

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF LACONIA, NEW HAMPSHIRE

FISCAL YEAR ENDED JUNE 30, 2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT CITY OF LACONIA, NEW HAMPSHIRE FISCAL YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION



January 19, 2020

Honorable Mayor and City Council
City of Laconia
Laconia NH 03246

Dear Council Members:

The comprehensive annual financial report of the City of Laconia for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of various funds, account groups, and component units of the City of Laconia. All disclosures necessary to enable the reader to gain an understanding of the City of Laconia's activities have been included.

This report is part of management's responsibility to keep the Council and the citizens informed. It is divided into three major sections.

1. An unaudited introductory section, including the transmittal letter, organization chart and list of principal elected officials acquaints the reader with the operations of the City.
2. A financial section, including the auditor's report on the financial statements and schedules, City management's discussion and analysis, and the financial statements as required under rules and standards established by the Governmental Accounting Standards Board. This includes government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) reporting information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the later are excluded from the government-wide financial statements. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.
3. An unaudited statistical section including financial and demographic data provides users with a broader understanding of the City and the trends in its financial affairs in that it presents some non-accounting data and covers more than one fiscal year.

Overview

The City of Laconia has operated under the Council-Manager form of government since 1971. The City Council is comprised of six members and an elected Mayor. The City Council is responsible for enacting ordinances, resolutions and regulations concerning the City, as well as for appointing the members of various statutory and advisory boards. As chief administrative officer, the City Manager is responsible for budget preparation, enforcement of ordinances and appointing and supervising the heads of departments of the City organization.

The City provides a full range of services, including police and fire protection, emergency medical services, public works operations, planning and zoning, code enforcement, health and welfare services, parks operation and maintenance, recreation and library services, solid waste collection and disposal, schools and general administrative services.

Water and sewer services are provided under an Enterprise Fund concept with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt.

Economic Condition and Outlook

The service sector continues to dominate Laconia's economy. New Hampshire's Economic and Labor Market Information Bureau reports that in the second quarter of 2019 a total of 81.1% of the City's employers were classified as 'Service Providing Industries', employing more than 9,400 persons and providing an average weekly wage of \$820.76. 'Retail Trade' and 'Accommodation and Food Services' also represented major portions of the economy, representing more than 200 employers employing more than 3,400 persons. The City's weekly average wage ranged from \$400.12 in the 'Accommodation and Food Services' sector to \$1,492.84 in the 'Professional and Technical Service' sector. The City's overall average wage was \$889.64/week.

Laconia's seasonally adjusted unemployment rate fell slightly, from 2.8% in June 2019 to 2.7% in June 2018. During this same period the State's overall unemployment rate also fell, from 2.7% to 2.5%. Unemployment rates in our neighboring states ranged from 3.1% in Massachusetts to 2.3% in Vermont. Nationally, the unemployment rate in June 2018 was 3.7%

FINANCIAL INFORMATION-GENERAL GOVERNMENTAL FUNCTIONS

Internal Control

Management is responsible for establishing and maintaining an internal control structure designed to make certain that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits require estimates. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

Budget Controls

Formal budgets are adopted for each department and are an integral part of the accounting system, providing management control over expenditures. Commitments which would result in over-expenditure for the City are not released until additional appropriations are made available. The head of any department, with the approval of the city manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within his department to another fund or agency within his department; the manager, with the approval of the Council, may transfer unencumbered appropriation balances or any portion thereof from one department to another. Council approval is required before total actual expenditures may exceed the total appropriation for the year.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Revenues

General Fund Revenues totaled \$62.8 million in fiscal year 2019; this represented an increase of 4.00% over fiscal year 2018. Major factors contributing to the increase include increases in motor vehicle fees, sale of land, and interest on deposits. The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2018 and the amount of increase or decrease in relation to prior year revenues.

Revenue		FY19		FY18		Change	% Change
Property Tax	\$	44,643,319	\$	42,926,292	\$	1,717,027	4.00%
Penalty, Interest, Other Taxes	\$	485,175	\$	814,505	\$	(329,330)	-40.43%
Charges for Services	\$	1,986,817	\$	2,148,567	\$	(161,750)	-7.53%
Intergovernmental	\$	9,954,625	\$	10,063,110	\$	(108,485)	-1.08%
Licenses & Permits	\$	3,476,994	\$	3,345,141	\$	131,853	3.94%
Fines & Forfeitures	\$	24,938	\$	29,760	\$	(4,822)	-16.20%
Investment Income	\$	372,060	\$	212,308	\$	159,752	75.25%
Miscellaneous	\$	1,835,233	\$	1,022,956	\$	812,277	79.40%
Total Revenues	\$	62,779,161	\$	60,562,639	\$	2,216,522	3.66%

Expenditures

Expenditures for the General Fund functions totaled \$62.2 million in fiscal year 2019, reflecting an increase of 2.66% from prior year expenditures.

Factors that contribute to the increase include transfers to reserve funds from the contingency account, debt service, street repairs and increases in Belknap County tax.

Expenses	FY19	FY18	Change	% Change
General Government	\$ 7,608,557	\$ 8,061,141	\$ (452,584)	-5.61%
Fire & Ambulance	\$ 4,450,213	\$ 4,479,404	\$ (29,191)	-0.65%
Police	\$ 6,411,441	\$ 5,747,450	\$ 663,991	11.55%
Education	\$ 30,826,646	\$ 29,792,919	\$ 1,033,727	3.47%
Highways & Streets	\$ 2,592,169	\$ 2,525,011	\$ 67,158	2.66%
Solid Waste	\$ 1,970,295	\$ 1,937,138	\$ 33,157	1.71%
Health & Welfare	\$ 149,169	\$ 142,622	\$ 6,547	4.59%
Parks & Recreation	\$ 831,918	\$ 752,909	\$ 79,009	10.49%
Library	\$ 862,015	\$ 851,618	\$ 10,397	1.22%
Conservation	\$ 2,587	\$ 1,953	\$ 634	32.46%
Capital Outlay	\$ 2,147,248	\$ 2,125,330	\$ 21,918	1.03%
Debt Service	\$ 4,382,506	\$ 4,202,325	\$ 180,181	4.29%
Total	\$ 62,234,764	\$ 60,619,820	\$ 1,614,944	2.66%

Fund Balance

Total fund balance for the general fund increased by \$563,273 from \$7,855,059 in FY18 to \$8,418,332 in FY19, as detailed below:

Use of fund balance as a funding source	\$ (835,000)
Revenues and transfers in excess of budget	620,608
Expenditures less than budget	115,695
Expenditures of prior year encumbrances	(18,310)
Change in capital reserves	<u>680,280</u>
Total	\$ 563,273

Proprietary Funds

The City's proprietary funds include two separate activities: Sanitary Sewer and Water Works.

Sanitary Sewer Fund: Revenues increased 3.6% or \$150,835 to \$4,300,129 for fiscal year 2019. Overall Operating Expenses increased \$25,447 or 0.7%, overall the Sanitary Sewer Fund Operating Income was \$609,255 for the year.

Water Works: The Water Works continues the project of replacing various water mains throughout the City in conjunction with the City's road capital improvement projects. Operating Revenues increased \$51,597 or 1.9% to \$2,745,761 over Fiscal Year 2018 revenues. Operating Expenses decreased \$226,305 or 7.8%. The overall net position for the Water Works increased by \$187,745 or 1.3% during the year.

Fiduciary Operations

Fiduciary Fund's net assets continued to improve this year due to favorable increases in market conditions.

Assessed Valuation

Total assessment valuations before exemptions increased from \$2.195 billion to \$2.286 billion, an increase of \$91 Million or 4.1%. There were no significant changes in the categories of the property within the City.

Debt Administration

The position of the general obligation bonds and notes as of the end of FY19 are as follows:

Institution	Year Issued and Purpose	Outstanding Balance as of June 30, 2019
NHMBB	2001 Capital Improvement	\$ 525,000
NHMBB	2001 School bonds/Elm/Pleasant	\$ 930,000
NHMBB	2002 Capital Improvement	\$ 400,000
NHMBB	2001 School Bonds - Woodland Heights	\$ 820,000
NHMBB	2004 City Library Bonds	\$ 550,000
NHMBB	2007 School Bonds - MMS	\$ 10,064,927
NHMBB	2010 Weirs Boardwalk	\$ 400,000
BNH	2011 Endicott Water/Boardwalk	\$ 339,000
BNH	2011 Huot Center (QZAB)	\$ 1,328,100
STATE	2010 Anthony Drive	\$ 130,590
BNH	2013 Fire Truck/DPW Bond	\$ 440,000
BNH	2012 Huot Center (QZAB)	\$ 3,537,000
Northway	2012 Huot Center (Northway)	\$ 750,000
Northway	2014 Smith Track/Weirs Cmty Park	\$ 425,000
BNH	2014 Huot Center (QZAB)	\$ 1,531,000
FSB	2015 Frank Bean, Fire Sta., Main St. Bridge GO Bonds	\$ 6,482,675
BNH	2018 LED Bond	\$ 180,000
BNH	2016-17 Lakeside, Messer, Endicott Rock (Bond A)	\$ 1,440,000
BNH	2016 Weirs TIF (Bond B)	\$ 1,449,761
Northway	2017-2018 Road Improvement Bond	\$ 2,250,000
FSB	2018 Series A - PD Radio Tower	\$ 700,000
FSB	2018 Series B - Streets, Sidewalks, Drainage	\$ 2,500,000
		\$ 37,173,053
NHMBB	2009 Water Works Bonds	\$ 785,000

The Water Works' general obligation bonds bear the full faith and credit of the City, but it is the intention of the Water Works to pay principal and interest on these bonds.

The City finances the majority of its debt through the local banks as well as with the NH Municipal Bond Bank.

Cash Management

The City of Laconia has incorporated financial policies for conducting the financial management of the City. The long-range policies regarding financial management are to exercise a discipline which allows the City to retain a sound financial condition, strive to retain the best possible rating on bonds, provide future generations with the ability to borrow capital without severe financial burden for construction of facilities and give recognition to the community's needs and ability to pay.

The City strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure efficient and profitable use of the City's cash resources. The City Council reviews and adopts an investment policy annually. Cash temporarily idle during the year is invested in commercial banks and saving banks certificates of deposits, and in U. S. Treasuries. During fiscal year 2018-2019, the majority of the deposits were either insured by federal depository insurance, collateralized at the Federal Reserve or covered by Federal Home Loan Bank lines of credit. The City also participates in the New Hampshire Public Deposit Investment Pool established in accordance with RSA 383:22-24.

OTHER INFORMATION

Independent Audit

The financial records and transactions of the City of Laconia have been audited by the independent public accounting firm of Melanson Heath & Company, PC as required by New Hampshire State Statute. In addition to meeting the requirements set forth in state statutes, the audit was also conducted in accordance with generally accepted auditing standards; the standards issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations and was used by the auditors in conducting the engagement. The auditor's report on the government-wide, governmental, proprietary and fiduciary fund statements and schedules are included in the financial section of this report.

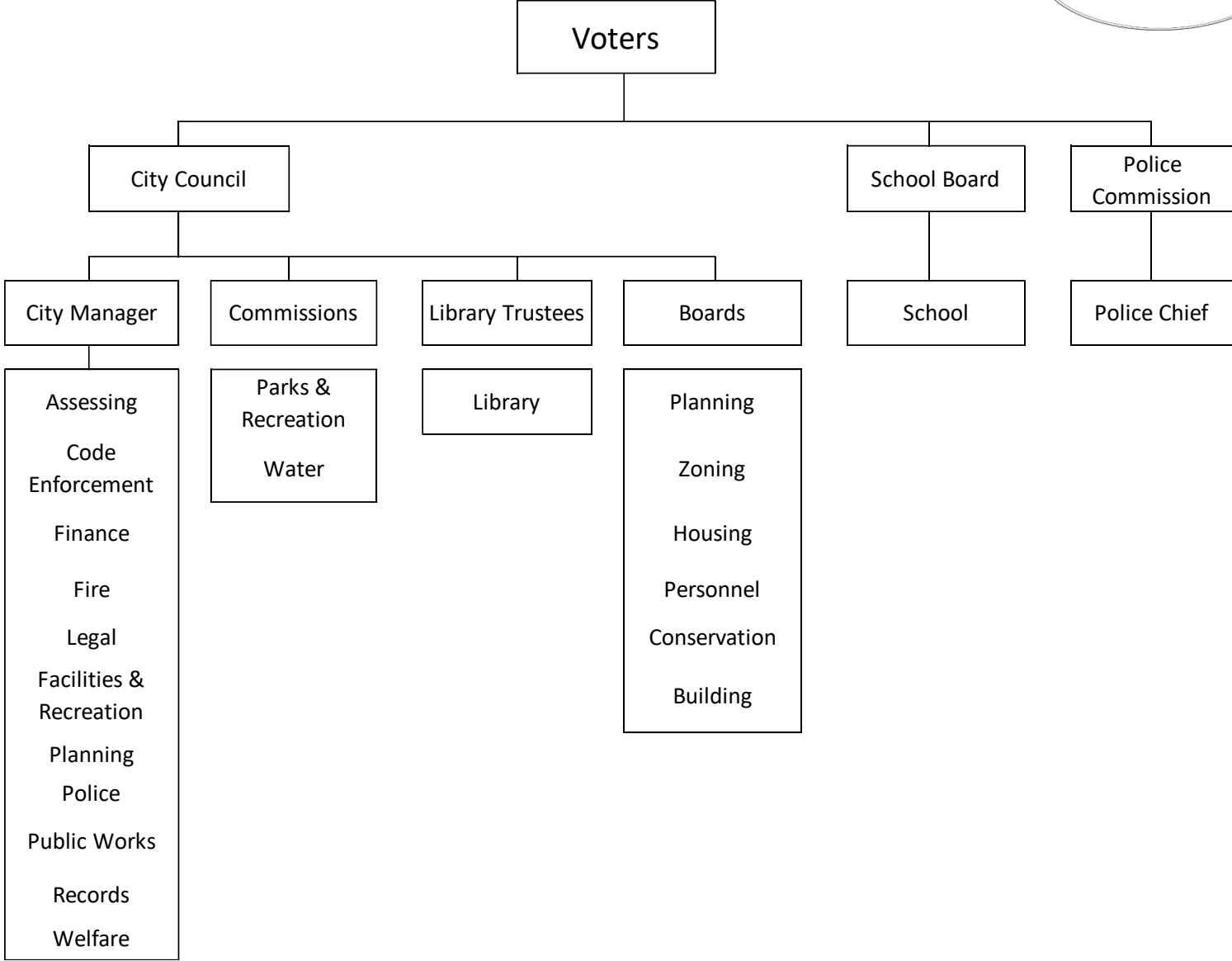
Acknowledgements

Our appreciation is extended to the various elected officials, department heads and employees responsible for the sound financial position of the City of Laconia and for their help in the preparation of this report. The City of Laconia encompasses a group of individuals who appreciate and respect the principles of fiscal restraint, and support planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

Glenn Smith
Finance Director

City of Laconia



**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL-MANAGER FORM OF GOVERNMENT
LISTING OF ELECTED CITY OFFICIALS
FOR THE FISCAL YEAR ENDING JUNE 30, 2019**

City Council

Elected: November 7, 2017

Term: January 8, 2018- December 31, 2019

Mayor: Edward Engler

Council Members:

Ward 1	Bruce Cheney
Ward 2	David Bownes
Ward 3	Henry Lipman
Ward 4	Mark Haynes
Ward 5	Robert Hamel
Ward 6	Andrew Hosmer

School Board:

Malcolm Murray, Chair	Term 2018 - 2021
Heather Lounsbury, Vice Chair	Term 2018 - 2021
Aaron Hayward	Term 2019 - 2022
Laura Dunn	Term 2019 - 2022
Dawn Johnson	Term 2017 - 2020
Bob Champlin	Term 2018 - 2021
Stacie Sirois,	Term 2017 - 2020

**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL - MANAGER FORM OF GOVERNMENT
CITY MANAGER AND APPOINTED DEPARTMENT HEADS
FOR THE YEAR ENDING JUNE 30, 2019**

CITY MANAGER:	Scott Myers
ASSESSOR:	Whitney Consulting Group
CITY CLERK:	Cheryl Hebert
CODE ENFORCEMENT DIRECTOR	Dean Trefethen
FIRE CHIEF:	Kirk Beattie
FINANCE DIRECTOR:	Glenn Smith
LIBRARY DIRECTOR:	Randy Brough
PUBLIC WORKS DIRECTOR:	Wesley Anderson
PLANNER/CD DIRECTOR:	Dean Trefethen
POLICE CHIEF:	Matt Canfield
REC. & FAC. DIRECTOR:	Amy Lovisek
TAX COLLECTOR:	Lindsey Allen
WELFARE DIRECTOR:	Glenn Smith
WATER WORKS:	Seth Nuttelman

**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL-MANAGER FORM OF GOVERNMENT
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Ward 3	Henry Lipman
Ward 4	Mark Haynes
Ward 5	Robert Hamel
Ward 6	Andrew Hosmer

School Board:

Malcolm Murray, Chair
Heather Lounsbury, Vice Chair
Aaron Hayward
Barbara Luther
Dawn Johnson
Bob Champlin
Stacie Sirois

CITY OF LACONIA, NEW HAMPSHIRE

**COUNCIL - MANAGER FORM OF GOVERNMENT
CITY MANAGER AND APPOINTED DEPARTMENT HEADS
FOR THE YEAR ENDING JUNE 30, 2019**

CITY MANAGER:	Scott Myers
ASSESSOR:	Whitney Consulting Group
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FIRE CHIEF:	Kirk Beattie
FINANCE DIRECTOR:	Glenn Smith
LIBRARY DIRECTOR:	Randy Brough
PUBLIC WORKS DIRECTOR:	Wesley Anderson
PLANNER/CD DIRECTOR:	Dean Trefethen
POLICE CHIEF:	Matt Canfield
REC. & FAC. DIRECTOR:	Amy Lovisek
TAX COLLECTOR:	Lindsey Allen
WELFARE DIRECTOR:	Glenn Smith
WATER WORKS:	Seth Nuttelman

FINANCIAL SECTION



CITY OF LACONIA, NEW HAMPSHIRE

Annual Financial Statements

For the Year Ended June 30, 2019

City of Laconia, New Hampshire

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Laconia, New Hampshire

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laconia, New Hampshire, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laconia, New Hampshire, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

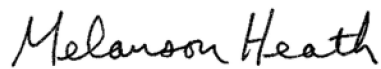
Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

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

January 21, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Laconia, New Hampshire (the City), we offer readers this narrative overview and analysis of the financial activities of the City of Laconia for the fiscal year ended June 30, 2019. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal

requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds.

