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CITY OF CONCORD, NEW HAMPSHIRE

COMBINED FINANCIAL STATEMENTS

for the year ended December 31, 1981

Coopers
& Lybrand

Certified Public Accountants

CITY OF CONCORD, NEW HAMPSHIRE
COMBINED FINANCIAL STATEMENTS
for the year ended December 31, 1981

INDEX

	<u>Page(s)</u>
Report of Independent Certified Public Accountants	2
Combined Balance Sheets - All Fund Types and General Long-Term Debt Group of Accounts - December 31, 1981	3
Combined Statements of Revenues, Expenditures, Operating Transfers, Proceeds from General Obligation Bonds and Changes in Fund Equity (Deficit) - All Governmental Fund Types and Expendable Trust Funds - for the year ended December 31, 1981	4
Statement of Revenues; Expenditures, Encumbrances and Operating Transfers - Budget and Actual - General Fund - for the year ended December 31, 1981	5
Combining Balance Sheet - Enterprise Funds - December 31, 1981	6
Combined Statements of Revenues, Expenses and Changes in Retained Earnings (Deficit) /Fund Balance - Enterprise, Internal Service and Nonexpendable Trust Funds - for the year ended December 31, 1981	7
Combined Statements of Changes in Financial Position - Enterprise, Internal Service and Nonexpendable Trust Funds - for the year ended December 31, 1981	8
Combined Balance Sheet - All Trust and Agency Funds - December 31, 1981	9
Notes to Financial Statements	10-21

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CONCORD, N. H.

Honorable Mayor and Council
City of Concord, New Hampshire

We have examined the combined financial statements of the City of Concord, New Hampshire as of December 31, 1981 and for the year then ended as listed in the accompanying index. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The City has not maintained records of the cost of its general fixed assets and, therefore, a Statement of General Fixed Assets is not presented in the accompanying financial statements as required by generally accepted accounting principles.

Budgetary control over certain grants accounted for in the Special Revenue Funds is maintained on the basis of the fiscal periods of the grants. Accordingly, a Statement of Sources and Uses of Financial Resources for Special Revenue Funds for the year ended December 31, 1981 with budgetary comparisons is not presented as required by generally accepted accounting principles.

In our opinion, except for the effects of the matters described in the second and third paragraphs of this report, the combined financial statements referred to above present fairly the financial position of the City of Concord, New Hampshire as of December 31, 1981, and the results of its operations and changes in financial position of the Enterprise, Internal Service and Nonexpendable Trust Funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

Boston, Massachusetts
April 30, 1982

CITY OF CONCORD, NEW HAMPSHIRE
ALL FUND TYPES AND GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS
COMBINED BALANCE SHEETS

December 31, 1981

	Governmental Fund Types				Proprietary Fund Types			Fiduciary Fund Type	Account Group	Interfund Eliminations	Combined Balance Sheet (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Special Assessment Fund	Enterprise Funds	Internal Service Fund				
ASSETS											
Current assets:											
Cash and short-term investments	\$2,423,301	\$600	\$57,070	\$15,265,679	\$111,238	\$186,000	\$18,233	\$1,515,093			\$18,062,121
Marketable securities	4,300,736										1,515,093
Taxes receivable	254,951	305,413			105,105						4,405,841
Accounts receivable	20,379					915,005					1,475,359
Allowance for uncollectibles	(220,120)										20,379
Due from federal and state	238,381	584,136		2,274,591		157,701					(220,120)
Supplies inventory						29,727					2,858,727
Interest and dividends receivable				5,578		16,386,410	27,362				396,082
Due from other funds	1,145,532	894,171				17,674,843	4,816,960				57,089
Total current assets											
Property, plant and equipment		30,510				69,121,128					70,743,997
Less accumulated depreciation						(4,677,610)					(5,612,069)
Amount to be provided for retirement of general long-term debt		30,510				64,443,518					65,131,928
Total assets and amounts to be provided for retirement of general long-term debt	\$8,163,160	\$1,814,830	\$57,070	\$17,545,848	\$216,343	\$82,118,361	\$6,377,648	\$8,473,000			\$102,175,509
LIABILITIES AND FUND EQUITY (DEFICIT)											
Liabilities:											
Short-term borrowings and current portion of long-term debt					17,500						17,188,000
Accounts payable	353,860	30,510				17,170,500					384,370
Due to other governmental units											4,816,960
Other liabilities and accrued expenses	98,786	1,604	57,070			1,052,352					1,209,812
Due to other funds	5,822,772	331,921			21,499	817,146					(23,262,727)
Total current liabilities						19,039,998					
General long-term debt and notes payable					151,000	16,904,000			8,473,000		25,528,000
Total liabilities	6,275,358	364,035	57,070	16,265,988	189,999	35,943,998	4,820,421	8,473,000			49,127,142
Fund equity (deficit):											
Reserved for encumbrances	673,197										673,197
Reserved for trust purposes											1,557,227
Contributed capital											44,197,214
Retained earnings		561,000				43,005,445					3,210,125
Unreserved:						3,168,918					
Designated for capital projects	309,706			1,279,860							309,706
Undesignated	904,899	889,795		1,279,860	26,344						1,279,860
Total fund equity (deficit)	1,887,802	1,450,795	57,070	1,279,860	26,344	46,174,363	671,976	8,473,000			53,048,367
Total liabilities and fund equity (deficit)	\$8,163,160	\$1,814,830	\$57,070	\$17,545,848	\$216,343	\$82,118,361	\$6,377,648	\$8,473,000			\$102,175,509

