

City Manager
Public Works Director
Police Chief
Fire Chief
Recreation Director
Librarian
Airport Manager
Treasurer/Finance Director

General government services are provided by the City including police and fire protection, water and sewer service, streets, municipal parking, health and welfare, library, and recreational facilities. The City bills and collects its own property taxes and also collects taxes for Grafton County and the Lebanon School District. City tax rates have been relatively stable over the past several years as the chart below shows. Growth in commercial and industrial land uses bode well for tax rates in the future while diminishing state and federal financial aid will create problems for local policymakers.

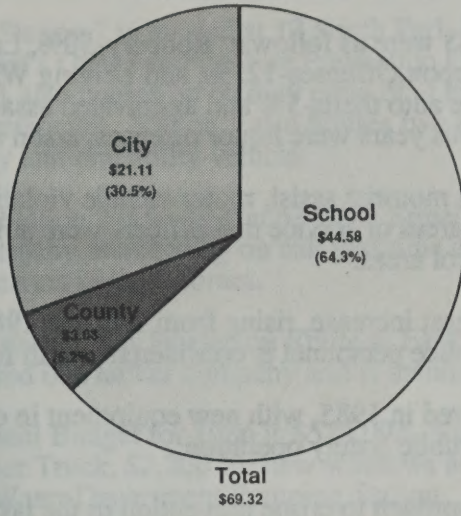
The following charts show the relative growth of the three tax rates for the City and also the value of Building Permits over the past several years. While the total tax rate has grown substantially, it would have grown much more without the "building boom" we are now going through.

City of Lebanon



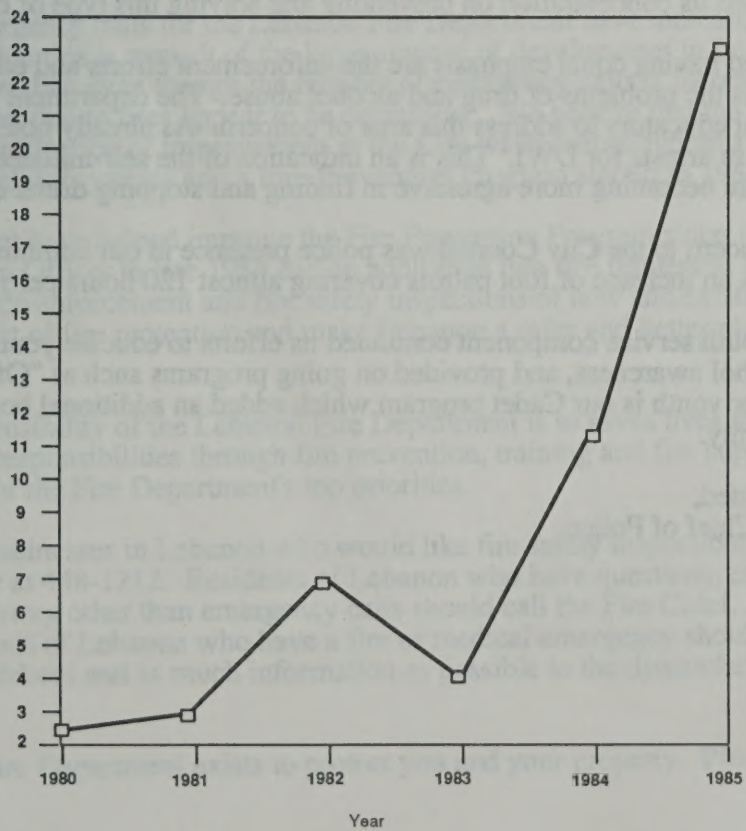
City of Lebanon

Composition 1985 Tax Rate



City of Lebanon

Building Permit Value



REPORTS OF CITY DEPARTMENTS

Police Department

During 1985, trends established in the previous year continued to lead to an increase in calls for services for criminal activity and for police services.

The crimes that increased in 1985 were as follows: Robbery-50%, Larceny-5%, Burglary-35%, Vandalism-5%, Forgery-44%, Weapon Offenses-125%, and Driving While Intoxicated-24%. Crimes that decreased in 1985 were auto thefts-5% and aggravated assaults-50%. Crimes that showed the same amount as previous years were liquor offenses, arson and disorderly conduct.

Self-generated activities, such as motorist assist, motor vehicle violation warnings, and security of commercial establishments, are areas of service that officers were able to carry out through increase of planned committed patrol areas.

Calls for service showed the largest increase, rising from 9,170 in 1984 to 10,077 in 1985. Any incident requiring a response by Police personnel is considered a "call for service".

Substantial modernization occurred in 1985, with new equipment in our combined Fire and Police Dispatch making it truly a Public Safety operation.

The department started a new approach to crime prevention in the last part of 1985. New patrol sectors were designed with direct preventive patrols in our neighborhoods. The Detective Division now uses case management follow-up investigations, along with public awareness programs.

Crimes against persons carry the highest cost in physical and emotional harm, and therefore the Department has renewed its concentration on preventing and solving this type of offense.

Of equal concern and having equal emphasis are the enforcement efforts and educational approaches that address the problems of drug and alcohol abuse. The department is working continuously with local educators to address this area of concern. As already noted, the department shows a 24% increase in arrests for DWI. This is an indication of the self-initiated patrol activity by our personnel. They are becoming more aggressive in finding and stopping drunk drivers.

An area of great concern to the City Council was police presence in our community. In the last part of 1985, there was an increase of foot patrols covering almost 120 hours per month.

The department's youth service component continued its efforts to educate young people in the areas of drug and alcohol awareness, and provided on going programs such as "Officer Bill". Our most noted program for youth is our Cadet program which added an additional boost to our efforts to service our community.

Respectfully Submitted,
Donald L. Vittum, Chief of Police

Lebanon Fire Department

The Lebanon Fire Department is made up of three Fire Stations, seventeen full time personnel, fifty on call part-time personnel and eleven vehicles. Personnel and equipment are located as follows:

Lebanon Fire Department, Station 1 is located at 12 South Park Street. Station 1 houses the Chief's Office, the Deputy Chief's Office and the Fire Prevention Officer's office. Besides the Administration Staff, Station 1 also houses an on duty crew of at least three full time fire fighters and twenty on call part time personnel. Station 1 also houses two engine companies, one ladder company, one rescue company and one utility vehicle.

Lebanon Fire Department, Station 2 is located at 63 Main Street. Station 2 houses two engine companies and one ladder company, manned by on call part time and off duty full time personnel equipped with pagers and receivers in their homes.

Lebanon Fire Department, Station 3 is located on Route 4, East, near Mascoma Lake. Station 3 houses one engine company and one tanker company and is manned by on call part time personnel.

The Lebanon Fire Department Budget for 1986 is \$577,093. Included in this figure for 1986 is \$53,000 towards a new Pumper Truck, \$2,200 for new windows at Station 1, and \$1,500 to build a new training facility at the Water Department Pumping Station.

In 1985, the Lebanon Fire Department answered 758 emergency calls. 576 of these calls were handled by the on duty full time personnel. The remaining 182 emergency calls were handled by off duty full time and part time on call personnel who were called in.

Since 1984, emergency calls for the Lebanon Fire Department have increased substantially each year. We believe that this is a result of the large amount of development in Lebanon. However, I am pleased to report that, even though the number of emergency calls is increasing, the number of large fires and losses due to fires appear to be decreasing. We believe that the decrease in large fires and fire losses is a reflection of improvement in the City water mains/hydrants, smoke detectors, sprinkler systems, alarm systems and a Fire Prevention Program started in 1984.

Major factors that have helped improve the Fire Prevention Program since 1984 were the addition of a Fire Prevention Officer in late 1984 and an additional two fire fighters in January, 1986. I believe that fire code enforcement and fire safety inspections of new and existing construction will help control the cost of fire protection and make Lebanon a safer and better place to live and work in the future.

The major responsibility of the Lebanon Fire Department is to save lives and protect property. We address these responsibilities through fire prevention, training and fire suppression. Fire prevention is one of the Fire Department's top priorities.

Residents and businesses in Lebanon who would like fire safety inspections should call the Fire Prevention Officer at 448-1212. Residents of Lebanon who have questions, constructive criticism, or requests for services other than emergency calls should call the Fire Chief, Joseph Lariviere at 448-1212. Residents of Lebanon who have a fire or medical emergency should call 448-1212 and give their name, address and as much information as possible to the dispatcher who answers the telephone.

The Lebanon Fire Department exists to protect you and your property. Please feel free to call at any time.

Respectfully submitted, Joseph Lariviere, Fire Chief

Inspection Department

The Inspection Department consists of a full time building inspector assisted by a part-time secretary. The department is responsible for assuring that all buildings built or remodeled in the city adhere to City building, electrical, and plumbing codes. 1985 was a record year for building activity in the city as the following charts indicate. Building permits were issued for nearly ten percent of the total market value of the City. Much of this development was commercial and industrial development.

Total Value of Permits issued	\$26,016,999
Total Building Permit fees collected	57,674

Top Ten Permits Issued

1. The Powerhouse--Glen Road	\$3,978,889
2. New England Power--Fish Ladder	2,630,000
3. Purity Supreme Store	2,332,400
4. Lemire Courville Nursing Home	2,315,000
5. Smith, Batchelder, Rugg--office	1,200,000
6. Lebanon School Addition	1,000,000
7. Northeast Community Group	1,000,000
8. Wheelock Office Park	710,000
9. T.G.S. Associates	650,000
10. N.H. Industries	642,167

Building Permit History

Year	Residential	Non-residential	Total Value
1985	188	106	\$26,016,999
1984	263	12	11,338,918
1983	238	45	4,008,652
1982	168	67	7,141,533
1981	212	70	3,034,628
1980	258	66	2,386,551

Respectfully submitted,
Parmly Wills, Building/Health Inspector

City Clerk

The City Clerk is responsible for motor vehicle registrations, elections, registration of births, deaths, and marriages. The City Clerk is also the custodian of the official records of the City Council.

Selected Statistics

Births recorded to Lebanon Residents	168
Births recorded in Lebanon for non-residents	200
Deaths of Lebanon residents recorded	82
Motor Vehicles registered	11,532
Motor Vehicle registration receipts	\$648,373

Elections

The City's 1985 municipal election was held on Tuesday March 12, 1985. The results are as follows.

	Ward I	Ward II	Ward III
Number of Ballots Cast	220	351	289
Names on Checklist	2318	1913	1918
For Ward Councilor (2 year term)			
* Harold Sanderson	164		
Russell F. Cantlin, Jr.		97	
* M. James Hogan		229	
Lawrence Guaraldi			52
* Patti J. Laurie			219
For Ward Councilor (1 year term)			
* Allen E. Monica		239	
Clyde E. Place		95	
For Councilor at Large (2 year term)			
* Shirley Girouard	141	213	168
Michael A. Ross	72	115	116
For Moderator (2 year term)			
* Carl Begin (write-in)	15		
* Gertrude J. McFarlin		277	
* Josiah F. Hill			262
For Ward Clerk (2 year term)			
* Brenda B. Johnson	194		
* Priscilla Gosselin (write-in)		14	
* Mary Ann Mastro			267

Ward I	Ward II	Ward III
--------	---------	----------

For Supervisors of the Voter Checklist (2 year term)

* Grace L. Dickerson	200	
* Joanne LaCasse	196	
* Sarah LaCroix	197	
* Barbara J. Couture		298
* Clifford A. Desrosiers		286
* Elaine A. Elliott		300
* Marylin S. Babineau		261
* Veneda A. Murphy		259
* Selma Sanborn		259

- * Councilors and Election Officials declared elected.

Respectfully submitted,
Dorothy Doyle, City Clerk

Lebanon Public Libraries

1985 was an extremely busy year at both libraries.

At the Lebanon Library, the Expansion/Renovation Project which started in the spring of 1984, continued into 1985. The construction of the addition was completed by the end of January, 1986 at a cost of \$322,000. The City's share of the cost was financed by the borrowing and appropriation of \$260,000. The balance was paid by donations to the fund drive.

The renovation of the main part of the library has continued through 1985 and into 1986. The grand opening ceremony was held on April 5, 1986 by the Board of Library Trustees, though we will be gradually furnishing the new space through the end of 1986.

The West Lebanon Library is in the process of receiving some much needed repairs. The slate roof was repaired in November, 1985, and the trim paint will be refurbished in the spring of 1986. A coin operated copier has been installed which should prove convenient to both library patrons and the staff.

Circulation of books, magazines, etc. has increased in the two libraries over the past three years from 79,279 to 87,750 in 1985.

Both libraries are in the process of conducting a reregistration of all library patrons.

Respectfully submitted,
Jean Mansell, City Librarian

Recreation

Established by a City Ordinance in 1977, the Lebanon Recreation Department provides a variety of programs, services and facility maintenance for Lebanon residents of all ages and interests throughout the year. Special interest programs and services, open to all residents, include an extensive youth sports program of instruction and competition, performing arts, crafts, summer concerts and children's theater in Colburn Park, environmental activities, aquatics, skiing, adult programs, and special events. Notable during 1986 will be the celebration of Lebanon's 225th Anniversary/GAR Hall 100th Anniversary scheduled for July 4-6.

The Recreation Commission, an advisory group of Lebanon residents, plays an important role in communicating the recreation needs of Lebanon's citizens to the Department staff and City Council. The Commission meets monthly and welcomes input and suggestions for improving recreation services.

In cooperation with the Lebanon School District, Lebanon Cemetery Department, and Lebanon Conservation Commission, the Recreation Department maintains the following outdoor recreation sites:

PLAYING FIELDS

Eldridge Park--Spencer Street, Lebanon
Civic Memorial Field--Crawford Avenue, West Lebanon
Lebanon Jr. High Fields--Bank Street, Lebanon
Mt. Lebanon Field--Dana Street, West Lebanon

PARKS & NATURAL AREAS

Goodwin Park--Storrs Hill, Lebanon
Boston Lot--Route 10, West Lebanon
Farnum Hill--Poverty Lane, West Lebanon
Fellows Hill--Route 4, Lebanon
Chambers Park--Chambers Road, Hanover

FACILITIES

Lebanon Memorial Pool--Pumping Station Road, Lebanon
Storrs Hill Ski Area--Spring Street, Lebanon
Civic Field Tennis Courts--Seminary Hill, West Lebanon
Civic Field Basketball Courts--Seminary Hill, West Lebanon
Lebanon Jr. High Basketball Courts--Bank Street, Lebanon

In all, the City has over 1400 acres of outdoor recreation facilities available for public use, and the Recreation Department served over 4000 residents through its programs in 1985.

The Recreation Department publishes a newsletter the first week of each month which lists current programs and special announcements. The newsletter is distributed throughout the Lebanon schools and is available at the libraries, City Hall, and the Recreation Office. Brochures on City Parks and Recreation facilities are also available at the Recreation Office.

As Lebanon grows, the Recreation Department is continually challenged to provide quality recreation services and opportunities for leisure time activities. Through careful planning and continued public support, the Recreation Department will succeed at meeting the ever-increasing public demand for recreation programs and services.

Respectfully submitted, Cindy Heath, Director

City Welfare

City Welfare is a branch of local government set up to provide needy residents with relief, (needy being a person or family unable to support itself).

In 1985, more than 61 households were given aid for food, rent, fuel and utilities. In exchange for this aid, City Welfare has instituted the "Work Fare Program." This is where a person, if he/she is able, is put to work for the City to pay for all aid received. In this way a real incentive is provided for the welfare applicant to find a means of support other than City funds.

