

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

CITY OF LACONIA, NEW HAMPSHIRE

FISCAL YEAR ENDED JUNE 30, 2018



City of Laconia, New Hampshire

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INTRODUCTORY SECTION



February 15, 2019

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, 2018 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 2018 a total of 81.2% of the City's employers were classified as 'Service Providing Industries', employing more than 6,200 persons and providing an average weekly wage of \$838.44. 'Goods Providing Industries' were the next largest group of Laconia employers, consisting of about 13.8% of the total and providing an average weekly wage of \$1,078.15. Government employers rounded out the count, with 5% of the total and providing an average weekly wage of \$941.30.

The seasonally adjusted unemployment rate for Laconia for increased slightly, from 2.6% in June 2017 to 2.8% in June 2018. During this same period the State's overall unemployment rate remained steady at 2.7%. Unemployment rates in our neighboring states ranged from 3.5% in Massachusetts to 2.8% in Vermont. Nationally, the unemployment rate in June 2018 was 4.0%

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 \$60.5 million in fiscal year 2018; this represented an increase of 4.5% over fiscal year 2017. Major factors contributing to the increase include the one-time highway monies (SB38 funds) received from the state in FY18 and a reimbursement received from the Concord Regional Solid Waste/Resource Recovery Cooperative. Additionally, increases in revenue derived from current use penalty, sale of land, interest income PILOT income and parking kiosks contributed to the overall increase in revenues. 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	FY18	FY17	Change	% Change
Property Tax	\$ 42,926,292	\$ 42,194,756	\$ 731,536	1.73%
Penalty, Interest, Other Taxes	\$ 814,505	\$ 593,168	\$ 221,337	37.31%
Charges for Services	\$ 2,148,567	\$ 2,051,440	\$ 97,127	4.73%
Intergovernmental	\$ 10,063,110	\$ 9,533,886	\$ 529,224	5.55%
Licenses & Permits	\$ 3,345,141	\$ 3,186,740	\$ 158,401	4.97%
Fines & Forfeitures	\$ 29,760	\$ 25,470	\$ 4,290	16.84%
Investment Income	\$ 212,308	\$ 108,578	\$ 103,730	95.54%
Miscellaneous	\$ 1,022,956	\$ 241,848	\$ 781,108	322.97%
Total Revenues	\$ 60,562,639	\$ 57,935,886	\$ 2,626,753	4.53%

Expenditures

Expenditures for the General Fund functions totaled \$60.6 million in fiscal year 2018, reflecting an increase of 5.81% or \$3.3 million from prior year expenditures.

Factors that contribute to the increase include the reclassification of a loan made in 2015 as an expense in 2018 and increases in recycling and trash collection expenses and capital outlay.

Expenses	FY18	FY17	Change	% Change
General Government	\$ 8,061,141	\$ 6,502,194	\$ 1,558,947	23.98%
Fire & Ambulance	\$ 4,479,404	\$ 4,446,087	\$ 33,317	0.75%
Police	\$ 5,747,450	\$ 5,671,802	\$ 75,648	1.33%
Education	\$ 29,792,919	\$ 28,764,699	\$ 1,028,220	3.57%
Highways & Streets	\$ 2,525,011	\$ 2,698,920	\$ (173,909)	-6.44%
Solid Waste	\$ 1,937,138	\$ 1,644,262	\$ 292,876	17.81%
Health & Welfare	\$ 142,622	\$ 143,764	\$ (1,142)	-0.79%
Parks & Recreation	\$ 752,909	\$ 743,036	\$ 9,873	1.33%
Library	\$ 851,618	\$ 853,316	\$ (1,698)	-0.20%
Conservation	\$ 1,953	\$ 2,344	\$ (391)	-16.68%
Capital Outlay	\$ 2,125,330	\$ 1,721,765	\$ 403,565	23.44%
Debt Service	\$ 4,202,325	\$ 4,096,409	\$ 105,916	2.59%
Total	\$ 60,619,820	\$ 57,288,598	\$ 3,331,222	5.81%

Fund Balance

Total fund balance for the general fund decreased by \$162,651 during FY18, as detailed below:

Use of fund balance as a funding source	\$ (835,000)
Revenues and transfers in excess of budget	(41,106)
Expenditures less than budget	867,100
Expenditures of prior year encumbrances	684,252
Change in capital reserves	579,756
Other timing issues	<u>(1,417,653)</u>
Total	\$ (162,651)

Proprietary Funds

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

Sanitary Sewer Fund: Revenues decreased 4.6% or \$200,735 to \$4,149,924 for fiscal year 2018. Overall Operating Expenses increased \$68,606 or 1.9%, overall the Sanitary Sewer Fund Operating Income was \$484,497 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 \$44,131 or 1.7% to \$2,694,164 over Fiscal Year 2017 revenues. Operating Expenses increased \$270,479 or 10.3%. The overall net position for the Water Works decreased by \$207,268 or 1.4% 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 increased from \$2.0667 billion to \$2.1908 billion, an increase of \$124 Million or 6.0%. 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 FY18 are as follows:

	<u>Outstanding</u> <u>Balance as of</u> <u>6/30/18</u>
2001 Capital Imp	\$700,000
2002 Capital Imp	\$500,000
2010 Weirs Beach	\$440,000
2001 Elm Street/Pleasant Street	\$1,245,000
2003 Woodland Heights	\$1,025,000
2010 Anthony Dr	\$141,472
2011 Water Line	\$367,250
2012 DPW Vehicles/Salt Shed	\$550,000
2009 Transfer Station	\$95,000
2013 Parks	\$510,000
2007 Middle School	\$10,942,239
2011 QZAB	\$1,438,800
2012 QZAB	\$3,697,000
2012 Huot (Northway)	\$800,000
2014 QZAB Huot	\$1,607,500
2015 Cap Improvements	\$6,888,256
2003 Library	\$660,000
2017 Lakeside Ave/Messer/Endicott	\$1,520,000
2018 LED Street Lights	\$240,000
2016 Weirs TIF	\$1,510,476
2018 Roads	<u>\$2,500,000</u>
Total	<u>\$37,377,993</u>
2009 LWW Water Tank	\$860,000

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 2017-2018, 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.

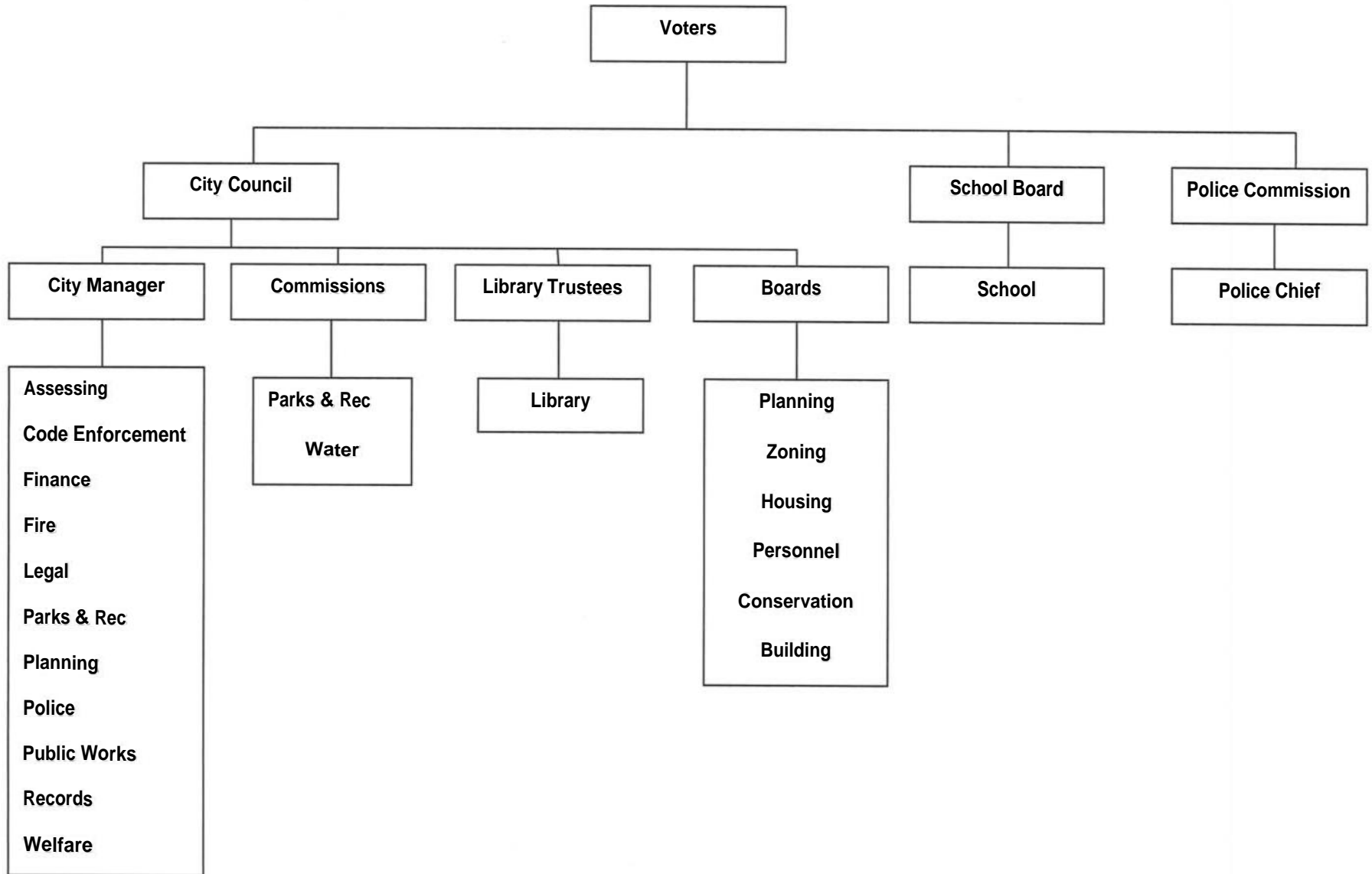
We can't close this report without acknowledging the dedication and effort of Finance Director Donna Woodaman, who worked tirelessly on behalf of the City until her untimely death in September 2018. Donna was a valuable member of our team and she is greatly missed.

Finally, we extend our sincerest heartfelt gratitude to former Finance Director Pam Reynolds. During the fall and winter of 2018-19 Pam sacrificed her well-earned retirement to return to City Hall to help keep municipal affairs running smoothly in the wake of Donna's passing. We cannot overstate how valuable her experience, insight and dedication has been in this difficult time.

Respectfully submitted,

Glenn Smith
Finance Director

City of Laconia



**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL - MANAGER FORM OF GOVERNMENT
CITY MANAGER AND APPOINTED DEPARTMENT HEADS**

CITY MANAGER:	Scott Myers
ASSESSOR:	Deborah Derrick
CITY CLERK:	Cheryl Hebert
CODE ENFORCEMENT DIRECTOR	Dean Trefethen
FIRE CHIEF:	Kenneth Erickson
FINANCE DIRECTOR:	Donna Woodaman
LIBRARY DIRECTOR:	Randy Brough
PUBLIC WORKS DIRECTOR:	Wesley Anderson
PLANNER/CD DIRECTOR:	Dean Trefethen
POLICE CHIEF:	Matt Canfield
REC. & FAC. DIRECTOR:	Kevin Dunleavy
TAX COLLECTOR:	Lindsey Allen
WELFARE DIRECTOR:	Donna Woodaman
WATER WORKS:	Seth Nuttelman

**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL-MANAGER FORM OF GOVERNMENT
LISTING OF ELECTED CITY OFFICIALS
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

Elected: November 7, 2017

Malcolm Murray, Chair, Term 2015-2018

Heather Lounsbury, Vice Chair, Term 2015-2018

Aaron Hayward, Term 2016-2019

Barbara Luther, Term 2016-2019

Dawn Johnson, Term 2017-2020

Michael Persson, Term 2015-2018

Stacie Sirois, Term 2017-2020

FINANCIAL SECTION

CITY OF LACONIA, NEW HAMPSHIRE

Annual Financial Statements

For the Year Ended June 30, 2018

City of Laconia, New Hampshire

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(GASB 75) 63

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Pension and OPEB schedules appearing on pages 60 to 63 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 February 20, 2019 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.

Melanson Heath

February 20, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Laconia, New Hampshire, we offer readers this narrative overview and analysis of the financial activities of the City of Laconia for the fiscal year ended June 30, 2018. 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 \$50,163,472 (i.e., net position), a change of \$430,317 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 \$15,843,537, a change of \$2,987,634.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,358,871, a change of \$(1,228,466) 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. All amounts are presented in thousands.

	<u>NET POSITION</u>					
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 43,566,058	\$ 40,163,519	\$ 8,815,206	\$ 8,701,381	\$ 52,381,264	\$ 48,864,900
Capital assets	<u>103,928,969</u>	<u>106,781,270</u>	<u>20,880,802</u>	<u>19,925,179</u>	<u>124,809,771</u>	<u>126,706,449</u>
Total assets	<u>147,495,027</u>	<u>146,944,789</u>	<u>29,696,008</u>	<u>28,626,560</u>	<u>177,191,035</u>	<u>175,571,349</u>
Deferred outflows of resources	<u>11,429,385</u>	<u>16,932,714</u>	<u>443,244</u>	<u>517,265</u>	<u>11,872,629</u>	<u>17,449,979</u>
Current liabilities	8,961,774	99,313,157	1,501,488	2,849,533	10,463,262	102,162,690
Noncurrent liabilities	<u>99,851,399</u>	<u>5,581,737</u>	<u>2,992,037</u>	<u>596,191</u>	<u>102,843,436</u>	<u>6,177,928</u>
Total liabilities	<u>108,813,173</u>	<u>104,894,894</u>	<u>4,493,525</u>	<u>3,445,724</u>	<u>113,306,698</u>	<u>108,340,618</u>
Deferred inflows on resources	25,458,685	21,943,850	134,809	129,027	25,593,494	22,072,877
Net position:						
Net investment in capital assets	68,784,358	68,983,708	19,998,576	18,965,237	88,782,934	87,948,945
Restricted	5,051,102	4,578,190	-	-	5,051,102	4,578,190
Unrestricted	<u>(49,182,906)</u>	<u>(36,523,139)</u>	<u>5,512,342</u>	<u>6,603,837</u>	<u>(43,670,564)</u>	<u>(29,919,302)</u>
Total net position	<u>\$ 24,652,554</u>	<u>\$ 37,038,759</u>	<u>\$ 25,510,918</u>	<u>\$ 25,569,074</u>	<u>\$ 50,163,472</u>	<u>\$ 62,607,833</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 \$50,163,472 a change of \$430,317 from the prior year.