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Specifically, internal service funds are used to account for capital acquisitions of vehicles and required maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets and deferred outflows exceeded liabilities and deferred inflows by \$51,266,258 (i.e., net position), a change of \$1,102,786 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$17,024,278, a change of \$1,180,741.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,257,131, a change of \$(101,740) in comparison to the prior year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	NET POSITION					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 45,713,613	\$ 43,566,058	\$ 7,520,177	\$ 8,815,206	\$ 53,233,790	\$ 52,381,264
Capital assets	<u>103,148,796</u>	<u>103,928,969</u>	<u>21,871,955</u>	<u>20,880,802</u>	<u>125,020,751</u>	<u>124,809,771</u>
Total assets	<u>148,862,409</u>	<u>147,495,027</u>	<u>29,392,132</u>	<u>29,696,008</u>	<u>178,254,541</u>	<u>177,191,035</u>
Deferred outflows of resources	<u>10,014,081</u>	<u>11,429,385</u>	<u>361,544</u>	<u>443,244</u>	<u>10,375,625</u>	<u>11,872,629</u>
Current liabilities	9,877,898	8,961,774	524,436	1,501,488	10,402,334	10,463,262
Noncurrent liabilities	<u>96,805,952</u>	<u>99,851,399</u>	<u>2,652,254</u>	<u>2,992,037</u>	<u>99,458,206</u>	<u>102,843,436</u>
Total liabilities	<u>106,683,850</u>	<u>108,813,173</u>	<u>3,176,690</u>	<u>4,493,525</u>	<u>109,860,540</u>	<u>113,306,698</u>
Deferred inflows on resources	27,239,667	25,458,685	263,701	134,809	27,503,368	25,593,494
Net investment in capital assets	68,899,467	68,784,358	21,066,266	19,998,576	89,965,733	88,782,934
Restricted	8,025,887	5,051,102	-	-	8,025,887	5,051,102
Unrestricted	<u>(51,972,381)</u>	<u>(49,182,906)</u>	<u>5,247,019</u>	<u>5,512,342</u>	<u>(46,725,362)</u>	<u>(43,670,564)</u>
Total net position	<u>\$ 24,952,973</u>	<u>\$ 24,652,554</u>	<u>\$ 26,313,285</u>	<u>\$ 25,510,918</u>	<u>\$ 51,266,258</u>	<u>\$ 50,163,472</u>

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. At the close of the most recent fiscal year, total net position was \$51,266,258 a change of \$1,102,786 in comparison to the prior year.

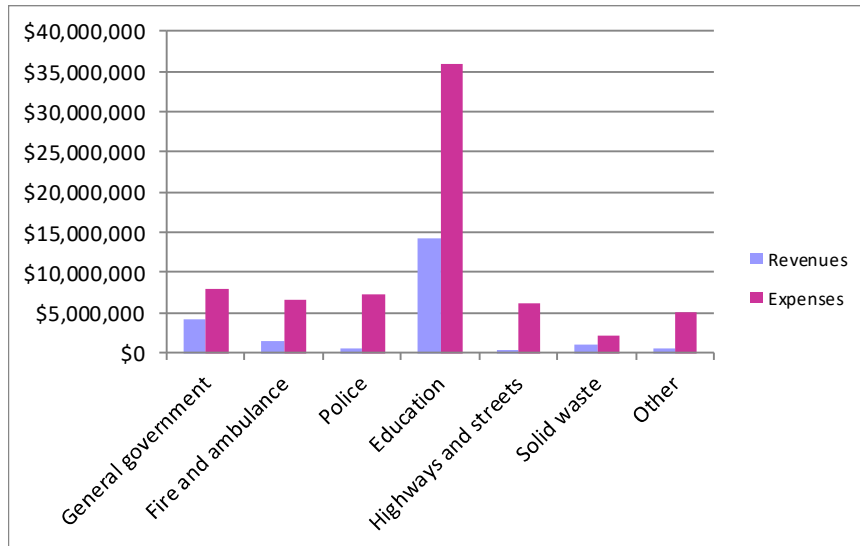
The largest portion of net position \$89,965,733 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$8,025,887 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(46,725,362) primarily resulting from the City's unfunded net pension and OPEB liabilities.

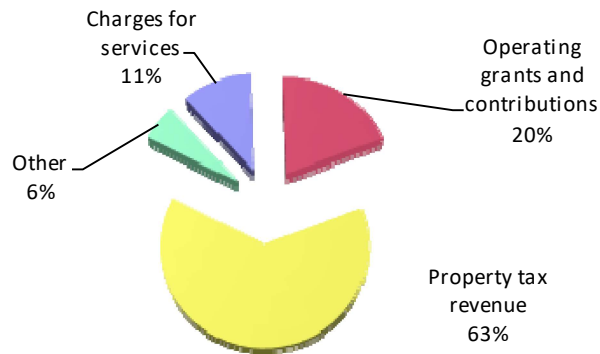
CHANGES IN NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 7,936,566	\$ 6,669,091	\$ 7,045,890	\$ 6,844,088	\$ 14,982,456	\$ 13,513,179
Operating grants and contributions	14,112,798	14,873,610	-	-	14,112,798	14,873,610
Capital grants and contributions	479,145	1,902,123	109,900	-	589,045	1,902,123
General revenues:						
Property taxes	45,071,943	43,104,616	-	-	45,071,943	43,104,616
Penalties and interest on taxes	485,175	814,505	-	-	485,175	814,505
Grants and contributions not restricted to specific programs	850,803	851,197	-	-	850,803	851,197
Investment income	496,931	425,421	24,747	22,136	521,678	447,557
Other	<u>1,884,970</u>	<u>1,359,256</u>	<u>-</u>	<u>-</u>	<u>1,884,970</u>	<u>1,359,256</u>
Total revenues	71,318,331	69,999,819	7,180,537	6,866,224	78,498,868	76,866,043
Expenses:						
General government	7,875,938	8,854,497	-	-	7,875,938	8,854,497
Fire and ambulance	6,672,334	5,243,163	-	-	6,672,334	5,243,163
Police	7,236,217	6,479,968	-	-	7,236,217	6,479,968
Education	35,931,507	37,786,289	-	-	35,931,507	37,786,289
Highway and streets	6,233,366	4,355,144	-	-	6,233,366	4,355,144
Solid waste	2,059,724	2,026,565	-	-	2,059,724	2,026,565
Health and welfare	177,553	143,193	-	-	177,553	143,193
Parks and recreation	1,276,749	1,253,782	-	-	1,276,749	1,253,782
Library	999,965	1,005,314	-	-	999,965	1,005,314
Conservation	2,587	6,381	-	-	2,587	6,381
Airport	1,191,050	1,372,801	-	-	1,191,050	1,372,801
Interest expense	1,360,922	1,325,312	-	-	1,360,922	1,325,312
Water	-	-	2,687,296	2,917,890	2,687,296	2,917,890
Sanitary Sewer	-	-	3,690,874	3,665,427	3,690,874	3,665,427
Total expenses	<u>71,017,912</u>	<u>69,852,409</u>	<u>6,378,170</u>	<u>6,583,317</u>	<u>77,396,082</u>	<u>76,435,726</u>
Change in net position	300,419	147,410	802,367	282,907	1,102,786	430,317
Net position - beginning of year	<u>24,652,554</u>	<u>24,505,144</u>	<u>25,510,918</u>	<u>25,228,011</u>	<u>50,163,472</u>	<u>49,733,155</u>
Net position - end of year	<u>\$ 24,952,973</u>	<u>\$ 24,652,554</u>	<u>\$ 26,313,285</u>	<u>\$ 25,510,918</u>	<u>\$ 51,266,258</u>	<u>\$ 50,163,472</u>

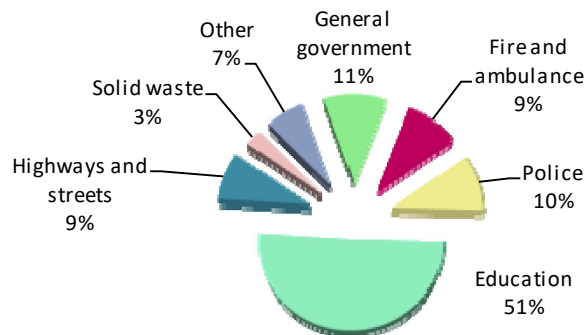
Governmental Activities - Revenue v. Expense Comparison For the Year Ended June 30, 2019



Governmental Activities - Revenues For the Year Ended June 30, 2019



Governmental Activities - Expenses For the Year Ended June 30, 2019



Governmental activities. Governmental activities for the year resulted in a change in net position of \$300,419. Key elements of this change are as follows:

General fund operations, as discussed further in Section C	\$ 563,273
Capital assets acquired with current year revenues	3,789,324
Depreciation expense in excess of principal debt service	(3,183,816)
Internal service fund operations	(353,156)
Change in long-term liabilities, net of deferred outflows and inflows	87,462
Other	(602,668)
Total	<u>\$ 300,419</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$802,367. This change primarily results from expenses in the sanitary sewer fund less than budget after capitalizing current year expenditures which will be depreciated in future periods and capital contributions in the water fund. The following is a summary of the changes in net position by fund:

Water operations	\$ 187,745
Sanitary Sewer operations	<u>614,622</u>
Total	<u>\$ 802,367</u>

C. FINANCIAL ANALYSIS OF FUNDS

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$17,024,278, a change of \$1,180,741 in comparison to the prior year. Key elements of this change are as follows:

General fund operating results	\$	563,273
Nonmajor funds operating results:		
Ambulance fund		452,136
City Grants fund		221,915
Downtown TIF fund		(334,061)
Capital projects fund		608,937
Other funds		<u>(331,459)</u>
Total	\$	<u><u>1,180,741</u></u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,257,131, while total fund balance was \$8,418,332. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 3,257,131	\$ 3,358,871	\$ (101,740)	5.2%
Total fund balance	\$ 8,418,332	\$ 7,855,059	\$ 563,273	13.5%

The total fund balance of the general fund changed by \$563,273 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$	(835,000)
Revenues and transfers in excess of budget		620,608
Expenditures and transfers less than budget		115,695
Expenditures of prior year encumbrances		(18,310)
Change in capital reserves		<u>680,280</u>
Total	\$	<u><u>563,273</u></u>

Included in the total general fund balance are the City's capital reserve account(s) with the following balance(s):

	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
Capital reserves	\$ <u>3,072,649</u>	\$ <u>2,392,369</u>	\$ <u>680,280</u>
Total	\$ <u><u>3,072,649</u></u>	\$ <u><u>2,392,369</u></u>	\$ <u><u>680,280</u></u>

Detailed capital reserve balance at year end are as follows:

Accrued leave	\$	251,687
Health insurance stabilization		171,193
School health insurance		501,431
School renovations		576,354
Special education		572,476
Winter maintenance stabilization		80,701
School district staff stabilization		618,601
School education stabilization		300,206
	\$	<u>3,072,649</u>

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$5,247,019, a change of \$ (265,323) in comparison to the prior year.

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

D. GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final budget were the transferring of funds between departmental line items. In the fall of 2018, during the tax rate setting process, the City elected to use \$835,000 of unassigned fund balance to reduce the tax rate.

E. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year end amounted to \$125,020,751 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Major capital asset events (exclusive of depreciation expense) during the current fiscal year included the following:

Governmental Activities

Pleasant Street Improvements	\$	780,710
Merrimac Street Improvements	\$	239,469
Bowman Street Improvements	\$	119,781
South Maint Street Bumpouts	\$	82,461
Parsonage Road Improvements	\$	82,245

Business-Type Activities

Water

Lakeport 2MG Tank Rehab	\$	165,313
Main Street Intersection	\$	142,090
2018 CAT 420 F2 IT Backhoe	\$	128,845
Merrimac Street Distribution Main	\$	114,704
Messer St/Bisson Ave/Union Ave	\$	105,857

Sewer

Court Street Sewer	\$	342,347
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Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$37,958,053, all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

REQUESTS FOR INFORMATION

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

Finance Department
City of Laconia
45 Beacon Street East
Laconia, New Hampshire 03246

CITY OF LACONIA, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 26,699,675	\$ 3,607,663	\$ 30,307,338
Investments	10,056,562	2,272,846	12,329,408
Receivables, net of allowance for uncollectibles:			
Property taxes	5,597,674	-	5,597,674
User fees	840,495	1,382,260	2,222,755
Intergovernmental	1,425,650	-	1,425,650
Internal balances	39,375	(39,375)	-
Due from external parties	(10,686)	-	(10,686)
Inventories and prepaids	274,332	168,151	442,483
Other assets	-	28,632	28,632
Total current assets	<u>44,923,077</u>	<u>7,420,177</u>	<u>52,343,254</u>
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	790,536	-	790,536
Other receivables	-	100,000	100,000
Capital assets:			
Land and construction in progress	14,813,891	1,743,436	16,557,327
Other capital assets, net of accumulated depreciation	<u>88,334,905</u>	<u>20,128,519</u>	<u>108,463,424</u>
Total non-current assets	103,939,332	21,971,955	125,911,287
Deferred Outflows of Resources			
Related to pensions	9,147,992	333,364	9,481,356
Related to OPEB	<u>866,089</u>	<u>28,180</u>	<u>894,269</u>
Total Assets and Deferred Outflows of Resources	158,876,490	29,753,676	188,630,166
Liabilities			
Current:			
Accounts payable	3,836,320	142,340	3,978,660
Retainage payable	247,342	34,215	281,557
Accrued liabilities	741,066	24,009	765,075
Tax refunds payable	196,400	-	196,400
Customer deposits	-	37,049	37,049
Other current liabilities	1,002,416	197,520	1,199,936
Current portion of long-term liabilities:			
Bonds payable	3,624,075	77,128	3,701,203
Other liabilities	<u>230,279</u>	<u>12,175</u>	<u>242,454</u>
Total current liabilities	9,877,898	524,436	10,402,334
Noncurrent:			
Bonds payable, net of current portion	33,816,430	728,561	34,544,991
Net pension liability	48,519,314	1,416,029	49,935,343
Net OPEB liability	12,811,752	398,096	13,209,848
Other liabilities, net of current portion	<u>1,658,456</u>	<u>109,568</u>	<u>1,768,024</u>
Total non-current liabilities	96,805,952	2,652,254	99,458,206
Deferred Inflows of Resources			
Related to pensions	3,816,216	192,345	4,008,561
Related to OPEB	783,703	71,356	855,059
Other	<u>22,639,748</u>	<u>-</u>	<u>22,639,748</u>
Total Liabilities and Deferred Inflows of Resources	133,923,517	3,440,391	137,363,908
Net Position			
Net investment in capital assets	68,899,467	21,066,266	89,965,733
Restricted for:			
Grants	6,177,617	-	6,177,617
Permanent funds:			
Nonexpendable	790,614	-	790,614
Expendable	1,057,656	-	1,057,656
Unrestricted	<u>(51,972,381)</u>	<u>5,247,019</u>	<u>(46,725,362)</u>
Total Net Position	\$ <u>24,952,973</u>	\$ <u>26,313,285</u>	\$ <u>51,266,258</u>

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

CITY OF LACONIA, NEW HAMPSHIRE
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General government	\$ 7,875,938	\$ 471,921	\$ -	\$ (3,780,132)	-	\$ (3,780,132)
Fire and ambulance	6,672,334	35,718	-	(5,108,314)	-	(5,108,314)
Police	7,236,217	222,510	-	(6,686,734)	-	(6,686,734)
Education	35,931,507	13,316,439	22,234	(21,623,268)	-	(21,623,268)
Highways and streets	6,233,366	3,389	364,576	(5,865,401)	-	(5,865,401)
Solid waste	2,059,724	-	-	(1,003,348)	-	(1,003,348)
Health and welfare	177,553	1,770	-	(175,783)	-	(175,783)
Parks and recreation	1,276,749	66,210	-	(1,135,849)	-	(1,135,849)
Library	999,965	-	-	(999,965)	-	(999,965)
Conservation	2,587	-	10,000	7,413	-	7,413
Airport	1,191,050	-	82,335	(757,100)	-	(757,100)
Interest expense	1,360,922	-	-	(1,360,922)	-	(1,360,922)
Total Governmental Activities	71,017,912	14,112,798	479,145	(48,489,403)	-	(48,489,403)
Business-Type Activities						
Water services	2,687,296	-	109,900	-	168,365	168,365
Sanitary sewer services	3,690,874	-	-	-	609,255	609,255
Total Business-Type Activities	6,378,170	-	109,900	-	777,620	777,620
Total	\$ 77,396,082	\$ 14,112,798	\$ 589,045	(48,489,403)	777,620	(47,711,783)
General Revenues						
Property taxes				45,071,943	-	45,071,943
Penalties, interest, and other taxes				485,175	-	485,175
Grants and contributions not restricted to specific programs				850,803	-	850,803
Investment income				496,931	24,747	521,678
Miscellaneous				1,884,970	-	1,884,970
Total general revenues				48,789,822	24,747	48,814,569
Change in Net Position				300,419	802,367	1,102,786
Net Position						
Beginning of year				24,652,554	25,510,918	50,163,472
End of year				\$ 24,952,973	\$ 26,313,285	\$ 51,266,258

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

CITY OF LACONIA, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2019

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and short-term investments	\$ 25,495,904	\$ 1,203,771	\$ 26,699,675
Investments	8,000,000	2,056,562	10,056,562
Receivables:			
Property taxes	6,469,392	-	6,469,392
Departmental and other	317,476	523,018	840,494
Intergovernmental	237,373	1,188,277	1,425,650
Due from other funds	-	5,832,484	5,832,484
Inventories and prepaids	<u>205,252</u>	<u>37,782</u>	<u>243,034</u>
Total Assets	<u>\$ 40,725,397</u>	<u>\$ 10,841,894</u>	<u>\$ 51,567,291</u>
Liabilities			
Accounts payable	\$ 3,422,804	\$ 396,280	\$ 3,819,084
Retainage payable	51,284	196,058	247,342
Accrued liabilities	1,488,051	-	1,488,051
Tax refunds payable	196,400	-	196,400
Due to other funds	3,758,877	1,462,546	5,221,423
Other liabilities	<u>-</u>	<u>2,714</u>	<u>2,714</u>
Total Liabilities	8,917,416	2,057,598	10,975,014
Deferred Inflows of Resources			
Unavailable revenues	6,347,575	178,350	6,525,925
Taxes collected in advance	<u>17,042,074</u>	<u>-</u>	<u>17,042,074</u>
Total Deferred Inflows of Resources	23,389,649	178,350	23,567,999
Fund Balances			
Nonspendable	199,586	790,614	990,200
Restricted	-	6,035,578	6,035,578
Committed	3,072,649	1,779,754	4,852,403
Assigned	1,888,966	-	1,888,966
Unassigned	<u>3,257,131</u>	<u>-</u>	<u>3,257,131</u>
Total Fund Balances	<u>8,418,332</u>	<u>8,605,946</u>	<u>17,024,278</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 40,725,397</u>	<u>\$ 10,841,894</u>	<u>\$ 51,567,291</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

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

JUNE 30, 2019

Total governmental fund balances	\$	17,024,278
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		103,148,796
Revenues are reported on the accrual basis of accounting and are not deferred until collection.		847,069
Long-term liabilities, including bonds payable, net pension liability, net OPEB liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(100,660,306)
Net deferred outflows and inflows of resources related to net pension liability		5,331,776
Net deferred outflows and inflows of resources related to net OPEB Liability		82,386
Other		<u>(821,026)</u>
Net position of governmental activities	\$	<u><u>24,952,973</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2019