Respectfully submitted,
Donna Hutchins, Welfare Official

Engineering Department

The Engineering Department has a dual role in providing engineering expertise to the City and supervising the Public Works Departments. It also has the additional duty of maintaining City Hall. The Staff includes the City Engineer and a secretary. The office is in City Hall.

The activities and accomplishments of the Public Works Departments are listed separately. In addition, this department has been involved in the following: obtaining sprinklers for City Hall, renovation of lower City Hall into a Council meeting hall, repainting City Hall lobby and front, work on an elevator design, highway garage renovation plans, conducting traffic counts, reviewing West Lebanon Main Street rehabilitation, and a Water Department rate study. The Department also reviews site plans and subdivisions.

Respectfully submitted,
Daniel Nash, City Engineer

Highway Department

The Lebanon Highway Department currently employs twenty men to maintain approximately 125 miles of street and highways and twenty miles of sidewalk. The staff consists of a Highway Superintendent, Foreman, Mechanic, five Heavy Equipment Operators, four Light Equipment Operators, seven Truck Drivers, and an Administrative Assistant. Two of these men do the mechanic work and welding of the equipment. The Highway Department has eleven dump trucks equipped with plows, wings, and sanders; three pick-ups (two 4x4's and one 4x2); one Drott ditch-grading machine, one grader, one backhoe-loader, one two-yard loader, one 8 to 10 ton roller, one 3/4 ton sidewalk and hot topping roller, one Vac-All sweeper, one snowblower, two Bombardiers, one trackless sidewalk tractor with plows, one air compressor, one brush chipper, a cement mixer, a mowing machine, ditch pumps and chainsaws. In all, the Highway Department has approximately 75 pieces of equipment to maintain. The drivers perform their own preventive maintenance, such as greasing and minor repairs.

Summer Activities

In general, the Highway Department repairs and rebuilds streets and highways, shims pavement, paves streets, repairs and renews guardrail, patches potholes, repairs bridges, does seal coating, sweeps streets, cleans basins, installs new and renews existing culverts, paints centerlines and crosswalks, repairs and renews signs, etc.

Winter Activities

All of the Highway Department's vehicles are put into duty during snow storms. The two sanders sand hills or salt through storms. The two 4x4 pickups plow and/or sand-salt; the grader plows roads. When plowing is done, the grader puts snow in a windrow for the blower to pick up on the main streets in Lebanon and West Lebanon. West Lebanon is done first starting on South Main Street and then on Bridge and Main Streets. The loader plows dead end streets and all City parking lots. Each plow run takes approximately five hours to complete once in the average storm. The plows go over their run two to three times in an average storm. The crew starts plowing at one to two inches of snow accumulation. Sand or salt is used as soon as the road gets slippery from packed snow on the main runs (in and out of the City). After plowing is complete it takes the salt truck approximately five hours to salt the City's paved streets and sand the City's gravel roads. If sand is used on all streets and highways, because the weather is too cold for salt to work, it takes approximately twelve to fifteen hours after the storm is done to make the highways safe for travel.

Respectfully submitted,
Mose Sanville, Highway Superintendent

Landfill Department

The Landfill had a very busy year in 1985. In addition to the everyday task of compacting and covering of rubbish, we started capping a section of the Landfill that was completed. We will finish this project in 1986.

The scales have been in use all of 1985. Weighing the rubbish gives us a very accurate tabulation of rubbish coming to the Landfill. It also tells the volume from each town. In 1985, the first full year with an accurate account of tons of rubbish, we received over 25,000 tons from the six towns that use the Landfill. This does not include building rubble, wood, metal or tires.

The solid waste study, which has been going on for two years, is going to determine which way to go in the future with the region's solid waste. The expected life of the active landfill is about four years with another possible seven years with State approval. So, as you can see, we have determined what we are going to do in the near future.

In 1985 we purchased two new John Deere loaders. This was done by trading one loader that was six years old and exercising a guaranteed repurchase by the dealer of the three year old loader with hardly any cost for the purchase of a new loader.

Other equipment on hand includes a small pickup and a 35,000 GVW dump truck. The landfill equipment is housed in a 40' X 40' metal structure on the Landfill site on Route 12A.

The department is staffed by four personnel, a Superintendent (also a heavy equipment operator), a Heavy Equipment Operator, a Scale Attendant, and a Laborer.

Respectfully submitted,
Al Besaw, Landfill Superintendent

Cemetery Department

The Cemetery Department is staffed by the following personnel: four permanent full-time employees (a Sexton, a Truck Driver, and two Laborers) and six temporary full-time employees (summer laborers).

The Cemetery Department is responsible for maintaining the following City facilities: nine cemeteries, two ballfields, two skating rinks, Storrs Hill ski area, two libraries, two fire stations, City Hall, Downtown Mall, G.A.R. Building, Colburn Park, Chambers Park, and the Seminary Hill Monument. Duties include burials, mowing, landscaping, snowplowing, rubbish removal, fence repairs, building repairs, equipment maintenance and emergency relief for other Public Works Departments.

There are both developed and potentially 19,000 grave spaces in Lebanon of which 14,500 are already "lot sold". The Cemetery Department does 90 to 100 burials per year. 1985 approximate figures show an expense of \$11,000/ year to maintain the downtown mall. The Department performs weekly summer maintenance at more than 25 locations per week, Citywide.

Respectfully submitted,
Steve Spydell, Cemetery Sexton

Water Department

The Water Department has a full treatment plant to treat surface water from the Mascoma River. Treatment consists of flocculation, coagulation and sedimentation and filtration before going into storage. The design capability of the treatment and filtration plants is four million gallons per day. The plant is in operation seven days a week, eight hours per day with two full-time operators.

The Distribution System consists of mostly 6, 8, and 12 inch cast and ductile iron pipe, with some 10 and 16 inch pipe as well. The Water Department has two pickup trucks, one distribution truck, one dump truck and a backhoe. The department has the capability of tapping 3/4" to 2" services with one machine and 4" to 12" services with a larger tapping machine. In 1985 the Water Department made a total of 53 taps ranging in size from 3/4" to 12". The distribution crew makes all repairs to the system. A 12" water main going to West Lebanon was repaired twice last winter. A major repair job was done at the intersection of Heater Road and Route 120 last August. A 10" cast iron line in a 30" concrete sleeve under the intersection ruptured on two different occasions. The last time the decision to replace it was made, this meant pulling the old 10" line out of the sleeve and replacing it with a new 16" ductile iron mechanical joint pipe approximately 140 feet by pushing it through the 30" sleeve.

The distribution crew also maintains all gate valves and fire hydrants in the City. We also do water main replacements and extensions as needed. The Water Department is also responsible for the maintenance and installation of all the water meters in the City.

The construction of a new 2.5 million gallon prestressed concrete storage tank was started in the late Spring and will be completed in the Summer of 1986. The new tank will take the place of the two open storage reservoirs now in use on Prospect Hill in Lebanon. Plans were also made for an additional 1.7 million gallon prestressed concrete tank on Farnum Hill off Poverty Lane. Construction will start in the Summer of 1986.

A new 12" water line was laid from Mechanic Street through the underpass and down Mascoma Street Extension, approximately 3,700 feet, by a private contractor, for the Renihan Meadow Development. Due to starting so late in the construction season, the project was not completed until late January, 1986.

A new 12" water line was laid from Mechanic Street through the underpass and down Mascoma Street Extension, approximately 3,700 feet, by a private contractor, for the Renihan Meadow Development. Due to starting so late in the construction season, the project was not completed until late January, 1986.

Respectfully submitted,
Dave Ahern, Water Superintendent

Wastewater Department

The purpose of the Lebanon Wastewater Department is the treatment of wastewater to maintain the natural integrity of the Connecticut and Mascoma Rivers. In doing so, many objectives must be met. We at the Wastewater Department take pride in maintaining a high quality of treatment. The Wastewater staff concentrates on (1) adjusting the process to counter physical and biological changes; (2) keeping the equipment in excellent mechanical shape; and (3) keeping the costs of treatment and maintenance to a minimum.

Another area we have recently expanded on is the delivery of the wastewater to the treatment facility. We have approximately 48 miles of main and trunk sewers which must be maintained. Some of these sewers are relatively new, however, much of them date as far back as 1900.

The 1985 department activities center around the above objectives.

1985 Major Activities

Collection System Maintenance:

1. The department took advantage of the reconstruction of the Riverdale Bridge to reroute the existing sewer siphon under the river to a suspended sewer line under the bridge. The existing siphon had separated and was allowing river water in during high flow periods and sewage to leak out during low flow periods. In all, approximately 677 feet of sewer pipe and five new manholes were installed.
2. The department took advantage of the widening of Benning Drive by the Highway Department to replace 180 feet of leaking sewer line.
3. The department replaced 160 feet of line on Seminary Hill which had become root infested and had caused two major back-ups into a private home. In the process, an unmapped manhole was discovered.
4. In conjunction with Highway Department work, 650 feet of storm sewer was laid on Walnut Street to drain a problem area.
5. We began rehabilitation of the sewer line in the swamp below Hanover Street; approximately 90 feet of line and one manhole was replaced.
6. Two hundred feet of new line was laid on Ora Avenue. The area had not been previously serviced by sewers.
7. Approximately 200 feet of sewer line was laid on Foundry Street to pick up two existing direct sewage discharges to the Mascoma River.

8. Other small jobs that took place during 1985 were basin line rehabilitations, connection and mapping of approximately 60 new sewer connections, three of which were direct sewage discharges to the Mascoma River, manhole repairs and sewer line cleaning.

Plant Operations:

1. The composting project progressed to a point where composting will be done during 1986. The switch to composting from incineration is to reduce the cost of sludge stabilization. Composted sludge will be used as a soil conditioner, primarily for landscaping along highways.

2. Cost cutting is a major concern at the plant. Three insulated overhead doors replaced three inefficient roll-up doors. City water consumption at the plant has been cut by up to 90%, and insulating panels have been installed in nonessential air intakes

Respectfully submitted,
Dana Arey, Wastewater Superintendent

Lebanon Municipal Airport

1985 was a successful year for the Lebanon Municipal Airport Industrial Park characterized by major improvements and general upgrading of both the airport and the industrial park.

The airport and the industrial park are owned and operated by the City of Lebanon. No taxpayer funds go to the airport facility, it is totally self-supporting. The airport facility is funded by user fees such as tenant rents, landing fees, parking lot fees, fuel flowage fees and other miscellaneous revenues. Capital improvement projects such as runway extension, land acquisition, ramp and taxiway expansions, snow removal equipment, etc., are 90% funded by the Federal Aviation Administration (FAA) and funds are derived by user fees rather than taxpayer funds. Other airport projects such as an Instrument Landing System (ILS), Microwave Landing System (MLS), and other landing aids and navigation facilities are fully funded by the FAA with user fees.

The airport staff consists of an airport manager, operations manager, secretary/bookkeeper, maintenance foreman, and two maintenance men. The airport staff has the responsibility of managing, operating, developing, and maintaining all aspects of the airport encompassing approximately 617 acres, such as runways, taxiways, ramps, parking lot, terminal building, and grounds (mowing, snow removal, approach clearing, painting, etc.).

Airport tenants and lessees include Command Airways and Precision Airlines; Avis, Hertz, and National car rental agencies; a restaurant and gift shop; LADCO fixed base operations; and, AMCA International's air transportation facility. FAA facilities include the Air Traffic Control Tower, Flight Service Station, and Airway Facilities Sector Field Office.

Airport activity in 1985 totaled 71,553 operations and 43 based aircraft. The breakdown of aircraft landing activity is as follows:

General Aviation	48,341
Commercial Airlines	15,740
Air Charter	677
Military	290
Misc. (After Control Tower Hours)	6,505
Total	71,553

The Upper Valley has one of the finest air transportation systems in the country. The airport is served by Command Airways and Precision Airlines with approximately 30 flights per day to Albany, New York, Boston, Massachusetts, Newark, New Jersey, New York City and White Plains, New York. Airline enplanements for the year totaled 37,293 passengers, a ten percent increase over 1984 and the second highest enplanements in the history of the airport. Freight enplaned showed 45,053 pounds, a twenty-seven percent increase, and freight deplaned showed 38,649 pounds, an 18.7 percent increase compared to last year's figures.

During 1985, significant attention was given to setting the foundation for development of fifty acres in the airport industrial park. Of greatest impact was the funding for such a project. A \$600,000 grant was received from the Economic Development Administration (EDA) and \$200,000 Community Development Block Grant (CDBG) from the New Hampshire Office of State Planning. Construction of water and sewer lines and access roads will be completed during 1986. This project will greatly improve the marketability of the industrial park and should result in an increase of light industrial development in the years ahead.

The Noise Compatibility Program and Noise Exposure Map were prepared and completed according to FAA Regulations by Ken Eldred Engineering, Concord, Massachusetts. The Airport Noise Program should be approved by FAA in 1986 and will be the first in the northeast region of the United States.

Final touches were completed to the Runway Extension Project such as grading, seeding and installation of lighted taxiway directional signs. Additional work was completed under the same FAA project at the intersection of the two runways involving reconstruction of the base and asphalt due to frost heaving.

The main objectives for 1986 are to continue development of the industrial park west side of airport and subdivide the east side for future development. Additional airport projects planned for 1986 include land acquisition south for approach clear zone to Runway 36, clearing and grubbing approximately 80 acres, complete the ILS and MLS for Runway 18 by FAA, and acquire a large snowblower.

The City Council has shown much progress in establishing a foundation for the continued development of the airport and the industrial park facilities along practical and progressive lines. They have demonstrated that these facilities represent a valuable part of our community and one that will continue to offer opportunities to our citizens in the years ahead. As always, we invite the community's participation and suggestions on upcoming issues and projects.

Respectfully submitted,
Marcel Theberge, Airport Manager

BOARDS AND COMMISSIONS

Planning Board Report

Since this is the first City Report, I would like to briefly describe the duties and procedures of the Planning Board. An overview of our year's work, especially on the Master Plan, will follow.

The Planning Board serves two major functions in the City. Our over-all goal is to plan for orderly, responsible growth, balancing the rights of landowners with the needs and values of the City as a whole. To this end, we have spent a great deal of time this year on our new Master Plan, outlined below. Our other major function is a regulatory one, that is, reviewing subdivisions as well as multi-family and non-residential site plans. The process of seeking approvals and the elements involved in each area are outlined below.

A subdivision is the dividing of land into two or more "lots, sites, parcels" etc. Anyone wishing to subdivide their property must receive approval from the Planning Board. While there are many technical issues involved, we are particularly concerned with traffic impact, impact on municipal facilities, and impact on surrounding landowners. We have an extensive set of subdivision regulations and must apply these fairly to all parties.

Site Plan Review is required for all non-residential uses of land and for multi-family projects. Here we have the same concerns as in subdivisions but must contain our review more closely to the site in question. We also look more closely at issues such as fire safety, efficient design, and landscaping.

It is important to note that in both of these approval processes, the Board is bound by New Hampshire Statutes, court decisions, and our regulations. "Not liking" a project does not constitute a reason for disapproval; rather, the facts as we interpret them must form the basis for our decisions.