The largest portion of net position \$88,782,934 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.

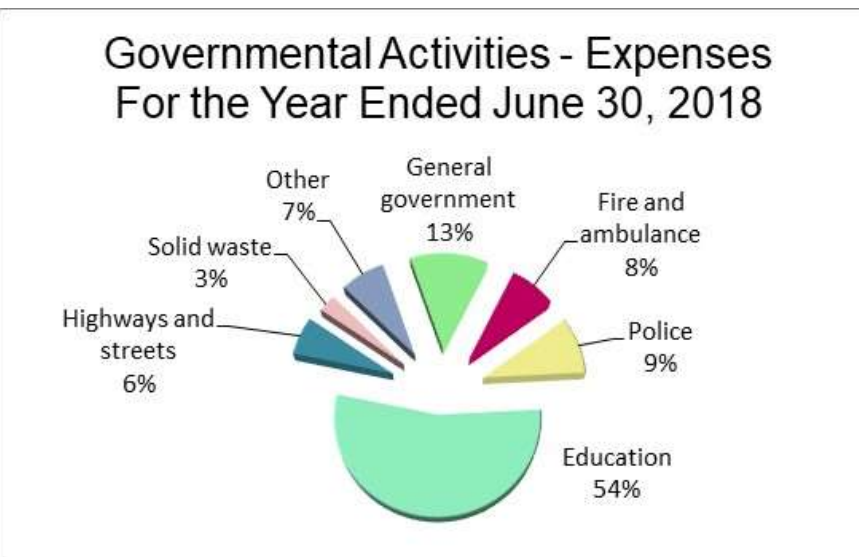
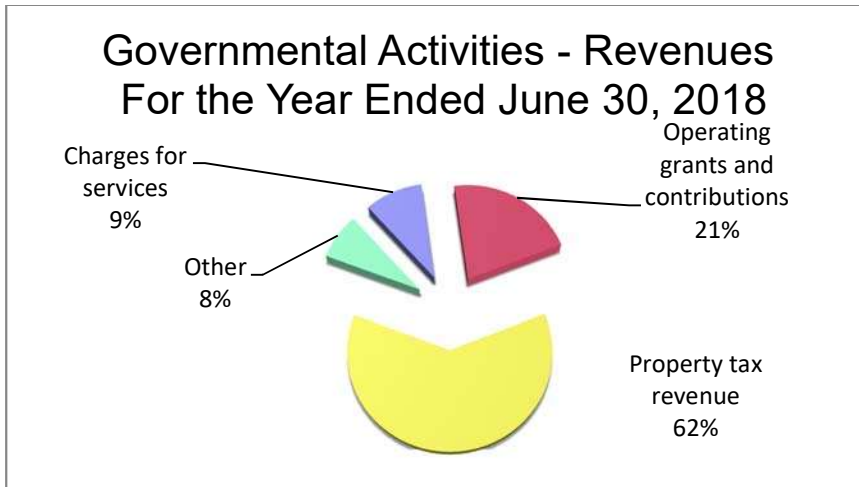
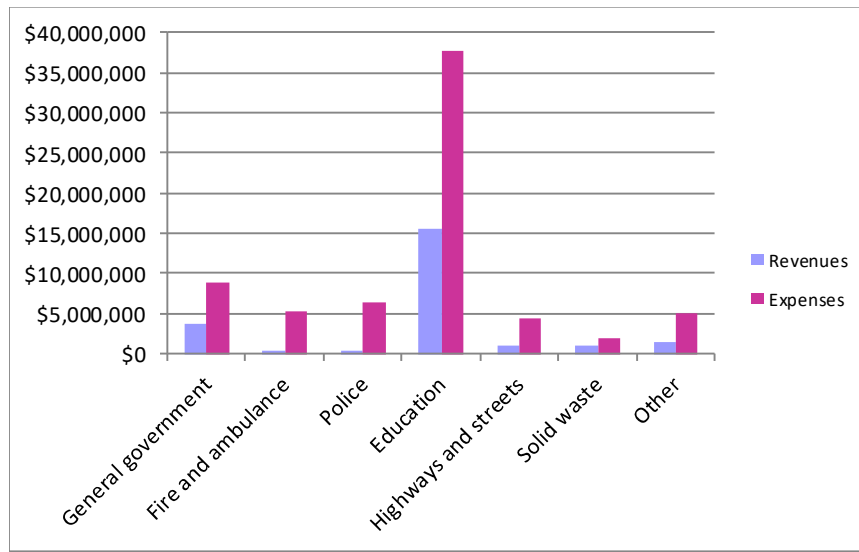
An additional portion of net position \$5,051,102 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$(43,670,564) primarily resulting from the City's unfunded net pension liability and the implementation of Governmental Accounting Standards Board Statement 75 Other Post Employment Benefits.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,669,091	\$ 7,301,653	\$ 6,844,088	\$ 7,000,692	\$ 13,513,179	\$ 14,302,345
Operating grants and contributions	14,873,610	12,886,108	-	-	14,873,610	12,886,108
Capital grants and contributions	1,902,123	714,503	-	428,589	1,902,123	1,143,092
General revenues:						
Property taxes	43,104,616	42,239,138	-	-	43,104,616	42,239,138
Penalties and interest on taxes	814,505	593,168	-	-	814,505	593,168
Grants and contributions not restricted to specific programs	851,197	840,789	-	-	851,197	840,789
Investment income	425,421	300,275	22,136	15,630	447,557	315,905
Other	1,359,256	406,377	-	-	1,359,256	406,377
Total revenues	<u>69,999,819</u>	<u>65,282,011</u>	<u>6,866,224</u>	<u>7,444,911</u>	<u>76,866,043</u>	<u>72,726,922</u>
Expenses:						
General government	8,854,497	7,107,832	-	-	8,854,497	7,107,832
Fire and ambulance	5,243,163	5,710,626	-	-	5,243,163	5,710,626
Police	6,479,968	6,025,468	-	-	6,479,968	6,025,468
Education	37,786,289	36,573,475	-	-	37,786,289	36,573,475
Highway and streets	4,355,144	3,894,668	-	-	4,355,144	3,894,668
Solid waste	2,026,565	1,735,139	-	-	2,026,565	1,735,139
Health and welfare	143,193	132,153	-	-	143,193	132,153
Parks and recreation	1,253,782	1,150,470	-	-	1,253,782	1,150,470
Library	1,005,314	1,158,849	-	-	1,005,314	1,158,849
Conservation	6,381	2,344	-	-	6,381	2,344
Airport	1,372,801	1,410,153	-	-	1,372,801	1,410,153
Interest expense	1,325,312	1,179,202	-	-	1,325,312	1,179,202
Water	-	-	2,917,890	2,651,083	2,917,890	2,651,083
Sanitary Sewer	-	-	3,665,427	3,596,821	3,665,427	3,596,821
Total expenses	<u>69,852,409</u>	<u>66,080,379</u>	<u>6,583,317</u>	<u>6,247,904</u>	<u>76,435,726</u>	<u>72,328,283</u>
Change in net position	147,410	(798,368)	282,907	1,197,007	430,317	398,639
Net position - beginning of year, as restated	<u>24,505,144</u>	<u>37,837,127</u>	<u>25,228,011</u>	<u>24,372,067</u>	<u>49,733,155</u>	<u>62,209,194</u>
Net position - end of year	<u>\$ 24,652,554</u>	<u>\$ 37,038,759</u>	<u>\$ 25,510,918</u>	<u>\$ 25,569,074</u>	<u>\$ 50,163,472</u>	<u>\$ 62,607,833</u>

Fiscal year 2017 amounts were not restated as the City applied GASB 75 prospectively.

Governmental Activities - Revenue v. Expense Comparison For the Year Ended June 30, 2018



Governmental activities. Governmental activities for the year resulted in a change in net position of \$147,410. Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ (162,651)
Other governmental funds operations	3,150,285
Depreciation expense in excess of principal debt service	(2,881,864)
Internal service fund operations	(255,787)
Bond issuance	(2,500,000)
Change in long-term liabilities, net of deferred outflows and inflows	88,348
Capital asset additions	2,842,067
Other	<u>(132,988)</u>
Total	<u>\$ 147,410</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$282,907. This change primarily results from expenses in the sanitary sewer fund less than budget and capital contributions in the water fund. The following is a summary of the changes in net position by fund:

Water operations	\$ (207,268)
Sanitary Sewer operations	<u>490,175</u>
Total	<u>\$ 282,907</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 \$15,843,537, a change of \$2,987,634 in comparison to the prior year. Key elements of this change are as follows:

General fund operating results	\$ (162,651)
Nonmajor funds operating results	<u>3,150,285</u>
Total	<u>\$ 2,987,634</u>

The nonmajor fund activity primarily results from timing of expenditures of prior-year bond proceeds.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,358,871, while total fund balance was \$7,855,059. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 3,358,871	\$ 4,587,337	\$ (1,228,466) *	5.5%
Total fund balance	\$ 7,855,059	\$ 8,017,710	\$ (162,651)	13.0%

*Decrease in Unassigned is the result of recognizing the Colonial Theater expenditure.

The total fund balance of the general fund changed by \$(162,651) 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	(41,106)
Expenditures less than budget	867,100
Expenditures of prior year encumbrances	684,252
Change in capital reserves	579,756
Colonial Theater expenditure	<u>(1,417,653)</u>
Total	\$ <u><u>(162,651)</u></u>

Included in the total general fund balance are the City's capital reserve accounts with the following balances:

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
Capital reserves	\$ <u>2,392,369</u>	\$ <u>1,812,613</u>	\$ <u>579,756</u>
Total	\$ <u><u>2,392,369</u></u>	\$ <u><u>1,812,613</u></u>	\$ <u><u>579,756</u></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 \$5,512,342, a change of \$(750,432) 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

Differences between the original budget and the final amended budget resulted from City Council resolutions transferring funds between departmental line items and the supplemental appropriation of \$294,634 for Senate Bill 38 – Highway funds.

E. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year end amounted to \$124,809,771 (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

Lakeside Ave Road Reconstruction	\$	2,688,310
Underground Utilities	\$	622,864
LED Lights	\$	345,678
Street Lights-Weirs	\$	345,410

Business-Type Activities

Water		
Long Bay Tank Rehabilitation	\$	709,192

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 \$38,237,992, 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, 2018

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS			
Current:			
Cash and short-term investments	\$ 27,421,825	\$ 4,743,687	\$ 32,165,512
Investments	7,934,189	2,270,487	10,204,676
Receivables, net of allowance for uncollectibles:			
Property taxes	4,903,372	-	4,903,372
User fees	776,598	1,447,115	2,223,713
Intergovernmental	1,441,341	-	1,441,341
Inventories and prepaids	300,477	177,979	478,456
Other assets	<u>10,000</u>	<u>25,938</u>	<u>35,938</u>
Total current assets	42,787,802	8,665,206	51,453,008
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	778,256	-	778,256
Other receivables	-	150,000	150,000
Capital assets:			
Land and construction in progress	11,350,767	1,085,985	12,436,752
Other capital assets, net of accumulated depreciation	<u>92,578,202</u>	<u>19,794,817</u>	<u>112,373,019</u>
Total non-current assets	104,707,225	21,030,802	125,738,027
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	10,986,353	418,293	11,404,646
Related to OPEB	<u>443,032</u>	<u>24,951</u>	<u>467,983</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	158,924,412	30,139,252	189,063,664
LIABILITIES			
Current:			
Accounts payable	4,710,279	335,482	5,045,761
Retainage payable	123,145	33,828	156,973
Accrued liabilities	620,101	25,092	645,193
Internal balances	(878,130)	891,130	13,000
Tax refunds payable	38,802	-	38,802
Customer deposits	-	35,603	35,603
Other current liabilities	699,151	84,026	783,177
Current portion of long-term liabilities:			
Bonds payable	3,404,950	75,000	3,479,950
Other liabilities	<u>243,476</u>	<u>21,327</u>	<u>264,803</u>
Total current liabilities	8,961,774	1,501,488	10,463,262
Noncurrent:			
Bonds payable, net of current portion	33,973,042	785,000	34,758,042
Net pension liability	51,015,610	1,605,479	52,621,089
Net OPEB liability	12,902,761	407,487	13,310,248
Other liabilities, net of current portion	<u>1,959,986</u>	<u>194,071</u>	<u>2,154,057</u>
Total non-current liabilities	99,851,399	2,992,037	102,843,436
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	2,914,993	112,792	3,027,785
Related to OPEB	421,657	22,017	443,674
Other	<u>22,122,035</u>	<u>-</u>	<u>22,122,035</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	134,271,858	4,628,334	138,900,192
NET POSITION			
Net investment in capital assets	68,784,358	19,998,576	88,782,934
Restricted for:			
Grants	3,372,026	-	3,372,026
Permanent funds:			
Nonexpendable	755,402	-	755,402
Expendable	923,674	-	923,674
Unrestricted	<u>(49,182,906)</u>	<u>5,512,342</u>	<u>(43,670,564)</u>
TOTAL NET POSITION	<u>\$ 24,652,554</u>	<u>\$ 25,510,918</u>	<u>\$ 50,163,472</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, 2018