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues			
Property taxes	\$ 44,643,319	\$ 310,500	\$ 44,953,819
Penalties, interest, and other taxes	485,175	-	485,175
Charges for services	1,986,817	2,447,817	4,434,634
Intergovernmental	9,954,625	5,488,122	15,442,747
Licenses and permits	3,476,994	-	3,476,994
Fines and forfeitures	24,938	-	24,938
Investment income	372,060	124,871	496,931
Contributions	-	26,285	26,285
Miscellaneous	<u>1,835,233</u>	<u>-</u>	<u>1,835,233</u>
Total Revenues	62,779,161	8,397,595	71,176,756
Expenditures			
Current:			
General government	7,608,557	781,041	8,389,598
Fire and ambulance	4,450,213	991,105	5,441,318
Police	6,411,441	1,004,796	7,416,237
Education	30,826,646	4,978,196	35,804,842
Highways and streets	2,592,169	43,961	2,636,130
Solid waste	1,970,295	-	1,970,295
Health and welfare	149,169	-	149,169
Parks and recreation	831,918	84,747	916,665
Library	862,015	2,370	864,385
Conservation	2,587	-	2,587
Airport	-	430,663	430,663
Capital outlay	2,147,248	2,402,512	4,549,760
Debt service	<u>4,382,506</u>	<u>241,860</u>	<u>4,624,366</u>
Total Expenditures	<u>62,234,764</u>	<u>10,961,251</u>	<u>73,196,015</u>
Excess (deficiency) of revenues over expenditures	544,397	(2,563,656)	(2,019,259)
Other Financing Sources (Uses)			
Issuance of bonds	-	3,200,000	3,200,000
Transfers in	18,876	-	18,876
Transfers out	<u>-</u>	<u>(18,876)</u>	<u>(18,876)</u>
Total Other Financing Sources (Uses)	<u>18,876</u>	<u>3,181,124</u>	<u>3,200,000</u>
Change in fund balance	563,273	617,468	1,180,741
Fund Balance, at Beginning of Year	<u>7,855,059</u>	<u>7,988,478</u>	<u>15,843,537</u>
Fund Balance, at End of Year	\$ <u><u>8,418,332</u></u>	\$ <u><u>8,605,946</u></u>	\$ <u><u>17,024,278</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

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

FOR THE YEAR ENDED JUNE 30, 2019

Net changes in fund balances - total governmental funds	\$	1,180,741
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital outlay, net of disposals		5,808,583
Depreciation		(6,588,756)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>		
Issuance of debt		(3,200,000)
Repayments of debt		3,404,940
Amortization of bond premium		(23,450)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property tax, etc.) differ between the two statements. This amount represents the net change in deferred revenue.</p>		
		118,124
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.</p>		
Other		(137,875)
Net pension liability and related deferred outflows and inflows of resources		243,288
Net OPEB liability and related deferred outflows and inflows of resources		(152,020)
<p>Internal service funds are used by management to account for vehicle management services and related activities. The net activity of internal service funds is reported with Governmental Activities.</p>		
		(353,156)
Change in net position of governmental activities	\$	300,419

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

CITY OF LACONIA, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND
EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget
	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>Amounts</u>	Positive <u>(Negative)</u>
Revenues				
Property Taxes	\$ 44,525,010	\$ 44,525,010	\$ 44,643,319	\$ 118,309
Penalties, interest, and other taxes	590,230	590,230	485,175	(105,055)
Charges for services	2,013,927	2,013,927	1,986,816	(27,111)
Intergovernmental	9,488,084	9,488,084	9,954,625	466,541
Licenses and permits	3,376,000	3,376,000	3,476,994	100,994
Fines and forfeitures	35,000	35,000	24,938	(10,062)
Investment income	186,000	186,000	366,987	180,987
Miscellaneous	<u>1,295,000</u>	<u>1,295,000</u>	<u>1,535,027</u>	<u>240,027</u>
Total Revenues	61,509,251	61,509,251	62,473,881	964,630
Expenditures				
General government	7,694,056	7,694,056	7,621,999	72,057
Fire and ambulance	4,584,350	4,584,350	4,489,501	94,849
Police	6,146,041	6,146,041	6,273,590	(127,549)
Education	31,402,043	31,402,043	30,826,646	575,397
Highways and streets	2,602,448	2,602,448	2,612,169	(9,721)
Solid waste	1,996,483	1,996,483	1,970,295	26,188
Health and welfare	139,731	139,731	149,169	(9,438)
Parks and recreation	878,144	878,144	872,636	5,508
Library	853,666	853,666	857,015	(3,349)
Conservation	4,500	4,500	3,100	1,400
Capital outlay	1,965,381	1,965,381	2,157,828	(192,447)
Debt service	<u>4,390,303</u>	<u>4,390,303</u>	<u>4,382,506</u>	<u>7,797</u>
Total Expenditures	<u>62,657,146</u>	<u>62,657,146</u>	<u>62,216,454</u>	<u>440,692</u>
Excess (deficiency) of revenues over expenditures	(1,147,895)	(1,147,895)	257,427	1,405,322
Other Financing Sources (Uses)				
Transfers in	362,898	362,898	18,876	(344,022)
Transfers out - to capital reserve funds	(50,003)	(50,003)	(375,000)	(324,997)
Budgetary use of fund balance	<u>835,000</u>	<u>835,000</u>	<u>835,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,147,895</u>	<u>1,147,895</u>	<u>478,876</u>	<u>(669,019)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>736,303</u>	\$ <u>736,303</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2019

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Assets				
Current:				
Cash and short-term investments	\$ 1,034,527	\$ 2,573,136	\$ 3,607,663	\$ -
Investments	153,208	2,119,638	2,272,846	-
User fees, net of allowance for uncollectibles	518,934	863,326	1,382,260	-
Due from other funds	-	-	-	16,667
Inventory	168,151	-	168,151	31,298
Other assets	<u>28,632</u>	<u>-</u>	<u>28,632</u>	<u>-</u>
Total current assets	1,903,452	5,556,100	7,459,552	47,965
Noncurrent:				
Accounts receivable	100,000	-	100,000	-
Capital assets:				
Land and construction in progress	41,053	1,702,383	1,743,436	-
Other capital assets, net of accumulated depreciation	<u>14,961,269</u>	<u>5,167,250</u>	<u>20,128,519</u>	<u>2,671,350</u>
Total noncurrent assets	15,102,322	6,869,633	21,971,955	2,671,350
Deferred Outflows of Resources				
Related to pensions	289,208	44,156	333,364	-
Related to OPEB	<u>5,525</u>	<u>22,655</u>	<u>28,180</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	17,300,507	12,492,544	29,793,051	2,719,315
Liabilities				
Current:				
Accounts payable	78,345	63,995	142,340	17,238
Retainage payable	-	34,215	34,215	-
Accrued liabilities	24,009	-	24,009	-
Due to other funds	-	39,375	39,375	599,039
Other current liabilities	103,296	94,224	197,520	-
Customer deposits payable	37,049	-	37,049	-
Current portion of long-term liabilities:				
Bonds payable	77,128	-	77,128	-
Other	<u>11,595</u>	<u>580</u>	<u>12,175</u>	<u>63,704</u>
Total current liabilities	331,422	232,389	563,811	679,981
Noncurrent:				
Bonds payable, net of current portion	728,561	-	728,561	-
Net pension liability	1,187,607	228,422	1,416,029	-
Net OPEB liability	126,881	271,215	398,096	-
Other, net of current portion	<u>104,351</u>	<u>5,217</u>	<u>109,568</u>	<u>105,279</u>
Total noncurrent liabilities	2,147,400	504,854	2,652,254	105,279
Deferred Inflows of Resources				
Related to pensions	173,695	18,650	192,345	-
Related to OPEB	<u>71,356</u>	<u>-</u>	<u>71,356</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	2,723,873	755,893	3,479,766	785,260
Net Position				
Net investment in capital assets	14,196,633	6,869,633	21,066,266	2,540,366
Unrestricted	<u>380,001</u>	<u>4,867,018</u>	<u>5,247,019</u>	<u>(606,311)</u>
Total Net Position	<u>\$ 14,576,634</u>	<u>\$ 11,736,651</u>	<u>\$ 26,313,285</u>	<u>\$ 1,934,055</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

PROPRIETARY FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 2,444,242	\$ 4,300,129	\$ 6,744,371	\$ 825,882
Other	<u>301,519</u>	<u>-</u>	<u>301,519</u>	<u>(1,925)</u>
Total Operating Revenues	2,745,761	4,300,129	7,045,890	823,957
Operating Expenses				
Operating expenses	1,834,492	3,410,300	5,244,792	754,626
Depreciation	<u>820,740</u>	<u>280,574</u>	<u>1,101,314</u>	<u>409,005</u>
Total Operating Expenses	<u>2,655,232</u>	<u>3,690,874</u>	<u>6,346,106</u>	<u>1,163,631</u>
Operating Income (Loss)	90,529	609,255	699,784	(339,674)
Nonoperating Revenues (Expenses)				
Investment income	19,380	5,367	24,747	-
Capital contributions	109,900	-	109,900	-
Interest expense	<u>(32,064)</u>	<u>-</u>	<u>(32,064)</u>	<u>(13,482)</u>
Total Nonoperating Revenues (Expenses), Net	<u>97,216</u>	<u>5,367</u>	<u>102,583</u>	<u>(13,482)</u>
Change in Net Position	187,745	614,622	802,367	(353,156)
Net Position at Beginning of Year	<u>14,388,889</u>	<u>11,122,029</u>	<u>25,510,918</u>	<u>2,287,211</u>
Net Position at End of Year	<u>\$ 14,576,634</u>	<u>\$ 11,736,651</u>	<u>\$ 26,313,285</u>	<u>\$ 1,934,055</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 2,826,357	\$ 4,331,694	\$ 7,158,051	\$ -
Receipts from interfund service provided	-	-	-	832,607
Payments to employees and suppliers for services	<u>(1,816,312)</u>	<u>(3,556,051)</u>	<u>(5,372,363)</u>	<u>(719,522)</u>
Net Cash Provided By Operating Activities	1,010,045	775,643	1,785,688	113,085
Cash Flows From Noncapital Financing Activities				
Interfund borrowing	-	<u>(851,755)</u>	<u>(851,755)</u>	<u>261,025</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	-	(851,755)	(851,755)	261,025
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets, net of disposals	(1,005,997)	(1,086,470)	(2,092,467)	(302,675)
Capital contributions	109,900	-	109,900	-
Principal payments on bonds, notes and leases	(77,714)	-	(77,714)	(57,953)
Interest expense	<u>(32,064)</u>	<u>-</u>	<u>(32,064)</u>	<u>(13,482)</u>
Net Cash Used For Capital and Related Financing Activities	(1,005,875)	(1,086,470)	(2,092,345)	(374,110)
Cash Flows From Investing Activities				
Investment income	19,380	5,367	24,747	-
Sale (purchase) of investments	<u>(2,359)</u>	<u>-</u>	<u>(2,359)</u>	<u>-</u>
Net Cash Provided By Investing Activities	<u>17,021</u>	<u>5,367</u>	<u>22,388</u>	<u>-</u>
Net Change in Cash and Short-Term Investments	21,191	(1,157,215)	(1,136,024)	-
Cash and Short-Term Investments, Beginning of Year	<u>1,013,336</u>	<u>3,730,351</u>	<u>4,743,687</u>	<u>-</u>
Cash and Short-Term Investments, End of Year	<u>\$ 1,034,527</u>	<u>\$ 2,573,136</u>	<u>\$ 3,607,663</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating income (loss)	\$ 90,529	\$ 609,255	\$ 699,784	\$ (339,674)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	820,740	280,574	1,101,314	409,005
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
User fees	33,290	31,565	64,855	-
Inventory	9,828	-	9,828	24,369
Other assets	47,306	-	47,306	8,650
Deferred outflows - related to pensions	74,135	10,794	84,929	-
Deferred outflows - related to OPEB	(1,102)	(2,127)	(3,229)	-
Accounts payable	27,380	(220,522)	(193,142)	9,628
Accrued liabilities	69,136	-	69,136	-
Retainage payable	-	387	387	-
Net pension liability	(164,983)	(24,467)	(189,450)	-
Net OPEB liability	(45,097)	35,706	(9,391)	-
Deferred inflows - related to pensions	67,822	11,731	79,553	-
Deferred inflows - related to OPEB	49,744	(405)	49,339	-
Other liabilities	<u>(68,683)</u>	<u>43,152</u>	<u>(25,531)</u>	<u>1,107</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 1,010,045</u>	<u>\$ 775,643</u>	<u>\$ 1,785,688</u>	<u>\$ 113,085</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2019

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and short-term investments	\$ 113,405	\$ 146,404
Investments	4,551,891	-
Due from external parties	<u>10,908</u>	<u>-</u>
Total Assets	4,676,204	146,404
Liabilities		
Warrants payable	4,690	-
Due to external parties	-	222
Other liabilities	<u>5,201</u>	<u>146,182</u>
Total Liabilities	<u>9,891</u>	<u>\$ 146,404</u>
Net Position		
Restricted for other purposes	<u>4,666,313</u>	
Total Net Position	<u>\$ 4,666,313</u>	

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

CITY OF LACONIA, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Private Purpose Trust Funds</u>
Additions	
Investment Income	\$ <u>524,427</u>
Total additions	524,427
Deductions	
General government	115,111
Education	12,000
Parks and recreation	<u>7,019</u>
Total deductions	<u>134,130</u>
Net increase	390,297
Net position restricted for other purposes	
Beginning of year	<u>4,276,016</u>
End of year	\$ <u><u>4,666,313</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member council. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2019, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Fund Financial Statements

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

The City reports the following major governmental fund:

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

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

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

The City reports the following major proprietary funds:

- The *Water (Enterprise) Fund* is to account for the operation of a water treatment plant, water lines and pumping stations.
- The *Sanitary Sewer (Enterprise) Fund* is to account for the operation of pumping stations and sewer lines.

The internal service fund accounts for vehicle management services provided to other departments of the City on a cost reimbursement basis.

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

The City reports the following fiduciary funds:

- The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *agency fund* is custodial in nature and is used to account for funds to be remitted to other organizations. The agency fund reports only assets and liabilities, and has no measurement focus.

D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is

available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

E. Investments

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Investments for the trust funds consist of marketable securities, bonds and short-term money market investments. Investments are carried at fair value, except certificate of deposits which are reported at cost.

F. Property Tax Limitations

In November 2005, the voters approved a Charter Amendment (Tax Cap) to limit the increases in proposed budgets going forward. This Tax Cap limits increases in net spending for the City, School, and County budgets as follows:

- 1) Increases limited to changes in the Federal National Consumer Price Index (urban).
- 2) New building permits (between April 1 and March 31) less total dollar value of demolition permits issued times the prior year's tax rate.

This Charter Amendment can be overridden by a 2/3 vote of the City Council.

G. Interfund Receivables and Payables

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

H. Inventories and Prepaid

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased

rather than when consumed. Prepaid represent expenses that have been capitalized and will be expensed when consumed.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Land improvements	10 - 20
Building improvements	15 - 40
Infrastructure:	
Sewer system	50
Water system	5 - 40
Roads	15 - 30
Bridges	50
Furniture, equipment, and vehicles	4 - 25

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Long-Term Obligations

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

L. Fund Equity

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

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

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

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

M. Use of Estimates

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

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

The City observes the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) At such time as may be requested by the City Manager or specified by the administrative code, each director of a department submits an itemized estimate of the expenditures for the next fiscal year for the departments or activities under his control. The Manager submits the proposed budget to the Council at least one month before the start of the fiscal year, which begins July 1.
- 2) A public hearing on the budget is held before its final adoption by the Council. Notice of the public hearing, together with a summary of the budget as submitted, is published at least one week in advance by the City Clerk.
- 3) The budget must be legally adopted no later than July 27. Should the Council take no final action on or prior to that date, the budget as submitted, is deemed to have been finally adopted by the Council.
- 4) No appropriation is made for any purpose not included in the annual budget as adopted unless voted by a two-thirds majority of the Council after a public hearing held to discuss the appropriation. The Council may by resolution, designate the source of any money so appropriated.
- 5) At the beginning of each quarterly period during the fiscal year and more often if required by the Council, the City Manager submits data to the Council showing a comparison of the estimated and actual revenues and expenditures to date. If it appears that the revenues are less than anticipated, the Council or City Manager may reduce the appropriation for any item or items, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the City's revenues. The City Manager may provide for monthly or quarterly allotments of appropriations to departments, funds or agencies under such rules as he may prescribe.
- 6) After the budget has been adopted, no expenditure may be incurred, except pursuant to a budget appropriation, unless there is a specific additional appropriation therefore. The head of any department, with the approval of the manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within the department to another fund or agency within the department; the manager, with the approval of the Council, may transfer any unencumbered appropriation balance or any portion thereof from one department to another. Council approval is required before total actual expenditures may exceed the total appropriation for the year.

- 7) Formal budgetary integration is employed as a management control device during the year only for the General Fund and the following Special Revenue Funds: School Lunch and Breakfast Programs and School Federal Projects.
- 8) The City legally adopts one inclusive budget for the General and two of the Special Revenue Funds (as defined above). The budget is adopted on a basis consistent with generally accepted accounting principles.
- 9) Budget appropriations lapse at the end of the fiscal year except for any appropriations approved by City Council to be carried forward.

B. Budgetary Basis

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

C. Budget/GAAP Reconciliation

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

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

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
GAAP Basis	\$ 62,779,161	\$ 62,234,764	\$ 18,876
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,907,275)	-
Add end of year appropriation carryforwards from expenditures	-	1,888,965	-
To eliminate capital reserve activity	(5,174)		-
To record other GAAP timing	(300,106)		(375,000)
Recognize use of fund balance as funding source	-	-	835,000
Budgetary basis	<u>\$ 62,473,881</u>	<u>\$ 62,216,454</u>	<u>\$ 478,876</u>

D. Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2019.

It is anticipated that the deficits in these funds will be eliminated through future departmental revenues, bond proceeds, and transfers from other funds.

3. Cash and Short-Term Investments

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. RSA 48:16 limits "deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus, exception that a City with a population in excess of 50,000 is authorized to deposit funds in a solvent bank in excess of the paid-up capital surplus of said bank." The City's deposit policy for custodial credit risk is to require full collateralization on all demand deposit accounts, savings, now accounts, money market accounts and non-negotiable certificates of deposit.

As of June 30, 2019, \$2,314,173 of the City's deposit bank balance of \$33,818,156 was exposed to custodial credit risk as uninsured or uncollateralized.

4. Investments

The following is a summary of the City's investments as of June 30, 2019:

<u>Investment Type</u>	<u>Amount</u>
Bond mutual funds	\$ 22,982
Certificates of deposits	10,458,714
Corporate bonds	1,057,840
Corporate equities	2,806,233
Federal agency securities	117,681
Fixed income mutual funds	535,591
Municipal obligations	19,581
Equity mutual funds	890,773
Real estate investment trusts	20,026
U.S. Treasury notes	<u>951,878</u>
Total investments	<u>\$ 16,881,299</u>

A. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule

whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below is the actual rating as of year-end for each investment type of the City (All federal agency securities have an implied credit rating of AAA):

<u>Investment Type</u>	<u>Amount</u>	Exempt From <u>Disclosure</u>	<u>Rating as of Year End</u>					
			<u>Aaa</u>	<u>A1</u>	<u>A2</u>	<u>A3</u>	<u>Baa1</u>	<u>Baa2</u>
Bond mutual funds	\$ 22,982	\$ -	\$ 22,982	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of deposits	10,458,714	10,458,714	-	-	-	-	-	-
Corporate bonds	1,057,840	-	-	406,394	315,616	185,531	123,894	26,405
Corporate equities	2,806,233	2,806,233	-	-	-	-	-	-
Federal agency securities	117,681	-	117,681	-	-	-	-	-
Fixed income mutual funds	535,591	535,591	-	-	-	-	-	-
Municipal obligations	19,581	-	-	19,581	-	-	-	-
Equity mutual funds	890,773	890,773	-	-	-	-	-	-
Real estate investment trusts	20,026	20,026	-	-	-	-	-	-
U.S. Treasury notes	951,878	-	951,878	-	-	-	-	-
Total investments	\$ 16,881,299		\$ 1,092,541	\$ 425,975	\$ 315,616	\$ 185,531	\$ 123,894	\$ 26,405

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City manages this custodial risk with SIPC and excess SIPC.