The approval process begins with filling out application forms and providing supporting plans and data through the City Planner's Office. When an application is deemed complete, it is placed on a Board agenda and a public hearing is scheduled. After the hearing, of which abutters are notified, the Board discusses and takes action on the plan. Approvals are often granted with conditions attached and in some cases another public hearing is necessary to show fulfillment of these conditions. Perhaps the greatest frustration of the Board this past year has been the amount of time we've had to spend on the approval process when we would like to deal more with planning, not reaction.

In the planning area, our major effort this year has been to complete our new Master Plan. This is a comprehensive plan for the City's growth, involving tremendous amounts of data collection, including an attitude survey of City residents, and the formulation of many recommendations for action. The plan has been drafted by the Upper Valley Lake Sunapee Council and much of the year has been spent in reviewing draft chapters of the plan. As of this writing, we are reviewing the last and most comprehensive chapter--Land Use--and hope to begin the public information and hearing process in March. The Master Plan will serve to guide our growth through the next five to ten years and we hope that the citizens will react to our ideas at public sessions so that we can compile the best plan for all concerned. After the hearing and revision process the plan will be adopted by formal vote of the Planning Board and become our "blueprint" for action. Once the Plan is adopted, there are many recommendations regarding zoning, land use regulations, capital improvements and procedures which many elements of City government will begin to discuss, modify, and implement.

Since May, the City has been fortunate to have the services of our first City Planner, Ken McWilliams. The need for a planner has long been evident to the Board and we are grateful for

Ken's assistance and expertise. His presence has meant closer review of projects and better master plan coordination.

For the next year, our goals include adoption of the Master Plan, presentation to the City Council of a Capital Improvement Program, and implementation of Master Plan recommendations regarding the Zoning Ordinance and Site Plan Review Regulations. We expect to be very busy and especially welcome your attendance at our meetings. Any City resident is allowed to comment and ask questions and we need your input to ensure Lebanon's responsible growth.

Respectfully submitted,
Arthur Pease, Planning Board Chairman

Zoning Board of Adjustment

The Lebanon Zoning Board of Adjustment (ZBA), like all zoning boards throughout New Hampshire, functions in accordance with powers set out in the New Hampshire State Statues, specifically RSA 31.

There are five regular members who serve five-year terms and three alternates. Currently the members are: Kathy Schonberger, Chairman; John Wheeler, Vice Chairman; Robert Elliott; Thomas Mangold; and Arnold Levin. The alternates are Dean Hutchinson, Cliff Desrosiers, and William McDonald.

The ZBA has the responsibility to hear and decide appeals with regard to three types of land use questions:

1. Appeals from administrative decisions. These involve decisions made by the Zoning Administrator with which the person receiving the decision does not agree. Such a dispute can be brought before the ZBA for resolution.
2. Requests for special exceptions. This involves applications for uses specifically set out in the Zoning Ordinance.
3. Requests for variances. This involves applications for use of property where a literal enforcement of the ordinance would create unnecessary hardship.

In 1985, the ZBA heard 47 applicants with a total of 54 requests. There were 46 special exception requests, of which 44 were granted and 8 request for variances, of which 4 were granted.

If it appears that just about all special exceptions are granted, it should be kept in mind that if a special exception is listed in the ordinance and the conditions set out in the ordinance (Sec. 206) are met, the ZBA cannot legally refuse an exception. A variance is a bit harder to obtain because such a request must prove a hardship inherent in the land in question. While this proof is made by the applicant, the ZBA's decision is more complex because it must consider issues such as the intent of the ordinance and injustice to an applicant should the request be denied.

No decision of the ZBA is rendered lightly. Currently the Board has regularly-scheduled meetings on the 1st and 3rd Mondays of each month and routinely meets at least once more each month in addition to the regular schedule. Members make site visits and review applications and detailed input from the City staff.

Public input is vital to appropriate zoning decisions. Every application receives a public hearing which is advertised in the newspaper and at City Hall. Any citizen can speak on any matter--you need not be an abutter or directly involved with a particular appeal. Specific zoning questions

should be addressed to the Zoning Administrator. However, if you have general questions about how the Board works, members are always glad to provide information. The more the community knows about what we do, the better we can serve the community as we do it!

Respectfully submitted
Kathy Schonberger, Zoning Board of Adjustment Chairman

Upper Valley Household Hazardous Waste Committee

When we think of hazardous waste, we probably picture corroding drums or a flaming tanker. It is easy to ignore our own seemingly insignificant contributions to the problem of hazardous waste disposal. Yet most of us use paint, anti-freeze, varnish, household cleaners and many other products that are toxic, corrosive, flammable, or explosive.

What happens to the left-over varnish, the dirty crankcase oil, the insecticide left in the can, and the household cleaners? In most households, these wastes are stored in the barn, taken to the dump, or poured down the drain into septic systems or treatment plants.

To address this problem, a number of concerned organizations and individuals in the Upper Valley area banded together in the spring of 1984 to form the Upper Valley Household Hazardous Waste Committee. Organizations represented on the Committee include the Upper Valley Solid Waste District, the Upper Valley - Lake Sunapee Council, Montshire Museum, League of Women Voters, Hanover Co-op, Hanover Conservation Council, the Green-Up Day Committee, and the Sierra Club, and a number of private citizens and town officials.

In November 1984 the Committee organized the Household Hazardous Waste Collection Day, the first such program to be carried out in either Vermont or New Hampshire. Held at the Hartford Fire Station, the program was extremely successful, with about 110 participating households. A total of 24/55-gallon drums were filled and taken by a licensed hauler to an EPA-approved facility in upstate New York.

The second annual Household Hazardous Waste Collection Day was held on May 4, 1985, in conjunction with Green-Up Day. Over 130 households safely disposed of their hazardous wastes with the hauler at the former Pringle's site, now owned by Dartmouth College, on Route 120. The Upper Valley's Household Hazardous Waste Collection Day Program has become a model for other regions in New Hampshire and Vermont. In comparison to other collection days recently held in other areas our collection program has had the highest rate of participation and the lowest cost of any similar program.

Financial support for the collection day comes from the States of New Hampshire and Vermont, local communities, nonprofit organizations, and private businesses. We are very appreciative of this support and concern for our environment.

The third annual Household Hazardous Waste Collection Day was held in the spring of 1986, again in conjunction with Green-Up Day.

We look forward to seeing you there.

Respectfully submitted,
Robert W. Varney, Executive Director, UVLSC

FINANCIAL SECTION

Your City Government ranks as one of the largest corporations in the Upper Valley. It is one of the largest employers, and also recycles a large amount of funds back into the local economy. City Financial records are open to the public, by request, at City Hall. While a complete description of the City's finances is not possible here, citizens are encouraged to come in and examine the records and ask questions about the municipal corporation in which they are members.

The City employs the services of an outside Certified Public Accountant to audit its operations annually. The audit is done in accordance with generally accepted accounting practices. The modified accrual basis of accounting is used for all governmental type funds and expendable Trust Funds. The accrual basis of accounting is used for all Proprietary Trust Funds. The Non-expendable Trust Funds are handled on a cash basis and not on the accrual basis which is a departure from generally accepted accounting principles.

The City participates in the State of New Hampshire Retirement System. The City's contribution for normal cost of the plan is based upon an actuarial valuation of the entire State plan. Prior to 1980, only full-time police and firemen were covered under this plan. In 1980 the City voted to include all employees. As a result, in order to provide full prior service credit (to a maximum of 10 years for each employee), the City has an accrued liability of approximately \$221,775, which is payable at a cost of \$15,057 annually. Pension costs to the City, exclusive of the accrued liability, were \$150,817 in 1984. The City also paid \$1,920 to the International City Manager's Association and \$2,104 toward the Employee Money Purchase Pension Plan. This plan is presently being administered by M.M.L. Benefit Plan Services, Incorporated and all contributions are deposited into a group annuity contract with Maccabees Mutual Life Insurance Company.

The City's 1985 Combined Balance Sheet, the 1985 Combined Statement of Revenues, Expenditures, and Changes in Fund Balance, 1985 Combined Balance Sheet--all Special Revenue Funds, and 1985 Combined Statement of Revenues, Expenditures, and Changes in Fund Balance--all Special Revenue Funds, are shown on the following pages.

GENERAL FUND REVENUES AND EXPENDITURES

Fiscal Year Ended 12/31	1986 Adopted Budget	1985 Actual Audited	1984 Actual Audited	1983 Actual Audited
Revenues				
Taxes	\$11,154,702	\$9,411,180	\$8,098,921	\$7,617,510
Inter-Gov't.	1,116,092	1,021,996	1,046,088	1,007,539
Licenses & Permits	729,000	756,634	609,926	784,240
Charges for Services	157,200	237,729	264,146	278,476
Investment Income	360,000	309,257	230,324	132,479
Interfund Transfers	-0-	419,506	344,886	-0-
Proceeds from Bonds	-0-	-0-	125,000	-0-
Other	195,300	136,188	316,539	46,169
Total	\$13,756,294	\$12,292,490	\$11,035,830	\$9,866,413
Expenditures				
General Gov't.	\$1,111,302	1,142,498	782,862	613,775
Public Safety	1,631,128	1,344,710	1,231,593	1,161,543
Public Works	1,199,624	1,075,393	1,228,027	747,338
Sanitation	20,000	109,335	151,079	95,840
Health	143,371	133,002	124,169	116,552
Welfare	91,761	95,267	98,220	76,111
Culture & Recreation	307,163	294,012	250,651	235,774
Debt Service	765,069	784,395	683,498	595,296
Capital Outlay	-0-	287,309	-0-	28,289
Employee Benefits	472,760	264,066	455,746	454,826
Interfund Transfer	-0-	67,300	163,693	212,980
Inter-govt Transfer	8,013,576	6,719,874	5,874,580	5,418,147
Total	13,756,294	12,317,161	11,044,118	9,756,448
Cumulative Fund Balance	553,162	553,162	577,833	586,121

EXHIBIT A
CITY OF LEBANON
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1985

	Governmental Fund Types			Fiduciary Fund Type	Account Groups	Totals	
	General	Special Revenue	Capital Projects			Special Assessment	Trust Funds
ASSETS							
Cash and Equivalents	\$2,439,476	\$658,586	\$ 917,575	\$1,037,466	\$	\$ 5,062,660	\$4,023,791
Investments, At Cost				130,736		130,736	127,189
Receivables (Net of Allowance For Uncollectibles)							
Taxes	1,101,345					1,101,345	809,281
Accounts Accrued Interest		95,782				95,782	70,538
Special Assessments		54,875					20,427
Due From Other Governments		56,789	105,531	12,731		67,606	36,341
Due From Other Funds	60,002	52,152			904	162,320	426,293
Due From Others	31,360	3,114				113,058	193,197
Prepaid Expenses	5,030		7,046			34,474	2,002
Amount To Be Provided For Retirement of General Long-Term Debt						12,076	13,784
						3,939,626	4,041,234
TOTAL ASSETS	\$3,637,213	\$921,298	\$1,030,152	\$1,169,106		\$10,719,683	\$9,764,077

EXHIBIT A (Continued)
 CITY OF LEBANON
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1985

	Governmental Fund Types		Fiduciary Fund Type	Account Groups	Totals	
	General	Special Revenue			(Memorandum Only)	December 31, 1985
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts Payable	\$ 12,615	\$ 5,721	\$ 22,316	\$	\$ 40,652	\$ 21,188
Accrued Interest Payable			36,388		36,388	3,813
Contracts Payable			87,149		87,149	88,771
Yield Tax Security Deposits	1,228				1,228	916
Deferred Revenue		36,563			50,313	165,061
Due To Other Governments	3,069,304	17,500			3,122,988	2,742,252
Due To Other Funds	904	47,517			113,058	193,197
Due To Developers			52,152			6,404
General Obligation Bonds and Notes Payable				3,939,626		4,041,234
Federal/State Grants and Bond Anticipation Notes Payable (Note 3C)			1,500,000		1,500,000	412,000
Total Liabilities	<u>3,084,051</u>	<u>107,301</u>	<u>1,698,005</u>	<u>3,939,626</u>	<u>8,891,402</u>	<u>7,674,836</u>
Fund Equity						
Fund Balances						
Reserved For Loan Guarantees		1,156			1,156	1,380
Reserved For Encumbrances (Note 1E)	232,544	19,534	597,019		849,097	204,447
Reserved For Endowments (Note 6)				441,238	441,238	425,165
Unreserved						
Designated For Capital Acquisitions (Note 4)			116,437		808,121	652,422
Designated For Water System Expansion		280,816			280,816	78,592
Designated For Landfill Fund	25,923				25,923	
Undesignated	294,695	512,491	(1,381,309)		(578,070)	727,235
Total Fund Equity	<u>553,162</u>	<u>813,997</u>	<u>(667,853)</u>	<u>(3,947)</u>	<u>1,828,281</u>	<u>2,089,241</u>
TOTAL LIABILITIES AND FUND EQUITY	\$3,637,213	\$921,298	\$1,030,152	\$22,288	\$3,939,626	\$9,764,077

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

EXHIBIT A-1
CITY OF LEBANON
All Special Revenue Funds
Combining Balance Sheet
December 31, 1985

	Federal Revenue Sharing	Water Department	Sewer Department	Regional Airport	Community Development Block Grant	Totals	
						December 31, 1985	December 31, 1984
ASSETS							
Cash and Equivalents	\$ 3	\$323,720	\$134,139	\$193,341	\$7,383	\$658,586	\$565,985
Receivables (Net of Allowance For Uncollectables)		13,393	21,249	61,140		95,782	70,538
Accounts							5,991
Accrued Interest			54,875	9,272		54,875	58,742
Special Assessments Receivable	47,517			52,152		56,789	52,217
Due From Other Governments						3,114	
Due From Other Funds		3,114					
Due From Others							
TOTAL ASSETS	\$47,520	\$340,227	\$210,263	\$315,905	\$7,383	\$921,298	\$753,473
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 47,517	\$ 860	\$ 456	\$ 1,905	\$2,500	\$ 5,721	\$ 4,741
Due To Other Funds			17,500			47,517	67,812
Due To Other Governments						17,500	17,000
Accrued Interest Payable			36,563			36,563	587
Deferred Revenue		860	54,519	1,905	2,500	107,301	257
Total Liabilities	47,517	860	54,519	1,905	2,500	107,301	90,397
Fund Balances							
Reserved For Loan Guarantees		4,784	11,088	3,662	1,156	1,156	1,380
Reserved For Encumbrances						19,534	79,608
Unreserved							
Designated For Water System Expansion		280,816	144,656	310,338	3,727	280,816	78,592
Undesignated	3	53,767	155,744	314,000	4,883	512,491	503,496
Total Fund Balances	3	339,367	155,744	314,000	4,883	813,997	663,076
TOTAL LIABILITIES AND FUND BALANCES	\$47,520	\$340,227	\$210,263	\$315,905	\$7,383	\$921,298	\$753,473

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

EXHIBIT B-1
CITY OF LEBANON
All Capital Projects Funds
Combining Balance Sheet
December 31, 1985

<u>ASSETS</u>	Airport Improvements Project	Library Expansion Project	Reservoir Project	Airport Land Acquisition	<u>Totals</u>	
	December 31, 1985	December 31, 1985	December 31, 1985	December 31, 1985	December 31, 1985	December 31, 1984
Cash and Equivalents	\$ 16,703	\$60,644	\$ 836,487	\$3,741	\$ 917,575	\$132,597
Receivables						5,562
Accrued Interest	105,531				105,531	365,051
Due From Other Governments						85,225
Due From Other Funds	7,046				7,046	13,784
Prepaid Expenses						
TOTAL ASSETS	\$129,280	\$60,644	\$ 836,487	\$3,741	\$1,030,152	\$602,219