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

CITY OF CONCORD, NEW HAMPSHIRE

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, OPERATING TRANSFERS, PROCEEDS FROM GENERAL OBLIGATION BONDS AND CHANGES IN FUND EQUITY (DEFICIT)

for the year ended December 31, 1981

	Governmental Fund Types				Fiduciary Fund Type Expendable Trust Funds	Combined Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund		
Revenues:						
Local:						
Property taxes	\$ 7,080,536					\$ 7,080,536
Resident taxes	168,686					168,686
Motor vehicle	797,859					797,859
Parking meter receipts		\$ 227,578			\$23,008	227,578
Interest and penalties	190,198	2,503				215,709
New trusts	871,054	75,204			4,144	4,144
Investment income	658,786	16,761		\$ 34,849	138,512	1,084,770
Departmental and miscellaneous						710,396
Total local	9,767,119	322,046		34,849	23,008	10,289,678
Federal and state	2,065,171	1,890,110		67,500		4,022,781
Total revenues	11,832,290	2,212,156		102,349	23,008	14,312,459
Expenditures:						
Current:						
General governmental	1,433,480	170,081				1,603,561
Public safety	4,047,427	24,428				4,071,855
Recreation, parks, libraries	984,469	74,538				1,059,007
Health	51,968					51,968
Sanitation and waste removal	643,179					643,179
Cemetery	345,772					345,772
Principal retirement		\$ 730,000				730,000
Highway and sidewalks	1,612,528					1,612,528
Interest	677,950		527,427			1,205,377
Charities	272,672	1,604			12,246	272,672
Employee fringe benefits	641,378					641,378
Miscellaneous	271,378					271,378
Capital outlay	365,520	845,693		1,668,524		2,879,737
Total expenditures	11,347,721	1,116,344	1,257,427	1,668,524	12,246	15,404,135
Excess (deficiency) of revenues over expenditures	484,569	1,095,812	(1,257,427)	(1,566,175)	10,762	(1,091,676)
Operating transfers from:						
General Fund			697,325			697,325
Special Revenue Funds	538,680					538,680
Expendable Trust Funds	170,000			129,000		170,000
Agency Funds						689,102
Total operating transfers from other funds	708,680		1,257,427	129,000		2,095,107
Operating transfers to:						
General Fund		538,680				538,680
Debt Service Fund	697,325					697,325
Capital Projects Fund						
Total operating transfers to other funds	697,325	538,680				1,339,527
Proceeds from general obligation bonds to other funds		350,000		3,658,000		4,008,000
Fund equities (deficit), beginning of year (Note 1)	1,391,878	543,663		(940,965)	15,582	1,293,442
Fund equities (deficit), end of year	\$ 1,887,802	\$ 1,450,795		\$ 1,279,860	\$ 26,344	\$ 4,965,346