	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	\$ 8,854,497	\$ 123,535	\$ -	\$ (5,223,506)	\$ -	\$ (5,223,506)
Fire and ambulance	5,243,163	28,492	-	(4,973,751)	-	(4,973,751)
Police	6,479,968	104,247	-	(6,029,496)	-	(6,029,496)
Education	37,786,289	14,481,234	-	(22,187,514)	-	(22,187,514)
Highways and streets	4,355,144	-	1,031,156	(3,316,851)	-	(3,316,851)
Solid waste	2,026,565	-	-	(992,121)	-	(992,121)
Health and welfare	143,193	-	-	(143,193)	-	(143,193)
Parks and recreation	1,253,782	109,086	396,401	(671,564)	-	(671,564)
Library	1,005,314	27,016	-	(978,298)	-	(978,298)
Conservation	6,381	-	-	(6,381)	-	(6,381)
Airport	1,372,801	-	474,566	(559,598)	-	(559,598)
Interest expense	1,325,312	-	-	(1,325,312)	-	(1,325,312)
Total Governmental Activities	69,852,409	14,873,610	1,902,123	(46,407,585)	-	(46,407,585)
BUSINESS-TYPE ACTIVITIES:						
Water services	2,917,890	-	-	-	(223,726)	(223,726)
Sanitary sewer services	3,665,427	-	-	-	484,497	484,497
Total Business-Type Activities	6,583,317	-	-	-	260,771	260,771
Total	\$ 76,435,726	\$ 14,873,610	\$ 1,902,123	(46,407,585)	260,771	(46,146,814)
GENERAL REVENUES:						
Property taxes				43,104,616	-	43,104,616
Penalties, interest, and other taxes				814,505	-	814,505
Grants and contributions not restricted to specific programs				851,197	-	851,197
Investment income				425,421	22,136	447,557
Miscellaneous				1,359,256	-	1,359,256
Total general revenues				46,554,995	22,136	46,577,131
Change in Net Position				147,410	282,907	430,317
NET POSITION:						
Beginning of year, as restated				24,505,144	25,228,011	49,733,155
End of year				\$ 24,652,554	\$ 25,510,918	\$ 50,163,472

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

CITY OF LACONIA, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and short-term investments	\$ 26,404,973	\$ 1,016,852	\$ 27,421,825
Investments	6,042,670	1,891,519	7,934,189
Receivables:			
Property taxes	5,760,450	-	5,760,450
Departmental and other	516,014	1,379,498	1,895,512
Intergovernmental	-	313,778	313,778
Due from other funds	-	5,368,369	5,368,369
Inventories and prepaids	209,662	35,148	244,810
Other assets	10,000	-	10,000
TOTAL ASSETS	<u>\$ 38,943,769</u>	<u>\$ 10,005,164</u>	<u>\$ 48,948,933</u>
LIABILITIES			
Accounts payable	\$ 4,293,527	\$ 409,142	\$ 4,702,669
Retainage payable	20,596	102,549	123,145
Accrued liabilities	1,136,652	-	1,136,652
Tax refunds payable	38,802	-	38,802
Due to other funds	2,902,783	1,266,110	4,168,893
Other liabilities	-	5,433	5,433
TOTAL LIABILITIES	8,392,360	1,783,234	10,175,594
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	5,478,127	233,452	5,711,579
Taxes collected in advance	17,218,223	-	17,218,223
TOTAL DEFERRED INFLOWS OF RESOURCES	22,696,350	233,452	22,929,802
FUND BALANCES			
Nonspendable	196,544	755,402	951,946
Restricted	-	5,506,683	5,506,683
Committed	2,392,369	1,768,257	4,160,626
Assigned	1,907,275	-	1,907,275
Unassigned	3,358,871	(41,864)	3,317,007
TOTAL FUND BALANCES	<u>7,855,059</u>	<u>7,988,478</u>	<u>15,843,537</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 38,943,769</u>	<u>\$ 10,005,164</u>	<u>\$ 48,948,933</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, 2018

Total governmental fund balances	\$	15,843,537
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		101,151,289
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.		728,945
• 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.		(103,499,825)
• Other		<u>10,428,608</u>
Net position of governmental activities	\$	<u><u>24,652,554</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, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Property taxes	\$ 42,926,292	\$ 254,178	\$ 43,180,470
Penalties, interest, and other taxes	814,505	-	814,505
Charges for services	2,148,567	1,145,623	3,294,190
Intergovernmental	10,063,110	7,153,435	17,216,545
Licenses and permits	3,345,141	-	3,345,141
Fines and forfeitures	29,760	-	29,760
Investment income	212,308	213,112	425,420
Contributions		405,958	405,958
Miscellaneous	1,022,956	297,535	1,320,491
Total Revenues	<u>60,562,639</u>	<u>9,469,841</u>	<u>70,032,480</u>
EXPENDITURES:			
Current:			
General government	8,061,141	497,378	8,558,519
Fire and ambulance	4,479,404	51,993	4,531,397
Police	5,747,450	219,656	5,967,106
Education	29,792,919	6,532,342	36,325,261
Highways and streets	2,525,011	25,908	2,550,919
Solid waste	1,937,138	-	1,937,138
Health and welfare	142,622	-	142,622
Parks and recreation	752,909	86,639	839,548
Library	851,618	18,395	870,013
Conservation	1,953	-	1,953
Airport	-	566,789	566,789
Capital outlay	2,125,330	679,794	2,805,124
Debt service	4,202,325	246,132	4,448,457
Total Expenditures	<u>60,619,820</u>	<u>8,925,026</u>	<u>69,544,846</u>
Excess (deficiency) of revenues over expenditures	(57,181)	544,815	487,634
OTHER FINANCING SOURCES (USES):			
Issuance of bonds	-	2,500,000	2,500,000
Transfers in	20,880	143,047	163,927
Transfers out	(126,350)	(37,577)	(163,927)
Total Other Financing Sources (Uses)	<u>(105,470)</u>	<u>2,605,470</u>	<u>2,500,000</u>
Change in fund balance	(162,651)	3,150,285	2,987,634
Fund Balance, at Beginning of Year	<u>8,017,710</u>	<u>4,838,193</u>	<u>12,855,903</u>
Fund Balance, at End of Year	<u>\$ 7,855,059</u>	<u>\$ 7,988,478</u>	<u>\$ 15,843,537</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, 2018

Net changes in fund balances - total governmental funds	\$	2,987,634																														
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Capital outlay</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">3,329,961</td> </tr> <tr> <td>Loss on disposal of assets</td> <td></td> <td style="text-align: right;">(22,379)</td> </tr> <tr> <td>Depreciation</td> <td></td> <td style="text-align: right;">(6,159,883)</td> </tr> </table> • 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: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Issuance of debt</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(2,500,000)</td> </tr> <tr> <td>Repayments of debt</td> <td></td> <td style="text-align: right;">3,278,019</td> </tr> <tr> <td>Amortization of bond premium</td> <td></td> <td style="text-align: right;">30,323</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property tax, etc.) differ between the two statements. This amount represents the net change in deferred revenue. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(171,320)</td> </tr> </table> • Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Net pension liability and related deferred outflows and inflows of resources</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(759,548)</td> </tr> <tr> <td>Net OPEB liability and related deferred outflows and inflows of resources</td> <td></td> <td style="text-align: right;">390,389</td> </tr> </table> • 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. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(255,786)</td> </tr> </table> 			Capital outlay		3,329,961	Loss on disposal of assets		(22,379)	Depreciation		(6,159,883)	Issuance of debt		(2,500,000)	Repayments of debt		3,278,019	Amortization of bond premium		30,323			(171,320)	Net pension liability and related deferred outflows and inflows of resources		(759,548)	Net OPEB liability and related deferred outflows and inflows of resources		390,389			(255,786)
Capital outlay		3,329,961																														
Loss on disposal of assets		(22,379)																														
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Net OPEB liability and related deferred outflows and inflows of resources		390,389																														
		(255,786)																														
Change in net position of governmental activities	\$	<u>147,410</u>																														

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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
REVENUES:				
Property Taxes	\$ 43,062,173	\$ 43,062,173	\$ 42,926,292	\$ (135,881)
Penalties, interest, and other taxes	563,043	563,043	814,505	251,462
Charges for services	2,044,846	2,044,846	2,148,567	103,721
Intergovernmental	9,638,811	9,933,445	10,063,110	129,665
Licenses and permits	3,136,000	3,136,000	3,345,141	209,141
Fines and forfeitures	35,000	35,000	29,760	(5,240)
Investment income	80,000	80,000	210,145	130,145
Miscellaneous	1,555,500	1,555,500	1,022,956	(532,544)
Total Revenues	60,115,373	60,410,007	60,560,476	150,469
EXPENDITURES				
General government	7,864,845	7,864,845	6,627,533	1,237,312
Fire and ambulance	4,389,065	4,389,065	4,492,404	(103,339)
Police	5,814,194	5,814,194	5,822,450	(8,256)
Education	29,914,324	29,914,324	29,792,919	121,405
Highways and streets	2,508,360	2,802,994	2,525,011	277,983
Solid waste	1,813,374	1,813,374	1,937,138	(123,764)
Health and welfare	142,905	142,905	142,622	283
Parks and recreation	787,121	787,121	752,909	34,212
Library	841,641	841,641	851,618	(9,977)
Conservation	4,420	4,420	1,953	2,467
Capital outlay	2,392,040	2,392,040	2,737,537	(345,497)
Debt service	4,246,184	4,246,184	4,202,325	43,859
Total Expenditures	60,718,473	61,013,107	59,886,419	1,126,688
Excess (deficiency) of revenues over expenditures	(603,100)	(603,100)	674,057	1,277,157
OTHER FINANCING SOURCES AND USES:				
Transfers in	393,102	393,102	201,527	(191,575)
Transfers out	(625,002)	(625,002)	(884,590)	(259,588)
Budgetary use of fund balance	835,000	835,000	835,000	-
Total Other Financing Sources (Uses)	603,100	603,100	151,937	(451,163)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 825,994	\$ 825,994

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

CITY OF LACONIA, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2018

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
ASSETS				
Current:				
Cash and short-term investments	\$ 1,013,336	\$ 3,730,351	\$ 4,743,687	\$ -
Investments	150,849	2,119,638	2,270,487	-
User fees, net of allowance for uncollectibles	552,224	894,891	1,447,115	8,650
Inventory	177,979	-	177,979	55,667
Other assets	25,938	-	25,938	-
Total current assets	1,920,326	6,744,880	8,665,206	64,317
Noncurrent:				
Accounts receivable	150,000	-	150,000	-
Capital assets:				
Land and construction in progress	41,053	1,044,932	1,085,985	-
Other capital assets, net of accumulated depreciation	14,776,012	5,018,805	19,794,817	2,777,680
Total noncurrent assets	14,967,065	6,063,737	21,030,802	2,777,680
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	363,343	54,950	418,293	-
Related to OPEB	4,423	20,528	24,951	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	17,255,157	12,884,095	30,139,252	2,841,997
LIABILITIES				
Current:				
Accounts payable	50,965	284,517	335,482	7,610
Retainage payable	-	33,828	33,828	-
Accrued liabilities	25,092	-	25,092	-
Due to other funds	-	891,130	891,130	321,347
Other current liabilities	34,523	49,503	84,026	-
Customer deposits payable	35,603	-	35,603	-
Current portion of long-term liabilities:				
Bonds payable	75,000	-	75,000	-
Other	20,590	737	21,327	61,642
Total current liabilities	241,773	1,259,715	1,501,488	390,599
Noncurrent:				
Bonds payable, net of current portion	785,000	-	785,000	-
Net pension liability	1,352,590	252,889	1,605,479	-
Net OPEB liability	171,978	235,509	407,487	-
Other, net of current portion	187,442	6,629	194,071	164,187
Total noncurrent liabilities	2,497,010	495,027	2,992,037	164,187
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	105,873	6,919	112,792	-
Related to OPEB	21,612	405	22,017	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,866,268	1,762,066	4,628,334	554,786
NET POSITION				
Net investment in capital assets	13,934,839	6,063,737	19,998,576	2,588,743
Unrestricted	454,050	5,058,292	5,512,342	(301,532)
TOTAL NET POSITION	\$ 14,388,889	\$ 11,122,029	\$ 25,510,918	\$ 2,287,211

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, 2018

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
OPERATING REVENUES:				
Charges for services	\$ 2,204,761	\$ 4,149,924	\$ 6,354,685	\$ 758,971
Other	<u>489,403</u>	<u>-</u>	<u>489,403</u>	<u>8,442</u>
Total Operating Revenues	2,694,164	4,149,924	6,844,088	767,413
OPERATING EXPENSES:				
Operating expenses	2,079,230	3,386,652	5,465,882	632,345
Depreciation	<u>802,307</u>	<u>278,775</u>	<u>1,081,082</u>	<u>390,854</u>
Total Operating Expenses	<u>2,881,537</u>	<u>3,665,427</u>	<u>6,546,964</u>	<u>1,023,199</u>
Operating Income (Loss)	(187,373)	484,497	297,124	(255,786)
NONOPERATING REVENUES (EXPENSES):				
Investment income	16,458	5,678	22,136	-
Interest expense	<u>(36,353)</u>	<u>-</u>	<u>(36,353)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses), Net	<u>(19,895)</u>	<u>5,678</u>	<u>(14,217)</u>	<u>-</u>
Change in Net Position	(207,268)	490,175	282,907	(255,786)
Net Position at Beginning of Year, as restated	<u>14,596,157</u>	<u>10,631,854</u>	<u>25,228,011</u>	<u>2,542,997</u>
Net Position at End of Year	<u>\$ 14,388,889</u>	<u>\$ 11,122,029</u>	<u>\$ 25,510,918</u>	<u>\$ 2,287,211</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, 2018