As of June 30, 2019, \$ 16,881,299 of the City's total investments were subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the City's brokerage firm, which is also the counterparty to these securities as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Held by Counterparty</u>	<u>Held by Counterparty's Trust or Agent</u>
Bond mutual funds	\$ 22,982	\$ 22,982	\$ -
Certificates of deposits	10,458,714	10,458,714	-
Corporate bonds	1,057,840	1,057,840	-
Corporate equities	2,806,233	2,806,233	-
Federal agency securities	117,681	117,681	-
Fixed income mutual funds	535,591	535,591	-
Municipal obligations	19,581	19,581	-
Mutual funds	890,773	890,773	-
Real estate investment trusts	20,026	20,026	-
U.S. Treasury notes	951,878	951,878	-
Total	\$ 16,881,299	\$ 16,881,299	\$ -

C. Concentration of Credit Risk

The City's policy is to diversify investments to avoid over-concentration in securities from a specific issuer (excluding U.S. Treasury securities). The City does have investments in one issuer greater than 5% of total investments, as follows:

	Controlling Agency			Total Amount	Percent of Investment
	City	Water	Sewer		
Certificates of Deposit:					
Bank of New Hampshire	\$ 3,000,000	\$ -	\$ 2,173,500	\$ 5,173,500	18%
Franklin Savings Bank	3,102,082	153,009	-	3,255,091	18%
Meredith Village Savings Bank	2,030,123	-	-	2,030,123	12%
Total	<u>\$ 8,132,205</u>	<u>\$ 153,009</u>	<u>\$ 2,173,500</u>	<u>\$ 10,458,714</u>	

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's policy related to interest rate risk is to invest in securities with varying maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is as follows:

Investment Type	Amount	Investment Maturities (in Years)			N/A
		Less Than 1	1-5	6-10	
Bond mutual funds	\$ 22,982	\$ 22,982	\$ -	\$ -	\$ -
Certificates of deposits	10,458,714	-	-	-	10,458,714
Corporate bonds	1,057,840	55,403	719,986	282,451	-
Corporate equities	2,806,233	-	-	-	2,806,233
Federal agency securities	117,681	9,999	14,898	92,784	-
Fixed income mutual funds	535,591	-	-	-	535,591
Municipal obligations	19,581	19,581	-	-	-
Equity mutual funds	890,773	-	-	-	890,773
Real estate investment trusts	20,026	-	-	-	20,026
U.S. Treasury notes	951,878	-	404,163	547,715	-
Total	<u>\$ 16,881,299</u>	<u>\$ 107,965</u>	<u>\$ 1,139,047</u>	<u>\$ 922,950</u>	<u>\$ 14,711,337</u>

E. Foreign Currency Risks

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The City does not have formal investment policies related to foreign currency risk.

F. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

The City has the following fair value measurements as of June 30, 2019:

<u>Investment Type</u>	<u>Amount</u>	Fair Value Measurements Using:	
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)
Investments by fair value level:			
Bond mutual funds	\$ 22,982	\$ -	\$ 22,982
Corporate bonds	1,057,840	-	1,057,840
Corporate equities	2,806,233	2,806,233	-
Federal agency securities	117,681	-	117,681
Fixed income mutual funds	535,591	-	535,591
Municipal obligations	19,581	-	19,581
Equity mutual funds	890,773	890,773	-
Real estate investment trusts	20,026	20,026	-
U.S. Treasury notes	951,878	-	951,878
Total	\$ <u>6,422,585</u>	\$ <u>3,717,032</u>	\$ <u>2,705,553</u>

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

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

5. Property Taxes Receivable

The City bills property taxes semi-annually, in May and November. Property tax revenues are recognized in the fiscal year for which taxes have been levied. Property taxes are due on July 1 and December 1. Delinquent accounts are charged 8% interest. In March of the next year, a lien is recorded on delinquent property at the Registry of Deeds. The City purchases all the delinquent accounts by paying the delinquent balance, recording costs, and accrued interest. The accounts that are lienied by the City will be reclassified from property taxes receivable to unredeemed tax liens receivable. After this date, delinquent accounts will be charged interest at a rate of 14%.

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

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

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

Property taxes receivable at June 30, 2019 consist of the following in the general fund:

	Gross Amount <u>(fund basis)</u>	Allowance for Doubtful <u>Accounts</u>	Current <u>Portion</u>	Long- Term <u>Portion</u>
Real estate taxes	\$ 5,597,674	\$ -	\$ 5,597,674	\$ -
Tax liens	<u>871,718</u>	<u>(81,182)</u>	<u>-</u>	<u>790,536</u>
Total property taxes	<u>\$ 6,469,392</u>	<u>\$ (81,182)</u>	<u>\$ 5,597,674</u>	<u>\$ 790,536</u>

Taxes Collected for Others

The City collects property taxes for the State of New Hampshire and the County of Belknap. Payments to the other taxing units are normally made throughout the year. The ultimate responsibility for the collection of taxes rests with the City.

6. User Fees Receivable

The City provides public water and sewer services. Water and sewer user charges are based on the number of units in a property and the property's water connection. Bills are mailed quarterly and cover both water and sewer charges.

The rate structure is base rate per unit plus consumption in hundred cubic feet recorded by the water meter. For municipal water customers who are connected to the sewer system, the same formula is used to calculate the quarterly sewer charges.

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2019.

8. Interfund Fund Accounts

Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized.

The following is an analysis of the June 30, 2019 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ -	\$ 3,758,877
Nonmajor Funds:		
TIF	1,074,743	-
Park Houses	32,837	-
Community Development	103,657	-
Ambulance	1,125	89,032
City Grants	111,651	102,322
Special Revenue Revolving	480,186	-
Impact Fee	96,171	-
School Grants	-	813,406
School Lunch	-	76,544
Main Street Bridge	32,548	-
Huot Tech Center	193,068	198,422
Weirs Community Park/Smith Track	18,457	-
Central Station Improvements	-	1,700
Frank Bean Clean up	5,095	-
Weirs & Endicott Water Line	4,628	-
Messer, Lakeside, & Endicott Beach	312,904	-
Roads & Police Radio 2019 Bond	2,496,094	-
Road Improvements	864,878	-
LED Street Light Conversion	4,442	-
City Permanent Trust	-	181,120
Total Governmental Funds	<u>5,832,484</u>	<u>5,221,423</u>
Enterprise Funds:		
Sanitary Sewer	-	39,375
Total Enterprise Funds	-	39,375
Internal Service Funds	16,667	599,039
Private Purpose Funds	10,908	-
Agency	-	222
Total	<u>\$ 5,860,059</u>	<u>\$ 5,860,059</u>

Transfers

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

Governmental Funds:	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 18,876	\$ -
Nonmajor Funds:		
Special Revenue Funds:		
Impact Fee Fund	<u>-</u>	<u>18,876</u>
Total	<u>\$ 18,876</u>	<u>\$ 18,876</u>

9. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, being depreciated:				
Land improvements	\$ 38,214,429	\$ 196,861	\$ (169,191)	\$ 38,242,099
Buildings and improvements	80,488,040	634,574	(621,352)	80,501,262
Furniture, equipment, and vehicles	16,353,332	416,634	(410,309)	16,359,657
Infrastructure	<u>34,324,074</u>	<u>1,600,905</u>	<u>-</u>	<u>35,924,979</u>
Total capital assets, being depreciated	169,379,875	2,848,974	(1,200,852)	171,027,997
Less accumulated depreciation for:				
Land improvements	(16,751,411)	(1,626,171)	17,456	(18,360,126)
Buildings and improvements	(32,569,335)	(2,403,296)	275,703	(34,696,928)
Furniture, equipment, and vehicles	(10,077,740)	(980,714)	404,178	(10,654,276)
Infrastructure	<u>(17,403,187)</u>	<u>(1,578,575)</u>	<u>-</u>	<u>(18,981,762)</u>
Total accumulated depreciation	<u>(76,801,673)</u>	<u>(6,588,756)</u>	<u>697,337</u>	<u>(82,693,092)</u>
Total capital assets, being depreciated, net	92,578,202	(3,739,782)	(503,515)	88,334,905
Capital assets, not being depreciated:				
Land	8,215,225	46,600	(10,804)	8,251,021
Construction in progress	<u>3,135,542</u>	<u>3,427,328</u>	<u>-</u>	<u>6,562,870</u>
Total capital assets, not being depreciated	<u>11,350,767</u>	<u>3,473,928</u>	<u>(10,804)</u>	<u>14,813,891</u>
Governmental activities capital assets, net	<u>\$ 103,928,969</u>	<u>\$ (265,854)</u>	<u>\$ (514,319)</u>	<u>\$ 103,148,796</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 10,258,394	\$ 177,216	\$ (873)	\$ 10,434,737
Furniture, equipment, and vehicles	4,410,194	224,057	(856,764)	3,777,487
Infrastructure	<u>35,845,867</u>	<u>1,244,153</u>	<u>(369,263)</u>	<u>36,720,757</u>
Total capital assets, being depreciated	50,514,455	1,645,426	(1,226,900)	50,932,981
Less accumulated depreciation for:				
Buildings and improvements	(4,977,950)	(304,078)	873	(5,281,155)
Furniture, equipment, and vehicles	(3,280,814)	(124,269)	834,195	(2,570,888)
Infrastructure	<u>(22,460,872)</u>	<u>(672,967)</u>	<u>181,420</u>	<u>(22,952,419)</u>
Total accumulated depreciation	<u>(30,719,636)</u>	<u>(1,101,314)</u>	<u>1,016,488</u>	<u>(30,804,462)</u>
Total capital assets, being depreciated, net	19,794,819	544,112	(210,412)	20,128,519
Capital assets, not being depreciated:				
Land	38,503	-	-	38,503
Construction in progress	<u>1,047,482</u>	<u>657,451</u>	<u>-</u>	<u>1,704,933</u>
Total capital assets, not being depreciated	<u>1,085,985</u>	<u>657,451</u>	<u>-</u>	<u>1,743,436</u>
Business-type activities capital assets, net	<u>\$ 20,880,804</u>	<u>\$ 1,201,563</u>	<u>\$ (210,412)</u>	<u>\$ 21,871,955</u>

Depreciation expense was charged to functions of the City as follows:

Governmental Activities	
General government	\$ 125,336
Fire and ambulance	353,855
Police	198,050
Education	2,159,520
Highway and streets	2,001,715
Solid waste	97,351
Parks and recreation	415,426
Library	132,723
Airport	<u>1,104,780</u>
Total governmental activities	<u>\$ 6,588,756</u>
Business-Type Activities	
Water	\$ 820,740
Sanitary Sewer	<u>280,574</u>
Total business-type activities	<u>\$ 1,101,314</u>

10. Deferred Outflows of Resources

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

11. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses represent 2019 expenditures paid in 2019.

12. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements. These cases are currently pending with the state Board of Tax and Land Appeals.

13. Capital Lease Obligations

The City is the lessee of certain equipment under a capital lease expiring in year 2022. Future minimum lease payments under the capital lease consisted of the following as of June 30, 2019:

	<u>Fiscal Year</u>	<u>Capital Leases</u>
	2020	\$ 64,961
	2021	37,833
	2022	<u>37,831</u>
Total minimum lease payments		140,625
Less amounts representing interest		<u>(9,641)</u>
Present Value of Minimum Lease Payments		<u>\$ 130,984</u>

14. Long-Term Debt

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds currently outstanding are as follows:

	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/19
<u>Governmental Activities</u>			
Capital Improvement	08/15/21	4.71%	\$ 525,000
School Bonds - Elm/Pleasant	08/15/21	4.71%	930,000
Capital Improvement	08/15/22	4.34%	400,000
School Bonds - Woodland Heights	01/15/23	4.52%	820,000
Library Bond	01/15/24	4.08%	550,000
School - Memorial Middle Bond	08/15/36	4.76%	10,064,927
Weirs Boardwalk	01/15/30	3.56%	400,000
Weirs Boardwalk engineering/const & Endicott water line	09/28/30	3.63%	339,000
Huot Center - Qzab Bond	12/15/30	0.00%	1,328,100
ARRA - Anthony Drive Stormwater Improvements Project	11/01/30	2.86%	130,590
Fire Truck - DPW Bond	07/15/22	2.39%	440,000
Huot Center - Qzab Bond	11/06/35	0.00%	3,537,000
Hout Career Center	07/11/33	3.04%	750,000
Weirs Community Park/ Smith Track	10/01/23	2.44%	425,000
Huot Center - Qzab Bond	07/15/35	0.00%	1,531,000
General Obligation bonds	02/01/35	3.25%	6,482,675
LED Bond	03/15/22	2.15%	180,000
Bond A	12/15/36	3.23%	1,440,000
Bond B	12/15/36	3.23%	1,449,761
Road Bond	02/02/28	2.30%	2,250,000
GOB - PD Radio Tower	09/24/28	2.75%	700,000
GOB - Streets/Sidewalks/Drainage	09/24/28	3.09%	2,500,000
Total Governmental Activities			\$ <u><u>37,173,053</u></u>
<u>Business-Type Activities</u>			
Water Treatment Plant	08/15/29	3.97%	\$ <u>785,000</u>
Total Business-Type Activities			\$ <u><u>785,000</u></u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2019 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,600,625	\$ 1,062,899	\$ 4,663,524
2021	3,577,092	1,035,612	4,612,704
2022	3,556,017	1,008,808	4,564,825
2023	2,978,856	1,005,321	3,984,177
2024	2,518,776	1,019,913	3,538,689
2025-2029	10,999,219	5,263,922	16,263,141
2030-2034	7,293,803	5,464,181	12,757,984
2035-2037	2,648,665	3,359,933	6,008,598
Total	<u>\$ 37,173,053</u>	<u>\$ 19,220,589</u>	<u>\$ 56,393,642</u>

The general fund has been designated as the source to repay the governmental-type general obligation long-term debt outstanding as of June 30, 2019.

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 75,000	\$ 37,890	\$ 112,890
2021	75,000	34,875	109,875
2022	75,000	31,485	106,485
2023	70,000	27,720	97,720
2024	70,000	24,080	94,080
2025-2029	350,000	70,621	420,621
2030	70,000	6,809	76,809
Total	<u>\$ 785,000</u>	<u>\$ 233,480</u>	<u>\$ 1,018,480</u>

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2019, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds payable	\$ 37,377,992	\$ 3,200,000	\$ (3,404,940)	\$ 37,173,052	\$ (3,600,625)	\$ 33,572,427
Unamortized premiums	290,903	-	(23,450)	267,453	(23,450)	244,003
Subtotal	37,668,895	3,200,000	(3,428,390)	37,440,505	(3,624,075)	33,816,430
Net pension liability	51,015,610	-	(2,496,296)	48,519,314	-	48,519,314
Net OPEB liability	12,902,761	-	(91,009)	12,811,752	-	12,811,752
Other:						
Landfill liability	186,000	-	(12,000)	174,000	(12,000)	162,000
Compensated absences	1,537,622	46,129	-	1,583,751	(158,372)	1,425,379
Capital leases	188,937	-	(57,953)	130,984	(59,907)	71,077
Subtotal - other	1,912,559	46,129	(69,953)	1,888,735	(230,279)	1,658,456
Totals	\$ 103,499,825	\$ 3,246,129	\$ (6,085,648)	\$ 100,660,306	\$ (3,854,354)	\$ 96,805,952
Business-Type Activities						
Bonds payable	\$ 860,000	\$ -	\$ (75,000)	\$ 785,000	\$ (75,000)	\$ 710,000
Unamortized premiums	23,403	-	(2,714)	20,689	(2,128)	18,561
Subtotal	883,403	-	(77,714)	805,689	(77,128)	728,561
Net pension liability	1,605,479	-	(189,450)	1,416,029	-	1,416,029
Net OPEB liability	407,487	-	(9,391)	398,096	-	398,096
Other:						
Compensated absences	221,236	-	(99,493)	121,743	(12,175)	109,568
Totals	\$ 3,117,605	\$ -	\$ (376,048)	\$ 2,741,557	\$ (89,303)	\$ 2,652,254

15. Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as a liability in the financial statements in each period based on landfill the City used as of each balance sheet date.

Closure of the Endicott Street East landfill was completed in 1990. The City has been completing post-closure monitoring of the landfill since closure. The actual life of the landfill may be longer due to increased recycling efforts. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

16. Deferred Inflows of Resources

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

on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

17. Governmental Funds - Balances

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

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

The following types of fund balances are reported at June 30, 2019:

Nonspendable - This fund balance classification includes an offset for inventory and general fund prepaid expenditures, as well as nonmajor governmental fund reserves for the principal portion of permanent trust funds.

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

Committed - This fund balance classification includes capital reserve funds set aside by City Council vote (reported as part of the general fund per GASB 54), various special revenue funds, and nonmajor governmental fund reserves for the income portion of permanent trust funds.

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

Unassigned – This fund balance classification includes general fund available balance and other funds' temporary fund balance deficits.

Following is a breakdown of the City's fund balances at June 30, 2019:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Prepays	\$ 199,586	\$ -	\$ 199,586
Nonexpendable permanent funds	-	790,614	790,614
Total Nonspendable	199,586	790,614	990,200
Restricted			
TIF	-	902,002	902,002
Ambulance	-	397,680	397,680
Community Development	-	103,657	103,657
Airport	-	995,767	995,767
City Grants	-	223,238	223,238
Impact Fee	-	96,171	96,171
Road Improvement	-	2,959,143	2,959,143
Main Street Bridge	-	32,548	32,548
Weirs Community Park	-	18,457	18,457
Weirs & Endicott Water Line	-	4,628	4,628
Messer Street Drainage	-	266,925	266,925
LED Street Light Conversion	-	4,442	4,442
Other capital projects	-	30,920	30,920
Total Restricted	-	6,035,578	6,035,578
Committed			
Capital reserves	3,072,649	-	3,072,649
Park houses	-	33,536	33,536
Revolving	-	513,234	513,234
Frank Bean clean up	-	5,095	5,095
Expendable permanent funds	-	1,227,889	1,227,889
Total Committed	3,072,649	1,779,754	4,852,403
Assigned			
Reserved for encumbrances:			
Public Works Street Repairs	501,317	-	501,317
Fire/Police Radio & Tower Upgrades	148,146	-	148,146
City Wide Drainage Improvements	130,000	-	130,000
Traffic Signal Improvements	98,350	-	98,350
Weirs Boardwalk Retaining Wall	75,500	-	75,500
City Wide Drainage Improvements	72,203	-	72,203
Fence, Rails & Guardrails	67,024	-	67,024
Beach Facilities Drainage Improvements	56,141	-	56,141
Centralized Irrigation Control System	50,000	-	50,000
Court Street Bridge Improvements	41,365	-	41,365
Endicott Rock Beach Engineering	40,000	-	40,000
PPD Evidence Room/Armory Ventilation	37,149	-	37,149
Fire Protective Clothing	35,288	-	35,288
Planning O/S Contracts	34,637	-	34,637
Bridge Repair & Maintenance	29,240	-	29,240
Beach Facilities Drainage Improvements	28,105	-	28,105
IT Projects	26,223	-	26,223
DPW-Sidewalk Repairs/Construction	25,000	-	25,000
Guard Rails and Railings	25,000	-	25,000
Storm water Eng/Study/Design	25,000	-	25,000
Purchase 18 Wilson Court	23,372	-	23,372
Union Ave. Retaining Wall	20,902	-	20,902
Langley Brook Bridge Engineering	20,000	-	20,000
Opechee Park Pedestrian Walkway	20,000	-	20,000
Other	259,004	-	259,004
Total Assigned	1,888,966	-	1,888,966
Unassigned	3,257,131	-	3,257,131
Total Fund Balance	\$ 8,418,332	\$ 8,605,946	\$ 17,024,278

18. Retirement System

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

A. Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

B. Benefits Provided

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

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

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

C. Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers 11.55% for police and 11.80% for fire. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 11.08% to 27.79% of covered compensation. The City's contributions to NHRS for the year ended June 30, 2019 was \$4,585,174, which was equal to its annual required contribution.