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

CITY OF CONCORD, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
OPERATING TRANSFERS - BUDGET AND ACTUAL

for the year ended December 31, 1981

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Revenues:			
Local:			
Property taxes	\$ 7,047,298	\$ 7,080,536	\$ 33,238
Resident taxes	160,600	168,686	8,086
Motor vehicle	690,000	797,859	107,859
Interest and penalties	100,000	190,198	90,198
Investment income	620,000	871,054	251,054
Departmental and miscellaneous	<u>514,753</u>	<u>658,786</u>	<u>144,033</u>
Total local	9,132,651	9,767,119	634,468
State	1,995,804	2,065,171	69,367
Appropriated fund balance	<u>350,000</u>		<u>(350,000)</u>
Total revenues	<u>11,478,455</u>	<u>11,832,290</u>	<u>353,835</u>
Expenditures and encumbrances:			
Current:			
General governmental	1,466,351	1,435,265	(31,086)
Public safety	4,126,652	4,016,321	(110,331) ^{1.}
Interest	550,000	677,950	127,950 ^{2.}
Recreation, parks and libraries	960,550	989,081	28,531 ^{3.}
Health	52,459	51,858	(601)
Sanitation and waste removal	638,624	643,179	4,555
Cemetery + Airport	326,053	345,698	19,645 ^{4.}
Highway and sidewalks	1,640,631	1,612,381	(28,250)
Charities	248,725	269,312	20,587 ^{5.}
Employee fringe benefits	771,746	708,029	(63,717) ^{6.}
Miscellaneous	250,102	286,486	36,384 ^{7.}
Capital outlay	<u>511,062</u>	<u>467,458</u>	<u>(43,604) ^{8.}</u>
Total expenditures and encumbrances	<u>11,542,955</u>	<u>11,503,018</u>	<u>(39,937) (0.35%)</u>
Operating transfers from:			
Federal revenue sharing	600,000	538,680	(61,320)
Trust Funds	<u>170,000</u>	<u>170,000</u>	<u>-</u>
Total operating transfers from	<u>770,000</u>	<u>708,680</u>	<u>(61,320)</u>
Operating transfers to:			
Debt Service Fund	<u>705,500</u>	<u>697,325</u>	<u>(8,175)</u>
Excess of revenues and operating transfers from, over expenditures, encumbrances and operating transfers to	<u>-</u>	<u>\$ 340,627</u>	<u>\$340,627</u>

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

CITY OF CONCORD, NEW HAMPSHIRE

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

December 31, 1981

ASSETS	Water Enterprise Fund	Sewer Enterprise Fund	Beaver Meadow Municipal Golf Course	Douglas N. Everett Ice Skating Arena	Combined Total
Current assets:					
Cash and short-term investments	\$ 120,000	\$ 66,000			\$ 186,000
Accounts receivable	276,154	612,958	\$ 893	\$ 25,000	915,005
Inventories	157,701				157,701
Interest and dividends receivable	15,685	14,042			29,727
Due from other funds	<u>2,543,038</u>	<u>13,836,821</u>	<u>1,277</u>	<u>5,274</u>	<u>16,386,410</u>
Total current assets	<u>3,112,578</u>	<u>14,529,821</u>	<u>2,170</u>	<u>30,274</u>	<u>17,674,843</u>
Property, plant and equipment	12,935,656	55,477,662	431,810	276,000	69,121,128
Less accumulated depreciation	<u>(2,173,627)</u>	<u>(2,366,568)</u>	<u>(129,963)</u>	<u>(7,452)</u>	<u>(4,677,610)</u>
	<u>10,762,029</u>	<u>53,111,094</u>	<u>301,847</u>	<u>268,548</u>	<u>64,443,518</u>
Total assets	<u><u>\$13,874,607</u></u>	<u><u>\$67,640,915</u></u>	<u><u>\$304,017</u></u>	<u><u>\$298,822</u></u>	<u><u>\$82,118,361</u></u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Short-term borrowings and current portion of long-term debt	405,000	16,755,500		10,000	17,170,500
Accounts payable					
Other liabilities and accrued expenses	95,284	956,610		458	1,052,352
Due to other funds	<u>40,168</u>	<u>771,400</u>	<u>5,578</u>		<u>817,146</u>
Total current liabilities	540,452	18,483,510	5,578	10,458	19,039,998
General long-term debt (Note 6)	<u>6,630,000</u>	<u>10,184,000</u>		<u>90,000</u>	<u>16,904,000</u>
Total liabilities	<u>7,170,452</u>	<u>28,667,510</u>	<u>5,578</u>	<u>100,458</u>	<u>35,943,998</u>
Fund equity:					
Contributed capital	3,312,749	39,181,696	335,000	176,000	43,005,445
Retained earnings	<u>3,391,406</u>	<u>(208,291)</u>	<u>(36,561)</u>	<u>22,364</u>	<u>3,168,918</u>
Total fund equity	<u>6,704,155</u>	<u>38,973,405</u>	<u>298,439</u>	<u>198,364</u>	<u>46,174,363</u>
Total liabilities and fund equity	<u><u>\$13,874,607</u></u>	<u><u>\$67,640,915</u></u>	<u><u>\$304,017</u></u>	<u><u>\$298,822</u></u>	<u><u>\$82,118,361</u></u>