	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	\$ 2,603,942	\$ 4,377,140	\$ 6,981,082	\$ -
Receipts from interfund service provided	-	-	-	750,321
Payments to employees for services	<u>(2,053,413)</u>	<u>(3,300,577)</u>	<u>(5,353,990)</u>	<u>(667,811)</u>
Net Cash Provided By Operating Activities	550,529	1,076,563	1,627,092	82,510
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund borrowing	-	684,528	684,528	292,726
Net Cash Provided By (Used For) Capital and Related Financing Activities	-	684,528	684,528	292,726
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets, net of disposals	(1,373,256)	(1,024,579)	(2,397,835)	(486,319)
Capital contributions	99,226	-	99,226	-
Capital lease proceeds	-	-	-	174,292
Principal payments on bonds, notes and leases	(75,000)	-	(75,000)	(63,209)
Interest expense	<u>(36,353)</u>	<u>-</u>	<u>(36,353)</u>	<u>-</u>
Net Cash Used For Capital and Related Financing Activities	(1,385,383)	(1,024,579)	(2,409,962)	(375,236)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	16,458	5,679	22,137	-
Sale (purchase) of investments	<u>23</u>	<u>4,470</u>	<u>4,493</u>	<u>-</u>
Net Cash Provided By Investing Activities	16,481	10,149	26,630	-
Net Change in Cash and Short-Term Investments	(818,373)	746,661	(71,712)	-
Cash and Short-Term Investments, Beginning of Year	<u>1,831,709</u>	<u>2,983,690</u>	<u>4,815,399</u>	<u>-</u>
Cash and Short-Term Investments, End of Year	<u>\$ 1,013,336</u>	<u>\$ 3,730,351</u>	<u>\$ 4,743,687</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (187,373)	\$ 484,497	\$ 297,124	\$ (255,787)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	802,307	278,775	1,081,082	390,854
Loan premium amortization	(1,539)	-	(1,539)	-
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
User fees	9,004	26,482	35,486	-
Inventory	(50,084)	-	(50,084)	(37,550)
Other assets	55,234	-	55,234	(8,650)
Deferred outflows - related to pensions	71,872	(29,517)	42,355	-
Deferred outflows - related to OPEB	27,810	20,528	48,338	-
Accounts payable	(114,257)	143,648	29,391	(7,433)
Accrued liabilities	(2,176)	-	(2,176)	-
Retainage payable	-	7,624	7,624	-
Net pension liability	(154,992)	116,391	(38,601)	-
Net OPEB liability	64,980	23,842	88,822	-
Deferred inflows - related to pensions	(19,532)	3,888	(15,644)	-
Deferred inflows - related to OPEB	21,612	405	22,017	-
Other liabilities	<u>27,663</u>	<u>-</u>	<u>27,663</u>	<u>1,076</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 550,529</u>	<u>\$ 1,076,563</u>	<u>\$ 1,627,092</u>	<u>\$ 82,510</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, 2018

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and short-term investments	\$ 36,315	\$ 129,231
Investments	4,255,078	-
Due from primary government	<u>13,000</u>	<u>-</u>
Total Assets	4,304,393	129,231
 LIABILITIES AND NET POSITION		
Accounts payable	23,176	-
Other liabilities	<u>5,201</u>	<u>129,231</u>
Total Liabilities	<u>28,377</u>	<u>129,231</u>
 NET POSITION		
Total net position held in trust	\$ <u><u>4,276,016</u></u>	\$ <u><u>-</u></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, 2018

	<u>Private Purpose Trust Funds</u>
ADDITIONS:	
Investment Income	\$ 261,311
Total additions	<u>261,311</u>
DEDUCTIONS:	
General government	137,904
Education	8,800
Parks and recreation	<u>4,817</u>
Total deductions	<u>151,521</u>
Net increase	109,790
NET POSITION:	
Beginning of year	<u>4,166,226</u>
End of year	<u>\$ 4,276,016</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 2018, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the 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 judgements, 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as 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.

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.

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

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent because they are legally or contractually required to be maintained intact (i.e., perpetual care).
- 2) Restricted funds are used for specific purposes as imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision-making authority in the government (i.e., the City Council). A resolution, the highest-level action, constitutes the most binding constraint that should be considered to establish, modify, or rescind a fund balance commitment.
- 4) Assigned funds are used for specific purposes as established by management with City Council approval. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance voted to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

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

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, 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 and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 60,562,639	\$ 60,619,820
Other financing sources/uses (GAAP basis)	<u>20,880</u>	<u>126,350</u>
Subtotal (GAAP Basis)	60,583,519	60,746,170
Recognize use of fund balance as funding source	835,000	
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,223,023)
Add end of year appropriation carryforwards from expenditures	-	1,907,275
To eliminate capital reserve activity	178,484	758,240
To record other GAAP timing differences	<u>-</u>	<u>(1,417,653)</u>
Budgetary basis	<u>\$ 61,597,003</u>	<u>\$ 60,771,009</u>

D. Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2018.

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, 2018, \$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

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 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>
U.S. Treasury notes	\$ 825,695	\$ -	\$ 825,695	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of deposits	8,441,545	8,441,545	-	-	-	-	-	-
Corporate bonds	914,550	-	-	657,348	39,197	85,206	63,547	69,252
Corporate equities	2,755,906	2,755,906	-	-	-	-	-	-
Mutual funds	1,356,037	1,356,037	-	-	-	-	-	-
Federal agency securities	127,193	-	127,193	-	-	-	-	-
Municipal obligations	38,828	-	-	38,828	-	-	-	-
Total investments	\$ 14,459,754		\$ 952,888	\$ 696,176	\$ 39,197	\$ 85,206	\$ 63,547	\$ 69,252

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 does not have policies for custodial credit risk.

The City's investments are 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. The City manages this custodial credit risk with SIPC and excess SIPC.

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:

	<u>Controlling Agency</u>			<u>Total Amount</u>	<u>Percent of Investment</u>
	<u>City</u>	<u>Water</u>	<u>Sewer</u>		
Certificates of Deposit:					
Bank of New Hampshire	\$ 2,006,625	\$ 150,849	\$ 2,146,189	\$ 4,303,663	14%
Meredith Village Savings Bank	2,027,097	-	-	2,027,097	14%
Franklin Savings Bank	2,110,785	-	-	2,110,785	15%
Total	<u>\$ 6,144,507</u>	<u>\$ 150,849</u>	<u>\$ 2,146,189</u>	<u>\$ 8,441,545</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 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:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>N/A</u>
Debt Related Securities:					
U.S. Treasury notes	\$ 825,695	\$ -	\$ 825,695	\$ -	-
Certificates of deposits	8,441,545	-	-	-	8,441,545
Corporate bonds	914,550	348,962	565,588	-	-
Corporate equities	2,755,906	-	-	-	2,755,906
Mutual funds	1,356,037	-	-	-	1,356,037
Federal agency securities	127,193	34,539	-	92,654	-
Municipal obligations	38,828	38,828	-	-	-
Total	<u>\$ 14,459,754</u>	<u>\$ 422,329</u>	<u>\$ 1,391,283</u>	<u>\$ 92,654</u>	<u>\$ 12,553,488</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 policies for foreign currency risk.

F. Fair Value

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

identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

Description	Fair Value Measurements Using:		
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level:			
Debt securities			
U.S. Government agencies	\$ 127,193	\$ -	\$ 127,193
U.S. Treasury securities	825,695	-	825,695
Corporate bonds	914,550	-	914,550
Municipal bonds	38,828	-	38,828
Equity securities:			
Equity mutual funds	1,356,037	1,356,037	-
Utilities	65,388	65,388	-
Information Technology	763,563	763,563	-
Telecommunication Services	39,701	39,701	-
Industrials	120,639	120,639	-
Healthcare	467,890	467,890	-
Energy	203,682	203,682	-
Consumer discretionary	374,217	374,217	-
Consumer staples	208,429	208,429	-
Materials	121,957	121,957	-
Financial Services	390,440	390,440	-
Total	\$ 6,018,209	\$ 4,111,943	\$ 1,906,266

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 12% 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 liened 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 18%.

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

At the time of the tax lien, which the City usually places within 60 to 90 days after the due date, a lien is recorded on the property at the Registry of Deeds.

If the property taxes (redemptions) are not paid within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public sale held in November of each year.

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

Property taxes receivable at June 30, 2018 consist of the following in the general fund:

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount</u>
Real estate taxes	4,903,372	-	4,903,372
Tax liens	\$ 857,078	\$ (78,822)	\$ 778,256
Total property taxes	<u>\$ 5,760,450</u>	<u>\$ (78,822)</u>	<u>\$ 5,681,628</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 2018.

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, 2018 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	\$ -	\$ 2,902,783
Nonmajor Funds:		
TIF	1,299,043	-
Park Houses	38,824	-
Community Development	103,657	-
Ambulance	-	252,304
City Grants	220,903	-
Special Revenue Revolving	633,526	-
Impact Fee	108,961	-
School Grants	-	746,488
School Lunch	-	56,910
Main Street Bridge	17,976	-
Huot Tech Center	-	27,588
Weirs Community Park/Smith Track	18,457	-
Central Station Improvements	-	1,700
Frank Bean Clean up	20,190	-
Weirs & Endicott Water Line	4,728	-
Messer Street Drainage	598,196	-
Parking Garage and Davis Place	-	-
Road Improvements	2,291,466	-
LED Street Light Conversion	12,442	-
City Permanent Trust	-	181,120
Total Governmental Funds	<u>5,368,369</u>	<u>4,168,893</u>
Enterprise Funds:		
Sanitary Sewer	-	891,130
Total Enterprise Funds	-	891,130
Private Purpose Funds	13,000	-
Internal Service Funds	-	321,346
Total	<u>\$ 5,381,369</u>	<u>\$ 5,381,369</u>

Transfers

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

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General Fund	\$ 20,880	\$ 126,350
Nonmajor Funds:		
Impact Fee Fund	-	21,000
LED Street Light Conversion	143,047	-
City Permanent Trust	-	16,577
Total	<u>\$ 163,927</u>	<u>\$ 163,927</u>

9. Capital Assets

Capital asset activity for the year ended June 30, 2018 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	\$ 37,469,741	\$ 744,688	\$ -	\$ 38,214,429
Buildings and improvements	80,207,910	280,130	-	80,488,040
Furniture, equipment, and vehicles	14,574,016	1,856,250	(76,934)	16,353,332
Infrastructure	31,790,810	2,702,342	(169,078)	34,324,074
Total capital assets, being depreciated	164,042,477	5,583,410	(246,012)	169,379,875
Less accumulated depreciation for:				
Land improvements	(15,130,133)	(1,621,278)	-	(16,751,411)
Buildings and improvements	(30,336,737)	(2,232,598)	-	(32,569,335)
Furniture, equipment, and vehicles	(9,260,238)	(892,861)	75,359	(10,077,740)
Infrastructure	(16,138,315)	(1,413,146)	148,274	(17,403,187)
Total accumulated depreciation	(70,865,423)	(6,159,883)	223,633	(76,801,673)
Total capital assets, being depreciated, net	93,177,054	(576,473)	(22,379)	92,578,202
Capital assets, not being depreciated:				
Land	8,171,325	43,900	-	8,215,225
Construction in progress	5,432,891	817,851	(3,115,200)	3,135,542
Total capital assets, not being depreciated	13,604,216	861,751	(3,115,200)	11,350,767
Governmental activities capital assets, net	<u>\$ 106,781,270</u>	<u>\$ 285,278</u>	<u>\$ (3,137,579)</u>	<u>\$ 103,928,969</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 9,709,359	\$ 742,285	\$ (193,250)	\$ 10,258,394
Furniture, equipment, and vehicles	4,289,004	121,190	-	4,410,194
Infrastructure	<u>35,641,750</u>	<u>204,117</u>	<u>-</u>	<u>35,845,867</u>
Total capital assets, being depreciated	49,640,113	1,067,592	(193,250)	50,514,455
Less accumulated depreciation for:				
Buildings and improvements	(4,888,255)	(282,945)	193,250	(4,977,950)
Furniture, equipment, and vehicles	(3,153,692)	(127,122)	-	(3,280,814)
Infrastructure	<u>(21,789,858)</u>	<u>(671,014)</u>	<u>-</u>	<u>(22,460,872)</u>
Total accumulated depreciation	<u>(29,831,805)</u>	<u>(1,081,081)</u>	<u>193,250</u>	<u>(30,719,636)</u>
Total capital assets, being depreciated, net	19,808,308	(13,489)	-	19,794,819
Capital assets, not being depreciated:				
Land	38,503	-	-	38,503
Construction in progress	<u>78,368</u>	<u>969,112</u>	<u>-</u>	<u>1,047,480</u>
Total capital assets, not being depreciated	<u>116,871</u>	<u>969,112</u>	<u>-</u>	<u>1,085,983</u>
Business-type activities capital assets, net	<u>\$ 19,925,179</u>	<u>\$ 955,623</u>	<u>\$ -</u>	<u>\$ 20,880,802</u>

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

Governmental Activities:	
General government	\$ 127,826
Fire and ambulance	363,934
Police	187,822
Education	2,161,765
Highway and streets	1,870,538
Solid waste	97,076
Parks and recreation	412,382
Library	132,528
Airport	<u>806,012</u>
Total depreciation expense - governmental activities	<u>\$ 6,159,883</u>
Business-Type Activities:	
Water	\$ 802,306
Sanitary Sewer	<u>278,775</u>
Total depreciation expense - business-type activities	<u>\$ 1,081,081</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 2018 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, 2018:

	<u>Fiscal Year</u>	<u>Capital Leases</u>
	2019	\$ 64,961
	2020	64,961
	2021	37,833
	2022	<u>37,831</u>
Total minimum lease payments		205,586
Less amounts representing interest		<u>(16,649)</u>
Present Value of Minimum Lease Payments		<u>\$ 188,937</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 6/30/18
<u>Governmental Activities:</u>			
Capital Improvement	08/15/21	4.71%	\$ 700,000
School Bonds - Elm/Pleasant	08/15/21	4.71%	1,245,000
Capital Improvement	08/15/22	4.34%	500,000
School Bonds - Woodland Heights	01/15/23	4.52%	1,025,000
Library Bond	01/15/24	4.08%	660,000
School - Memorial Middle Bond	08/15/36	4.76%	10,942,239
Transfer Station	08/15/18	3.68%	95,000
Weirs Boardwalk	01/15/30	3.56%	440,000
Weirs Boardwalk engineering/const & Endicott	09/28/30	3.63%	367,250
Hoot Center - Qzab Bond	12/15/30	0.00%	1,438,800
ARRA - Anthony Drive Stormwater Improvement	11/01/30	2.86%	141,472
Fire Truck - DPW Bond	07/15/22	2.39%	550,000
Hoot Center - Qzab Bond	11/06/35	0.00%	3,697,000
Hoot Career Center	07/11/33	3.04%	800,000
Weirs Community Park/ Smith Track	10/01/23	2.44%	510,000
Hoot Center - Qzab Bond	07/15/35	0.00%	1,607,500
General Obligation bonds	02/01/35	3.25%	6,888,256
LED Bond	03/15/22	2.15%	240,000
Bond A	12/15/36	3.23%	1,520,000
Bond B	12/15/36	3.23%	1,510,476
Road Bond	02/02/28	2.30%	2,500,000
Total Governmental Activities:			\$ <u>37,377,992</u>
<u>Business-Type Activities:</u>			
Water Treatment Plant	08/15/29	3.97%	\$ <u>860,000</u>
Total Business-Type Activities:			\$ <u>860,000</u>

B. Future Debt Service

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

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,404,950	\$ 1,252,127	\$ 4,657,077
2020	3,280,625	1,208,535	4,489,160
2021	3,257,092	1,169,553	4,426,645
2022	3,236,017	1,130,857	4,366,874
2023	2,658,856	1,115,536	3,774,392
2024-2028	9,964,973	5,603,470	15,568,443
2029-2033	7,568,801	5,617,329	13,186,130
2034-2038	<u>4,006,678</u>	<u>4,513,713</u>	<u>8,520,391</u>
Total	\$ <u>37,377,992</u>	\$ <u>21,611,120</u>	\$ <u>58,989,112</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, 2018:

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 75,000	\$ 37,890	\$ 112,890
2020	75,000	34,875	109,875
2021	75,000	31,485	106,485
2022	75,000	27,720	102,720
2023	70,000	24,080	94,080
2024-2028	350,000	70,621	420,621
2029-2033	<u>140,000</u>	<u>6,809</u>	<u>146,809</u>
Total	\$ <u>860,000</u>	\$ <u>233,480</u>	\$ <u>1,093,480</u>

C. Changes in General Long-Term Liabilities

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

	Total Balance 7/1/17	Additions	Reductions	Total Balance 6/30/18	Less Current Portion	Equals Long-Term Portion 6/30/18
<u>Governmental Activities</u>						
Bonds payable	\$ 38,156,011	\$ 2,500,000	\$ (3,278,019)	\$ 37,377,992	\$ (3,404,950)	\$ 33,973,042
Net pension liability	57,527,932	-	(6,512,322)	51,015,610	-	51,015,610
Net OPEB liability	13,906,200	*	(1,003,439)	12,902,761	-	12,902,761
Other:						
Unamortized premiums	321,226	-	(30,323)	290,903	(23,450)	267,453
Landfill closure	198,000	-	(12,000)	186,000	(12,000)	174,000
Compensated absences	1,659,548	-	(121,926)	1,537,622	(150,073)	1,387,549
Capital lease	77,854	174,292	(63,209)	188,937	(57,953)	130,984
Subtotal - other	2,256,628	174,292	(227,458)	2,203,462	(243,476)	1,959,986
Totals	\$ 111,846,771	\$ 2,674,292	\$ (11,021,238)	\$ 103,499,825	\$ (3,648,426)	\$ 99,851,399
<u>Business-Type Activities</u>						
Bonds payable	\$ 935,000	\$ -	\$ (75,000)	\$ 860,000	\$ (75,000)	\$ 785,000
Net pension liability	1,621,812	-	(16,333)	1,605,479	-	1,605,479
Net OPEB liability	446,088	*	(38,601)	407,487	-	407,487
Other:						
Unamortized premium	24,942	-	(1,539)	23,403	(2,127)	21,276
Compensated absences	162,754	29,241	-	191,995	(19,200)	172,795
Subtotal - other	187,696	29,241	(1,539)	215,398	(21,327)	194,071
Totals	\$ 3,190,596	\$ 29,241	\$ (131,473)	\$ 3,088,364	\$ (96,327)	\$ 2,992,037

* As restated

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 postclosure 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 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, 2018:

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, 2018:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Prepays	\$ 196,544	\$ -	\$ 196,544
Nonexpendable permanent funds	-	755,402	755,402
Total Nonspendable	196,544	755,402	951,946
Restricted			
TIF	-	1,263,219	1,263,219
Community development	-	103,657	103,657
Airport	-	992,481	992,481
City grants	-	342,831	342,831
Impact fee	-	108,961	108,961
Road improvement	-	2,145,517	2,145,517
Main Street bridge	-	17,976	17,976
Weirs community park	-	18,457	18,457
Weirs & Endicott water Line	-	4,728	4,728
Messer Street drainage	-	496,414	496,414
LED Street Light Conversion	-	12,442	12,442
Total Restricted	-	5,506,683	5,506,683
Committed			
Capital reserves	2,392,369	-	2,392,369
Park houses	-	39,142	39,142
Revolving	-	624,343	624,343
Frank Bean clean up	-	5,095	5,095
Expendable permanent funds	-	1,099,677	1,099,677
Total Committed	2,392,369	1,768,257	4,160,626
Assigned			
Reserved for expenditures	1,907,275	-	1,907,275
Total Assigned	1,907,275	-	1,907,275
Unassigned			
	3,358,871	(41,864)	3,317,007
Total Fund Balance	\$ 7,855,059	\$ 7,988,478	\$ 15,843,537

18. Retirement System

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

A. Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees,

public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

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

B. Benefits Provided

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

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

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

C. Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers 11.55% for police and 11.80% for fire. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 11.08% to 27.79% of covered compensation. The City's contributions to NHRS for the year ended June 30, 2018 was \$4,385,657, which was equal to its annual required contribution.

D. Summary of Significant Accounting Policies

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

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

At June 30, 2018, the City reported a liability of \$52,621,089 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the City's proportion was 1.11 percent, which was an increase of 0.05 percent from its previous year proportion.

For the year ended June 30, 2018, the City recognized pension expense of \$5,735,974. 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	\$ 119,314	\$ 669,715
Changes of assumptions	5,283,852	-
Net difference between projected and actual earnings on pension plan investments	-	670,157
Changes in proportion and differences between contributions and proportionate share of contributions	1,615,823	1,687,913
Contributions subsequent to the measurement date	4,385,657	-
Total	<u>\$ 11,404,646</u>	<u>\$ 3,027,785</u>

The \$4,385,657 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase in pension expense in the year ended June 30, 2019. 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:	
2019	\$ 1,122,739
2020	2,344,369
2021	1,722,406
2022	<u>(1,198,310)</u>
Total	<u>\$ 3,991,204</u>

F. Actuarial Assumptions

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

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

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

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

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

Asset Class	Target Allocation Percentage	Weighted Average Long-Term Expected Real Rate of Return
Large Cap Equities	22.50 %	4.25%
Small/Mid Cap Equities	7.50	4.50%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.50%
Emerging Int'l Equities	7.00	6.25%
Total international equities	20.00	
Core Bonds	5.00	0.75%
Short Duration	2.00	-0.25%
Global Multi-Sector Fixed Income	11.00	2.11%
Unconstrained Fixed Income	7.00	1.26%
Total fixed income	25.00	
Private equity	5.00	6.25%
Private debt	5.00	4.75%
Real estate	10.00	2.84%
Opportunistic	5.00	3.25%
Total alternative investments	25.00	
Total	100.00 %	

G. Discount Rate

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

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

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
\$ 69,325,644	\$ 52,621,089	\$ 38,932,368

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 are based on a measurement date of June 30, 2018.

General Information about the OPEB Plan

Plan Description

The City indirectly provides post-employment healthcare for retired employees 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, 2018, 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>

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	2.5 percent
Discount rate	3.87 percent
Healthcare cost trend rates	9 percent for 2018, decreasing 0.5 percent per year to an ultimate rate of 5 percent for 2024 and later years.
Mortality	RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 (RPH-2017 table is created based on RPF-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2017 using MP-2017 improvement.
Retirees' share of benefit-related costs	100 percent

The discount rate was based on the long-term municipal bond rate at June 30, 2018.

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 \$8,702,706, was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2017	\$ 9,153,978
Changes for the year:	
Service cost	351,408
Interest	327,237
Changes of benefit terms	-
Differences between expected and actual experience	(402,770)
Changes in assumptions or other inputs	8,747
Benefit payments	<u>(735,894)</u>
Net Changes	<u>(451,272)</u>
Balances at June 30, 2018	<u>\$ 8,702,706</u>

Changes of benefit terms reflect changes in collective bargaining agreements.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.92 percent in 2017 to 3.56 percent in 2018. 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:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 9,542,296	\$ 8,702,706	\$ 7,956,431

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:

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$ 7,825,222	\$ 8,702,706	\$ 9,729,340

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

For the year ended June 30, 2018, the City recognized an OPEB expense of \$405,222. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	2,416	297,982
Change in assumptions	8,197	-
Net difference between projected and actual OPEB investment	-	32,185
Total	<u>\$ 10,613</u>	<u>\$ 330,167</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>		
2019	\$	(74,469)
2020		(74,469)
2021		(74,469)
2022		(74,469)
2023		(7,340)
Thereafter		<u>(14,338)</u>
Total	\$	<u><u>(319,554)</u></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.

Benefits Provided

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

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

Actuarial Assumptions and Other Inputs

The City's proportionate share of the NHRS Medical Subsidy as of June 30, 2018 is based upon an actuarial valuation performed as of June 30, 2016 (rolled forward to June 30, 2017) using a measurement date of June 30, 2017. 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, 2016 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, 2017 was \$4,607,542.

For the year ended June 30, 2018, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$117,191. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 434,409	\$ -
Changes in proportion	22,961	98,968
Net difference between projected and actual OPEB investment earnings	<u>-</u>	<u>14,539</u>
Total	<u>\$ 457,370</u>	<u>\$ 113,507</u>

The \$434,409 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2019.

Other 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>	
2019	\$ (79,642)
2020	(3,635)
2021	(3,635)
2021	<u>(3,634)</u>
Total	\$ <u><u>(90,546)</u></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%</u>	<u>Current</u>	<u>1%</u>
<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>Rate</u>	
\$ 5,014,376	\$ 4,607,542	\$ 4,255,050

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, 2018:

	<u>Total</u>	<u>Total</u>	<u>Total</u>
	<u>OPEB</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Liability</u>	<u>Outflows</u>	<u>Inflows</u>
		<u>of Resources</u>	<u>of Resources</u>
Town OPEB Plan	\$ 8,702,706	\$ 10,613	\$ 330,167
Proportionate share of NHRS Medical Subsidy Plan	<u>4,607,542</u>	<u>457,370</u>	<u>113,507</u>
Total	\$ <u><u>13,310,248</u></u>	\$ <u><u>467,983</u></u>	\$ <u><u>443,674</u></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.

21. Tax Increment Financing District

The following represents the Downtown Tax Increment Financing District's fiscal year 2018 financial report, which is required by NH RSA 162-K:11. This District is reported as a special revenue fund of the City.

	<u>Downtown TIF</u>	<u>Lakeport TIF</u>	<u>Weirs Beach TIF</u>	<u>Total TIF</u>
Revenues:				
Tax Increment	\$ 194,600	\$ 4,649	\$ 54,929	\$ 254,178
Bond Proceeds	-	-	-	-
Expenditures:				
General Government	69,992	-	50,763	120,755
Debt Service	<u>137,294</u>	<u>-</u>	<u>108,838</u>	<u>246,132</u>
Total Expenditures	<u>207,286</u>	<u>-</u>	<u>159,601</u>	<u>366,887</u>
Excess (deficiency) of revenues over expenditures	(12,686)	4,649	(104,672)	(112,709)
Fund Equity, at Beginning of Year	<u>1,329,570</u>	<u>8,872</u>	<u>37,486</u>	<u>1,375,928</u>
Fund Equity, at End of Year	<u>\$ 1,316,884</u>	<u>\$ 13,521</u>	<u>\$ (67,186)</u>	<u>\$ 1,263,219</u>
Assessment Information				
Base Value	<u>\$ 72,637,787</u>	<u>\$ 38,167,400</u>	<u>\$ 89,040,153</u>	<u>\$ 199,845,340</u>
Captured Value*	<u>\$ 74,024,273</u>	<u>\$ 4,772,200</u>	<u>\$ 20,993,209</u>	<u>\$ 99,789,682</u>

* = As of September 1, 2015

22. Beginning Net Position Restatement

The beginning (July 1, 2017) net position of the City has been restated in order to implement GASB 75.

Government-Wide Financial Statements:

	<u>Governmental Activities</u>	<u>Water Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Total Business-Type Activities</u>
As previously reported	\$ 37,038,759	\$ 14,759,089	\$ 10,809,985	\$ 25,569,074
Implementation of GASB 75 OPEB	<u>(12,533,615)</u>	<u>(162,932)</u>	<u>(178,131)</u>	<u>(341,063)</u>
As restated	<u>\$ 24,505,144</u>	<u>\$ 14,596,157</u>	<u>\$ 10,631,854</u>	<u>\$ 25,228,011</u>

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

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2018	June 30, 2017	1.06997084%	\$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

SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)

JUNE 30, 2018

(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, 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
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (GASB 75)
JUNE 30, 2018
(Unaudited)

New Hampshire Retirement System Medical Subsidy

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Net OPEB Liability</u>
June 30, 2018	June 30, 2017	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%

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)**

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

(Unaudited)

City of Laconia OPEB Plan *

Changes in Total OPEB Liability

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 351,408
Interest on unfunded liability - time value of money	327,237
Changes of benefit terms	-
Differences between expected and actual experience	(402,770)
Changes of assumptions	8,747
Benefit payments, including refunds of member contributions	<u>(735,894)</u>
Net change in total OPEB liability	(451,272)
Total OPEB liability - beginning	<u>9,153,978</u>
Total OPEB liability - ending (a)	<u>\$ 8,702,706</u>

Does not include New Hampshire Retirement System Medical Subsidy.