D. Summary of Significant Accounting Policies

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

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

At June 30, 2019, the City reported a liability of \$49,935,343 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City's proportion was 1.037%, which was a change of (.0329)% from its previous year proportion.

For the year ended June 30, 2019, the City recognized pension expense of \$4,800,944. The City reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual	\$ 398,573	\$ (404,328)
Changes of assumptions	3,455,772	-
Net difference between projected and actual earnings on pension plan investments	-	(1,155,547)
Changes in proportion and differences between contributions and proportionate share of contributions	1,041,837	(2,448,686)
Contributions subsequent to the measurement date	4,585,174	-
Total	<u>\$ 9,481,356</u>	<u>\$ (4,008,561)</u>

The amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase in pension expense in 2020. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 1,790,336
2021	1,185,367
2022	(1,656,443)
2023	<u>(431,639)</u>
Total	<u>\$ 887,621</u>

F. Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5% per year
Salary increases	5.6% average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent actuarial experience study.

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

<u>Asset Class</u>	<u>Target Allocation Percentage</u>	<u>Weighted Average Average Long- Term Expected Real Rate of Return</u>
Large Cap Equities	22.50 %	4.25%
Small/Mid Cap Equities	<u>7.50</u>	4.50%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.50%
Emerging Int'l Equities	<u>7.00</u>	6.00%
Total international equities	20.00	
Core Bonds	4.50	0.50%
Short Duration	2.50	-0.25%
Global Multi-Sector Fixed Income	11.00	1.80%
Unconstrained Fixed Income	<u>7.00</u>	1.14%
Total fixed income	25.00	
Private equity	5.00	6.25%
Private debt	5.00	4.25%
Opportunistic	<u>5.00</u>	2.15%
Total alternative investments	<u>15.00</u>	
Real estate	<u>10.00</u>	3.25%
Total	<u><u>100.00</u></u> %	

G. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan’s actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
\$	66,439,382	\$ 49,935,343	\$ 36,104,452

I. Pension Plan Fiduciary Net Position

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

19. Other Post-Employment Benefits (GASB 75)

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

A. *City OPEB Plan*

All the following OPEB disclosures for the City OPEB Plan are based on a measurement date of June 30, 2019. The City contracts with an outside actuary to complete the GASB 75 actuarial valuation and schedule of changes in Net OPEB liability. Detailed information can be found in separately issued reports through request of the City Finance Department.

General Information about the OPEB Plan

Plan Description

The City indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the City who participate in this single-employer plan pay 100% of the healthcare premiums to participate in the City’s healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the City pays for the retirees.

The City’s OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75,

Plan Description

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

Plan Membership

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	193
Active employees	<u>465</u>
Total	<u><u>658</u></u>

Funding Policy

The City’s funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	5.60%, average, including inflation
Discount rate	3.51%
Healthcare cost trend rates	8.5% for 2018, decreasing 0.5% per year to an ultimate rate of 5% in 8 years.
Retirees' share of benefit-related costs	100%

The discount rate was based on the long-term municipal bond rate at June 30, 2019.

The mortality rate is based on the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 (RPH-2017 table created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2017 using MP-2017 improvement)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Total OPEB Liability

The City's total OPEB liability of \$8,505,557, was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances, beginning of year	\$ 8,702,706
Changes for the year:	
Service cost	322,913
Interest	338,040
Differences between expected and actual experience	(548,965)
Changes in assumptions or other inputs	277,901
Benefit payments	<u>(587,038)</u>
Net Changes	<u>(197,149)</u>
Balances, end of year	<u>\$ 8,505,557</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.56% in 2018 to 3.51% in 2019. All other assumptions were the same as those used in the previous measurement.

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

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

1% <u>Decrease</u>	Current Discount Rate	1% <u>Increase</u>
\$ 9,341,347	\$ 8,505,557	\$ 7,761,696

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

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% <u>Decrease</u>	Current Healthcare Cost Trend Rates	1% <u>Increase</u>
\$ 7,550,617	\$ 8,505,557	\$ 9,627,846

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

For the year ended June 30, 2019, the City recognized an OPEB expense of \$523,919. At June 30, 2019, the City reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Difference between expected and actual experience	\$ 2,114	\$ (696,209)
Change in assumptions	241,515	-
Net difference between projected and actual OPEB investment earnings	<u>-</u>	<u>(1,004)</u>
Total	<u>\$ 243,629</u>	<u>\$ (697,213)</u>

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

<u>Year Ended June 30:</u>	
2020	\$ (137,034)
2021	(137,034)
2022	(137,033)
2023	(69,902)
2024	6,493
Thereafter	<u>20,926</u>
Total	<u>\$ (453,584)</u>

B. New Hampshire Retirement System Medical Subsidy Plan Description

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed above, the City participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer other post-employment benefit plan (OPEB Plan) for retiree health insurance subsidies. Benefit amounts and eligibility requirements are set by state law, and members are designated by type. The four membership

types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, NH 03301-8507 or from their website at <http://www.nhrs.org>.

Benefits Provided

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

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

Contributions

Pursuant to RSA 100-A:16,III, and the biennial actuarial valuation, funding for the medical subsidy payment is via the employer contribution rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of gross payroll. The Town contributed 0.30% of gross payroll for Group I employees and 4.10% of gross payroll for Group II fire and police department members.

Employees are not required to contribute. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the medical subsidy plan.

Actuarial Assumptions and Other Inputs

The City's proportionate share of the NHRS Medical Subsidy as of June 30, 2019 is based upon an actuarial valuation performed as of June 30, 2017 (rolled forward to

June 30, 2018) using a measurement date of June 30, 2018. The actuarial valuation used the following actuarial assumptions:

Price inflation	2.50%
Wage inflation	3.25%
Salary increases	5.60%
Investment rate of return	7.25%
Discount rate	7.25%

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the most recent experience study, which was for the period July 1, 2010 – June 30, 2015.

Net OPEB Liability, Expense, and Deferred Outflows and (Inflows)

The City's proportionate share of the net NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2018 was \$4,704,291.

For the year ended June 30, 2019, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$408,623. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Contributions subsequent to the measurement date	\$ 474,302	\$ -
Difference between expected and actual experience	12,466	-
Changes in proportion	149,793	(143,476)
Change in assumptions	-	-
Net difference between projected and actual OPEB investment earnings	<u>14,079</u>	<u>(14,370)</u>
Total	<u>\$ 650,640</u>	<u>\$ (157,846)</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows and (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended:</u>	
2020	\$ 28,777
2021	(4,663)
2022	(4,663)
2023	<u>(959)</u>
Total	\$ <u>18,492</u>

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

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

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 4,896,250	\$ 4,704,291	\$ 4,166,592

Healthcare Cost Trend Rate

Healthcare cost trend rates are not applicable given that the benefits are fixed stipends.

C. Consolidation of Total/Net OPEB Liabilities and Related Deferred Outflows and (Inflows)

The following consolidates the City’s total OPEB liability and related deferred outflows/inflows, and the City’s proportionate share of the NHRS Medical Subsidy net OPEB liability and related deferred outflows/inflows at June 30, 2019:

	Total OPEB Liability	Total Deferred Outflows of Resources	Total Deferred (Inflows) of Resources	Total OPEB Expense
Town OPEB Plan	\$ 8,505,557	\$ 243,629	\$ (697,213)	\$ 523,919
Proportionate share of NHRS Medical Subsidy Plan	<u>4,704,291</u>	<u>650,640</u>	<u>(157,846)</u>	<u>408,623</u>
Total	<u>\$ 13,209,848</u>	<u>\$ 894,269</u>	<u>\$ (855,059)</u>	<u>\$ 932,542</u>

20. Commitments and Contingencies

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

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

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

Pollution Remediation Obligation – The City received a Request for Response Actions, dated July 28, 2010, from the New Hampshire Environmental Services describing conditions on several properties in Laconia identified as the former Burn Dump and the former Morin Road Landfill alleging each may have been used in the past by the City for landfill operations and directs that additional investigation and remediation be undertaken at these sites to determine the source, nature, location and extent of waste and contamination. The liability of the City has not been established because it is not reasonably possible to estimate the actual costs of undertaking any such response action at the present time.

Encumbrances – At year-end the City's general fund has \$1,888,966 in encumbrances that will be honored in the next fiscal year.

21. Tax Increment Financing District

The following represents the Downtown Tax Increment Financing District's fiscal year 2019 financial report, which is required by NH RSA 162-K:11. This District is reported as a special revenue fund of the City.

	Downtown TIF	Lakeport TIF	Weirs Beach TIF	Total TIF
Revenues				
Tax Increment	\$ 228,817	\$ 7,981	\$ 73,702	\$ 310,500
Expenditures				
General Government	429,857	-	-	429,857
Debt Service	<u>133,022</u>	<u>-</u>	<u>108,838</u>	<u>241,860</u>
Total Expenditures	<u>562,879</u>	<u>-</u>	<u>108,838</u>	<u>671,717</u>
Excess (deficiency) of revenues over expenditures	(334,062)	7,981	(35,136)	(361,217)
Fund Equity, at Beginning of Year	<u>1,316,884</u>	<u>13,521</u>	<u>(67,186)</u>	<u>1,263,219</u>
Fund Equity, at End of Year	<u>\$ 982,822</u>	<u>\$ 21,502</u>	<u>\$ (102,322)</u>	<u>\$ 902,002</u>
Assessment Information				
Base Value	<u>\$ 70,676,650</u>	<u>\$ 39,054,200</u>	<u>\$ 81,482,633</u>	<u>\$ 191,213,483</u>
Captured Value*	<u>\$ 106,167,864</u>	<u>\$ 34,101,200</u>	<u>\$ 111,455,733</u>	<u>\$ 251,724,797</u>

* = As of December 1, 2018

22. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities*, effective for the City beginning with its fiscal year ending June 30, 2020. This statement establishes guidance on how to address the categorization of fiduciary activities for financial reporting and how fiduciary activities are to be reported, and may require reclassification of certain funds.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the City beginning with its fiscal year ending June 30, 2021. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.

CITY OF LACONIA, NEW HAMPSHIRE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY (GASB 68)
 JUNE 30, 2019
 (Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2019	June 30, 2018	1.03703517%	\$49,935,343	\$ 26,069,919	192%	64.73%
June 30, 2018	June 30, 2017	1.06997084%	\$52,621,089	\$ 27,124,802	194%	62.66%
June 30, 2017	June 30, 2016	1.11234008%	\$59,149,744	\$ 27,469,995	215%	58.30%
June 30, 2016	June 30, 2015	1.06213206%	\$42,076,650	\$ 26,290,822	160%	65.47%
June 30, 2015	June 30, 2014	1.06796808%	\$40,087,097	\$ 25,503,101	157%	66.32%

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

See Independent Auditors' Report.

CITY OF LACONIA, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)

JUNE 30, 2019
(Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	Contributions in Relation to the <u>Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2019	\$ 4,585,174	\$ 4,585,174	\$ -	\$ 28,072,177	16.33%
June 30, 2018	\$ 4,385,657	\$ 4,385,657	\$ -	\$ 26,069,919	16.82%
June 30, 2017	\$ 4,157,350	\$ 4,157,350	\$ -	\$ 27,124,802	15.33%
June 30, 2016	\$ 4,174,617	\$ 4,174,617	\$ -	\$ 27,469,995	15.20%
June 30, 2015	\$ 3,575,428	\$ 3,575,428	\$ -	\$ 26,290,822	13.60%

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

See Independent Auditors' Report.

CITY OF LACONIA, NEW HAMPSHIRE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF PROPORTIONATE SHARE AND CONTRIBUTIONS
 OF THE NET OPEB LIABILITY (GASB 75)

JUNE 30, 2019
 (Unaudited)

(Amounts expressed in thousands)

Schedule of Proportionate Share

New Hampshire Retirement System Medical Subsidy						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Net OPEB Liability</u>
June 30, 2019	June 30, 2018	1.02748455%	\$4,704,291	\$ 26,069,919	18.04%	7.53%
June 30, 2018	June 30, 2017	1.00769896%	\$4,607,542	\$ 27,124,802	16.99%	7.91%
June 30, 2017	June 30, 2016	1.07379758%	\$5,198,310	\$ 27,469,995	18.92%	5.21%

Schedule of Contributions

New Hampshire Retirement System Medical Subsidy						
<u>Fiscal Year</u>	<u>Valuation Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions Relative to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
June 30, 2019	June 30, 2018	\$ 474,302	\$ 474,302	\$ -	\$28,072,177	1.69%
June 30, 2018	June 30, 2017	\$ 443,829	\$ 443,829	\$ -	\$26,076,439	1.70%

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

See Independent Auditors' Report.

CITY OF LACONIA, NEW HAMPSHIRE
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY (GASB 75)

(Unaudited)

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 322,913	\$ 351,408
Interest on unfunded liability - time value of \$	338,040	327,237
Differences between expected and actual experience	(548,965)	(402,770)
Changes of assumptions	277,901	8,747
Benefit payments, including refunds of member contributions	<u>(587,038)</u>	<u>(735,894)</u>
Net change in total OPEB liability	(197,149)	(451,272)
Total OPEB liability - beginning	<u>8,702,706</u>	<u>9,153,978</u>
Total OPEB liability - ending	<u>\$ 8,505,557</u>	<u>\$ 8,702,706</u>

Does not include New Hampshire Retirement System Medical Subsidy.

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

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

See Independent Auditors' Report.

STATISTICAL SECTION

CITY OF LACONIA
NET POSITION BY COMPONENT UNIT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010*</u>
Governmental activities										
Invested in capital assets, net of related deb	68,899	68,784	68,984	68,559	67,680	67,962	66,162	57,995	58,604	58,797
Restricted for:										
Grants	6,178	3,372	2,875	3,216	3,753	1,946	1,664	1,656	1,379	1,314
Permanent funds:										
Nonexpendable	791	755	685	273	272	259	220	192	278	162
Expendable	1,057	924	1,018	1,625	1,469	1,404	1,139	1,148	906	934
Unrestricted	<u>(51,972)</u>	<u>(49,183)</u>	<u>(36,523)</u>	<u>(34,022)</u>	<u>(35,269)</u>	<u>622</u>	<u>2,596</u>	<u>3,689</u>	<u>4,088</u>	<u>4,718</u>
Total governmental activities net assets	<u>\$24,953</u>	<u>\$24,652</u>	<u>\$37,039</u>	<u>\$39,651</u>	<u>\$37,905</u>	<u>\$72,193</u>	<u>\$71,781</u>	<u>\$64,680</u>	<u>\$65,255</u>	<u>\$65,925</u>
Business-type activities										
Invested in capital assets, net of related deb	21066	19,998	18,965	18,016	17,945	18,105	18,600	18,141	17,971	18,066
Restricted	0	-	-	-	-	-	-	-	-	-
Unrestricted	5247	<u>5,513</u>	<u>6,604</u>	<u>4,542</u>	<u>3,969</u>	<u>6,567</u>	<u>5,904</u>	<u>5,594</u>	<u>6,166</u>	<u>6,396</u>
Total business-type activities net assets	<u>\$26,313</u>	<u>\$25,511</u>	<u>\$25,569</u>	<u>\$22,558</u>	<u>\$21,914</u>	<u>\$24,672</u>	<u>\$24,504</u>	<u>\$23,735</u>	<u>\$24,137</u>	<u>\$24,462</u>
Primary government										
Invested in capital assets, net of related deb	\$89,965	\$88,782	\$87,949	\$86,575	\$85,625	\$86,067	\$84,762	\$76,136	\$76,575	\$76,863
Restricted for:										
Grants	6,178	3,372	2,875	3,216	3,753	1,946	1,664	1,656	1,379	1,314
Permanent funds:										
Nonexpendable	791	755	685	273	272	259	220	192	278	162
Expendable	1,057	924	1,018	1,625	1,469	1,404	1,139	1,148	906	934
Unrestricted	<u>(46,725)</u>	<u>(43,670)</u>	<u>(29,919)</u>	<u>(29,480)</u>	<u>(31,300)</u>	<u>7,189</u>	<u>8,500</u>	<u>9,283</u>	<u>10,254</u>	<u>11,114</u>
Total primary governmental net assets	<u>\$51,266</u>	<u>\$50,163</u>	<u>\$62,608</u>	<u>\$62,209</u>	<u>\$59,819</u>	<u>\$96,865</u>	<u>\$96,285</u>	<u>\$88,415</u>	<u>\$89,392</u>	<u>\$90,387</u>

* Net assets have been reclassified in FY10 to reflect new accounting standards under GASB 54