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

CITY OF CONCORD, NEW HAMPSHIRE

ENTERPRISE, INTERNAL SERVICE AND NONEXPENDABLE TRUST FUNDS
 COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS (DEFICIT)/FUND BALANCE

for the year ended December 31, 1981

	Water Enterprise Fund	Sewer Enterprise Fund	Beaver Meadow Municipal Golf Course	Douglas N. Everett Ice Skating Arena	Internal Service Fund	Nonexpendable Trust	Combined Total (Memorandum Only)
Revenues	\$1,597,691	\$ 738,860	\$121,216	\$128,277	\$723,011		\$3,309,055
Expenses:							
Collection	412,591	81,263					493,854
Treatment facility	235,111	666,789					901,900
Water supply	217,787						217,787
Distribution	243,626	428,142	11,864	7,452	134,389		243,626
Depreciation	258,506		106,275	98,003	590,779		840,353
Other operating expenses						\$ 11,082	806,139
	<u>1,367,621</u>	<u>1,176,194</u>	<u>118,139</u>	<u>105,455</u>	<u>725,168</u>	<u>11,082</u>	<u>3,503,659</u>
Operating income (loss)	230,070	(437,334)	3,077	22,822	(2,157)	(11,082)	(194,604)
Nonoperating income (expense):							
Interest income	540,427	559,010					1,099,437
Interest expense	(419,129)	(1,097,448)		(458)			(1,517,035)
Net income (loss)	351,368	(975,772)	3,077	22,364	(2,157)	(11,082)	(612,202)
Retained earnings (deficit) /fund balance, beginning of year (Note 1)	3,040,038	767,481	(39,638)		43,364	1,247,765	5,059,010
Retained earnings (deficit) /fund balance, end of year	\$3,391,406	\$ (208,291)	\$ (36,561)	\$ 22,364	\$ 41,207	\$1,236,683	\$4,446,808

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

CITY OF CONCORD, NEW HAMPSHIRE
 ENTERPRISE, INTERNAL SERVICE AND NONEXPENDABLE TRUST FUNDS
 STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the year ended December 31, 1981

	Water	Sewer	Beaver Meadow Municipal Golf Course	Internal Service	Douglas N. Everett Ice Skating Arena	Nonexpendable Trust
Sources of financial resources:						
Net income (loss)	\$ 351,368	\$ (975,772)	\$ 3,077	\$ (2,157)	\$ 22,364	\$ (11,082)
Item not requiring current outlay of working capital - depreciation	258,506	428,142	11,864	134,389	7,452	—
Total sources from (used for) operations	609,874	(547,630)	14,941	132,232	29,816	(11,082)
Issuance of long-term bonds	5,380,000	10,000,000		9,153	100,000	
Proceeds from sale of equipment	7,140					
Contributions in aid of construction	32,225	15,497,034				
	6,022,099	24,956,544	14,941	141,385	129,816	(11,082)
Uses of financial resources:						
Additions to property, plant and equipment	2,419,235	17,063,809	19,516	160,844	10,000	
Transfers to current maturity of long-term debt	405,000	770,500				
	2,824,235	17,814,309	19,516	160,844	10,000	
Increase (decrease) in working capital	\$ 3,197,864	\$ 7,142,235	\$ (4,575)	\$ (19,459)	\$ 119,816	\$ (11,082)
Changes in the elements of working capital:						
Increase (decrease) in current assets:						
Cash	725	877				
Accounts receivable	42,436	82,261	893		25,000	
Inventories	1,445					
Marketable securities	(22,660)	(19,782)	110	(19,459)	5,274	(11,082)
Due from other funds	(1,962,134)	10,918,803				
	(1,940,188)	10,982,159	1,003	(19,459)	30,274	(11,082)
(Increase) decrease in current liabilities:						
Short-term borrowings	4,940,000	(3,205,000)			90,000	
Accounts payable and accrued expenses	237,576	75,576	5,578		(458)	
Due to other funds	(39,524)	(710,500)				
	5,138,052	(3,839,924)	5,578		89,542	
	\$ 3,197,864	\$ 7,142,235	\$ (4,575)	\$ (19,459)	\$ 119,816	\$ (11,082)