Schedule of Contributions

	<u>2018</u>
Actuarially determined contribution	\$ 735,894
Contributions in relation to the actuarially determined contribution	<u>735,894</u>
Contribution deficiency (excess)	<u>\$ -</u>

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

* Does not include New Hampshire Retirement System Medical Subsidy.

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

STATISTICAL SECTION

**CITY OF LACONIA
NET POSITION BY COMPONENT UNIT
LAST TEN FISCAL YEARS (1)
(accrual basis of accounting)
(amounts expressed in thousands)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010*	2009
Governmental activities										
Invested in capital assets, net of related debt	68,784	68,984	68,559	67,680	67,962	66,162	57,995	58,604	58,797	55,566
Restricted for:										1,716
Grants	3,372	2,875	3,216	3,753	1,946	1,664	1,656	1,379	1,314	-
Permanent funds:										
Nonexpendable	755	685	273	272	259	220	192	278	162	-
Expendable	924	1,018	1,625	1,469	1,404	1,139	1,148	906	934	-
Unrestricted	(49,183)	(36,523)	(34,022)	(35,269)	622	2,596	3,689	4,088	4,718	3,365
Total governmental activities net assets	\$24,652	\$37,039	\$39,651	\$37,905	\$72,193	\$71,781	\$64,680	\$65,255	\$65,925	\$60,647
Business-type activities										
Invested in capital assets, net of related debt	19,998	18,965	18,016	17,945	18,105	18,600	18,141	17,971	18,066	18,559
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,513	6,604	4,542	3,969	6,567	5,904	5,594	6,166	6,396	6,163
Total business-type activities net assets	\$25,511	\$25,569	\$22,558	\$21,914	\$24,672	\$24,504	\$23,735	\$24,137	\$24,462	\$24,722
Primary government										
Invested in capital assets, net of related debt	\$88,782	\$87,949	\$86,575	\$85,625	\$86,067	\$84,762	\$76,136	\$76,575	\$76,863	\$74,125
Restricted for:										1,716
Grants	3,372	2,875	3,216	3,753	1,946	1,664	1,656	1,379	1,314	-
Permanent funds:										
Nonexpendable	755	685	273	272	259	220	192	278	162	-
Expendable	924	1,018	1,625	1,469	1,404	1,139	1,148	906	934	-
Unrestricted	(43,670)	(29,919)	(29,480)	(31,300)	7,189	8,500	9,283	10,254	11,114	9,528
Total primary governmental net assets	\$50,163	\$62,608	\$62,209	\$59,819	\$96,865	\$96,285	\$88,415	\$89,392	\$90,387	\$85,369

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

Note: (1) The City will continue to annually report information until this schedule includes 10 fiscal years

**CITY OF LACONIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (1)
(accrual basis of accounting)
(amounts expressed in thousands)**

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

* Includes Welfare, conservation and airport expenses

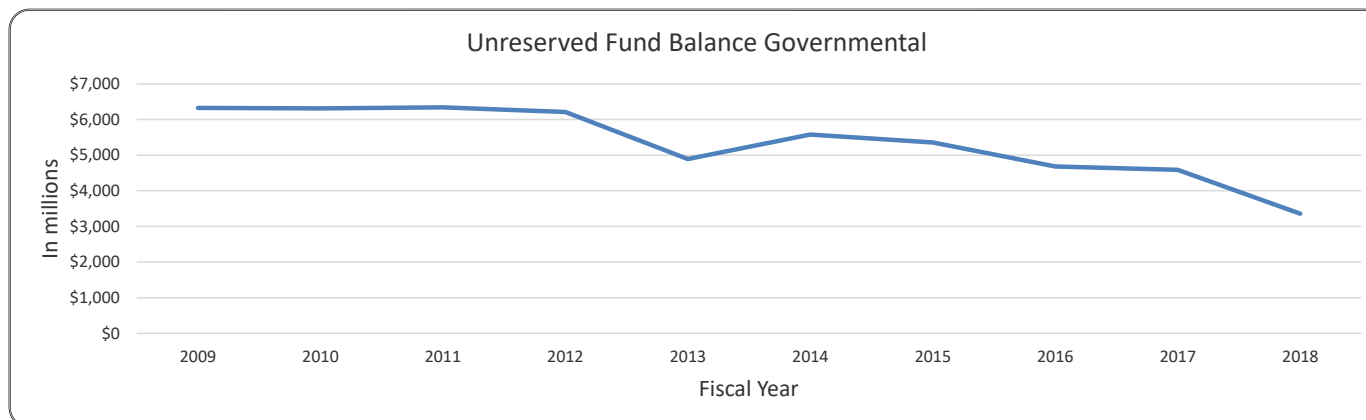
	2018	2017	2016	2015	Fiscal Year 2014	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$43,103	\$42,239	\$41,167	\$39,996	\$38,973	\$38,394	\$37,537	\$37,415	\$37,609	\$36,474
Franchise taxes	323	322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

Notes: (1) The City will continue to annually report information until this schedule includes 10 fiscal years.

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

	<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>	<u>2009</u>
General fund										
Nonspendable	\$197	\$395	\$183	\$71	\$71	\$167	\$146	\$53	\$1,182	\$675
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	2,392	1,813	1,373	1,462	695	463	1,148	88	-	-
Assigned	1,907	1,223	977	1,126	623	591	510	570	-	-
Unassigned	<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	<u>\$7,855</u>	<u>\$8,018</u>	<u>\$7,215</u>	<u>\$8,017</u>	<u>\$6,964</u>	<u>\$6,111</u>	<u>\$7,013</u>	<u>\$7,052</u>	<u>\$7,494</u>	<u>\$6,997</u>
All other governmental funds										
Nonspendable	\$755	\$685	\$273	\$273	\$259	\$219	\$192	\$191	\$162	\$145
Unreserved, reported in:										
Restricted	5,507	3,090	3,201	3,130	1,314	2,792	2,644	2,456	1,344	1,314
Committed	1,768	1,587	2,174	5,005	3,115	1,298	1,379	286	415	735
Assigned	-	-	-	-	-	-	-	-	934	883
Unassigned	<u>(42)</u>	<u>(524)</u>	<u>(206)</u>	<u>(1,093)</u>	<u>(1,590)</u>	<u>(127)</u>	-	-	-	-
Total all other governmental fun	<u>\$7,988</u>	<u>\$4,838</u>	<u>\$5,442</u>	<u>\$7,315</u>	<u>\$3,098</u>	<u>\$4,182</u>	<u>\$4,215</u>	<u>\$2,933</u>	<u>\$2,855</u>	<u>\$3,077</u>

* 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)

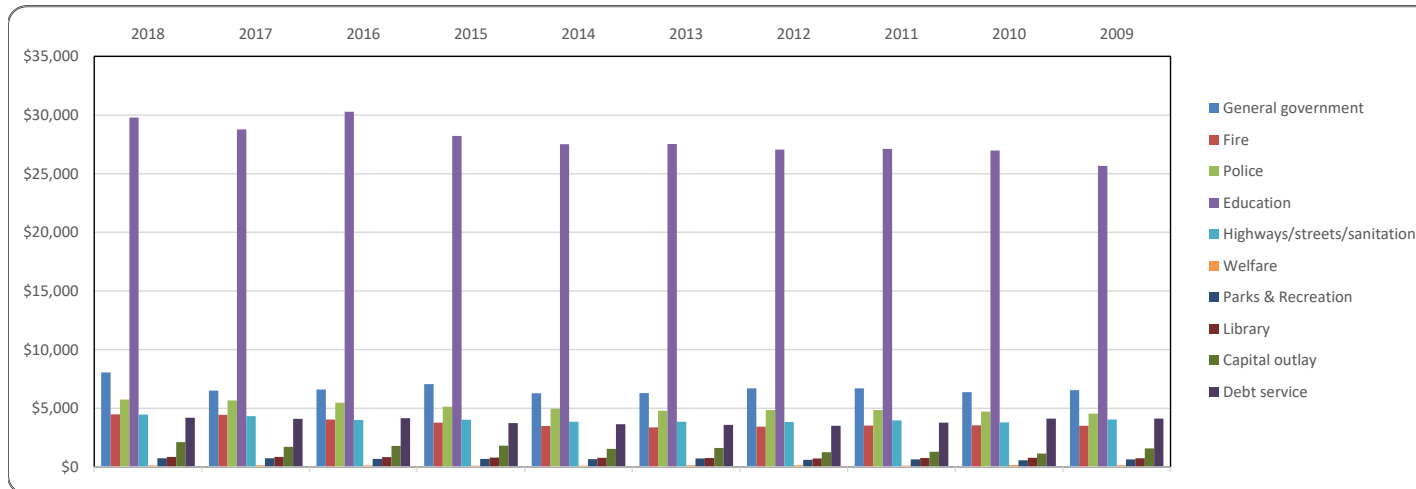
	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes	\$43,740	\$42,788	\$41,818	\$40,604	\$39,470	\$38,849	\$38,294	\$38,007	\$38,103	\$36,515
Licenses and permits	3,345	3,187	3,053	2,876	2,717	2,466	2,399	2,266	2,364	2,493
Integovernmental	10,063	9,534	10,271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

** This number has been reduced to reflect the use of unspent bond proceeds to pay principal payments on several bonds for the City - \$144,588 and the School - \$135,512.

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

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	\$8,064	\$6,506	\$6,611	\$7,055	\$6,285	\$6,292	\$6,703	\$6,710	\$6,384	\$6,557
Fire	4,479	4,446	4,039	3,784	3,491	3,380	3,438	3,526	3,545	3,510
Police	5,747	5,670	5,474	5,137	4,965	4,791	4,847	4,845	4,708	4,538
Education	29,793	28,765	30,280	28,211	27,513	27,541	27,059	27,111	26,986	25,669
Highways/streets/sanitation	4,462	4,343	4,001	4,034	3,856	3,863	3,836	3,980	3,802	4,054
Welfare	143	144	128	112	123	148	151	111	173	157
Parks & Recreation	753	743	688	686	668	731	617	645	572	651
Library	852	853	840	804	778	770	735	756	780	754
Capital outlay	2,125	1,722	1,792	1,811	1,541	1,624	1,252	1,296	1,151	1,591
Debt service	4,202	4,096	4,165	3,743	3,653	3,581	3,504	3,783	4,115	4,115
TOTALS	60,620	57,288	58,018	55,377	52,873	52,721	52,142	52,763	52,216	51,596

Percent of Total	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	13.9%	11.2%	11.4%	12.7%	11.9%	11.9%	12.9%	12.7%	12.2%	12.7%
Fire	7.4%	7.8%	7.0%	6.8%	6.6%	6.4%	6.6%	6.7%	6.8%	6.8%
Police	9.9%	9.8%	9.4%	8.9%	8.6%	8.3%	8.4%	8.4%	8.1%	7.8%
Education	51.4%	49.6%	52.2%	50.9%	52.0%	52.2%	51.9%	51.4%	51.7%	49.7%
Highways/streets/sanitation	7.7%	7.5%	6.9%	7.3%	7.3%	7.3%	7.4%	7.5%	7.3%	7.9%
Welfare	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.2%	0.3%	0.3%
Parks & Recreation	1.3%	1.3%	1.2%	1.2%	1.3%	1.4%	1.2%	1.2%	1.1%	1.3%
Library	1.5%	1.5%	1.4%	1.5%	1.5%	1.5%	1.4%	1.4%	1.5%	1.5%
Capital outlay	3.7%	3.0%	3.1%	3.3%	2.9%	3.1%	2.4%	2.5%	2.2%	3.1%
Debt service	7.2%	7.1%	7.2%	6.8%	6.9%	6.8%	6.7%	7.2%	7.9%	8.0%

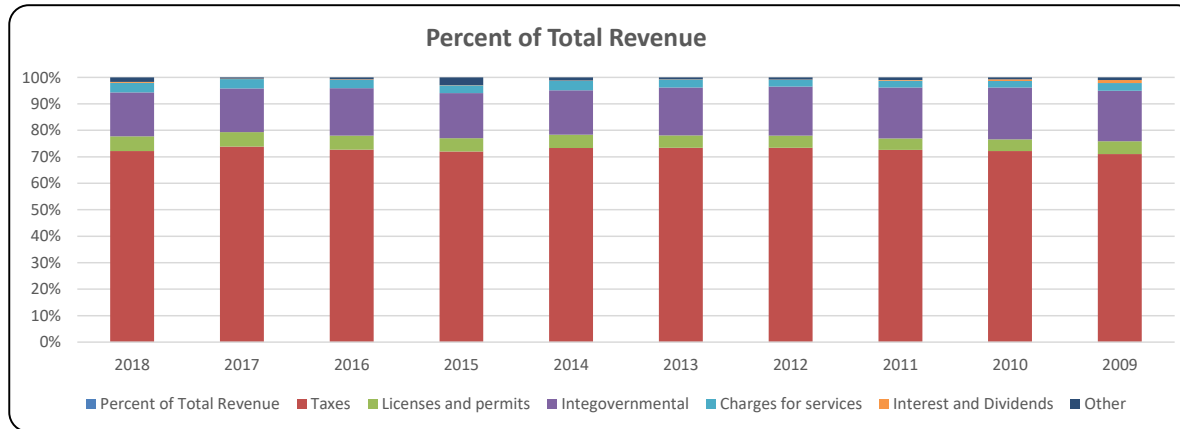


City of Laconia
General Revenues by Source-General Fund
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes	\$43,741	\$42,788	\$41,817	\$40,604	\$39,470	\$38,849	\$38,295	\$38,007	\$38,103	\$36,515
Licenses and permits	3,345	3,187	3,053	2,876	2,717	2,465	2,399	2,266	2,364	2,493
Intergovernmental	10,063	9,534	10,271	9,582	9,006	9,560	9,684	10,073	10,326	9,811
Charges for services	2,178	2,051	1,815	1,638	1,920	1,588	1,297	1,335	1,314	1,466
Interest and Dividends	212	109	95	43	49	56	77	152	306	610
Other	<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>	<u>499</u>
Total revenues	\$60,563	\$57,936	\$57,489	\$56,420	\$53,807	\$52,900	\$52,163	\$52,354	\$52,813	\$51,394