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>						
Accounts Payable	\$ 25,076	\$	\$ 22,316	\$	\$ 22,316	\$ 88,771
Contracts Payable			62,073		87,149	365,051
Accrued Interest Payable			36,388		36,388	85,225
Due To Other Funds	52,152				52,152	13,784
Deferred Revenue						
Federal/State Grants and						
Bond Anticipation Notes Payable			1,500,000		1,500,000	412,000
Total Liabilities	<u>77,228</u>		<u>1,620,777</u>		<u>1,698,005</u>	<u>706,920</u>
<u>Fund Balances</u>						
Reserved For Encumbrances			597,019		597,019	
Unreserved						
Designated For Capital Projects	52,052	60,644	(1,381,309)	3,741	116,437	76,921
Undesignated	<u>52,052</u>	<u>60,644</u>	<u>(784,290)</u>	<u>3,741</u>	<u>(1,381,622)</u>	<u>(181,622)</u>
Total Fund Balances					<u>(667,853)</u>	<u>(104,701)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$129,280	\$60,644	\$ 836,487	\$3,741	\$1,030,152	\$602,219

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

EXHIBIT C

CITY OF LEBANON
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 General and Special Revenue Fund Types
 For The Fiscal Year Ended December 31, 1985

	General Fund		Special Revenue Funds		Totals (Memorandum Only)	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues						
Taxes	\$ 9,350,938	\$ 9,411,180	\$ 297,970	\$ 361,739	\$ 9,350,938	\$ 9,411,180
Intergovernmental Revenues	1,031,846	1,021,996			1,329,816	1,383,735
Licenses and Permits	754,400	756,634			754,400	756,634
Charges For Services	305,826	237,729	1,069,827	1,209,701	1,375,653	1,447,430
Miscellaneous	439,900	445,445	357,140	480,344	797,040	925,789
Other Financing Sources						
Interfund Transfers	365,692	419,506	98,919	98,919	466,611	518,425
Total Revenues and Other Sources	12,248,602	12,292,490	1,823,856	2,150,703	14,072,458	14,443,193
Expenditures						
General Government	1,524,888	1,406,564			1,524,888	1,406,564
Public Safety	1,278,066	1,245,791			1,278,066	1,245,791
Highways, Streets, Bridges	1,140,518	1,075,393			1,140,518	1,075,393
Sanitation	112,877	109,335	635,383	560,107	748,260	669,442
Health	133,926	133,002			133,926	133,002
Welfare	72,130	95,267			72,130	95,267
Culture and Recreation	282,697	294,012			282,697	294,012
Debt Service						
Principal	339,508	339,408	62,200	62,200	401,708	401,608
Interest	428,867	444,987	63,017	63,017	491,884	508,004
Capital Outlay	369,871	287,309			369,871	287,309
Water Department			503,670	509,779	503,670	509,779
Regional Airport			416,199	323,478	416,199	323,478
Community Development Block Grant				119,034		119,034
Other Uses						
Interfund Transfers	166,219	166,219	371,770	362,167	537,989	528,386
Intergovernmental Transfers	6,719,874	6,719,874			6,719,874	6,719,874
Total Expenditures and Other Uses	12,569,441	12,317,161	2,052,239	1,999,782	14,621,680	14,316,943
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Note 1D)	(320,839)	(24,671)	(228,383)	150,921	(549,222)	675,472
Fund Balances - January 1	577,833	577,833	663,076	663,076	1,240,909	1,240,909
Fund Balances - December 31	\$ 256,994	\$ 553,162	\$ 434,693	\$ 813,997	\$ 691,687	\$ 1,367,159

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

SCHEDULE 1
CITY OF LEBANON
General Fund
Statement of Estimated and Actual Revenues
For The Fiscal Year Ended December 31, 1985

REVENUES	REVENUES		Over (Under) Budget
	Estimated	Actual	
Taxes			
Property and Inventory	\$ 9,171,858	\$ 9,208,784	\$36,926
Resident	81,180	85,041	3,861
National Bank Stock	3,800	3,520	(280)
Yield	2,000	12,481	10,481
Boat	2,151	2,151	51
Land Use Change	15,000	41,498	26,498
Interest and Penalties On Taxes	75,000	57,705	(17,295)
Total Taxes	9,350,938	9,411,180	60,242
Intergovernmental Revenues			
State	258,169	258,169	
Shared Revenue	3,030	3,030	
Railroad Tax	143,189	143,189	
State Aid Water Pollution Projects	485,329	485,329	
Business Profits Tax	132,279	132,279	
Highway Block Grant			
Federal Sources	9,850		(9,850)
Land and Water Conservation Fund			
Total Intergovernmental Revenues	1,031,846	1,021,996	(9,850)
Licenses and Permits			
Motor Vehicle Permit Fees	650,000	648,096	(1,904)
Dog Licenses	2,000	1,674	(326)
Business Licenses, Permits and Fees	35,000	38,188	3,188
Building Permits	55,000	56,776	1,776
Fees and Applications	12,400	11,900	(500)
Total Licenses and Permits	754,400	756,634	2,234
Charges For Services			
Income From Departments	136,326	72,663	(63,663)
Rent of City Property	5,500	5,854	354
Sanitary Landfill	140,000	134,451	(5,549)
Dispatch Center	24,000	24,761	761
Total Charges For Services	305,826	237,729	(68,097)
Miscellaneous Revenues			
Interest On Deposits	\$ 325,000	\$ 309,257	(\$15,743)
Sale of City Property	88,000	89,862	1,862
In Lieu of Taxes	1,900	15,361	13,461
Other Local Revenues	25,000	30,965	5,965
Total Miscellaneous Revenues	439,900	445,445	5,545
Other Financing Sources			
Operating Transfers In			
Trust Fund Income		30,005	30,005
Withdrawals From Capital Reserve	115,692	115,692	
Capital Projects Fund		29,312	29,312
Sewer Assessment Fund		4,100	4,100
Special Revenue Fund			
Revenue Sharing Fund	250,000	240,397	(9,603)
Total Other Financing Sources	365,692	419,506	53,814
Total Revenues	12,248,602	\$12,292,490	\$43,888
Fund Balance Used To Reduce Tax Rate	196,000		
Total Revenues and Use of Fund Balance	\$12,444,602		

SCHEDULE 2
CITY OF LEBANON
General Fund

Statement of Appropriations, Expenditures and Encumbrances
For The Fiscal Year Ended December 31, 1985

	Encumbered From 1984	Appropriations 1985	Expenditures Net of Refunds	Encumbered To 1986	(Over) Under Budget
<u>General Government</u>					
City Council Expense	\$ 4,691	\$ 257,850	\$ 233,950	\$ 511	\$23,900
City Office Expense		82,489	101,216		(14,547)
Election and Registration Expenses		3,244	2,776		468
Geneteries	148	107,955	98,374		9,729
General Government Buildings	23,401	60,906	92,741	473	(8,907)
Engineering Department	28	97,066	94,144	8,813	(5,863)
Planning and Zoning	4,530	10,796	17,813	31	(2,518)
Legal Expenses		22,152	33,582		(11,430)
Advertising and Regional Association		25,943	25,943		
Employee Benefits		313,406	264,066		49,340
Insurance		293,508	287,343		6,165
Public Transit		12,306	12,306		
Revaluation		145,000	34,790	109,668	542
Overlay		59,469	107,520		(48,051)
Total General Government	<u>32,798</u>	<u>1,492,090</u>	<u>1,406,564</u>	<u>119,496</u>	<u>(1,172)</u>
<u>Public Safety</u>					
Police Department	13,035	642,348	634,015		21,368
Fire Department		487,446	460,081	419	26,946
Dispatch Center		95,016	109,834		(14,818)
Building Inspection		24,095	24,140		(45)
Hydrant Rental		78,919	78,919		
Probation Officer		16,126	17,721		(1,595)
Stormwater Treatment		20,000	20,000		
Total Public Safety	<u>13,035</u>	<u>1,363,950</u>	<u>1,344,710</u>	<u>419</u>	<u>31,856</u>
<u>Highways, Streets, Bridges</u>					
General Highway Maintenance	59,006	1,072,062	1,066,010	26,802	33,256
Care of Trees		9,450	9,383		67
Total Highways, Streets, Bridges	<u>59,006</u>	<u>1,081,512</u>	<u>1,075,393</u>	<u>26,802</u>	<u>38,323</u>
<u>Sanitation</u>					
Solid Waste Disposal	11,822	101,055	109,335		3,542
<u>Health</u>					
Health Agency		35,072	35,072		
Ambulance		93,354	92,572		782
Animal Control		5,500	5,358		142
Total Health		<u>133,926</u>	<u>133,002</u>		<u>924</u>
<u>Welfare</u>					
General Assistance		45,630	67,431		(21,801)
Old Age Assistance		26,000	27,036		(1,036)
Other		500	800		(300)
Total Welfare		<u>72,130</u>	<u>95,267</u>		<u>(23,137)</u>

SCHEDULE 2 (Continued)
 CITY OF LEBANON
 General Fund
 Statement of Appropriations, Expenditures and Encumbrances
 For The Fiscal Year Ended December 31, 1985

	<u>Encumbered From 1984</u>	<u>Appropriations 1985</u>	<u>Expenditures Net of Refunds</u>	<u>Encumbered To 1986</u>	<u>(Over) Under Budget</u>
<u>Culture and Recreation</u>					
Library	\$ 22	\$ 136,795	\$ 140,989	\$ 48	(\$ 4,220)
Parks and Recreation	8,156	133,164	148,509		(7,189)
Patriotic Purposes		250	250		
Conservation Commission		4,310	4,264		46
Total Culture and Recreation	<u>8,178</u>	<u>274,519</u>	<u>294,012</u>	<u>48</u>	<u>(11,363)</u>
<u>Debt Service</u>					
Principal Of Long-Term Bonds and Notes		339,508	339,408		100
Interest Expense - Long-Term Bonds and Notes		194,200	188,314		5,886
Interest Expense - Tax Anticipation Notes		234,667	256,673		(22,006)
Total Debt Service		<u>768,375</u>	<u>784,395</u>		<u>(16,020)</u>
<u>Capital Outlay</u>					
Civic Memorial Field		19,700	15,480	9,850	9,850
Building Improvements		60,000	102,993	53,134	(8,614)
Highway Vehicles		121,390	115,596	22,795	(4,398)
Sanitary Landfill Loader		115,596	36,034		266
Cemetery Building and Equipment		36,300	17,206		(321)
Dispatch Center		16,885	17,206		(321)
Total Capital Outlay		<u>369,871</u>	<u>287,309</u>	<u>85,779</u>	<u>(3,217)</u>
<u>Operating Transfers Out</u>					
Interfund Transfers			67,300		
Capital Reserve Fund		67,300			
Intergovernmental Transfers			6,217,145		
School District Assessment		6,217,145	502,729		
County Tax Assessment		502,729	6,787,174		
Total Operating Transfers Out		<u>6,787,174</u>	<u>6,787,174</u>		
<u>Total Appropriations</u>	<u>\$124,839</u>	<u>\$12,444,602</u>	<u>\$12,317,161</u>	<u>\$232,544</u>	<u>\$19,736</u>

COMPARATIVE ANALYSES

Assessed Valuations

Year	Land	Buildings	Utilities	Total	Equalized Value	Assmt Ratio
1985	27,593,963	95,794,123	11,774,650	135,162,736	329,665,210	.41
1984	27,093,959	91,250,009	11,660,750	130,004,718	295,465,268	.44
1983	26,506,957	99,107,921	11,573,250	128,188,128	278,669,843	.46
1982	26,247,975	88,152,759	11,573,250	125,973,984	262,445,800	.48
1981	26,158,175	87,118,334	11,573,250	124,849,759	249,669,518	.50
1980	26,007,806	85,644,044	11,573,250	123,225,100	224,045,636	.55

Yearly Tax Collection Analysis

F/Yr Ending 12/31	Net (1) Assessed Valuation	Tax Rate	Total Adj. Tax Levy(2)	End of Each Fiscal Year	%
1985	133,101,667	69.32	9,225,591	8,244,749	89.37
1984	127,912,099	62.42	7,929,873	7,228,644	91.16
1983	126,110,602	59.20	7,413,055	6,720,232	90.70
1982	123,867,921	52.30	6,425,029	5,804,722	90.30
1981	122,787,908	51.40	6,261,378	5,575,194	89.00
1980	121,183,684	49.70	5,967,629	5,331,782	89.30

(1) The net assessed valuation takes into consideration exemptions for the blind and elderly.

(2) Total adjusted tax levy is the gross tax levy less overlay (reserve for tax abatements) and war service tax credits. The difference between total adjusted tax levy and actual collected taxes are property abatements.

(3) Interest accrues on delinquent taxes at the rate of twelve percent to the date of payment. Prior to October 1, the year following the assessment year, a tax sale must be held on all delinquent taxes to record the tax lien. The City competitively bids on all taxes to establish its own lien when desirable. From the date of the tax sale a two year period of redemption is allowed the owner during which time payment of taxes, interest, and costs will be accepted and the lien released. Eighteen percent interest is charged during the two year redemption period. Beyond the two year period of redemption, properties are deeded by Tax Collector's deed subject to bankruptcy and insolvency laws. Tax liens take precedence over all other liens. Collector's deeds are free and clear of all encumbrances. All interest rates are on a per annum basis.

Principal Taxpayers

Name	Nature of Business	1985 Assessed Valuation	% of \$133,101,667 Assessed Valuation
New England Power	Hydro Power Gen.	8,750,550	6.57%
Daniel Rothenberg	Commercial Realty	2,739,720	2.06%
Granite State Electric	Utility	2,654,500	2.00%
K-Mart/W. Lebanon	Commercial Realty	2,280,180	1.71%
Split Ball Bearing	Manufacturing	2,097,550	1.58%
SDR Corporation	Hotel Complex	1,813,350	1.36%
Dartmouth Col. Trustees	Education	1,463,550	1.10%
Hodges Development	Residential Realty	1,090,150	0.82%
Colonial Plaza	Commercial Realty	1,045,350	0.78%
N.J. Machine of N.H.	Machine Tool Mfg.	1,040,200	0.78%

Debt--Outstanding at the End of each Fiscal Year

	1985	1984	1983	1982	1981
General Obligation Bonds					
Pub. Improve	1,206,500	1,345,400	1,319,400	1,132,400	800,856
Water	350,000	385,000	420,000	460,000	500,000
Sewer	2,383,126	2,310,834	2,538,543	2,766,251	2,993,959
Subtotal	3,939,626	4,441,234	4,727,943	4,858,651	4,844,815
Temporary Loans in Anticipation of					
Taxes	0	0	0	0	0
Bonds	1,500,000	350,000	29,600	115,500	300,000
Federal Aid	0	62,000	62,000	62,000	1,788,000
Subtotal	1,500,000	412,000	91,600	177,500	2,088,000
Total	5,439,626	4,853,234	4,819,543	5,036,151	6,932,815

Debt Analysis--12-31-85

Notes:

Reservoir Notes	1,500,000	
Total Notes		1,500,000

Bonds:

Schools	1,550,000	
Sewer	2,110,833	
Water	350,000	
Airport	624,700	
All other	899,567	
Total Bonds		5,535,100
Total City Debt		12,235,100
less TAN's, self-supporting debt, and FAAN's (1)		6,799,400
Net City Debt:		2,957,030

(1) State School Aid Building Grants totaling approximately \$697,500 are to be received against the above debt over a period of years subject to biennial appropriations by the State Legislature. State aid for Sewer Project--\$905,870. Water Bonds paid by self-supporting fund--\$350,000. Airport Bonds paid by self-supporting fund--\$624,700.