CITY OF LACONIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses											
Governmental activities:											
General government*	\$9,247	\$10,377	\$8,652	\$8,105	\$7,773	\$8,109	\$8,356	\$8,480	\$8,325	\$9,931	\$8,687
Public safety	13,908	11,724	11,736	11,386	10,630	10,354	9,517	9,504	9,483	9,453	9,188
Highways and streets	6,233	4,355	3,895	3,428	3,948	4,247	4,715	3,579	3,924	2,789	3,702
Solid Waste	2,060	2,027	1,735	1,752	2,080	1,959	1,652	1,825	1,794	1,723	1,699
Education	35,931	37,786	36,573	38,093	34,649	33,945	33,525	33,776	34,152	33,673	31,556
Culture and recreation	2,277	2,259	2,310	2,243	3,169	1,850	1,969	1,781	1,599	1,658	1,506
Interest on long-term debt	1,361	1,325	1,179	1,111	901	916	883	875	951	903	925
Total governmental activities expenses	<u>71,017</u>	<u>69,853</u>	<u>66,080</u>	<u>66,118</u>	<u>63,150</u>	<u>61,380</u>	<u>60,617</u>	<u>59,820</u>	<u>60,228</u>	<u>60,130</u>	<u>57,263</u>
Business-type activities:											
Water	2,687	2,917	2,651	2,474	2,495	2,455	2,455	2,408	2,361	2,299	2,281
Sewer	3,691	3,665	3,597	3,724	3,306	3,420	3,450	3,313	3,158	3,366	3,051
Total business-type activities expenses	<u>6,378</u>	<u>6,582</u>	<u>6,248</u>	<u>6,198</u>	<u>5,801</u>	<u>5,875</u>	<u>5,905</u>	<u>5,721</u>	<u>5,519</u>	<u>5,665</u>	<u>5,332</u>
Total primary government expenses	<u>\$77,395</u>	<u>\$76,435</u>	<u>\$72,328</u>	<u>\$72,316</u>	<u>\$68,951</u>	<u>\$67,255</u>	<u>\$66,522</u>	<u>\$65,541</u>	<u>\$65,747</u>	<u>\$65,795</u>	<u>\$62,595</u>
Program Revenues											
Governmental activities:											
Charges for services:											
General government	\$3,977	\$3,846	\$3,711	\$3,563	\$3,353	\$3,172	\$2,928	\$2,818	\$2,841	\$2,858	\$2,981
Culture and recreation	\$75	77	92	172	134	160	86	95	91	88	59
Other activities	\$3,885	2,746	3,499	3,933	3,596	4,068	2,912	2,840	2,832	2,986	2,862
Operating grants and contributions	\$14,113	14,874	12,886	14,628	13,593	12,423	13,440	13,506	13,846	15,050	11,479
Capital grants and contributions	\$479	1,902	715	1,928	3,017	757	8,015	545	506	4,518	1,583
Total governmental activities program revenue	<u>\$22,529</u>	<u>23,445</u>	<u>20,903</u>	<u>24,224</u>	<u>23,693</u>	<u>20,580</u>	<u>27,381</u>	<u>19,804</u>	<u>20,116</u>	<u>25,500</u>	<u>18,964</u>
Business-type activities:											
Charges for services:											
Water	\$2,746	2,694	2,650	2,480	2,400	2,418	2,709	2,215	2,155	2,159	2,183
Sewer	\$4,300	4,150	4,351	4,296	3,891	3,611	3,348	3,073	2,700	2,654	2,709
Operating grants and contributions	-	-	-	-	-	-	599	-	-	3	3
Capital grants and contributions	-	-	428	53	-	-	-	-	-	-	-
Total business-type activities program revenue	<u>\$7,046</u>	<u>6,844</u>	<u>7,429</u>	<u>6,829</u>	<u>6,291</u>	<u>6,029</u>	<u>6,656</u>	<u>5,288</u>	<u>4,855</u>	<u>4,816</u>	<u>4,895</u>
Total primary government program revenues	<u>\$29,575</u>	<u>\$30,289</u>	<u>\$28,332</u>	<u>\$31,053</u>	<u>\$29,984</u>	<u>\$26,609</u>	<u>\$34,037</u>	<u>\$25,092</u>	<u>\$24,971</u>	<u>\$30,316</u>	<u>\$23,859</u>
Net (expense)/revenues											
Governmental activities	(\$48,489)	(\$46,408)	(\$45,177)	(\$41,894)	(\$39,457)	(\$40,800)	(\$33,236)	(\$40,016)	(\$40,112)	(\$34,630)	(\$38,299)
Business-type activities	778	261	1,181	631	490	154	751	(433)	(664)	(849)	(437)
Total primary government net expense	<u>(\$47,711)</u>	<u>(\$46,147)</u>	<u>(\$43,996)</u>	<u>(\$41,263)</u>	<u>(\$38,967)</u>	<u>(\$40,646)</u>	<u>(\$32,485)</u>	<u>(\$40,449)</u>	<u>(\$40,776)</u>	<u>(\$35,479)</u>	<u>(\$38,736)</u>

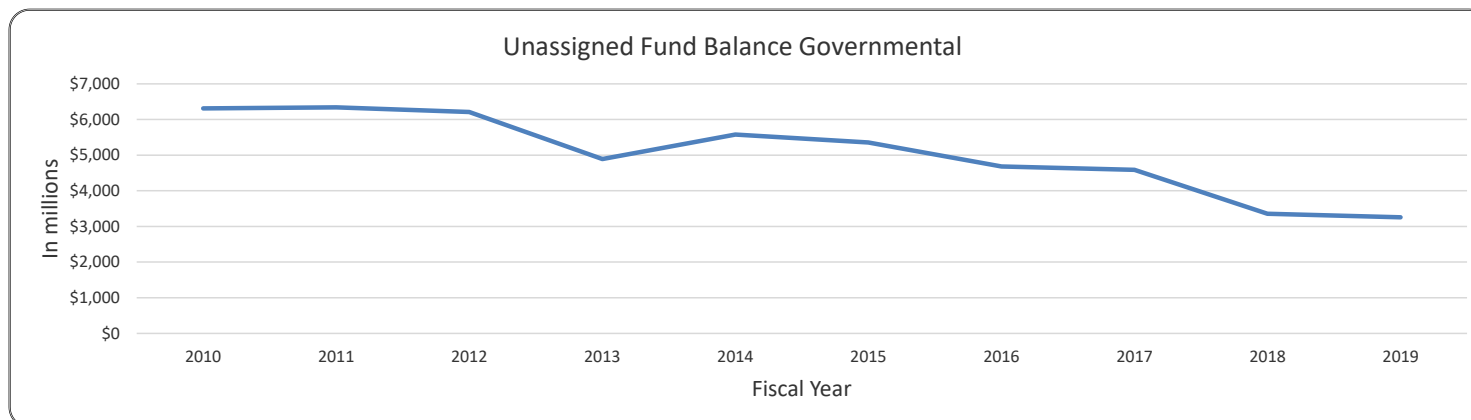
* Includes Welfare, conservation and airport expenses

	Fiscal Year										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Assets											
Governmental activities:											
Taxes											
Property taxes	\$45,071	\$43,103	\$42,239	\$41,167	\$39,996	\$38,973	\$38,394	\$37,537	\$37,415	\$37,609	\$36,474
Franchise taxes	320	323	322	309	298	285	285	273	269	262	259
Payment in lieu of taxes	235	524	349	339	395	387	398	409	431	347	351
Other taxes	250	292	243	311	213	186	223	247	251	113	160
Unrestricted grants and contributions	851	851	841	777	780	717	717	713	775	772	2,167
Investment earnings	497	425	300	182	149	298	252	116	350	417	576
Miscellaneous	1565	1,037	86	495	1,671	366	68	146	242	387	393
Transfers	-	-	-	-	-	-	-	-	(291)	-	-
Total governmental activities	48,789	46,555	44,380	43,580	43,502	41,212	40,337	39,441	39,442	39,907	40,380
Business-type activities:											
Investment earnings	25	22	19	14	14	14	18	31	48	64	87
Miscellaneous	-	-	(4)	-	-	-	-	-	-	524	428
Transfers	-	-	-	-	-	-	-	-	291	-	-
Total business-type activities	25	22	15	14	14	14	18	31	339	588	515
Total primary government	\$48,814	\$46,577	\$44,395	\$43,594	\$43,516	\$41,226	\$40,355	\$39,472	\$39,781	\$40,495	\$40,895
Changes in Net Assets											
Governmental activities	\$300	\$147	\$797	\$1,686	\$4,045	\$412	\$7,101	(\$575)	(\$670)	\$5,277	\$2,081
Business-type activities	803	283	1,196	645	504	168	769	(402)	(325)	(261)	78
Total primary government	\$1,103	\$430	\$399	\$2,331	\$4,549	\$580	\$7,870	(\$977)	(\$995)	\$5,016	\$2,159

CITY OF LACONIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund											
Nonspendable	199	\$197	\$395	\$183	\$71	\$71	\$167	\$146	\$53	\$1,182	\$675
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	3,073	2,392	1,813	1,373	1,462	695	463	1,148	88	-	-
Assigned	1,889	1,907	1,223	977	1,126	623	591	510	570	-	-
Unassigned	<u>3,257</u>	<u>3,359</u>	<u>4,587</u>	<u>4,682</u>	<u>5,358</u>	<u>5,575</u>	<u>4,890</u>	<u>5,209</u>	<u>6,341</u>	<u>6,312</u>	<u>6,322</u>
Total general fund	\$8,418	\$7,855	\$8,018	\$7,215	\$8,017	\$6,964	\$6,111	\$7,013	\$7,052	\$7,494	\$6,997
All other governmental funds											
Nonspendable	791	\$755	\$685	\$273	\$273	\$259	\$219	\$192	\$191	\$162	\$145
Unreserved, reported in:											
Restricted	6035	5,507	3,090	3,201	3,130	1,314	2,792	2,644	2,456	1,344	1,314
Committed	1780	1,768	1,587	2,174	5,005	3,115	1,298	1,379	286	415	735
Assigned	-	-	-	-	-	-	-	-	-	934	883
Unassigned	-	(42)	(524)	(206)	(1,093)	(1,590)	(127)	-	-	-	-
Total all other governmental fun	\$8,606	\$7,988	\$4,838	\$5,442	\$7,315	\$3,098	\$4,182	\$4,215	\$2,933	\$2,855	\$3,077

* City implemented GASB 54 in FY11



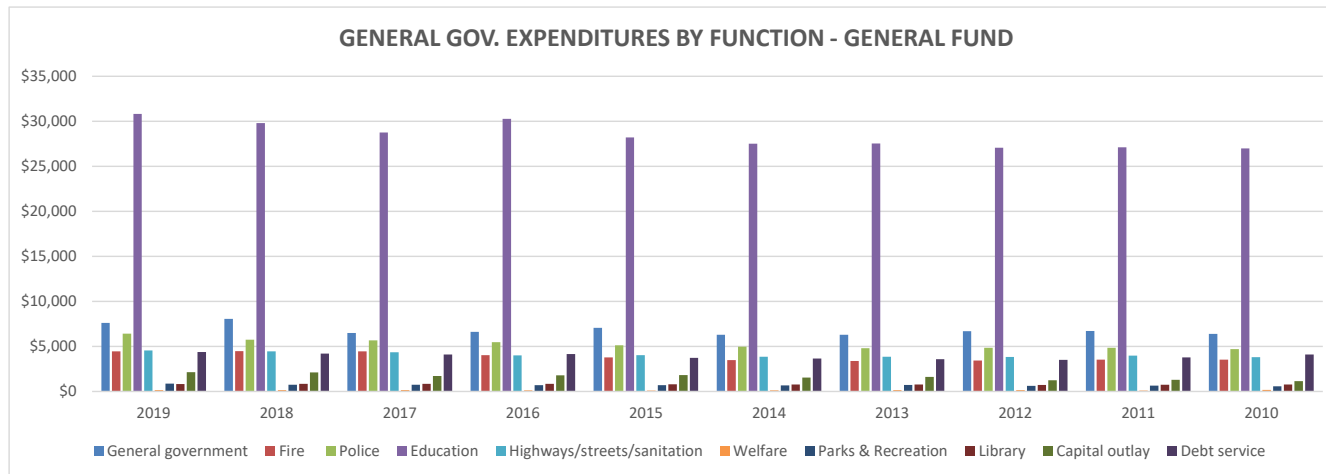
CITY OF LACONIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues											
Taxes	44756	\$43,740	\$42,788	\$41,818	\$40,604	\$39,470	\$38,849	\$38,294	\$38,007	\$38,103	\$36,515
Licenses and permits	3477	3,345	3,187	3,053	2,876	2,717	2,466	2,399	2,266	2,364	2,493
Intergovernmental	9955	10,063	9,534	10,271	9,582	9,006	9,560	9,685	10,073	10,326	9,811
Charges for services	1987	2,149	2,051	1,815	1,638	1,920	1,588	1,297	1,335	1,314	1,466
Fines	25	30	25	33	38	35	38	30	35	65	56
Investment earnings	372	212	109	95	43	49	56	77	152	306	610
Miscellaneous	1835	1,023	242	404	1,639	610	344	381	485	335	443
Total revenues	62,407	60,562	57,936	57,489	56,420	53,807	52,901	52,163	52,353	52,813	51,394
Expenditures											
General government	7,761	8,207	6,648	6,739	7,168	6,409	6,440	6,853	6,821	6,558	6,711
Public safety	10,862	10,227	10,118	9,513	8,921	8,456	8,170	8,285	8,371	8,253	8,047
Education	30,827	29,793	28,765	30,280	28,212	27,513	27,541	27,059	27,110	26,986	25,669
Highways and streets	2,592	2,525	2,699	2,391	2,416	2,321	2,258	2,077	2,257	2,131	2,342
Solid Waste	1,970	1,937	1,644	1,610	1,618	1,534	1,605	1,759	1,722	1,671	1,712
Library	862	851	853	840	804	777	771	735	756	780	755
Parks & Recreation	832	753	743	688	686	668	731	617	645	572	651
Capital outlay	2,147	2,125	1,722	1,792	1,811	1,542	1,624	1,252	1,296	1,151	1,592
Debt service											
Principal	3,258	3,076	2,975	3,122	2,842	2,758	2,710	2,634	2,892	3,232	3,238
Interest	1,187	1,126	1,121	1,043	901	895	871	871	892	883	878
Other charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	62,298	60,620	57,288	58,018	55,379	52,873	52,721	52,142	52,762	52,217	51,595
Excess of revenues over (under) expenditures	109	(58)	648	(529)	1,041	934	180	21	(409)	596	(201)
Other financing sources (uses)											
Transfers in	19	21	155	63	12	7	-	-	-	-	-
Transfers out	-	(126)	-	(336)	-	(88)	(1,082)	(60)	(120)	(100)	(85)
Capital leases	-	-	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	19	(105)	155	(273)	12	(81)	(1,082)	(60)	(120)	(100)	(85)
Net change in fund balances	\$128	(\$163)	\$803	(\$802)	\$1,053	\$853	(\$902)	(\$39)	(\$529)	\$496	(\$286)

CITY OF LACONIA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION-GENERAL FUND
Last Ten Fiscal Years
(amounts expressed in thousands)

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	\$7,612	\$8,064	\$6,506	\$6,611	\$7,055	\$6,285	\$6,292	\$6,703	\$6,710	\$6,384
Fire	4,450	4,479	4,446	4,039	3,784	3,491	3,380	3,438	3,526	3,545
Police	6,411	5,747	5,670	5,474	5,137	4,965	4,791	4,847	4,845	4,708
Education	30,827	29,793	28,765	30,280	28,211	27,513	27,541	27,059	27,111	26,986
Highways/streets/sanitation	4,562	4,462	4,343	4,001	4,034	3,856	3,863	3,836	3,980	3,802
Welfare	149	143	144	128	112	123	148	151	111	173
Parks & Recreation	862	753	743	688	686	668	731	617	645	572
Library	832	852	853	840	804	778	770	735	756	780
Capital outlay	2,147	2,125	1,722	1,792	1,811	1,541	1,624	1,252	1,296	1,151
Debt service	4,383	4,202	4,096	4,165	3,743	3,653	3,581	3,504	3,783	4,115
TOTALS	62,235	60,620	57,288	58,018	55,377	52,873	52,721	52,142	52,763	52,216

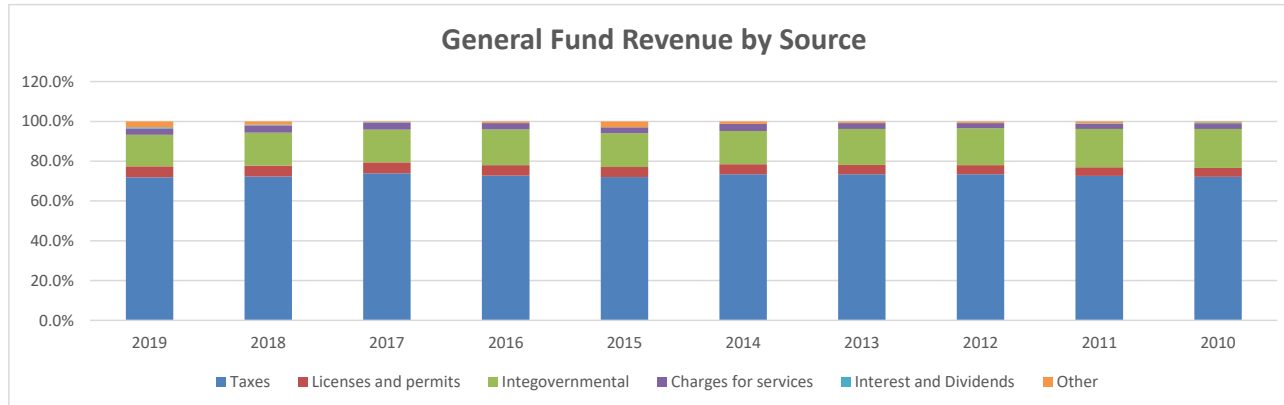
Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	12.2%	13.3%	11.2%	11.4%	12.7%	11.9%	11.9%	12.9%	12.7%	12.2%
Fire	7.2%	7.4%	7.8%	7.0%	6.8%	6.6%	6.4%	6.6%	6.7%	6.8%
Police	10.3%	9.5%	9.8%	9.4%	8.9%	8.6%	8.3%	8.4%	8.4%	8.1%
Education	49.5%	49.1%	49.6%	52.2%	50.9%	52.0%	52.2%	51.9%	51.4%	51.7%
Highways/streets/sanitation	7.3%	7.4%	7.5%	6.9%	7.3%	7.3%	7.3%	7.4%	7.5%	7.3%
Welfare	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.2%	0.3%
Parks & Recreation	1.4%	1.2%	1.3%	1.2%	1.2%	1.3%	1.4%	1.2%	1.2%	1.1%
Library	1.3%	1.4%	1.5%	1.4%	1.5%	1.5%	1.5%	1.4%	1.4%	1.5%
Capital outlay	3.4%	3.5%	3.0%	3.1%	3.3%	2.9%	3.1%	2.4%	2.5%	2.2%
Debt service	7.0%	6.9%	7.1%	7.2%	6.8%	6.9%	6.8%	6.7%	7.2%	7.9%



City of Laconia
General Revenues by Source-General Fund
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$45,128	\$43,741	\$42,788	\$41,817	\$40,604	\$39,470	\$38,849	\$38,295	\$38,007	\$38,103
Licenses and permits	3477	3,345	3,187	3,053	2,876	2,717	2,465	2,399	2,266	2,364
Integovernmental	9955	10,063	9,534	10,271	9,582	9,006	9,560	9,684	10,073	10,326
Charges for services	1987	2,178	2,051	1,815	1,638	1,920	1,588	1,297	1,335	1,314
Interest and Dividends	372	212	109	95	43	49	56	77	152	306
Other	<u>1860</u>	<u>1,024</u>	<u>267</u>	<u>438</u>	<u>1,677</u>	<u>645</u>	<u>382</u>	<u>411</u>	<u>521</u>	<u>400</u>
Total revenues	\$62,779	\$60,563	\$57,936	\$57,489	\$56,420	\$53,807	\$52,900	\$52,163	\$52,354	\$52,813