Percent of Total Revenue

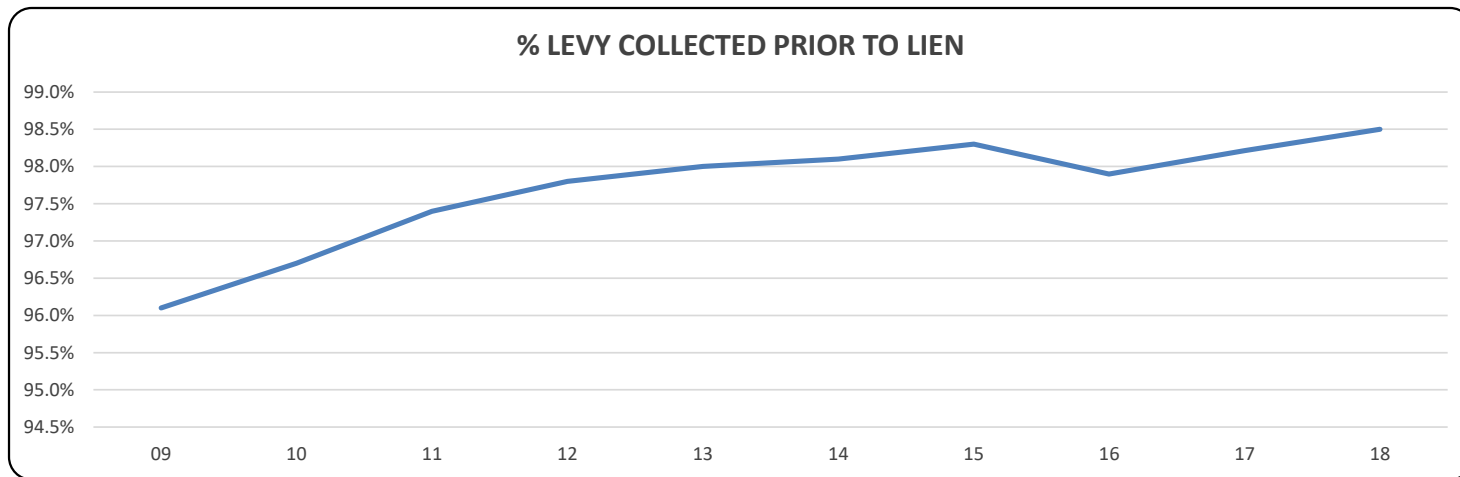
Taxes	72.2%	73.9%	72.7%	72.0%	73.4%	73.4%	73.4%	72.6%	72.1%	71.0%
Licenses and permits	5.5%	5.5%	5.3%	5.1%	5.0%	4.7%	4.6%	4.3%	4.5%	4.9%
Intergovernmental	16.6%	16.5%	17.9%	17.0%	16.7%	18.1%	18.6%	19.2%	19.6%	19.1%
Charges for services	3.6%	3.5%	3.2%	2.9%	3.6%	3.0%	2.5%	2.5%	2.5%	2.9%
Interest and Dividends	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.3%	0.6%	1.2%
Other	1.7%	0.5%	0.8%	3.0%	1.2%	0.7%	0.8%	1.0%	0.8%	1.0%



**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 Adjustments	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%

(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								
2009	1,782,228	328,711	23,999	\$2,134,938	7,580	\$2,127,358	\$16.97	2,174,544	98.2%	11.3	1.02
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

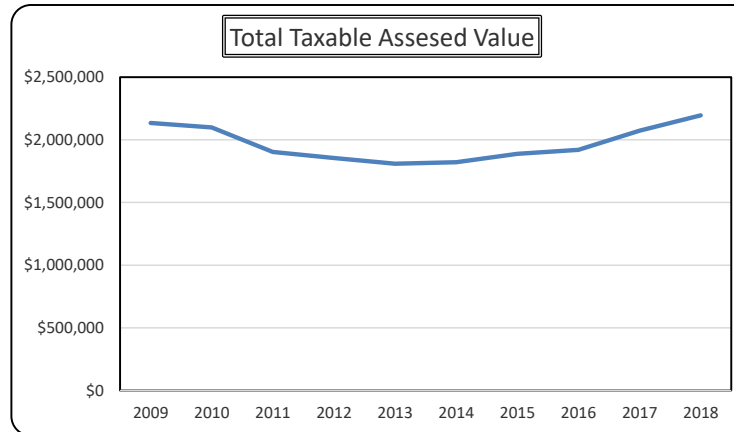
COD is Coefficient of Dispersion - The average deviation of a group of numbers from the median expressed as a percentage of the median. In ratio studies, the average percentage deviation from the median.

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
2009	83.5%	15.4%	1.1%
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%

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

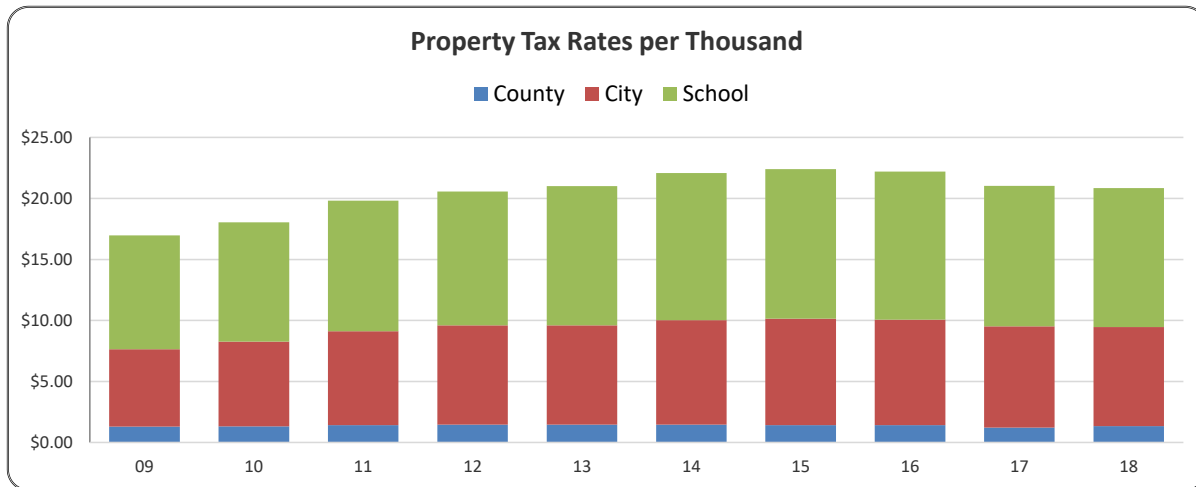


**CITY OF LACONIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING
Last Ten Fiscal Years**

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>
2009	\$6.35	\$7.07	\$2.25	\$9.32	\$15.67	\$1.30	\$16.97
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

Source:
NH State Department of Revenue Administration

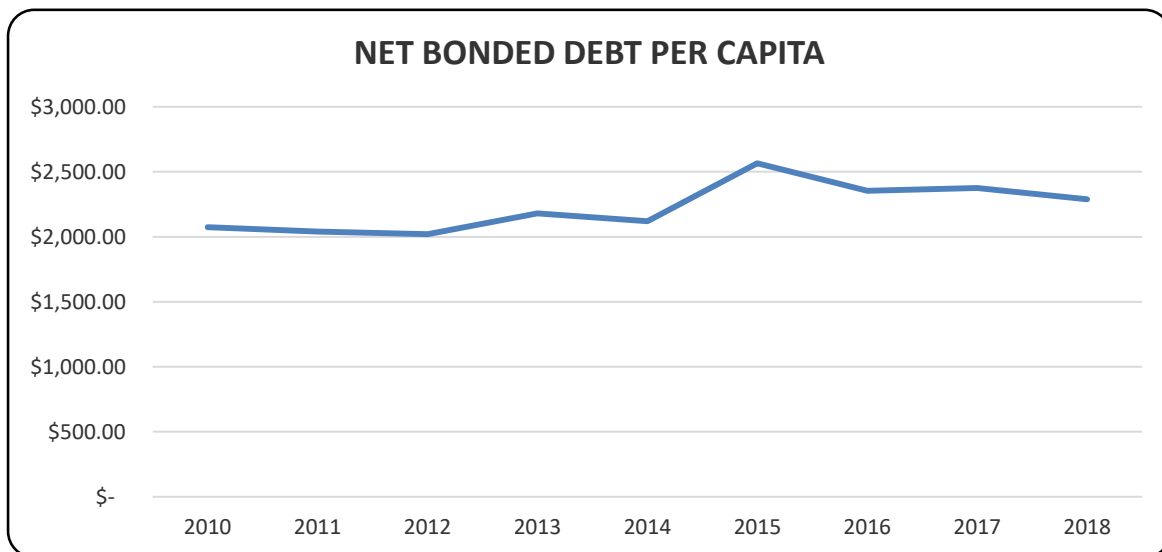


CITY OF LACONIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed thousands, except per capita amount)

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total Primary Government</u>	<u>Per Capita*</u>
	<u>General Obligation Bonds</u>	<u>General Obligation Bonds</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

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, 2018**

Base Valuation for Debt Limit (1)		\$ 2,209,428,939	
		<u>\$ 66,283</u>	
Bonded Debt Limit - 3.00% of Base		\$	66,283
Gross Bonded Debt, June 30, 2018	\$	38,238	
Less: Water Bonds	\$	(860)	
School Bonds	\$	(20,756)	
			\$16,622
Debt Margin			<u>\$49,661</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		\$ 2,086,535,275	
Department of Revenue Administration Inventory Adjustment		\$ 104,320,994	
Equalized Assessed Valuation		<u>\$ 2,190,856,269</u>	
Adjustment: RSA 31-A		\$ 18,572,670	
Base Valuation for Debt Limit		<u>\$ 2,209,428,939</u>	

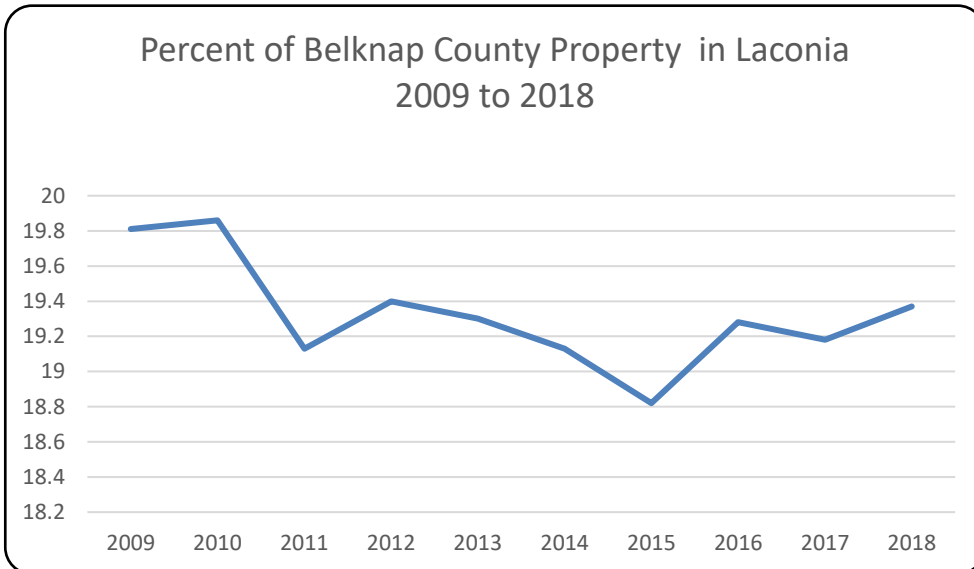
CITY OF LACONIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Legal Debt Limits										
City 3%	\$ 66,283	\$62,589	\$57,990	\$57,965	\$55,314	\$55,917	\$58,215	\$59,643	\$60,899	\$65,841
School 7%	\$ 154,660	\$146,042	\$139,255	\$135,252	\$129,066	\$130,472	\$135,837	\$139,166	\$142,098	\$153,630
Debt Against Legal Debt Limits										
City	16,622	15,575	13,361	14,712	8,788	8,952	7,528	10,873	8,801	8,790
School	<u>20,756</u>	<u>22,580</u>	<u>24,444</u>	<u>26,358</u>	<u>26,410</u>	<u>27,286</u>	<u>24,688</u>	<u>24,287</u>	<u>26,359</u>	<u>28,500</u>
Total City & School Debt June 30	<u>\$37,378</u>	<u>\$38,155</u>	<u>\$37,805</u>	<u>\$41,070</u>	<u>\$35,198</u>	<u>\$36,238</u>	<u>\$32,216</u>	<u>\$35,160</u>	<u>\$35,160</u>	<u>\$37,290</u>
Unused Capacity of Legal Debt Limits										
City	\$49,661	\$47,014	44,629	\$43,253	\$46,526	\$46,965	\$50,687	\$48,770	\$52,098	\$57,051
School *	133,904	123,462	114,811	108,894	102,656	103,186	111,149	114,879	115,739	125,130
% of Legal Debit Limits Used										
City	25.1%	24.9%	23.0%	25.4%	15.9%	16.0%	12.9%	18.2%	14.5%	13.4%
School	13.4%	15.5%	17.6%	19.5%	20.5%	20.9%	18.2%	17.5%	18.5%	18.6%