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

CITY OF CONCORD, NEW HAMPSHIRE

COMBINING BALANCE SHEET

ALL TRUST AND AGENCY FUNDS

December 31, 1981

ASSETS	Trust Funds		Agency Funds	Total Trust and Agency Funds
	<u>Expendable</u>	<u>Nonexpendable</u>		
sh	\$ 18,233			\$ 18,233
marketable securities	278,410	\$1,236,683		1,515,093
interest and dividends receivable	27,362			27,362
e from other funds			\$4,816,960	4,816,960
Total assets	<u>\$324,005</u>	<u>\$1,236,683</u>	<u>\$4,816,960</u>	<u>\$6,377,648</u>
LIABILITIES				
e to other funds	3,461			3,461
e to other governmental units			4,816,960	4,816,960
Total liabilities	<u>3,461</u>		<u>4,816,960</u>	<u>4,820,421</u>
FUND BALANCE				
nonexpendable fund balance		1,236,683		1,236,683
expendable fund balance	<u>320,544</u>			<u>320,544</u>
Total liabilities and fund balance	<u>\$324,005</u>	<u>\$1,236,683</u>	<u>\$4,795,833</u>	<u>\$6,377,648</u>

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

CITY OF CONCORD, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

A summary of significant accounting policies employed in the preparation of the financial statements follows:

Fund Accounting

Financial activities are recorded in the individual funds or group of accounts described below, each of which is deemed to be a separate accounting entity. A statement of general fixed assets as of December 31, 1981 is not presented as records of their cost are not maintained.

General Fund

Transactions related to resources obtained and used for delivery of those services traditionally provided by a municipal government, which are not accounted for in other funds, are accounted for in the General Fund. These services include, among other things, general government, public safety, public works, libraries, and parks and recreation.

Special Revenue Funds

Transactions related to resources obtained and used under certain federal and state grants and from other sources, upon which restrictions are imposed, are accounted for in Special Revenue Funds.

Debt Service Fund

Transactions related to resources obtained and used for the payment of interest and principal on long-term general obligation debt of the General Long-term Debt Group of Accounts are accounted for in Debt Service Funds.

Capital Projects Funds

Transactions related to resources obtained and used for the acquisition, construction or improvement of capital facilities are accounted for in Capital Projects Funds. Such resources are derived principally from proceeds of general obligation bond issues and from federal and state grants.

Enterprise Funds

Transactions related to City facilities and services which are supported by user charges are accounted for in Enterprise Funds.

Continued

CITY OF CONCORD, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

Special Assessment Funds

Special Assessment Funds are employed to finance and account for the construction and financing of public improvements which are to be paid for wholly or in part from special assessments levied against benefited property.

Internal Service Funds

Internal Service Funds account for services and commodities supplied exclusively to other funds of the City.

Trust Funds

Transactions related to resources obtained and used by the City in its capacity of trustee are accounted for in Trust Funds.

Agency Funds

Agency Funds account for money received and held by the City in the capacity of agent for individuals, private organizations and other governmental agencies.

General Long-Term Debt Group of Accounts

Unmatured long-term general obligation bonds and notes payable are accounted for in the Long-Term Debt Group of Accounts.