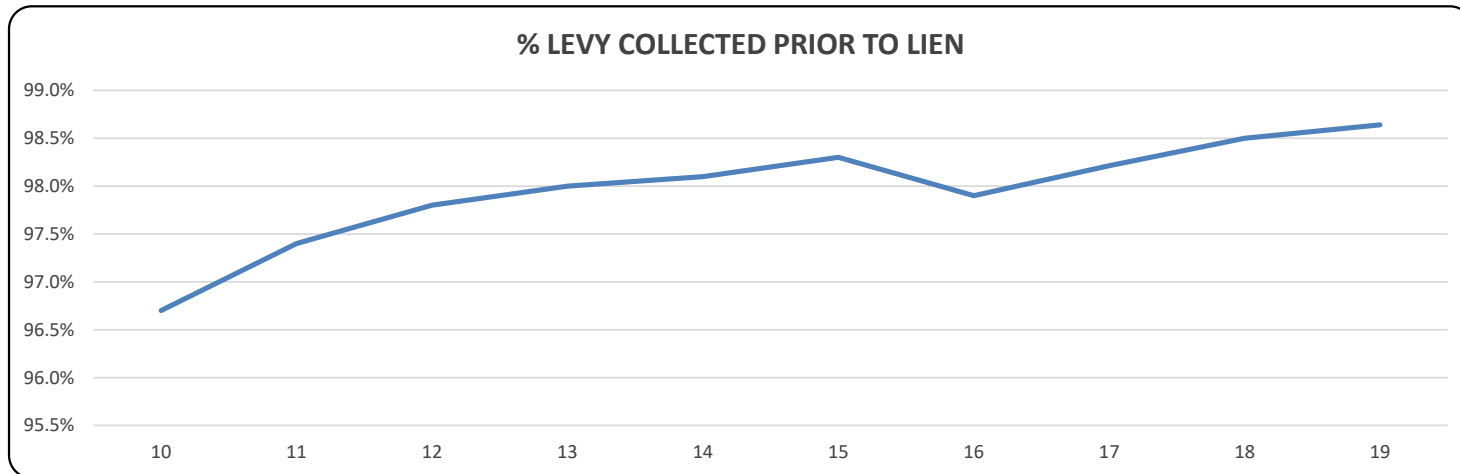
Percent of Total Revenue										
Taxes	71.9%	72.2%	73.9%	72.7%	72.0%	73.4%	73.4%	73.4%	72.6%	72.1%
Licenses and permits	5.5%	5.5%	5.5%	5.3%	5.1%	5.0%	4.7%	4.6%	4.3%	4.5%
Integovernmental	15.9%	16.6%	16.5%	17.9%	17.0%	16.7%	18.1%	18.6%	19.2%	19.6%
Charges for services	3.2%	3.6%	3.5%	3.2%	2.9%	3.6%	3.0%	2.5%	2.5%	2.5%
Interest and Dividends	0.6%	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.3%	0.6%
Other	3.0%	1.7%	0.5%	0.8%	3.0%	1.2%	0.7%	0.8%	1.0%	0.8%



**CITY OF LACONIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)**

Fiscal Year Ended 30-Jun	Total Property Tax Levy	Current Fiscal Year Collections	Percent of Levy Collected Prior to Tax Lien	Property Taxes Liened(1)	Current Fiscal Liened Collections	Total Tax Collections For Current Fiscal Year	Collections as Percent of Total Tax Levy	Outstanding Liened Taxes For Current at Fiscal Year End	Outstanding Liened Taxes as Percent of Tax Levy
2009	36,062	34,668	96.1%	1,394	1352	36,020	99.2%	1	0.0%
2010	37,602	36,344	96.7%	1,258	960	37,304	99.2%	17	0.0%
2011	38,113	37,139	97.4%	974	328	37,467	98.3%	284	0.7%
2012	38,558	37,713	97.8%	845	197	37,910	98.3%	530	1.4%
2013	39,406	38,612	98.0%	794	240	38,852	98.6%	-	0.0%
2014	40,367	39,618	98.1%	749	209	39,827	98.7%	536	1.3%
2011	38,113	37,139	97.4%	974	221	37,360	98.0%	753	2.0%
2016	42,415	41,544	97.9%	871	247	41,791	98.5%	623	1.5%
2017	42,703	41,940	98.2%	762	175	42,115	98.6%	587	1.4%
2018	43,922	43,269	98.5%	652	182	43,451	98.9%	466	1.1%
2019	46,671	46,034	98.6%	636	128	46,162	98.9%	506	1.1%

(1) Annually, the City places a lien on properties for which taxes are unpaid.



CITY OF LACONIA
ASSESSED VALUE AND ESTIMATED FULL VALUE OF REAL PROPERTY
Last Ten Fiscal Years
(in thousands of dollars)

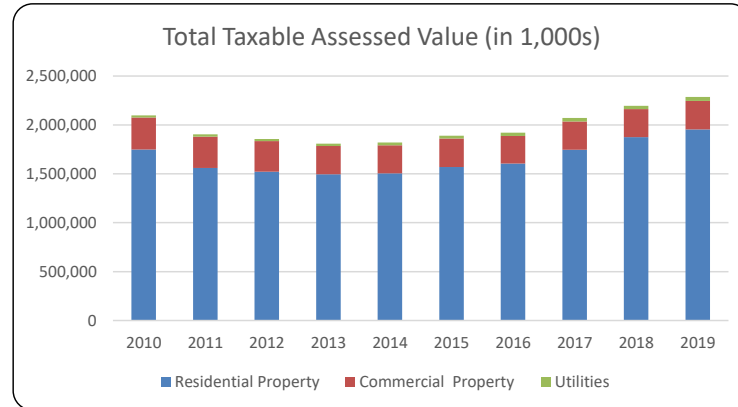
Fiscal Year End	Local Assessed Value (1)			Total Assessed Value*	Less: Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate (per \$ 1,000)	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value	COD	PDR
	Residential Property	Commercial Property	Utilities								
2010	1,747,771	327,153	23,530	\$2,098,454	7,710	\$2,090,744	\$ 18.04	2,047,623	102.5%	13.2	1.04
2011	1,560,739	320,342	22,424	\$1,903,505	6,655	\$1,896,850	\$ 19.81	2,006,065	94.9%	12.4	1.02
2012	1,521,087	314,155	20,705	\$1,855,947	6,595	\$1,849,352	\$20.56	1,856,403	100.0%	13.7	1.04
2013	1,495,744	288,361	25,530	\$1,809,635	5,755	\$1,803,880	\$21.00	1,883,388	96.1%	10.3	1.02
2014	1,504,976	287,230	29,300	\$1,821,506	5,860	\$1,815,646	\$22.08	1,843,806	98.8%	14.6	1.03
2015	1,568,526	291,464	29,168	\$1,889,158	5,110	\$1,884,048	\$22.40	1,932,169	97.8%	13.2	1.02
2016	1,605,415	282,976	31,837	\$1,920,228	5,350	\$1,914,878	\$22.20	1,989,355	96.5%	13.6	1.00
2017	1,745,845	290,578	35,838	\$2,072,261	5,320	\$2,066,941	\$21.03	2,086,317	99.3%	12.8	1.04
2018	1,875,439	286,547	33,697	\$2,195,683	5,130	\$2,190,553	\$20.85	2,209,429	99.4%	12.2	1.01
2019	1,954,533	292,273	39,202	\$2,286,008	4,931	\$2,281,077	\$20.59	2,356,623	97.0%	12.5	1.01

COD is Coefficient of Dispersion - The average deviation of a group of numbers from the median expressed as a percentage of the median. In ratio studies, the average percentage deviation from the median.

PDR is Price-related Differential - The mean divided by the weighted mean. The statistic has a slight bias upward. Price-related differentials above 1.03 tend to indicate assessment regressivity; price-related differentials below .98 tend to indicate assessment progressivity.

	Percentages		
	Residential	Commercial	Utilities
2010*	83.3%	15.6%	1.1%
2011	82.0%	16.8%	1.2%
2012	82.0%	16.9%	1.1%
2013	82.7%	15.9%	1.4%
** 2014	82.6%	15.8%	1.6%
** 2015	83.0%	15.4%	1.5%
** 2016	83.6%	14.7%	1.7%
** 2017	84.2%	14.0%	1.7%
2018	85.4%	13.1%	1.5%
2019	85.5%	12.8%	1.7%

Source: (1) MS 1 reports on Assessed Value
(2) NH Department of Revenue Administration's Equalization Survey



*Corrected after publication.

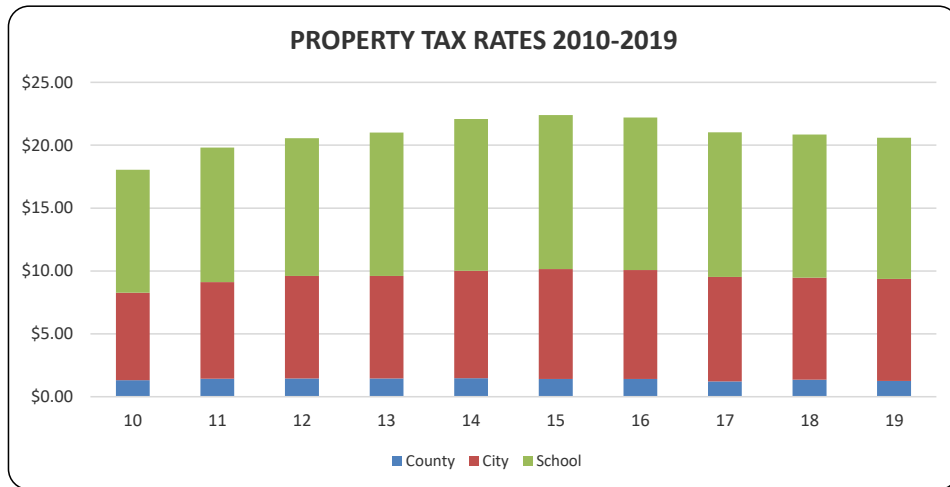
**Corrected before publication January, 2019

**CITY OF LACONIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING
Last Ten Fiscal Years**

City Direct Rates

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>State Education</u>	<u>Total School</u>	<u>Total Direct</u>	<u>Overlapping Rate County</u>	<u>Total Direct & Overlapping Rates</u>
2010	\$6.95	\$7.45	\$2.32	\$9.77	\$16.72	\$1.32	\$18.04
2011	\$7.69	\$8.20	\$2.49	\$10.69	\$18.38	\$1.43	\$19.81
2012	\$8.14	\$8.41	\$2.55	\$10.96	\$19.10	\$1.46	\$20.56
2013	\$8.14	\$8.81	\$2.59	\$11.40	\$19.54	\$1.46	\$21.00
2014	\$8.55	\$9.40	\$2.66	\$12.06	\$20.61	\$1.47	\$22.08
2015	\$8.73	\$9.67	\$2.58	\$12.25	\$20.98	\$1.42	\$22.40
2016	\$8.65	\$9.76	\$2.37	\$12.13	\$20.78	\$1.42	\$22.20
2017	\$8.30	\$9.33	\$2.18	\$11.51	\$19.81	\$1.22	\$21.03
2018	\$8.11	\$9.29	\$2.10	\$11.39	\$19.50	\$1.35	\$20.85
2019	\$8.10	\$9.20	\$2.03	\$11.23	\$19.33	\$1.26	\$20.59

Source:
NH State Department of Revenue Administration

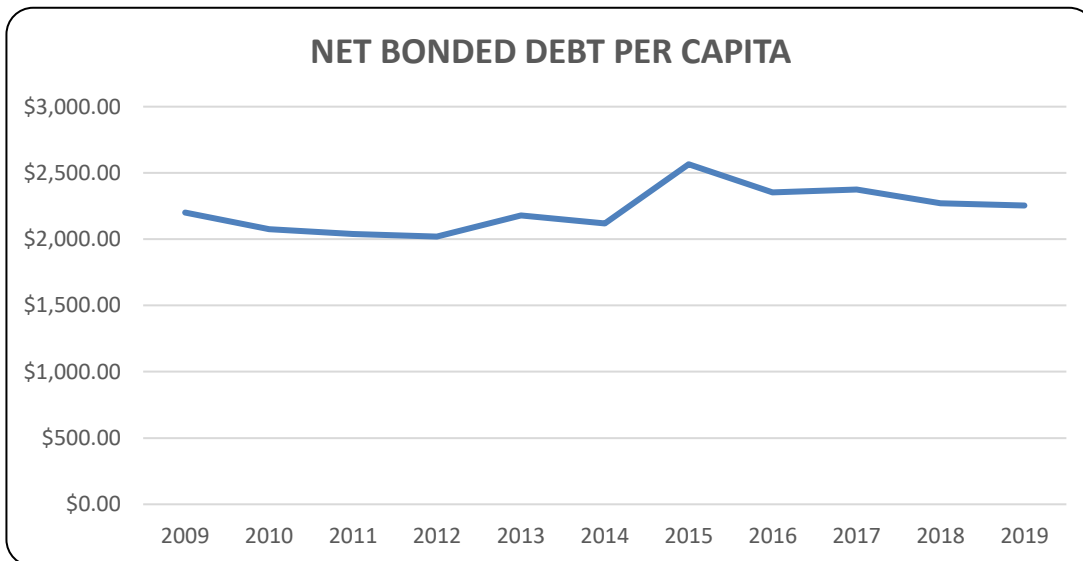


CITY OF LACONIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed thousands, except per capita amount)

Fiscal Year	<u>Governmental Activities General Obligation Bonds</u>	<u>Business Activities General Obligation Bonds</u>	<u>Total Primary Government</u>	<u>Per Capita*</u>
2009	\$37,290	\$56	\$37,346	\$2,200.00
2010	\$35,160	\$1,457	\$36,617	\$2,074.34
2011	\$32,533	\$1,385	\$33,918	\$2,039.56
2012	\$32,217	\$1,310	\$33,527	\$2,019.75
2013	\$35,004	\$1,235	\$36,239	\$2,180.26
2014	\$34,037	\$1,160	\$35,197	\$2,120.02
2015	\$41,071	\$1,085	\$42,156	\$2,565.33
2016	\$37,805	\$1,010	\$38,815	\$2,352.96
2017	\$38,156	\$935	\$39,091	\$2,374.81
2018	\$37,378	\$860	\$38,238	\$2,270.29
2019	\$37,173	\$785	\$37,958	\$2,254.00

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements excludes TIF and ISF debt

*General Obligation bonds only based on demographic information included in this report. Population numbers have been revised.



**CITY OF LACONIA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2019**

Base Valuation for Debt Limit (1)		\$ 2,337,439,393	
Bonded Debt Limit - 3.00% of Base		\$ 70,123,182	
Gross Bonded Debt, June 30, 2019	\$ 37,173,053		
Less: Water Bonds	\$ (785,000)		
School Bonds	\$ (19,294,822)		
		<u>\$17,093,231</u>	
Debt Margin		<u>\$53,029,951</u>	

(1) The equalization of all taxable property in the State of New Hampshire is conducted annually by the New Hampshire Department of Revenue Administration under the provisions of RSA 21-J:3 (XIII):

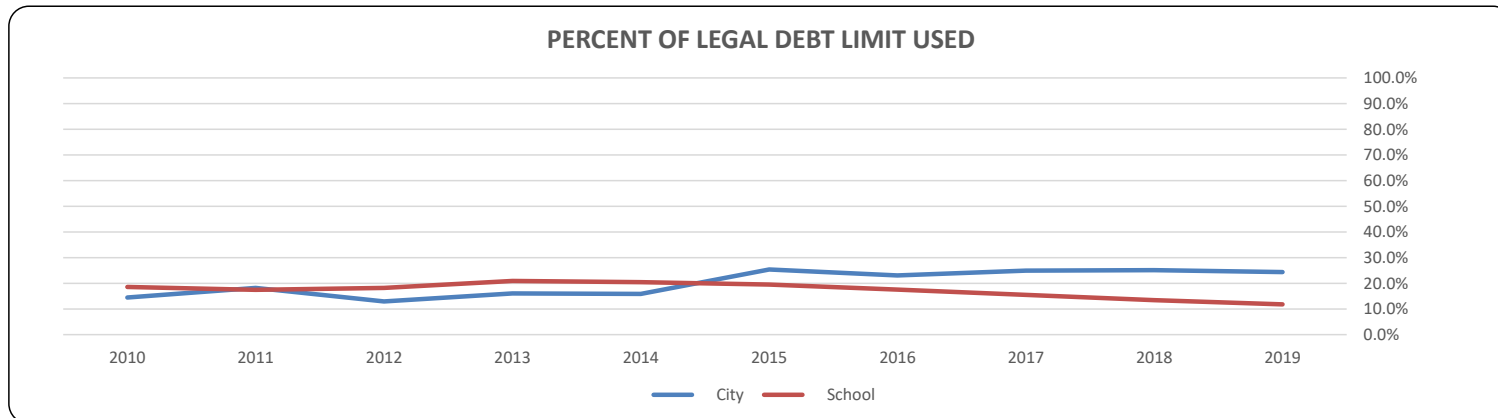
"Equalize annually the valuation of the property in the several towns, cities and unincorporated places in the state by adding or deducting from the aggregate valuation of the property as assessed in towns, cities and unincorporated places such sums as will bring such valuations to the true and market value of the property, including the equalized value of property formerly taxed pursuant to the provisions of RSA 72:7; 72:15, I, V, VII, VIII, IX, X and XI; 72:16; 72:17; 73:26; 73:27; and 73:11 through 16 inclusive, which were relieved from taxation by the laws of 1970, 5:3; 5:8; 57:12; and 57:15, the equalized valuation of which is to be determined by the amount of revenue returned in such year in accordance with RSA 31-A, and by making such adjustments in the value of other property from which the towns, cities, and unincorporated places receive taxes as may be equitable and just, so that any public taxes that may be apportioned among them shall be equal and just."