Authorized, But Un-Issued Debt: \$1,000,000 Reservoir Issue

Overlapping Debt

Entity	Amount of Authorized but un-issued Debt	Amount of Outstanding Debt	Applicable Grants Outstanding	% of Debt Charged to City
Grafton County	-0-	970,000	-0-	13.557%
Total Overlapping Debt				131,503

Debt Ratios

	(\$12,366,603)	(\$3,088,533)
	Overall Debt	Net Debt
Per Capita (11,134)	\$1,110.71	\$227.40
Ratio to Net Assessed Valuation	9.29%	2.32%
Ratio to Equalized Assessed Valuation	3.75%	0.94%

Demographics

Population:

	Lebanon		Grafton County	
1980	11,134	14.5%	65,806	16.5%
1970	9,725	4.4	54,914	11.0
1960	9,299	13.2	48,857	14.3

Source: U.S. Census

Income

	Lebanon	Grafton County
Per Capita Income	\$ 5,217	\$4,612
Median Family Income	19,231	17,288

Unemployment:

	Lebanon	New Hampshire	U.S.A.
Average 1984	2.8%	4.2%	7.5%
Average 1983	4.1%	5.4%	9.6%

Source: New Hampshire Department of Employment Security

CITY COUNCIL BOARDS AND STANDING COMMITTEES

Planning Board

Arthur Pease, Chr.
Stanley Brown, V. Chr.
Ronald Bailey
Prentice Knight
Ann Schneider
Terri Dudley
Stephen Cole
Alan Edmond, Ex Officio

Lebanon Housing Authority

Gordon K. Place, Chr.
Harold Blodgett
Robert Guernsey
Harrison Clapper
Richard Day

Conservation Commission

David Jescavage, Chr.
Ronald Bailey
Paul Gross
Linda A. Haas
Douglas MacGregor
Gary Shepard
Anthony Palazzo

Zoning Board of Adjustment

Thomas Mangold
Kathy Schonberger
Arnold Levin
Robert C. Elliott
John Wheeler
William MacDonald
Cliff Desrosiers
Dean Hutchinson

Recreation Commission

John Bryar, Chr.
Margaret Dutille
Edith Ingalls
Anne Thayer
Frank Mastro
Jacqueline Gilmer
Pat Faulkner
Richard Bresett
Cheryl Adams
Mary Walsh

Library Board of Trustees

Thomas E. Jacobs
Mary Ann Mastro
Beverly Weeks
Mary Swainbank

Jay Cooper, Chr.
Sarah Rutter
Lewis A. Fogg

Zoning Ordinance Review Committee (ZORC)

Patti Laurie, Chr.
Feno Truax
Stanley Brown
Prentice Knight
Robert Elliott
John Wheeler and
Kathy Schonberger
Ronald Decato
Lawrence Guaraldi
Ken McWilliams
Parmly Wills
Paul Gross

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CITY OF LEBANON
NEW HAMPSHIRE
FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
DECEMBER 31, 1985

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|| Telephone: 603-225-6996

AUDITOR'S REPORT ON FINANCIAL PRESENTATION

the Honorable City Council
City of Lebanon
Lebanon, New Hampshire

We have examined the combined financial statements and the combining, individual fund and account group financial statements of the City of Lebanon, New Hampshire as of and for the year ended December 31, 1985, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1B, the combined financial statements referred to above do not include financial statements of the General Fixed Asset Group of accounts which should be included to conform with generally accepted accounting principles.

In our opinion, except that omission of the General Fixed Asset Group of accounts results in an incomplete presentation, as explained in the above paragraph, the combined financial statements and the combining, individual fund and account group financial statements referred to above present fairly the financial position of the City of Lebanon, New Hampshire at December 31, 1985, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as supplemental schedules in the table of contents, including the supplemental schedule of Federal assistance, is presented for purposes of additional analysis and is not a required part of the combined financial statements of the City of Lebanon, New Hampshire. The information has been subjected to the auditing procedures applied in the examination of the combined, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

A. Bruce Carri CPA

April 14, 1986

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accountants & auditors

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Stephen D. Plodzik, CPA ||
Robert E. Sanderson, CPA ||

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AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROLS

To the Honorable City Council
City of Lebanon
Lebanon, New Hampshire

We have examined the combined, combining, individual fund type and account group financial statements of the City of Lebanon, New Hampshire, as of and for the year ended December 31, 1985, and have issued our report thereon, dated April 14, 1986. We have also examined the City's Schedule of Federal Assistance for the year ended December 31, 1985, which is included elsewhere herein. As part of our examination, we made a study and evaluation of the system of internal accounting control of the City to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards, and for the purposes of this report, the standards for financial and compliance audits contained in the United States General Accounting Office's Standards for Audit of Governmental Organizations, Programs, Activities and Functions (1981 revision) and the Single Audit Act of 1984 (Public Law 98-502).

For the purposes of this report, we have classified the City's significant internal accounting controls into the following categories:

- Budgeting Cycle
- Assessing, Levying and Collecting Taxes
- Payroll Cycle
- Expenditure (other than payroll) Cycle
- Electronic Data Cycle
- Revenue Cycle
- Financial Reporting Cycle

Our study included all of the control categories listed above. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the City's financial statements and Schedule of Federal Assistance. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the aforementioned categories of controls.

Management of the City is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system of internal accounting control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from

Auditor's Report on Internal Accounting Controls

unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of the inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation, made for the limited purpose described in the first paragraph, would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the City of Lebanon, New Hampshire taken as a whole, or on any of the categories of controls identified in the first paragraph. However, our study and evaluation disclosed no condition that we believe to be a material weakness.

These conditions were considered in determining the nature, timing and extent of the audit tests necessary for reporting on the City's combined financial statements and on the City's compliance with applicable Federal laws and regulations.

This report is intended solely for the use of the City of Lebanon, New Hampshire and the applicable Federal agencies. This restriction is not intended to limit the distribution of this report, which upon acceptance by the City of Lebanon, New Hampshire, is a matter of public record.

April 14, 1986

A. Bruce Carri CPA

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AUDITOR'S REPORT ON COMPLIANCE FOR SINGLE AUDITS

To the Honorable City Council
City of Lebanon
Lebanon, New Hampshire

We have examined the combined, combining, individual fund type, and account group financial statements of the City of Lebanon, New Hampshire, as of and for the year ended December 31, 1985, and have issued our report thereon, dated April 14, 1986. We have also examined the City's Schedule of Federal Assistance for the year ended December 31, 1985, and our report thereon, dated April 14, 1986, is included elsewhere herein. Our examinations were made in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in the U.S. General Accounting Officers' Standards For Audit of Governmental Organizations, Programs, Activities and Functions (1981 revision); the Provisions of The Office of Management and Budget's Compliance Supplement - For Single Audits of State and Local Governments, circular A-128 Audits of State and Local Governments and the Single Audit Act of 1984 (Public Law 98-502), and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with the examination referred to above, a representative number of transactions from each major Federal assistance program was selected to determine if Federal funds are being expended in accordance with the terms of applicable agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements or on each major Federal assistance program tested. The results of our tests indicate that for the items tested, the City of Lebanon, New Hampshire complied with the material terms and conditions of the Federal assistance agreements, except as described in the findings below. Further, for the items not tested, based on our examination and the procedures referred to above, nothing came to our attention to indicate that the City of Lebanon, New Hampshire had not complied with the significant compliance terms and conditions of the programs referred to above.

Federal Revenue Sharing Funds

Our examination of the Federal Revenue Sharing Funds disclosed the following to be in noncompliance with the Act:

1. Publication of the prior audit reports availability for public inspection was not made in a newspaper of general circulation within (30) days following its completion and receipt by the City.

City of Lebanon, New Hampshire

Auditor's Report on Compliance For Single Audits

This report is intended solely for the use of the City of Lebanon, New Hampshire, the cognizant audit agency, and other Federal audit agencies. This restriction is not intended to limit the distribution of this report, which upon acceptance by the City of Lebanon, New Hampshire, is a matter of public record.

April 14, 1986

A. Bruce Carr CPA

CARRI - PLODZIK - SANDERSON

GENERAL PURPOSE
FINANCIAL STATEMENTS

EXHIBIT A
 CITY OF LEBANON
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1985

ASSETS	Governmental Fund Types			Fiduciary Fund Type	Account Groups	Totals	
	General	Special Revenue	Capital Projects			(Memorandum Only)	December 31, 1985
Cash and Equivalents	\$2,439,476	\$658,586	\$ 917,575	\$1,037,466	\$	\$ 5,062,660	\$4,023,791
Investments, At Cost				130,736		130,736	127,189
Receivables (Net of Allowance For Uncollectibles)							
Taxes	1,101,345	95,782				1,101,345	809,281
Accounts						95,782	70,538
Accrued Interest							20,427
Special Assessments		54,875				67,606	36,341
Due From Other Governments		56,789	105,531	904		162,320	426,293
Due From Other Funds	60,002	52,152				113,058	193,197
Due From Others	31,360	3,114				34,474	2,002
Prepaid Expenses	5,030		7,046			12,076	13,784
Amount To Be Provided For Retirement of General Long-Term Debt						3,939,626	4,041,234
TOTAL ASSETS	\$3,637,213	\$921,298	\$1,030,152	\$1,169,106	\$3,939,626	\$10,719,683	\$9,764,077

EXHIBIT A (Continued)
 CITY OF LEBANON
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1985

A(2)

	Governmental Fund Types			Fiduciary Fund Type Trust Funds	Account Groups General Long-Term Debt	Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects			December 31, 1985	December 31, 1984
LIABILITIES AND FUND EQUITY							
Liabilities							
Accounts Payable	\$ 12,615	\$ 5,721	\$ 22,316		\$ 40,652	\$ 21,188	
Accrued Interest Payable			36,388		36,388	3,813	
Contracts Payable			87,149		87,149	88,771	
Yield Tax Security Deposits	1,228				1,228	165,916	
Deferred Revenue		36,563		13,750	50,313	165,061	
Due To Other Governments	3,069,304	17,500			3,122,988	2,742,252	
Due To Other Funds	904	47,517	52,152	36,184	113,058	193,197	
Due To Developers						6,404	
General Obligation Bonds and Notes Payable					3,939,626	4,041,234	
Federal/State Grants and Bond Anticipation Notes Payable (Note 3C)			1,500,000		1,500,000	412,000	
Total Liabilities	3,086,051	107,301	1,698,005	36,184	8,891,402	7,674,836	
Fund Equity							
Fund Balances Reserved For Loan Guarantees		1,156			1,156	1,380	
Encumbrances (Note 1E)		19,534			849,097	204,447	
Reserved For Endowments (Note 6)	232,544		597,019	441,238	441,238	425,165	
Unreserved Designated For Capital Acquisitions (Note 4)			116,437	691,684	808,121	652,422	
Designated For Water System Expansion		280,816			280,816	78,592	
Designated For Landfill Fund	25,923				25,923		
Undesignated	294,695	512,491	(1,381,309)	(3,947)	(578,070)	727,235	
Total Fund Equity	553,162	813,997	(667,853)	1,132,922	1,828,281	2,089,241	
TOTAL LIABILITIES AND FUND EQUITY	\$3,637,213	\$921,298	\$1,030,152	\$1,169,106	\$10,719,683	\$9,764,077	

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

EXHIBIT B
CITY OF LEBANON
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For The Fiscal Year Ended December 31, 1985

	Governmental Fund Types			Totals		
	General	Special Revenue	Capital Projects	Special Assessment	(Memorandum Only) December 31, 1985	December 31, 1984
Revenues						
Taxes	\$ 9,411,180	\$ 361,739	\$ 80,450	\$20,516	\$ 9,431,696	\$ 8,119,050
Intergovernmental Revenues	1,021,996				1,464,185	2,857,966
Licenses and Permits	756,634				756,634	609,926
Charges For Services	237,729	1,209,701			1,447,430	1,544,429
Miscellaneous	445,445	480,344	73,664	22,905	1,022,358	765,323
Other Financing Sources						
Interfund Transfers	419,506	98,919	8,989	6,584	533,998	625,516
Long-Term Note Proceeds			300,000		300,000	125,000
Total Revenues and Other Sources	12,292,490	2,150,703	463,103	50,005	14,956,301	14,647,210
Expenditures						
General Government	1,406,564				1,406,564	1,238,608
Public Safety	1,245,791				1,245,791	1,231,593
Highways, Streets, Bridges	1,075,393				1,075,393	1,266,186
Sanitation	109,335	560,107			669,442	735,809
Health	133,002				133,002	124,169
Welfare	95,267				95,267	98,220
Culture and Recreation	294,012				294,012	250,651
Debt Service						
Principal	339,408	62,200			401,608	361,708
Interest	444,987	63,017			546,062	452,473
Capital Outlay	287,309		38,058		1,246,085	2,052,729
Water Department		509,779	958,776		509,779	477,493
Regional Airport		323,478			323,478	212,153
Community Development Block Grant		119,034			119,034	101,506
Other Uses						
Interfund Transfers	166,219	362,167	29,421	6,319	564,126	679,224
Intergovernmental Transfers	6,719,874				6,719,874	5,887,314
Total Expenditures and Other Uses	12,317,161	1,999,782	1,026,255	6,319	15,349,517	15,169,836
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(24,671)	150,921	(563,152)	43,686	(393,216)	(522,626)
Fund Balances						
(Deficit) - January 1	577,833	663,076	(104,701)	(47,633)	1,088,575	1,611,201
Fund Balances (Deficit) - December 31	\$ 553,162	\$ 813,997	(\$ 667,853)	(\$ 3,947)	\$ 695,359	\$ 1,088,575