Basis of Accounting

The accounts of the General, Special Revenue, Capital Projects, Special Assessment, Expendable Trust and Debt Service Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, sources of financial resources and assets are recognized when measurable and available to finance operations during the year. Uses of financial resources and liabilities are recognized when obligations are incurred from receipt of goods and services, when assessments are made by the state or, in the case of judgments and claims against the City, when there is a probability that such judgments and claims will result in liabilities, the amounts of which can be reasonably estimated. Interest on long-term general obligation bonds and

Continued

CITY OF CONCORD, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

Basis of Accounting, continued

notes payable is recognized when it becomes payable. The City follows the policy of recording property and resident taxes and bond reimbursements on the accrual method and other General Fund revenue, such as motor vehicle excise taxes, on a cash basis. Federal revenue sharing assistance is recorded as receivable and a source of financial resources as the entitlement occurs. Federal and state reimbursement type grants are recorded as receivables and sources of financial resources as the related uses of financial resources are recorded.

The accounts of the Nonexpendable Trust, Enterprise, Agency and Internal Service Funds are maintained and reported on the accrual basis of accounting.

Interfund Transactions

The General Fund does not assess property taxes on Enterprise Fund properties and administrative costs incurred by the General Fund on behalf of the other City funds are not allocated to such funds. In addition, the Enterprise Funds do not assess user charges to the other funds of the City.

Retirement Costs

Substantially all employees of the City participate in the State of New Hampshire Retirement System. Under this plan, participants contribute annually a percentage of compensation which is fixed by law and dependent upon age when contributions begin. The City's contribution rate for the plan is based upon an actuarial valuation of the State Plan as of June 30, 1981 and has been set at 14.10% of annual compensation for police, 11.24% for firemen, and 3.75% for all other employees. The City's contribution rate provides for normal cost annually and for amortization of past service cost over 20 years. The City's policy is to fund pension cost accrued. The actuarial present value of vested accumulated plan benefits, actuarial present value of nonvested accumulated plan benefits and net assets available for plan benefits for the City of Concord are not available.

Continued

CITY OF CONCORD, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

Retirement Costs, continued

Pension expense for the year was:

<u>Fund</u>	<u>Amount</u>
General	\$406,638
Water	22,240
Sewer	7,046
Golf course	1,349

The City is also required to provide for annual retirement payments to retired District Court Justices equal to 75% of the Justices' salaries in effect upon retirement. The actuarially computed value of future retirement payments is not available and the actual cost is included in the expenditures of the General Fund when paid (\$33,226 in 1981).

Vacation and Sick Pay

Permanent employees earn vacation and sick pay as they provide services and may accumulate up to 90 days of sick pay and 30 days of vacation pay. Upon termination, employees are not compensated for accumulated unused sick pay but receive a cash payment equal to 100% of the accumulated vacation pay based upon the then rate of compensation.

In accordance with generally accepted accounting principles, vacation and sick pay applicable to Enterprise Fund employees is recorded when earned in the Enterprise Fund financial statements. In all other funds, vacation and sick pay is recorded when paid.

The maximum estimated value of accumulated vacation and sick pay applicable to all City employees (other than those employed by Enterprise Funds) at December 31, 1981 is approximately \$301,000 and \$973,000, respectively.

Inventories

Inventories of the General Fund are reserved as purchased.

All inventories are stated at the lower of cost or market with cost determined by the first-in, first-out method.

Continued

CITY OF CONCORD, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost. Effective January 1, 1980, the interest cost incurred to finance acquisition or construction has been capitalized as a part of the asset cost. This change was made in connection with the issuance of Statement of Financial Accounting Standards No. 34. Such interest cost capitalized in 1981 amounted to approximately \$186,019 and \$69,135 for the Sewer Fund and Water Fund, respectively. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets.

A detail of property, plant and equipment is as follows:

	<u>Asset Cost</u>	<u>Useful Life</u>
<u>Water Fund:</u>		
Land	\$ 219,475	
Buildings	777,956	20 - 100 years
Filtration plant	4,292,101	10 - 67
Distribution equipment	6,065,242	20 - 75
Other equipment	189,545	5 - 10
Construction in progress	<u>1,391,337</u>	
	<u>\$12,935,656</u>	
<u>Sewer Fund:</u>		
Land	480,450	
Wastewater facility	25,834,029	50
Sewer mains	23,028,168	80
Manholes	268,721	70
Customer connections	516,123	80
Equipment	63,991	20
Construction in progress	<u>5,286,180</u>	
	<u>\$55,477,662</u>	
<u>Municipal Golf Course Fund:</u>		
Land	26,900	
Land improvements	215,125	50
Buildings	94,681	50
Equipment	<u>95,104</u>	10 - 20
	<u>\$ 431,810</u>	