(2) Net Local Assessed Valuation		\$2,195,964,959	
Department of Revenue Administration Inventory Adjustment		\$ 141,474,434	
Equalized Assessed Valuation		\$2,337,439,393	
Adjustment: RSA 31-A		\$0	
Base Valuation for Debt Limit		<u>\$2,337,439,393</u>	

**CITY OF LACONIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)**

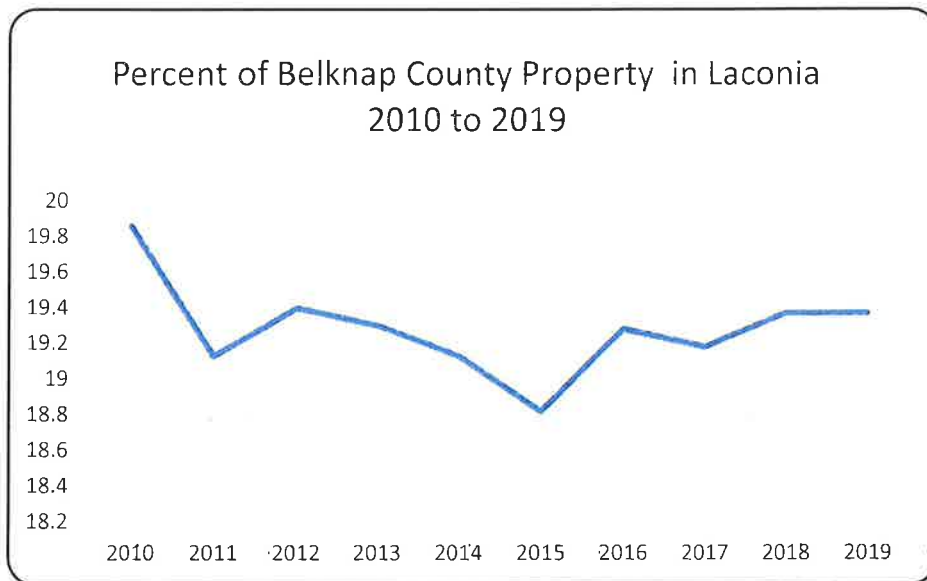
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Legal Debt Limits										
City 3%	\$ 70,123	\$ 66,283	\$62,589	\$57,990	\$57,965	\$55,314	\$55,917	\$58,215	\$59,643	\$60,899
School 7%	\$ 163,621	\$ 154,660	\$146,042	\$139,255	\$135,252	\$129,066	\$130,472	\$135,837	\$139,166	\$142,098
Debt Against Legal Debt Limits										
City	17,093	16,622	15,575	13,361	14,712	8,788	8,952	7,528	10,873	8,801
School	19,295	20,756	22,580	24,444	26,358	26,410	27,286	24,688	24,287	26,359
Total City & School Debt June 30	\$36,388	\$37,378	\$38,155	\$37,805	\$41,070	\$35,198	\$36,238	\$32,216	\$35,160	\$35,160
Unused Capacity of Legal Debt Limits										
City	\$53,030	\$49,661	\$47,014	44,629	\$43,253	\$46,526	\$46,965	\$50,687	\$48,770	\$52,098
School	144,326	133,904	123,462	114,811	108,894	102,656	103,186	111,149	114,879	115,739
% of Legal Debt Limits Used										
City	24.4%	25.1%	24.9%	23.0%	25.4%	15.9%	16.0%	12.9%	18.2%	14.5%
School	11.8%	13.4%	15.5%	17.6%	19.5%	20.5%	20.9%	18.2%	17.5%	18.5%

Data Source
Annual Financial Statements



**Computation of Overlapping Debt
Belknap County Long Term Outstanding Debt
Last Ten Years**

End of Year	Net Long Term Outstanding Debt *	Percentage Applicable to Laconia	Amount Applicable to Laconia
2019	\$7,800,000	19.15%	\$ 1,493,700
2018	\$245,000	19.37%	\$ 47,457
2017	\$800,000	19.18%	\$ 153,440
2016	\$1,360,000	19.28%	\$ 262,208
2015	\$1,930,000	18.82%	\$ 363,226
2014	\$2,510,000	19.13%	\$ 480,163
2013	\$3,100,000	19.30%	\$ 598,300
2012	\$3,945,000	19.40%	\$ 765,330
2011	\$4,350,000	19.13%	\$ 832,342
2010	\$4,845,000	19.86%	\$ 962,416

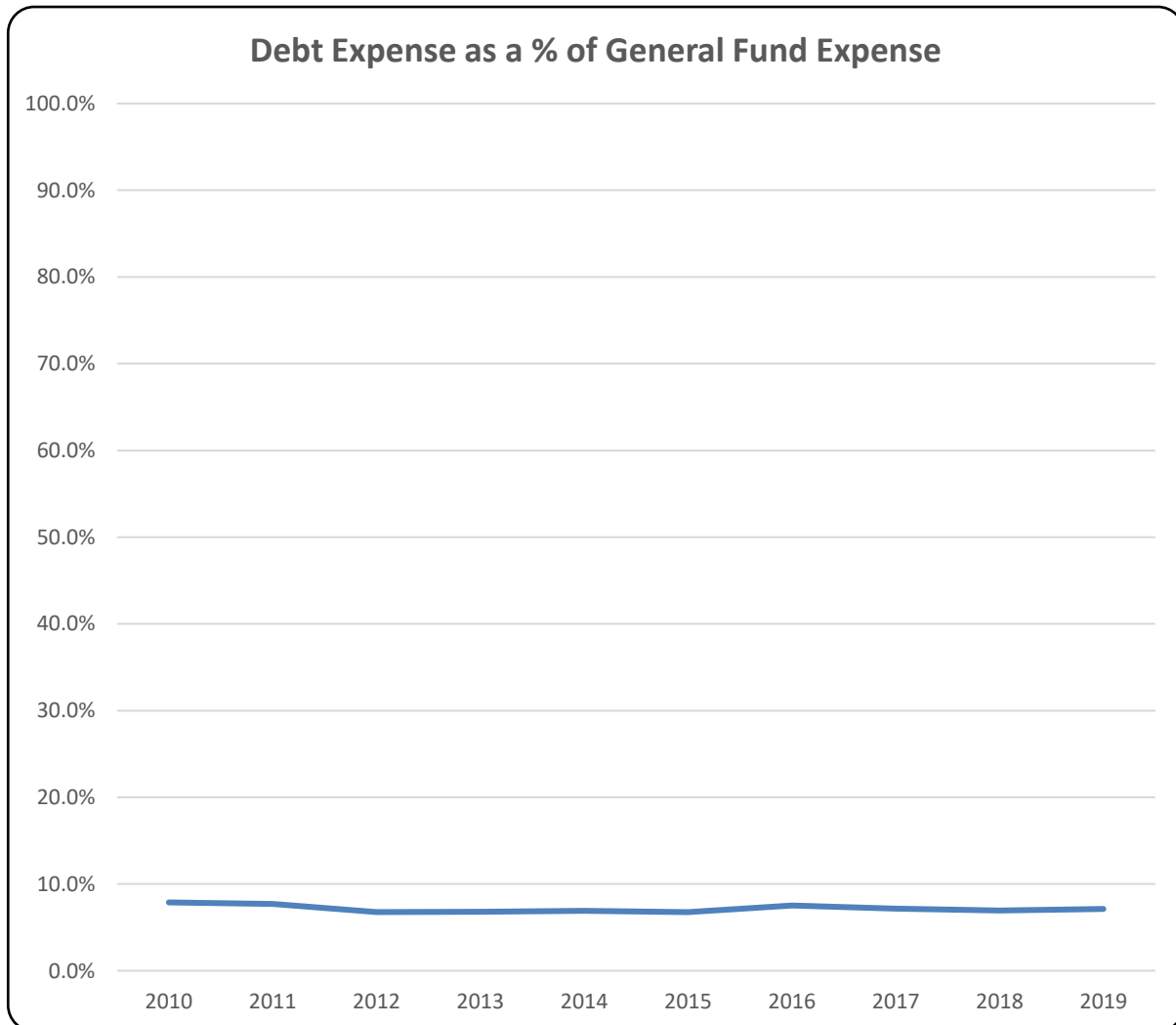


* Source: Belknap County Financial Reports

**CITY OF LACONIA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest	Total Principal and Interest Payments	Total General Fund Expenditures	%
2010	\$3,231,704	\$883,673	\$4,115,377	\$52,216,815	7.9%
2011	\$3,167,717	\$892,102	\$4,059,819	\$52,763,415	7.7%
2012	\$2,663,053	\$870,361	\$3,533,414	\$52,141,823	6.8%
2013	\$2,709,361	\$871,974	\$3,581,335	\$52,721,651	6.8%
2014	\$2,758,364	\$894,620	\$3,652,984	\$52,970,545	6.9%
2015	\$2,842,008	\$901,448	\$3,743,456	\$55,378,890	6.8%
2016	\$3,122,206	\$1,043,298	\$4,165,504	\$55,378,890	7.5%
2017	\$2,975,228	\$1,121,180	\$4,096,408	\$57,288,619	7.2%
2018	\$3,075,909	\$1,126,419	\$4,202,328	\$60,619,820	6.9%
2019	\$3,256,915	\$1,187,926	\$4,444,841	\$62,234,764	7.1%

*Ratio of General Fund Principal and Interest Payments to General Fund Expenditures.

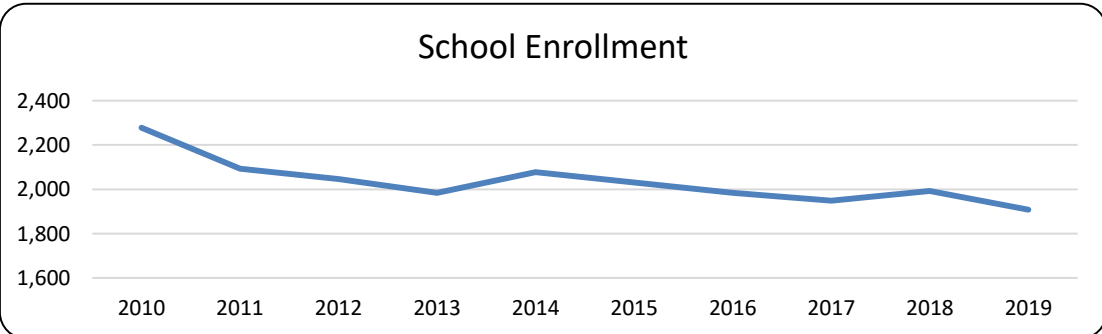
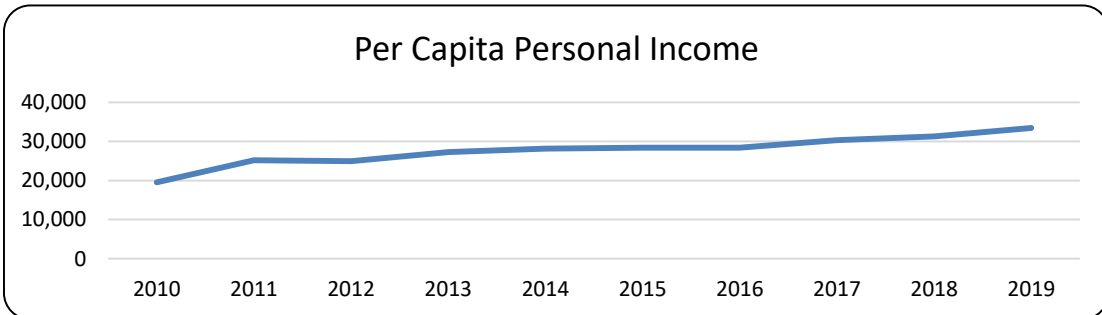
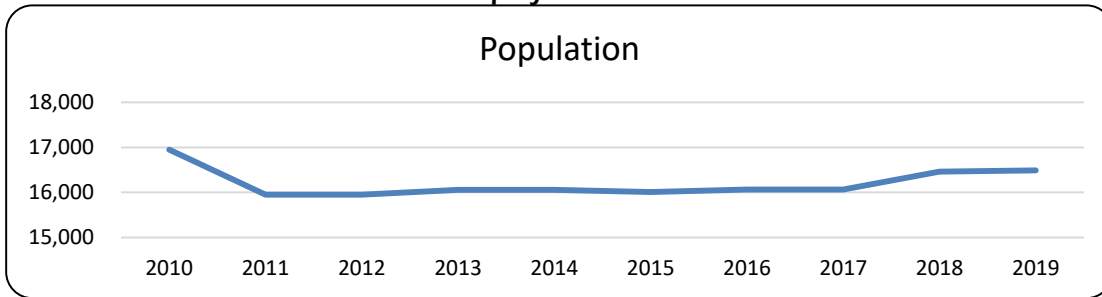


**CITY OF LACONIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Fiscal Year	Population*	Median Household Income*	Per Capita Personal Income*	Median Age*	School Enrollment**	Unemploy. Rate***
2009	16,950	37,796	19,540	38.8	2,308	6.5%
2010	16,950	37,796	19,540	38.8	2,278	5.8%
2011	15,951	46,748	25,159	43.0	2,093	5.1%
2012	15,951	44,919	24,959	43.0	2,047	5.1%
2013	16,055	47,004	27,295	43.0	1,984	4.6%
2014	16,055	46,605	28,165	43.0	2,078	3.9%
2015	16,010	47,180	28,418	46.7	2,031	3.0%
2016	16,067	47,180	28,418	46.7	1,984	2.6%
2017	16,067	50,643	30,293	46.3	1,949	2.4%
2018	16,464	52,702	31,317	46.3	1,993	2.4%
2019	16,492	57,046	33,443	47.0	1,908	2.3%

Data Source

- * Bureau of Census
 - ** City annual reports, school district (excludes voc tech students)
 - *** Belknap County Rate as of June 30th, as reported in NHES
- Local Are Unemployment Statistics**



**CITY OF LACONIA
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2019
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2019</u>			<u>2010</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Public Service of NH	\$24,557	1	1.08%	\$14,095	1	0.73%
Energy North (Keyspan)	13,677	2	0.60%	7,281	2	0.38%
Double D Development	8,103	4	0.36%			
AKWA Vista LLC	9,127	3	0.40%			
Lakemont Cooperative Inc	6,291	5	0.28%			
Irwin James R & Sons Inc	6,152	6	0.27%	6,554	4	
Estates Circle Apartments LLC	5,867	7	0.26%			
Summit @ Four Seasons	5,731	8	0.25%	4,752	8	0.25%
Gilford Route 11 Realty Trust	5,577	9	0.24%	7,190	3	0.37%
AKWA Village LLC	3,956	10	0.17%			
Clearview Realty Ventures				6,528	5	0.34%
Aavid Engineering				4,650	10	0.24%
Laconia Country Club				4,801	7	0.25%
Margate Motel				4,940	6	0.26%
Totals	\$89,038		3.90%	\$60,791		2.83%
Total Net Assessed Taxable Value	\$2,281,353			\$1,919,275		

Source:
City of Laconia, Assessing Records and Tax Records

CITY OF LACONIA
CITY GOVERNMENT FULL TIME EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Function										
General government	26	27	27	27	27	27	27	28	28	27
Public safety										
Police										
Officers	39	39	40	41	41	42	42	42	42	44
Civilians	10	10	10	10	10	10	10	10	10	10
Fire										
Firefighters and officers	31	31	31	31	35	35	35	35	35	35
EMS Ambulance	5	5	5	5	5	5	5	5	5	5
Civilians	1	1	1	1	1	1	1	1	1	1
Call firefighters	0	0	0	0	0	0	0	0	0	0
Highway and streets										
Engineering	1	1	1	1	1	1	1	1	1	1
Maintenance	16	16	16	16	16	17	18	18	18	19
Solid Waste	1	1	1	1	1	1	1	1	1	1
Library	10	10	10	10	10	10	10	10	10	10
Parks & Recreation	7	7	7	7	7	7	7	7	7	8
Water	16	16	16	16	16	17	17	17	17	18
Sewer	8	8	8	8	8	8	8	8	8	7
ISF	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	173	174	175	176	180	184	185	186	186	189

Source: City Approved Budgets

**CITY OF LACONIA
PROFESSIONAL
FULL-TIME EQUIVALENT SCHOOL EMPLOYEES BY POSITION
Last Ten Fiscal Years**

Position	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Administrators	18	18	19	22	22	22	22	21	20	18
Guidance Counselors	12	11	11	11	10	10	10	9	10	10
Classroom Teachers	160	160	152	152	157	151	149	136	127	126
Special Education Teachers	31	31	32	32	32	30	31	28	30	28
Librarians	2	2	2	2	2	2	2	2	2	2
Vocational Education Teachers	12	12	12	12	12	12	12	12	12	11
Nurses	5	5	5	5	5	5	5	5	5	5
Itinerant Staff	<u>27</u>	<u>27</u>	<u>25</u>	<u>25</u>	<u>27</u>	<u>33</u>	<u>33</u>	<u>34</u>	<u>36</u>	<u>34</u>
Total	267	266	258	261	267	265	264	247	242	234

Full-Time Equivalent Employees as of June 30

Source: City Annual reports
School District

City of Laconia, NH
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Police										
Calls for service	19,335	17,964	17,870	16,760	16,148	16,729	17,983	17,699	22,293	19913
Criminal arrests	1,690	1,524	1,457	1,352	1,319	1,352	1,526	1,505	1,425	1,471
Parking violations	3,259	1,805	1,096	1,549	1,676	2,124	1,390	983	1,651	1813
Traffic violations	525	464	596	448	399	329	378	309	457	342
Fire										
Number of calls answered	3,173	3,303	3,576	3,739	3,881	4,380	4,487	4,760	5,064	4,975
Inspections	2,963	2,468	2,214	2,286	2,322	2,412	3,265	1,931	1,655	1,857
Highways and streets										
Street resurfacing (miles)	3.17	3.17	3.80	3.13	1.03	5.79	3.20	0.00	3.70	3.10
Code										
Building permits issued	273	245	287	322	249	290	284	349	257	
Estimated construction value** (in thousands)	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	\$32,732	\$23,136	\$17,496	
Library										
Volumes	55,384	58,230	58,419	61,381	62,713	66,019	67,316	66,857	61,764	58,840
Circulation	135,602	127,711	131,402	125,440	120,127	117,695	111,183	104,170	104,370	101,451
Solid Waste										
Refuse collected (tons per year)	13,495	14,221	12,744	11,930	11,171	10,479	10,950	10,601	10850	10,828
Recyclables collected (tons per year)	918	1,090	1,209	1,432	1,922	1,913	1,856	1,737	1651	897
Parks & Recreation										
Field Use Requests	69	75	101	81	90	103	98	75	96	87
School Enrollment										
Laconia HS	750	660	614	598	589	585	552	526	555	539
Laconia Middle School	489	505	474	469	482	423	423	405	413	441
Woodland Heights	422	381	421	352	430	453	444	391	373	342
Pleasant Street	302	288	262	283	292	285	282	315	331	294
Elm Street	315	259	276	282	285	285	283	312	321	292
Area 8/Huot	420	443	364	420	473	421	441	394	411	409
Water										
New connections	61	55	42	30	62	50	39	50	43	
Water main breaks	4	4	3	7	7	10	5	6	9	
Average daily consumption-MGD	1.44	1.54	1.43	1.45	1.47	1.3	1.59	1.49	1.42	

Sources: Various government departments

**2010 permits included \$36 million for LRGH project

**2011 permits included \$743,279 for LWW Maintenance Building

** 2013 permits did not include \$13.6M Huot, \$1.4M LRCC, \$500K LHS Concession/bleachers

**City of Laconia, NH
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public safety											
Police:											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol units	4	4	4	4	4	4	4	4	4	4	4
Fire stations	3	3	3	3	3	2	2	2	2	2	2
Highways and streets											
Streets (miles)-paved ##	105.21	105.21	105.21	105.21	105.21	83.2	83.2	83.2	83.2	79.25	79.25
Streets (miles)-unpaved ##	7.24	7.24	7.24	7.24	7.24	2.18	2.18	2.18	2.18	0.85	0.85
Traffic intersections	7	7	7	7	7	7	7	7	7	8	8
Street lights	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,308	1,308	1310
Culture and recreation											
Parks acreage	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5
Parks **	47	47	47	47	47	47	47	47	47	47	48
Tennis courts	9	9	9	7	7	7	7	7	8	8	8
Basketball courts	7	7	7	7	7	7	7	7	7	6	7
Community centers	8	8	8	5	4	4	4	4	4	4	5
Cemeteries	9	9	9	9	9	9	9	9	9	9	9
Water											
Water mains (miles)	100.97	102.39	102.39	102.72	104.35	104.35	104.35	104.35	105.43	105.43	
Fire hydrants	515	517	523	527	527	530	542	542	547	547	
Maximum daily capacity (MGD)	6	6	6	6	6	6	6	6	6	6	
Service connections	6,318	6,379	6,434	6,476	6,506	6,568	6,617	6,656	6,685	6,728	
Sewer											
Sanitary sewers (miles)	104.69	104.69	104.69	104.69	104.69	104.69	104.69	104.69	104.69	104.69	104.69
Service connections	10,655	10,700	10,741	10,785	10,850	10,865	10,877	10,885	10,930	10,950	10954
Maximum daily capacity -MGD	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Pump Stations	17	17	17	17	17	17	17	17	17	18	18

Sources: various city departments

Note: No capital asset indicators are available for the general government function.

New Inventory data collected in 2013 coupled with City termination of maintenance on certain roadways has reduced this figure.