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

EXHIBIT C

CITY OF LEBANON

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

General and Special Revenue Fund Types

For The Fiscal Year Ended December 31, 1985

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$ 9,350,938	\$ 9,411,180	\$ 60,242	\$ 297,970	\$ 361,739	\$ 63,769	\$ 9,350,938	\$ 9,411,180	\$ 60,242
Intergovernmental Revenues	1,031,846	1,021,996	(9,850)				1,329,816	1,383,735	53,919
Licenses and Permits	754,400	756,634	2,234				754,400	756,634	2,234
Charges For Services	305,826	237,729	(68,097)	1,069,827	1,209,701	139,874	1,375,653	1,447,430	71,777
Miscellaneous	439,900	445,445	5,545	357,140	480,344	123,204	797,040	925,789	128,749
Other Financing Sources									
Interfund Transfers	365,692	419,506	53,814	98,919	98,919		464,611	518,425	53,814
Total Revenues and Other Sources	12,248,602	12,292,490	43,888	1,823,856	2,150,703	326,847	14,072,458	14,443,193	370,735
Expenditures									
General Government	1,524,888	1,406,564	118,324				1,524,888	1,406,564	118,324
Public Safety	1,278,066	1,245,791	32,275				1,278,066	1,245,791	32,275
Highways, Streets, Bridges	1,140,518	1,075,393	65,125				1,140,518	1,075,393	65,125
Sanitation	112,877	109,335	3,542	635,383	560,107	75,276	748,260	669,442	78,818
Health	133,926	133,002	924				133,926	133,002	924
Welfare	72,130	95,267	(23,137)				72,130	95,267	(23,137)
Culture and Recreation	282,697	294,012	(11,315)				282,697	294,012	(11,315)
Debt Service									
Principal	339,508	339,408	100	62,200	62,200		401,708	401,608	100
Interest	428,867	444,987	(16,120)	63,017	63,017		491,884	508,004	(16,120)
Capital Outlay	369,871	287,309	82,562				369,871	287,309	82,562
Water Department				503,670	509,779	(6,109)	503,670	509,779	(6,109)
Regional Airport				416,199	323,478	92,721	416,199	323,478	92,721
Community Development Block Grant					119,034	(119,034)		119,034	(119,034)
Other Uses									
Interfund Transfers	166,219	166,219		371,770	362,167	9,603	537,989	528,386	9,603
Intergovernmental Transfers	6,719,874	6,719,874					6,719,874	6,719,874	
Total Expenditures and Other Uses	12,569,441	12,317,161	252,280	2,052,239	1,999,782	52,457	14,621,680	14,316,943	304,737
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Note 1D)									
	(320,839)	(24,671)	296,168	(228,383)	150,921	379,304	(549,222)	126,250	675,472
Fund Balances - January 1	577,833	577,833		663,076	663,076		1,240,909	1,240,909	
Fund Balances - December 31	\$ 256,994	\$ 553,162	\$296,168	\$ 434,693	\$ 813,997	\$379,304	\$ 691,687	\$ 1,367,159	\$475,472

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

EXHIBIT D

CITY OF LEBANON

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

All Trust Funds

For The Fiscal Year Ended December 31, 1985

	City Trust Funds		Capital Reserve Funds	School Trust Funds	Totals (Memorandum Only) December 31, 1985	December 31, 1984
	Expendable	Nonexpendable				
<u>Revenues</u>						
New Funds	\$28,040	\$ 11,106	\$ 49,575	\$ 2,700	\$ 41,846	\$ 39,472
Interest and Dividend Income	31,160			6,579	87,314	75,520
<u>Other Financing Sources</u>			182,300		182,300	258,418
Interfund Transfers			231,875	9,279	311,460	373,410
<u>Total Revenues and Other Sources</u>	59,200	11,106				
<u>Expenditures</u>						
Scholarships				4,272	4,272	2,642
Recreation	27,156				27,156	
Other	41				41	
<u>Other Uses</u>						
Interfund Transfers	32,043		115,692		147,735	202,216
<u>Total Expenditures and Other Uses</u>	59,240		115,692	4,272	179,204	204,858
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	(40)	11,106	116,183	5,007	132,256	168,552
<u>Fund Balances - January 1</u>	6,814	336,066	575,501	82,285	1,000,666	832,114
<u>Fund Balances - December 31</u>	\$ 6,774	\$347,172	\$691,684	\$87,292	\$1,132,922	\$1,000,666

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

CITY OF LEBANON
Statement of Changes in Financial Position
Nonexpendable Trust Funds
For The Fiscal Year Ended December 31, 1985

	<u>Fiduciary Fund Type Nonexpendable Trust Funds</u>	<u>Totals (Memorandum Only) December 31, 1984</u>
<u>Sources of Working Capital</u>		
New Funds	<u>\$11,106</u>	<u>\$35,467</u>
<u>Net Increase in Working Capital</u>	<u>\$11,106</u>	<u>\$11,106</u>
<u>Elements of Net</u>		
<u>Increase In Working Capital</u>		
Cash	<u>\$11,106</u>	<u>\$35,467</u>
<u>Net Increase In Working Capital</u>	<u>\$11,106</u>	<u>\$35,467</u>

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

COMBINING
AND
INDIVIDUAL FUND STATEMENTS

EXHIBIT A-1
CITY OF LEBANON
All Special Revenue Funds
Combining Balance Sheet
December 31, 1985

	Federal Revenue Sharing	Water Department	Sewer Department	Regional Airport	Community Development Block Grant	Totals	
						December 31, 1985	December 31, 1984
<u>ASSETS</u>							
Cash and Equivalents	\$ 3	\$323,720	\$134,139	\$193,341	\$7,383	\$658,586	\$565,985
Receivables (Net of Allowance For Uncollectables)		13,393	21,249	61,140		95,782	70,538
Accounts			54,875			54,875	5,991
Accrued Interest				9,272		56,789	58,742
Special Assessments Receivable	47,517			52,152		52,152	52,217
Due From Other Governments						3,114	
Due From Other Funds							
Due From Others							
TOTAL ASSETS	\$47,520	\$340,227	\$210,263	\$315,905	\$7,383	\$921,298	\$753,473
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Accounts Payable	\$ 860		\$ 456	\$ 1,905	\$2,500	\$ 5,721	\$ 4,741
Due To Other Funds			17,500			47,517	67,812
Due To Other Governments						17,500	17,000
Accrued Interest Payable			36,563			36,563	58
Deferred Revenue			54,519	1,905		107,301	25
Total Liabilities	47,517	860	11,088	3,662	1,156	19,534	90,377
Fund Balances							
Reserved For Loan Guarantees							1,381
Reserved For Encumbrances							79,603
Unreserved		4,784					
Designated For Water System Expansion		280,816					78,592
Undesignated	3	53,767	144,656	310,338	3,727	512,491	503,491
Total Fund Balances	3	339,367	155,744	314,000	4,883	813,997	663,077
TOTAL LIABILITIES AND FUND BALANCES	\$47,520	\$340,227	\$210,263	\$315,905	\$7,383	\$921,298	\$753,473

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

EXHIBIT A-2
CITY OF LEBANON
All Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For The Fiscal Year Ended December 31, 1985

	<u>Federal Revenue Sharing</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Regional Airport</u>	<u>Community Development Block Grant</u>	<u>Totals Year Ended December 31, 1985</u>	<u>December 31, 1984</u>
<u>Revenues</u>							
Intergovernmental Revenues	\$193,833					\$ 361,739	\$ 349,172
Local Sources	1,058	155,595	66,093	236,061	21,537	480,344	169,684
Charges For Services		533,066	502,562	174,073		1,209,701	1,280,283
<u>Other Financing Sources Interfund Transfers</u>		<u>78,919</u>	<u>20,000</u>			<u>98,919</u>	<u>60,000</u>
<u>Total Revenues and Other Sources</u>	<u>194,891</u>	<u>767,580</u>	<u>588,655</u>	<u>477,040</u>	<u>122,537</u>	<u>2,150,703</u>	<u>1,859,139</u>
<u>Expenditures (See Supporting Schedules 4 - 8)</u>		572,699	560,107	385,775	119,034	1,637,615	1,506,565
<u>Other Uses Interfund Transfers</u>	<u>240,397</u>	<u>58,000</u>	<u>57,000</u>	<u>6,770</u>		<u>362,167</u>	<u>504,620</u>
<u>Total Expenditures and Other Uses</u>	<u>240,397</u>	<u>630,699</u>	<u>617,107</u>	<u>392,545</u>	<u>119,034</u>	<u>1,999,782</u>	<u>2,011,185</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>(45,506)</u>	<u>136,881</u>	<u>(28,452)</u>	<u>84,495</u>	<u>3,503</u>	<u>150,921</u>	<u>(152,566)</u>
<u>Fund Balances - January 1</u>	<u>45,509</u>	<u>202,486</u>	<u>184,196</u>	<u>229,505</u>	<u>1,380</u>	<u>663,076</u>	<u>815,122</u>
<u>Fund Balances - December 31</u>	<u>\$ 3</u>	<u>\$339,367</u>	<u>\$155,744</u>	<u>\$314,000</u>	<u>\$ 4,883</u>	<u>\$ 813,997</u>	<u>\$ 663,556</u>

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

EXHIBIT B-1
CITY OF LEBANON
All Capital Projects Funds
Combining Balance Sheet
December 31, 1985

ASSETS	Airport Improvements Project	Library Expansion Project	Reservoir Project	Airport Land Acquisition	Totals December 31, 1985	December 31, 1984
Cash and Equivalents	\$ 16,703	\$60,644	\$ 836,487	\$3,741	\$ 917,575	\$132,597
Receivables						
Accrued Interest	105,531				105,531	5,562
Due From Other Governments	7,046				7,046	365,051
Due From Other Funds						85,225
Prepaid Expenses						13,784
TOTAL ASSETS	\$129,280	\$60,644	\$ 836,487	\$3,741	\$1,030,152	\$602,219

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	\$	\$	\$	\$	\$	\$
Accounts Payable	25,076		22,316		22,316	88,771
Contracts Payable			62,073		87,149	3,226
Accrued Interest Payable	52,152		36,388		36,388	77,960
Due To Other Funds					52,152	124,963
Deferred Revenue						
Federal/State Grants and						
Bond Anticipation Notes Payable	77,228		1,500,000		1,500,000	412,0
Total Liabilities	<u>154,456</u>		<u>1,620,777</u>		<u>1,698,005</u>	<u>706,9</u>
<u>Fund Balances</u>						
Reserved For Encumbrances			597,019		597,019	
Unreserved		60,644		3,741	116,437	76,92
Designated For Capital Projects	52,052		(1,381,309)		(1,381,309)	(181,62)
Undesignated	52,052	60,644	(786,290)	3,741	(667,853)	(104,70)
Total Fund Balances	<u>52,052</u>	<u>60,644</u>	<u>(786,290)</u>	<u>3,741</u>	<u>(667,853)</u>	<u>(104,70)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$129,280	\$60,644	\$ 836,487	\$3,741	\$1,030,152	\$602,219

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

EXHIBIT B-2
CITY OF LEBANON
All Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For The Fiscal Year Ended December 31, 1985

	Route 12A Sewer Project	Airport Improvements Project	Library Expansion Project	Elm Street Separation Project	Reservoir Project	Airport Land Acquisition	Totals Year Ended December 31, 1985	Totals Year Ended December 31, 1984
Revenues								
Intergovernmental Revenues	\$21,241	\$59,209	\$32,084	\$2,998	\$37,018	\$25	\$80,450	\$1,462,706
Local Sources		1,539					73,664	48,514
Other Financing Sources								
Interfund Transfers	2,219			300,000		6,770	8,989	206,947
Long-Term Note Proceeds							300,000	
Total Revenues and Other Sources	<u>23,460</u>	<u>60,748</u>	<u>32,084</u>	<u>302,998</u>	<u>37,018</u>	<u>6,795</u>	<u>463,103</u>	<u>1,718,167</u>
Expenditures								
General Contract		57,909	2,458	45,978	620,732		727,077	1,891,124
Engineering Fees		26,970	3,238		151,716		181,924	118,024
Furniture and Fixtures			15,740	4,645	32,731		15,740	11,306
Interest Expense		682	13,546	1,250	16,129	3,054	38,058	
Other		56					34,035	32,000
Other Uses								
Interfund Transfers	29,312			109			29,421	10,911
Intergovernmental Transfers								12,734
Total Expenditures and Other Uses	<u>29,312</u>	<u>85,617</u>	<u>34,982</u>	<u>51,982</u>	<u>821,358</u>	<u>3,054</u>	<u>1,026,255</u>	<u>2,076,374</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(5,852)</u>	<u>(24,869)</u>	<u>(2,898)</u>	<u>251,016</u>	<u>(784,290)</u>	<u>3,741</u>	<u>(563,152)</u>	<u>(358,207)</u>
Fund Balances (Deficit) - January 1	<u>5,852</u>	<u>76,921</u>	<u>63,542</u>	<u>(251,016)</u>			<u>(104,701)</u>	<u>253,500</u>
Fund Balances (Deficit) - December 31	<u>\$ -0-</u>	<u>\$52,052</u>	<u>\$60,644</u>	<u>\$ -0-</u>	<u>(\$784,290)</u>	<u>\$3,741</u>	<u>(\$ 667,853)</u>	<u>(\$ 104,701)</u>

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

EXHIBIT C-1
 CITY OF LEBANON
 All Special Assessment Funds
 Combining Balance Sheet
 December 31, 1985

	Route 12A Sewer Improvements	Rolling Ridge/ Maple Hill Roads Betterment	Totals	
<u>ASSETS</u>	December 31, 1985	December 31, 1984	December 31, 1985	December 31, 1984
Cash and Equivalents	\$ 9,557	\$	\$ 9,557	\$ 1,874
Special Assessments Receivable	12,500	231	12,731	36,341
Deferred	22,057	231	22,288	38,215
TOTAL ASSETS	44,114	462	44,576	76,430
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Due To Other Funds	\$ 13,750	\$12,485	\$12,485	\$46,007
Deferred Revenue	13,750	12,485	13,750	39,841
Total Liabilities	27,500	24,970	26,235	85,848
Fund Balance	8,307	(12,254)	(3,947)	(47,633)
Unreserved				
Undesignated				
TOTAL LIABILITIES AND FUND BALANCES	35,807	12,716	22,288	38,215

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

EXHIBIT C-2
CITY OF LEBANON
All Special Assessment Funds
Combining Statement of Revenues Expenditures and Changes in Fund Balances
For The Fiscal Year Ended December 31, 1985

	<u>Route 12A Sewer Improvements</u>	<u>Rolling Ridge/ Maple Hill Roads Betterment</u>	<u>Totals Year Ended</u>
			<u>December 31, 1985</u> <u>December 31, 1984</u>
<u>Revenues</u>			
Current Special Assessments	\$15,024	\$ 5,492	\$20,129
Local Sources	22,759	146	262
<u>Other Financing Sources</u>			
Interfund Transfers		<u>6,584</u>	<u>13,683</u>
<u>Total Revenues and Other Sources</u>	<u>37,783</u>	<u>12,222</u>	<u>34,074</u>
<u>Expenditures</u>			
Road Improvements			38,159
<u>Other Uses</u>			
Interfund Transfers	<u>6,319</u>		<u>6,319</u>
<u>Total Expenditures and Other Uses</u>	<u>6,319</u>		<u>38,159</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	31,464	12,222	(4,085)
<u>Fund Balance (Deficit) - January 1</u>	<u>(23,157)</u>	<u>(24,476)</u>	<u>(43,548)</u>
<u>Fund Balance (Deficit) - December 31</u>	<u>\$ 8,307</u>	<u>(\$12,254)</u>	<u>(\$47,633)</u>

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

EXHIBIT D-1
 CITY OF LEBANON
 All Trust Funds
 Combining Balance Sheet
 December 31, 1985

ASSETS	City Trust Funds		Totals
	Expendable	Nonexpendable	
Cash and Equivalents	\$5,870	\$232,920	\$ 911,537
Investments, At Cost		114,252	127,189
Due From Other Funds	904		1,353
TOTAL ASSETS	\$6,774	\$347,172	\$1,040,079

	December 31, 1985	December 31, 1984
Capital Reserve Funds	\$727,868	
School Trust Funds	\$70,808	
	16,484	
	904	
TOTAL LIABILITIES AND FUND BALANCES	\$87,292	\$1,040,079

LIABILITIES AND FUND BALANCES

Liabilities			
Due To Other Governments	\$	\$	\$ 33,009
Due To Developers			6,404
Total Liabilities			39,413
Fund Balances			
Reserved For Endowments (Note 6)	6,774	347,172	425,165
Unreserved			
Designated For			
Capital Acquisitions (Note 4)	691,684	691,684	575,501
Total Fund Balances	691,684	1,132,922	1,000,666
TOTAL LIABILITIES AND FUND BALANCES	\$6,774	\$347,172	\$1,040,079

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

CITY OF LEBANON
 Agency Fund
 Statement of Changes in Assets and Liabilities
 For The Fiscal Year Ended December 31, 1985

<u>Developers Performance Bond Fund</u>	<u>Balance January 1, 1985</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1985</u>
<u>ASSETS</u>				
Cash	\$6,404	\$180	\$6,584	\$-0-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>LIABILITIES</u>				
Due To Developers	\$6,404	\$180	\$6,584	\$-0-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of these financial statements.

A. Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the City.

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Included in this fund type are Federal Revenue Sharing, Water and Sewer Departments, Regional Airport, and Community Development Block Grant funds.

Capital Projects Funds - Transactions related to resources obtained and used for the acquisition, construction or improvement of capital facilities are accounted for in Capital Projects Funds. Such resources are derived principally from proceeds of long-term notes or bonds and from federal and state grants.

Special Assessment Fund - Special Assessment Fund account for the financing of sewer and road improvements deemed to benefit the properties against which special assessments are levied.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for the assets held in trust or as an agent by the City for others.

B. Account Groups (Fixed Assets and Long-Term Liabilities) .

All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

General fixed assets have been acquired for general governmental purposes and have been recorded as expenditures in the fund making the expenditure. These expenditures are required to be capitalized at historical cost in a General Fixed Asset Group of Accounts for accountability purposes. In accordance with the practices followed by other municipal entities in the State, the City does not maintain a record of its general fixed assets and accordingly, a statement of general fixed assets, required by generally accepted accounting principles, is not included in this financial report.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. This account group is not a fund. It is concerned only with the measurement of financial position and not results of operations. Since they do not affect net current assets, such long-term liabilities are not recognized as governmental fund type liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

C. Basis of Accounting

The accounts of the General, Special Revenue, Capital Projects, Special Assessment, and Expendable Trust Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, sources of financial resources and assets are recognized when measurable and available to finance operations during the year. Uses of financial resources and liabilities are recognized when obligations are incurred from receipt of goods and services, when assessments are made by the

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

State or in the case of judgments and claims against the City, when there is a probability that such judgments and claims will result in liabilities, the amounts of which can be reasonably estimated. Exceptions to this general rule include: 1) accumulated unpaid vacation and sick pay, and 2) principal and interest on general long-term debt which is recognized when due. All Nonexpendable Trust and Agency funds are accounted for using the accrual basis of accounting.

D. Budgetary Accounting

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the City's operations. The budget represents departmental appropriations as authorized by the City Council and transfers may be made between operating categories as deemed necessary. State Statutes require balanced budgets but provide for the use of beginning fund balance to achieve that end. In 1985, beginning fund balance was applied as follows:

General Fund

Unreserved Fund Balance	
Used To Reduce Tax Rate	\$196,000
Beginning Fund Balance -	
Reserved For Encumbrances	<u>124,839</u>
Total Use of Beginning Fund Balance	\$320,839

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures and are therefore reported as part of the fund balance at December 31 and are carried forward to supplement appropriations of the subsequent year. The reserve for encumbrances at December 31 consists of the following:

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

<u>General Fund</u>	
City Office Expense	\$ 511
Revaluation	109,668
General Government Buildings	473
Planning and Zoning	31
Engineering Department	8,813
Fire Department	419
Highway Maintenance	26,802
Library	48
Civic Memorial Field	9,850
Building Improvements	53,134
Highway Vehicles	<u>22,795</u>
<u>Total General Fund Encumbrances</u>	<u>\$232,544</u>
<u>Special Revenue Funds</u>	
<u>Water Department</u>	
Chemicals	\$ 2,060
Buildings and Grounds	2,532
Process Equipment	<u>192</u>
	\$ 4,784
<u>Sewer Department</u>	
Equipment and Maintenance	\$ 4,014
Composting Project	2,074
Storm Sewer Separation	<u>5,000</u>
	11,088
<u>Regional Airport</u>	
Noise Study	\$ 3,388
Equipment and Maintenance	<u>274</u>
	<u>3,662</u>
<u>Total Special</u>	
<u>Revenue Fund Encumbrances</u>	<u>\$ 19,534</u>
<u>Capital Projects Fund</u>	
Reservoir Project	
- Incomplete Contracts	<u>\$597,019</u>

F. Investments

Investments in all instances are stated at cost, or in the case of donated investments, at market value at the time of bequest or receipt.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

G. Inventories

Inventory in the General and Special Revenue funds consists of expendable supplies held for consumption. The cost thereof has been recorded as an expenditure at the time individual inventory items were purchased.

H. Accumulated Unpaid Vacation and Sick Pay

Accumulated unpaid vacation and sick pay is not accrued in the governmental funds using the modified accrual basis of accounting. Employees may accumulate unlimited sick leave at a rate of a day and a quarter per month. Vacation is granted in varying amounts based on length of service. On December 31, 1985, unrecorded General and Special Revenue Fund liabilities included approximately \$518,502 sick pay. Vacation pay accumulation does not exceed a normal year's allowance.

I. Taxes Collected For Others

The property taxes collected by the City include taxes levied for the Lebanon School District and Grafton County which are remitted to these governmental units as required by law. The ultimate responsibility for the collection of taxes rests with the City.

J. Property Taxes

The National Council on Governmental Accounting, Interpretation 3, referring to property tax revenue recognition, requires disclosure if property taxes receivable, which are to be collected beyond a period of 60 days subsequent to December 31, 1985, are recognized on the balance sheet and not reserved. In accordance with the practice followed by other municipal entities in the State of New Hampshire, the City of Lebanon annually recognizes, without reserve, all tax receivables at the end of the fiscal year. The City feels this practice of accrual is justified as it more appropriately matches the liability to the school district entity at December 31, with collections which are intended to finance these payments through June 30 of the following year.

Annually, the City establishes and raises through taxation an amount for abatements and refunds of property and resident taxes known as overlay. All abatements and refunds are charged to this account. The amount raised in 1985 was \$59,469 and expenditures amounted to \$107,520.

As prescribed by law, the Tax Collector sells at tax sale all uncollected property taxes in the following year after taxes are due. The purchaser at tax sale has a priority tax lien on these properties and accrues interest at 18% per annum. Delinquent taxpayers must redeem property from tax sale purchasers.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

Property is sold to the party who will accept a lien for the least undivided interest in the property for payment of taxes and related costs due. If property is not redeemed within the two year redemption period, the property is tax-deeded to the lien holder.

K. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services and fund capital outlay. The accompanying governmental and fiduciary fund financial statements reflect such transactions as transfers.

L. Interfund Receivable and Payable Balances

Individual fund interfund receivable and payable balances at December 31, 1985 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 60,002	\$ 904
<u>Special Revenue Funds</u>		
Regional Airport	52,152	
Federal Revenue Sharing		47,517
<u>Capital Projects Fund</u>		
Airport Improvements Project		52,152
<u>Trust and Agency Funds</u>		
Trust Funds	904	
<u>Special Assessment Fund</u>		
Rolling Ridge/Maple		
Hill Roads Betterment		12,485
<u>Totals</u>	<u>\$113,058</u>	<u>\$113,058</u>

NOTE 2 - CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the fiscal year ended December 31, 1985.

	<u>General Obligation Debt</u>
Long-term Debt	
Payable January 1, 1985	\$4,041,234
<u>Addition</u>	
Elm Street Separation Project	300,000

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

Long-term Debt Retired	(<u>\$ 401,608</u>)
Long-term Debt Payable December 31, 1985	<u>\$3,939,626</u>

Long-term debt payable at December 31, 1985 is comprised of the following individual issues:

General Obligation Bonds and Notes

\$425,000 1967 Urban Development Bonds due in annual installments of \$20,000 through April 1, 1987; interest at 3.70%	\$ 40,000
\$165,000 1974 West Lebanon Fire Station Bonds due in annual installments of \$8,300 through 1984 and \$8,200 through September 1, 1994; interest at 5.00%	73,800
\$4,000,000 1975 Water Pollution Control Bonds due in annual installments of \$200,000 through May 1, 1995; interest at 6.125%	2,000,000
\$350,000 1975 City Hall Renovation Bonds due in annual installments of \$17,500 through August 1, 1995; interest at 5.00%	175,000
\$277,083 1978 Industrial Park Sewer Notes due in annual installments of \$27,708 through November 16, 1988; interest at 5.70%	83,126
\$542,000 1980 Water Main Construction Bonds due in annual installments of \$40,000 to \$35,000 through July 1, 1995; interest at 5.50% to 8.25% (This issue is being serviced by the Water Department Fund)	350,000

NOTES TO THE FINANCIAL STATEMENTSDecember 31, 1985

\$706,300 1982 Airport Improvement Bonds due in annual installments of \$27,200 through 1995 and \$27,100 through 2008; interest at 5.00% (This issue is being serviced by the Airport Fund)	\$ 624,700
\$260,000 1983 Library Expansion Notes due in annual installments of \$26,000 through May 31, 1993; interest at 8.25%	208,000
\$125,000 1984 Highway Equipment Notes due in two installments of \$40,000 and one installment of \$45,000 through 1987; interest at 7.48%	85,000
\$300,000 1985 Elm Street Sewer Project Bonds due in annual installments of \$30,000 through February 15, 1995; interest at 7.80%	<u>300,000</u>
<u>Total</u>	<u>\$3,939,626</u>

The annual requirements to amortize all debt outstanding as of December 31, 1985, including interest payments, are as follows:

Annual Requirements To Amortize Long-Term Debt

<u>Year Ending</u> <u>December 31</u>	<u>General Obligation Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1986	\$ 431,609	\$ 232,373	\$ 663,982
1987	436,608	205,300	641,908
1988	371,609	180,067	551,676
1989	343,900	156,815	500,715
1990	343,900	135,078	478,978
1991-2008	<u>2,012,000</u>	<u>464,915</u>	<u>2,476,915</u>
<u>Totals</u>	<u>\$3,939,626</u>	<u>\$1,374,548</u>	<u>\$5,314,174</u>

All debt is general obligation debt of the City, which is backed by its full faith and credit.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

NOTE 3 - CAPITAL PROJECTS FUNDS

A. Projects Deficits

The deficit in the Capital Projects Funds at December 31, 1985 is as follows:

Reservoir Project	<u>\$784,290</u>
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This deficit arises because of the application of generally accepted accounting principles to the financial reporting for such funds. Bonds or notes authorized to finance the project are not recognized in the financial statements until issued.

B. Bonds or Notes Authorized - Unissued

Bonds or notes authorized - unissued at December 31, 1985 are as follows:

<u>Project</u>	<u>Council Authorization Date</u>	<u>Amount Authorized</u>
Reservoir Project	March 30, 1985	<u>\$2,500,000</u>

C. Federal/State Grants and Bond Anticipation Notes Payable

<u>Project</u>	<u>Amount</u>	<u>Due Date</u>	<u>Rate(%)</u>
Reservoir Project	<u>\$1,500,000</u>	June 27, 1986	4.67

NOTE 4 - CAPITAL RESERVE FUNDS

The Capital Reserve Fund balances held by the Trustees of Trust Funds at December 31, 1985 are as follows:

<u>Purpose</u>	<u>Amount</u>
Ambulance	\$ 3,767
Cemetery Improvements	38,821
Cemetery Equipment	10,969
Fire Department Equipment	69,487
Highway Department Equipment	48,633
Highway Garage	64,809
Reappraisal of Property	55,470
Riverdale Bridge	41,849
Sanitary Landfill Equipment	50,755
Sanitary Landfill - Close-Out Expense	25,008

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

Sewer Department Equipment	\$156,427
Water Department Equipment	21,486
Water Department Reservoir/Storage	<u>104,203</u>
<u>Total Capital Reserve Funds</u>	<u>\$691,684</u>

NOTE 5 - PENSION PLAN

The City participates in the State of New Hampshire Retirement System. The City's contribution for normal cost of the plan is based upon an actuarial valuation of the entire State plan. Since the actuarial valuation is performed on the entire State plan the amount, if any, of the excess of vested benefits over pension fund assets is not available.

Prior to 1980, only full-time police and firemen were covered under this plan. The City voted to include all employees in 1980. As a result, in order to provide full prior service credit (to a maximum of 10 years for each employee), the City has an accrued liability of approximately \$206,718, which is payable at a cost of \$15,057 annually. Pension costs to the City, exclusive of the accrued liability, were \$143,872 in 1985. The City also paid \$2,088 to the International City Managers' Association and \$1,470 towards the Employee Money Purchase Pension Plan. This plan is presently being administered by M.M.L. Benefit Plan Services, Inc. and all contributions are deposited into a group annuity contract with Maccabees Mutual Life Insurance Company.

NOTE 6 - TRUST FUNDS

The principal amount of all nonexpendable trust funds is restricted either by law or by terms of individual bequests in that only income earned may be expended. The City's nonexpendable and expendable trust funds at December 31, 1985 are detailed as follows:

<u>Purpose</u>	<u>Nonexpendable</u>	<u>Expendable</u>
Cemetery Perpetual Care	\$295,081	\$
Library	48,163	904
Bicentennial Fund	498	430
Civic Award Fund	1,416	1,166
Flag Fund	587	670
Old Ladies Fund	1,427	2,482
Parks and Recreation	<u> </u>	<u>1,122</u>
<u>Totals</u>	<u>\$347,172</u>	<u>\$6,774</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1985

The City Trustees are also custodians of the School District trust funds and the District is a separate governmental entity for reporting purposes. The balance of these funds was \$87,292 at December 31, 1985.

NOTE 7 - LITIGATION

There are various claims and suits pending against the City which arise in the normal course of the City's activities. In the opinion of the City Attorney, the City faces little or no financial liability with regard to these matters.

NOTE 8 - OPERATING LEASE AGREEMENT

During 1985, the City entered into a lease-purchase agreement for financing the acquisition of a telephone system. The period covers five (5) years, and payments amount to \$5,354 annually. A refund of \$3,500 was received from the vendor and applied to the last eight (8) lease payments, thereby reducing the term of the lease to fifty-two (52) monthly payments at \$446.