Continued

CITY OF CONCORD, NEW HAMPSHIRE
 NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Significant Accounting Policies, continued:

Property, Plant and Equipment and Depreciation, continued

	<u>Asset Cost</u>	<u>Useful Life</u>
<u>Ice Skating Arena Fund:</u>		
Land	\$ 27,600	
Buildings	165,600	50
Equipment	82,800	10 - 20 years
	<u>\$ 276,000</u>	
 <u>Special Revenue Fund:</u>		
Construction in progress	\$ 30,510	
 <u>Internal Service Fund:</u>		
Vehicles and equipment	\$1,592,359	4 - 10

Expenditures for maintenance and repairs are expensed as incurred; renewals and betterments are capitalized.

2. Budgetary Accounting and Encumbrances:

The approved budget for the General Fund is presented in the General Fund Statement of Revenues, Expenditures, Encumbrances and Operating Transfers - Budget and Actual.

For budgetary comparison purposes, revenues and expenditures described as actual were determined on the basis of accounting principles used in the preparation of the budget.

Under generally accepted accounting principles (GAAP), encumbrances, representing general fund appropriations based on purchase orders, contracts or other forms of legal commitments, are regarded as reservations of fund equity and are not reported as expenditures.

Continued

CITY OF CONCORD, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS, Continued

2. Budgetary Accounting and Encumbrances, continued:

In the General Fund, encumbrances are considered to be expenditures for budgetary purposes. The difference in reporting for the General Fund is as follows:

Total budgetary expenditures	\$11,503,018
Increase in encumbrances	(136,921)
Increase in inventory	(11,557)
Increase in reserve for District Court retirement system	<u>(6,819)</u>
 Total GAAP General Fund expenditures	 <u>\$11,347,721</u>

3. Marketable Securities:

Marketable securities held in the Trust Funds which are carried at cost consist of the following at December 31, 1981:

	<u>Cost</u>	<u>Market Value</u>
Expendable:		
Cash	\$ 52,461	\$ 52,461
Common stocks	25,009	23,708
Mutual fund shares	<u>200,940</u>	<u>205,501</u>
	<u>\$ 278,410</u>	<u>\$ 281,670</u>
 Nonexpendable:		
Cash	216,966	216,966
Common stocks	286,825	271,893
Bonds	555,058	383,080
Mutual fund shares	<u>177,834</u>	<u>198,806</u>
	<u>\$1,236,683</u>	<u>\$1,070,745</u>

Continued

CITY OF CONCORD, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS, Continued

4. Short-Term Borrowings:

Short-term borrowings consisted of the following at December 31, 1981:

Special Assessment Fund:

Current portion of long-term borrowings \$ 17,500

Arena Fund:

Current portion of long-term borrowings \$ 10,000

Sewer Fund:

Current portion of long-term borrowings 770,500

Federal Aid Anticipation Notes due

March 20, 1982 with interest at 7.51%
all retired on March 20, 1982, and re-
placed by \$2,750,000 of notes with
interest at 8.68% due November 30, 1982 13,085,000

Bond Anticipation Notes due September 29,
1982 with interest from 9.45% to 10.21%
retired on March 20, 1982 and replaced
by \$4,000,000 of notes with interest at
8.68% due November 30, 1982 2,900,000

\$16,755,500

Water Fund:

Current portion of long-term borrowings \$ 405,000

Continued

CITY OF CONCORD, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS, Continued

5. General Long-Term Debt Payable:

As of December 31, 1981, unmatured general obligation debt consisted of the following:

Description of Issue	Amount of Issue	Date of Issue	Interest Rate	Principal Amount Outstanding December 31, 1981	
				Current Portion	Long-Term Portion
General long-term debt group of accounts: Public Improvement	\$ 6,480,000	12/72-12/81	3.9-11 %	\$ 4,265,000	
School	7,118,000	7/59-6/81	3.5-9.2	4,208,000	
	\$13,598,000			\$ 8,473,000	
Water Fund	\$ 8,410,000	6/73-12/81	4.3-11	\$405,000	
Sewer Fund*	\$12,975,000	12/72-12/81	3.9-11	\$770,500	\$10,184,000
Special Assessment Fund	\$ 250,000	11/71-7/80	4.0-6.5	\$ 17,500	\$ 151,000
Douglas N. Everett Ice Skating Arena Fund	\$ 100,000	12/81	11	\$ 10,000	\$ 90,000

* At December 31, 1981, the State of New Hampshire was to provide \$10,301,138 in future years for retirement of Sewer Fund Bonds.