Data Source
Annual Financial Statements

**Computation of Overlapping Debt
Belknap County
Last Ten Years**

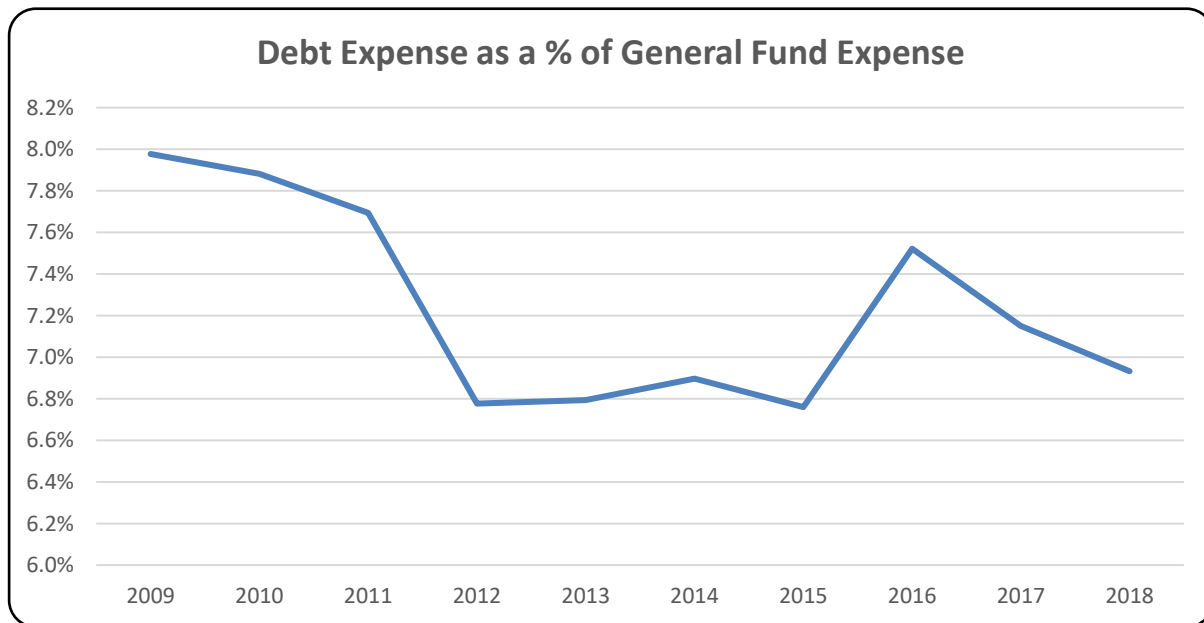
End of Year	Net Debt Outstanding	Percentage Applicable to Laconia	Amount Applicable to Laconia
2018	\$245,000	19.37%	\$ 47,457
2017	\$800,000	19.18%	\$ 153,440
2016	\$1,360,000	19.28%	\$ 262,208
2015	\$1,930,000	18.82%	\$ 363,226
2014	\$2,510,000	19.13%	\$ 480,163
2013	\$3,100,000	19.30%	\$ 598,300
2012	\$3,945,000	19.40%	\$ 765,330
2011	\$4,350,000	19.13%	\$ 832,342
2010	\$4,845,000	19.86%	\$ 962,416
2009	\$5,420,000	19.81%	\$ 1,073,718



**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	%
2009	\$3,238,389	\$877,394	\$4,115,783	\$51,595,864	8.0%
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%

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



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

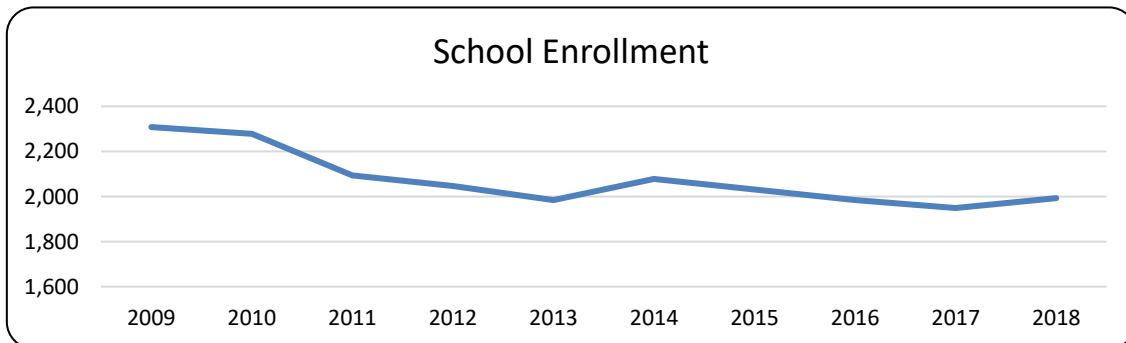
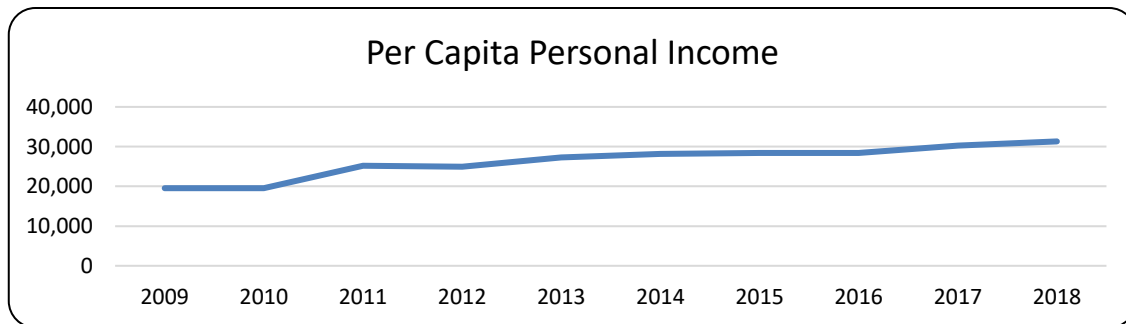
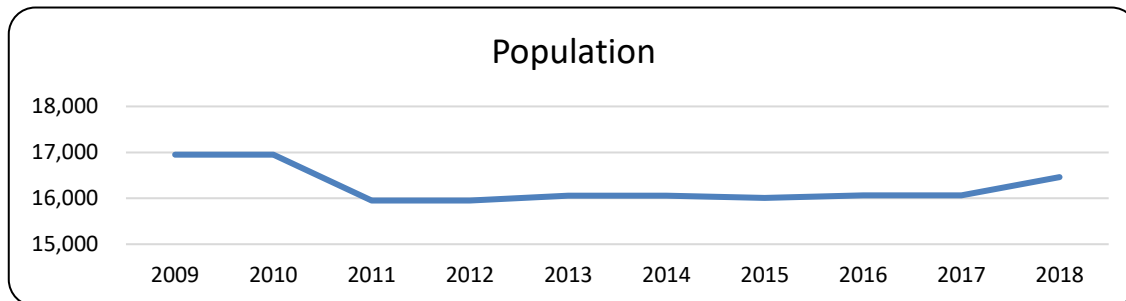
Fiscal Year	Population*	Per Capita		Median Age*	School Enrollment**	Unemployment Rate***
		Personal Income*	Personal Income*			
2009	16,950	37,796	19,540	38.8	2,308	6.8%
2010	16,950	37,796	19,540	38.8	2,278	8.5%
2011	15,951	46,748	25,159	43.0	2,093	6.3%
2012	15,951	44,919	24,959	43.0	2,047	5.5%
2013	16,055	47,004	27,295	43.0	1,984	5.1%
2014	16,055	46,605	28,165	43.0	2,078	4.3%
2015	16,010	47,180	28,418	46.7	2,031	3.2%
2016	16,067	47,180	28,418	46.7	1,984	2.8%
2017	16,067	50,643	30,293	46.3	1,949	2.9%
2018	16,464	52,702	31,317	46.3	1,993	2.6%

Data Source

*Bureau of Census

**City annual reports, school district (excludes voc tech students)

*** State of NH reports as of November of the year.



**CITY OF LACONIA
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2018
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2018</u>			<u>2009</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	\$20,613	1	0.94%	\$17,622	1	0.81%
Energy North (Keyspan)	12,749	2	0.58%	-		
Double D Development	7,877	3	0.36%			
AKWA Vista LLC	7,447	4	0.34%			
Lakemont Cooperative Inc	6,240	5	0.28%			
Irwin James R & Sons Inc	5,738	6	0.26%			
Estates Circle Apartments LLC	5,629	7	0.26%			
AKWA Village LLC	5,498	8	0.25%			
Gilford Route 11 Realty Trust	5,373	9	0.25%			
Summit @ Four Seasons	4,752	10	0.22%			
Clearview Realty Ventures				6,253	3	0.29%
Aavid Engineering				6,099	4	0.28%
Lakeshore Estates Assoc				5,716	5	0.26%
Mason Lakes Lmted Partnership				5,483	6	0.25%
Summit @ Four Seasons				5,280	7	0.24%
NH Ball Bearing				5,271	8	0.24%
Laconia Country Club				5,214	9	0.24%
Margate Motel				5,192	10	0.24%
Totals	\$81,916		3.74%	\$62,130		2.86%
Total Net Assessed Taxable Value	\$2,190,835			\$2,169,333		

Source:
City of Laconia, Assessing Records and Tax Records

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

	<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>
Function										
General government	26	26	27	27	27	27	27	27	28	28
Public safety										
Police										
Officers	39	39	39	40	41	41	42	42	42	42
Civilians	10	10	10	10	10	10	10	10	10	10
Fire										
Firefighters and officers	36	36	36	36	40	40	40	40	40	40
Civilians	1	1	1	1	1	1	1	1	1	1
Call firefighters	13	0	0	0	0	0	0	0	0	0
Highway and streets										
Engineering	2	1	1	1	1	1	1	1	1	1
Maintenance	13	16	16	16	16	16	17	18	18	18
Solid Waste	1	1	1	1	1	1	1	1	1	1
Library	11	10	10	10	10	10	10	10	10	10
Parks & Recreation	7	7	7	7	7	7	7	7	7	7
Water	16	16	16	16	16	16	17	17	17	17
Sewer	8	8	8	8	8	8	8	8	8	8
ISF	<u>3</u>	<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>
Total	186	173	174	175	180	180	184	185	186	186

Source: City Budget Reports

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

Position	<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>
Administrators	18	18	18	19	22	22	22	22	21	20
Guidance Counselors	11	12	11	11	11	10	10	10	9	10
Classroom Teachers	158	160	160	152	152	157	151	149	136	127
Special Education Teachers	31	31	31	32	32	32	30	31	28	30
Librarians	2	2	2	2	2	2	2	2	2	2
Vocational Education Teachers	12	12	12	12	12	12	12	12	12	12
Nurses	5	5	5	5	5	5	5	5	5	5
Itinerant Staff	<u>24</u>	<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>
Total	261	267	266	258	261	267	265	264	247	242

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	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Calls for service	18,870	19,335	17,964	17,870	16,760	16,148	16,729	17,983	17,699	22,293
Criminal arrests	1,600	1,690	1,524	1,457	1,352	1,319	1,352	1,526	1,505	1,425
Parking violations	4,042	3,259	1,805	1,096	1,549	1,676	2,124	1,390	983	1,651
Traffic violations	694	525	464	596	448	399	329	378	309	457
Fire										
Number of calls answered	3,394	3,173	3,303	3,576	3,739	3,881	4,380	4,487	4,760	5,064
Inspections	2,387	2,963	2,468	2,214	2,286	2,322	2,412	3,265	1,931	1,655
Highways and streets										
Street resurfacing (miles)	2.21	3.17	3.17	3.80	3.13	1.03	5.79	3.20	0.00	0.00
Code										
Building permits issued	254	273	245	287	322	249	290	284	349	257
Estimated construction value** (in thousands)	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	\$32,732	\$23,136	\$17,496
Library										
Volumes	53,882	55,384	58,230	58,419	61,381	62,713	66,019	67,316	66,857	61,764
Circulation	129,583	135,602	127,711	131,402	125,440	120,127	117,695	111,183	104,170	104,370
Solid Waste										
Refuse collected (tons per year)	14,471	13,495	14,221	12,744	11,930	11,171	10,479	10,950	10,601	10,850
Recyclables collected (tons per year)	768	918	1,090	1,209	1,432	1,922	1,913	1,856	1,737	1,651
Parks & Recreation										
Field Use Requests	66	69	75	101	81	90	103	98	75	96
School Enrollment										
Laconia HS	763	750	660	614	598	589	585	552	526	555
Laconia Middle School	484	489	505	474	469	482	423	423	405	413
Woodland Heights	424	422	381	421	352	430	453	444	391	373
Pleasant Street	309	302	288	262	283	292	285	282	315	331
Elm Street	328	315	259	276	282	285	285	283	312	321
Area 8/Huot	397	420	443	364	420	473	421	441	394	411
Water										
New connections	56	61	55	42	30	62	50	39	50	43
Water main breaks	11	4	4	3	7	7	10	5	6	9
Average daily consumption-MGD	1.49	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>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	4	4	4	4	4	4	4	4	4	4
Fire stations	3	3	3	3	3	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
Streets (miles)-unpaved ##	7.24	7.24	7.24	7.24	7.24	2.18	2.18	2.18	2.18	0.85
Traffic intersections	7	7	7	7	7	7	7	7	7	8
Street lights	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,308	1,308
Culture and recreation										
Parks acreage	208.7	208.7	208.7	208.7	208.7	208.7	208.7	208.9	209	209
Parks **	14	14	14	28	28	28	28	30	31	31
Tennis courts	9	9	9	7	7	7	7	7	8	8
Basketball courts									7	6
Community centers	8	8	8	5	4	4	4	4	4	4
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
Service connections	10,655	10,700	10,741	10,785	10,850	10,865	10,877	10,885	10,930	10,950
Maximum daily capacity -MGD	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

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.

** Parks number adjusted to include Riverwalk, WOW Trail, and undeveloped parks as well as public docks