SUPPLEMENTAL

SCHEDULES

CITY OF LEBANON
General Fund
Statement of Estimated and Actual Revenues
For The Fiscal Year Ended December 31, 1985

<u>REVENUES</u>	<u>Estimated</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<u>Taxes</u>			
Property and Inventory	\$ 9,171,858	\$ 9,208,784	\$36,926
Resident	81,180	85,041	3,861
National Bank Stock	3,800	3,520	(280)
Yield	2,000	12,481	10,481
Boat	2,100	2,151	51
Land Use Change	15,000	41,498	26,498
Interest and Penalties On Taxes	75,000	57,705	(17,295)
Total Taxes	9,350,938	9,411,180	60,242
 <u>Intergovernmental Revenues</u>			
<u>State</u>			
Shared Revenue	258,169	258,169	
Railroad Tax	3,030	3,030	
State Aid Water Pollution Projects	143,189	143,189	
Business Profits Tax	485,329	485,329	
Highway Block Grant	132,279	132,279	
<u>Federal Sources</u>			
Land and Water Conservation Fund	9,850		(9,850)
Total Intergovernmental Revenues	1,031,846	1,021,996	(9,850)
 <u>Licenses and Permits</u>			
Motor Vehicle Permit Fees	650,000	648,096	(1,904)
Dog Licenses	2,000	1,674	(326)
Business Licenses, Permits and Fees	35,000	38,188	3,188
Building Permits	55,000	56,776	1,776
Fees and Applications	12,400	11,900	(500)
Total Licenses and Permits	754,400	756,634	2,234
 <u>Charges For Services</u>			
Income From Departments	136,326	72,663	(63,663)
Rent of City Property	5,500	5,854	354
Sanitary Landfill	140,000	134,451	(5,549)
Dispatch Center	24,000	24,761	761
Total Charges For Services	305,826	237,729	(68,097)

SCHEDULE 1 (Continued)
 CITY OF LEBANON
 General Fund
 Statement of Estimated and Actual Revenues
 For The Fiscal Year Ended December 31, 1985

<u>REVENUES</u>	<u>Estimated</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<u>Miscellaneous Revenues</u>			
Interest On Deposits	\$ 325,000	\$ 309,257	(\$15,743)
Sale of City Property	88,000	89,862	1,862
In Lieu of Taxes	1,900	15,361	13,461
Other Local Revenues	25,000	30,965	5,965
Total Miscellaneous Revenues	439,900	445,445	5,545
 <u>Other Financing Sources</u>			
<u>Operating Transfers In</u>			
Trust Fund Income		30,005	30,005
Withdrawals From Capital Reserve	115,692	115,692	
Capital Projects Fund		29,312	29,312
Sewer Assessment Fund		4,100	4,100
<u>Special Revenue Fund</u>			
Revenue Sharing Fund	250,000	240,397	(9,603)
Total Other Financing Sources	365,692	419,506	53,814
 <u>Total Revenues</u>	12,248,602	\$12,292,490	\$43,888
 <u>Fund Balance Used To Reduce Tax Rate</u>	196,000		
 <u>Total Revenues and Use of Fund Balance</u>	\$12,444,602		

SCHEDULE 2
CITY OF LEBANON
General Fund

Statement of Appropriations, Expenditures and Encumbrances
For The Fiscal Year Ended December 31, 1985

	Encumbered From 1984	Appropriations 1985	Expenditures Net of Refunds	Encumbered To 1986	(Over) Under Budget
General Government					
City Council Expense	\$ 4,691	\$ 257,850	\$ 233,950	\$ 511	\$23,900
City Office Expense		82,489	101,216		(14,547)
Election and Registration Expenses		3,244	2,776		468
Geneteries	148	107,955	98,374		9,729
General Government Buildings	23,401	60,906	92,741	473	(8,907)
Engineering Department	28	97,066	94,144	8,813	(5,863)
Planning and Zoning	4,530	10,796	17,813	31	(2,518)
Legal Expenses		22,152	33,582		(11,430)
Advertising and Regional Association		25,943	25,943		
Employee Benefits		313,406	264,066		49,340
Insurance		293,508	287,343		6,165
Public Transit		12,306	12,306		
Revaluation		145,000	34,790	109,668	542
Overlay		59,469	107,520		(48,051)
Total General Government	32,798	1,492,090	1,406,564	119,496	(1,172)
Public Safety					
Police Department	13,035	642,348	634,015		21,368
Fire Department		487,446	460,081	419	26,945
Dispatch Center		95,016	109,834		(14,818)
Building Inspection		24,095	24,140		(45)
Hydrant Rental		78,919	78,919		
Probation Officer		16,126	17,721		(1,595)
Stormwater Treatment		20,000	20,000		
Total Public Safety	13,035	1,363,950	1,344,710	419	31,856
Highways, Streets, Bridges					
General Highway Maintenance	59,006	1,072,062	1,066,010	26,802	38,256
Care of Trees	59,006	9,450	9,383		67
Total Highways, Streets, Bridges	59,006	1,081,512	1,075,393	26,802	38,323
Sanitation					
Solid Waste Disposal	11,822	101,055	109,355		3,542
Health					
Health Agency		35,072	35,072		
Ambulance		93,354	92,572		782
Animal Control		5,500	5,358		142
Total Health		133,926	133,002		924
Welfare					
General Assistance		45,630	67,431		(21,801)
Old Age Assistance		26,000	27,036		(1,036)
Other		500	800		(300)
Total Welfare		72,130	95,267		(23,137)

SCHEDULE 2 (Continued)
CITY OF LEBANON
General Fund

Statement of Appropriations, Expenditures and Encumbrances
For The Fiscal Year Ended December 31, 1985

	Encumbered From 1984	Appropriations 1985	Expenditures Net of Refunds	Encumbered To 1986	(Over) Under Budget
<u>Culture and Recreation</u>					
Library	\$ 22	\$ 136,795	\$ 140,989	\$ 48	(\$ 4,220)
Parks and Recreation	8,156	133,164	148,509		(7,189)
Patriotic Purposes		250	250		
Conservation Commission		4,310	4,264		46
Total Culture and Recreation	<u>8,178</u>	<u>274,519</u>	<u>294,012</u>	<u>48</u>	<u>(11,363)</u>
<u>Debt Service</u>					
Principal Of Long-Term Bonds and Notes		339,508	339,408		100
Interest Expense - Long-Term Bonds and Notes		194,200	188,314		5,886
Interest Expense - Tax Anticipation Notes		234,667	256,673		(22,006)
Total Debt Service		<u>768,375</u>	<u>784,395</u>		<u>(16,020)</u>
<u>Capital Outlay</u>					
Civic Memorial Field		19,700	15,480	9,850	9,850
Building Improvements		60,000	102,993	53,134	(8,614)
Highway Vehicles		121,390	115,596	22,795	(4,398)
Sanitary Landfill Loader		115,596	36,034		266
Cemetery Building and Equipment		36,300	17,206		(321)
Dispatch Center		16,885	287,309	85,779	(3,217)
Total Capital Outlay		<u>369,871</u>			
<u>Operating Transfers Out</u>					
Interfund Transfers		67,300	67,300		
Capital Reserve Fund					
Intergovernmental Transfers		6,217,145	6,217,145		
School District Assessment		502,729	502,729		
County Tax Assessment		6,787,174	6,787,174		
Total Operating Transfers Out		<u>\$12,444,602</u>	<u>\$12,317,161</u>	<u>\$232,544</u>	
<u>Total Appropriations</u>	<u>\$124,839</u>				

CITY OF LEBANON
General Fund

Statement of Changes in Unreserved - Undesignated Fund Balance
For The Fiscal Year Ended December 31, 1985

<u>Unreserved - Undesignated</u> Fund Balance - January 1, 1985	\$452,994	
<u>Unreserved - Undesignated</u> Fund Balance - December 31, 1985	<u>294,695</u>	
<u>Increase (Decrease) In</u> <u>Unreserved - Undesignated Fund Balance</u>		<u>(\$158,299)</u>

Analysis of Change

<u>Additions</u>		
1985 Budget Summary		
Revenue Surplus (Schedule 1)	\$ 43,888	
Unexpended Balance of Appropriations (Schedule 2)	<u>19,736</u>	
1985 Budget Surplus		\$ 63,624
<u>Deductions</u>		
Unreserved Fund Balance Used To Reduce 1985 Tax Rate	\$196,000	
Receivable Designated For Landfill Fund	<u>29,923</u>	
		(<u>221,923</u>)
<u>Net Increase (Decrease) In</u> <u>Unreserved - Undesignated Fund Balance</u>		<u>(\$158,299)</u>

SCHEDULE 4
 CITY OF LEBANON
 Special Revenue Fund
 Federal Revenue Sharing Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For The Fiscal Year Ended December 31, 1985

<u>Revenues</u>		
Entitlement Payments	\$193,833	
Interest Income	<u>1,058</u>	
 <u>Total Revenues</u>		 \$194,891
 <u>Expenditures</u>		
Police Salaries		<u>240,397</u>
 <u>Excess of Revenues Over (Under) Expenditures</u>		 (45,506)
 <u>Fund Balance - January 1</u>		 <u>45,509</u>
 <u>Fund Balance - December 31</u>		 \$ <u>3</u>

CITY OF LEBANON
Special Revenue Fund
Water Department Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1985

Revenues

Sales	\$436,181
Hydrant Rental	78,919
Sprinkler Charges	17,966
Interest Income	5,007
Water Investment Fees	202,224
Other	<u>27,283</u>

Total Revenues

\$767,580

Expenditures

Salaries and Wages	\$180,269
Employee Benefits	18,077
Office Expenses	4,322
Engineering Expenses	6,332
Insurance	19,678
Utilities and Fuel	73,479
Chemicals and Supplies	19,296
Vehicle and Equipment Expenses	48,600
Maintenance and Repairs	85,962
Capital Outlay	44,150
Debt Service	62,920
Other Expenses	9,614

Other Uses

Transfer To Capital Reserve Fund	<u>58,000</u>
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Total Expenditures and Other Uses

630,699

Excess of Revenues Over

<u>Expenditures and Other Uses</u>	136,881
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Fund Balance - January 1

202,486

Fund Balance - December 31

\$339,367

CITY OF LEBANON
Special Revenue Fund
Sewer Department Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1985

<u>Revenues</u>		
User Charges	\$476,399	
Sewer Connection Fees	17,590	
Interest Income	12,420	
Benefit Assessment	35,304	
Other	26,942	
 <u>Other Sources</u>		
<u>Interfund Transfers</u>		
General Fund	<u>20,000</u>	
 <u>Total Revenues and Other Sources</u>		 \$588,655
 <u>Expenditures</u>		
Salaries and Benefits	\$187,279	
Employee Benefits	20,369	
Office Expenses	2,322	
Utilities and Fuel	96,092	
Contracted Services	4,085	
Maintenance and Repairs	83,216	
Chemicals and Supplies	20,028	
Vehicle Expenses	2,931	
Engineering Expenses	7,019	
Capital Outlay	96,308	
Insurance	22,448	
User Charges To Town of Hanover	18,010	
 <u>Other Uses</u>		
Transfer To Capital Reserve Fund	<u>57,000</u>	
 <u>Total Expenditures and Other Uses</u>		 <u>617,107</u>
 <u>Excess of Revenues and</u>		
<u>Other Sources Over (Under)</u>		
<u>Expenditures and Other Uses</u>		(28,452)
 <u>Fund Balance - January 1</u>		 <u>184,196</u>
 <u>Fund Balance - December 31</u>		 <u>\$155,744</u>

CITY OF LEBANON
Special Revenue Fund
Regional Airport Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1985

<u>Revenues</u>		
Rents	\$106,316	
Landing Fees	67,757	
Parking Fees	43,839	
Concession Fees	69,781	
Fuel Sales	41,508	
Intergovernmental Revenues	66,906	
Sale of Property	66,644	
Interest Income	12,144	
Other	<u>2,145</u>	
<u>Total Revenues</u>		\$477,040
 <u>Expenditures</u>		
Salaries and Benefits	\$118,648	
Administration	6,039	
Postage and Supplies	3,971	
Utilities and Fuel	42,597	
Maintenance and Repairs	16,369	
Insurance	14,765	
Snow Removal	2,216	
Capital Outlay	39,041	
Vehicle and Equipment Expense	6,519	
Debt Service	62,297	
Noise Study (FAA Grant)	50,077	
Other Expenses	23,236	
 <u>Other Uses</u>		
Interfund Transfer	<u>6,770</u>	
<u>Total Expenditures and Other Uses</u>		<u>392,545</u>
 <u>Excess of Revenues Over</u>		
<u>Expenditures and Other Uses</u>		84,495
 <u>Fund Balance - January 1</u>		<u>229,505</u>
 <u>Fund Balance - December 31</u>		<u><u>\$314,000</u></u>

SCHEDULE 8
CITY OF LEBANON
Special Revenue Fund
Community Development Block Grant Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Fiscal Year Ended December 31, 1985

<u>Revenues</u>		
Federal Grant	\$101,000	
Program Income	<u>21,537</u>	
<u>Total Revenues</u>		\$122,537
<u>Expenditures</u>		
Administration	\$ 256	
Rehabilitation of Private Properties	<u>118,778</u>	
<u>Total Expenditures</u>		<u>119,034</u>
<u>Excess of Revenues Over Expenditures</u>		3,503
<u>Fund Balance - January 1</u>		<u>1,380</u>
<u>Fund Balance - December 31</u>		<u>\$ 4,883</u>

SCHEDULE 9
CITY OF LEBANON
Schedule of Federal Assistance
For The Fiscal Year Ended December 31, 1985

Federal Granting Agency	Federal Catalog Number	Grant Number	Balance January 1, 1985	Revenues			Expenditures	Balance December 31, 1985
				Federal	State	Local		
Department of the Treasury State and Local Government Fiscal Assistance - General Revenue Sharing	21.300	302005501	\$ 45,509	\$ 193,833	\$ 1,058	\$ 240,397	\$ 3	
Department of Transportation Airport Development Aid Program - FAA	21.102	6-33-0010-12		3,433		3,433		
		3-33-0010-001	76,921	44,984	1,539	85,617	52,052	
		1-33-0010-02-84	(2,864)	45,573	7,368	50,077		
		AIP3-33-0010-03						
Department of Housing and Urban Development Community Development	14.219	84-094-rr-hs		101,000	21,761	119,034	3,727	
Environmental Protection Agency Construction Grants For Wastewater Treatment Works	66.418	C330225-01	5,852		21,241	29,312		
Department of Commerce Economic Development - Grants and Loans For Public Works and Development Facilities	11.300	01-01-02727			37,018	821,308	(784,290)	
Totals			\$125,418	\$388,823	\$70,963	\$1,349,178	(\$728,508)	

City of Lebanon, New Hampshire Information Sheet

SAVE THIS PAGE FOR FUTURE REFERENCE

TO REPORT A FIRE	448-1212
POLICE EMERGENCY	448-1212
Road Problems and Snow Removal--call Dispatch	448-1212

City Manager and all Other Departments	448-4220
Water and Sewer Questions	448-1569
Recreation Programs	448-5121
Planning and Zoning questions	448-1451
Building Permits	448-1524
Lebanon Library	448-2459
West Lebanon Library	298-8544
Sanitary Landfill	298-7872
Tax Information	448-1524
City Clerk--Motor Vehicle Info, Births, Deaths, Marriages, Election Info	448-3054
Airport--Management Only (for flight and schedule info call specific airline)	298-8878
Other Agencies	
Lebanon Opera House	448-2498
Greater Lebanon Chamber of Commerce	448-1203
Housing Assistance--Lebanon Housing Authority	298-5753
Lebanon District Court	448-1297
State Motor Vehicle Registration Info	448-5408
Bus and Transit Service--Advance Transit	448-2815
Carter Community Bldg--Community Recreation	448-3055

Selected Hours:

City Hall:	Monday--Friday	8:00 A.M. to 4:00 P.M.
Sanitary Landfill:	Monday--Friday	8:30 A.M. to 4:20 P.M.
	Saturday	8:30 A.M. to 3:50 P.M.
Lebanon Library:	Monday--Friday	7:00 P.M. to 9:00 P.M.
	Saturday	10:00 A.M. to 5:00 P.M.
West Lebanon Library:	Monday--Saturday	1:00 P.M. to 5:00 P.M.
	Mon., Wed., Fri.	6:30 P.M. to 8:00 P.M.
	Thursday	10:00 A.M. to 12:00 noon

Recreation Department: Call for current programs and schedules.

City Council meets first and third Wednesdays of each month at 7:30 P.M. Agendas are published in the Valley News on the Monday preceding the meeting.

City of Lebanon
51 North Park Street
Lebanon, New Hampshire 03766