CITY OF CONCORD, NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS, Continued

5. General Long-Term Debt Payable, continued:

As of December 31, 1981, general obligation debt service serial requirements for principal and interest in future years are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>General Long-Term Group of Accounts:</u>			
1982	\$ 993,000	\$ 613,423	\$ 1,606,423
1983	930,000	551,575	1,481,575
1984	900,000	492,520	1,392,520
1985	805,000	436,170	1,241,170
1986	765,000	384,695	1,149,695
1987 through 1999	4,080,000	2,225,365	6,305,365
	<u>\$ 8,473,000</u>	<u>\$ 4,703,748</u>	<u>\$13,176,748</u>

Sewer Fund:

1982	770,500	1,153,082	1,923,582
1983	760,500	1,085,685	1,846,185
1984	535,500	1,023,647	1,559,147
1985	535,500	966,560	1,502,060
1986	535,500	909,472	1,444,972
1987 through 2001	7,817,000	6,814,495	14,631,495
	<u>\$10,954,500</u>	<u>\$11,952,941</u>	<u>\$22,907,441</u>

Special Assessment
Fund:

1982	17,500	10,753	28,253
1983	9,500	9,815	19,315
1984	9,500	9,198	18,698
1985	9,500	8,580	18,080
1986	9,500	7,963	17,463
1987 through 1998	113,000	47,385	160,385
	<u>\$ 168,500</u>	<u>\$ 93,694</u>	<u>\$ 262,194</u>

Continued

CITY OF CONCORD, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS, Continued

5. General Long-Term Debt Payable, continued:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Water Fund:</u>			
1982	\$ 405,000	\$ 669,638	\$ 1,074,638
1983	405,000	637,292	1,042,292
1984	405,000	604,948	1,009,948
1985	375,000	573,122	948,122
1986	375,000	543,438	918,438
1987 through 2001	<u>5,070,000</u>	<u>3,985,662</u>	<u>9,055,662</u>
	<u>\$7,035,000</u>	<u>\$7,014,100</u>	<u>\$14,049,100</u>
 <u>Douglas N. Everett Ice Skating Arena:</u>			
1982	10,000	11,000	21,000
1983	10,000	9,900	19,900
1984	10,000	8,800	18,800
1985	10,000	7,700	17,700
1986	10,000	6,600	16,600
1987 through 1991	<u>50,000</u>	<u>16,500</u>	<u>66,500</u>
	<u>\$ 100,000</u>	<u>\$ 60,500</u>	<u>\$ 160,500</u>

In accordance with New Hampshire State Law, the City has additional borrowing capacity at December 31, 1981 as follows:

	<u>Maximum Debt Limit</u>	<u>Applicable Long-Term Debt Outstanding at December 31, 1981</u>
Municipal	<u>\$ 9,827,327</u>	<u>\$4,265,000</u>
School	<u>\$36,366,427</u>	<u>\$4,208,000</u>
Water	<u>\$56,156,156</u>	<u>\$7,035,000</u>

Continued

CITY OF CONCORD, NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS, Continued

6. Secondary Wastewater Treatment Facility:

In December 1981, the City sold \$10,000,000 of general obligation sewer bonds to partially finance the construction of a secondary wastewater treatment facility. The total cost of this facility is estimated to be \$50,800,000. The federal government has awarded an EPA grant to the City which will be used to fund 75% of the cost of the facility. At December 31, 1981, \$32,300,000 had been received from the federal government. The State of New Hampshire has also awarded a grant to the City which will fund 20% of the facility's cost. The City has sold the \$10,000,000 of bonds in anticipation of receiving this grant. Proceeds from the grant will be reflected as contributions to Sewer Fund Capital as received.

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