

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF LACONIA, NEW HAMPSHIRE**

Fiscal Year Ended June 30, 2015



*Photo Courtesy: Amy Lovisek*

**CITY OF LACONIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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# **INTRODUCTORY SECTION**



January 20, 2016

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, 2015 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 GASB 34. This includes government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report 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.

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 City of Laconia, located in central New Hampshire, is a choice four season resort destination which serves as County seat for Belknap County. The City, situated on the shores of Lake Winnepesaukee, Lake Winnisquam and Lake Opechee, serves as a major tourist destination. Not only is it a major summer resort area, but it also enjoys the benefits of fall tourists who visit for the foliage season and winter tourists who visit the Gunstock Ski Area and take advantage of the numerous snowmobile trails just minutes away from downtown.

The seasonally adjusted unemployment rate for Laconia for October 2015 was at 3.2%, as compared to October 2014 unemployment rate was 4.0%. The State's overall unemployment rate decreased from 3.6% in October 2014 to 3.0% in October 2015. New Hampshire's unemployment rate was the lowest of the 6 New England states at 3.3% for October 2015 and is also the 4<sup>th</sup> overall lowest in the United States.

The welfare office continues to see clients seeking assistance that are generally unemployed or underemployed and are looking for assistance in meeting their monthly housing expenses, including rent, electricity and heat. In addition to limited work skills, many of these individuals also lack transportation to seek job opportunities available elsewhere. Those that are unemployed are remaining unemployed longer.

The housing market continues to show signs of improvement during 2015 as interest rates continue to remain low. There were 1,102 residential home sales in the Lakes Region for 2015, up from 989 residential sales in 2014, an increase of 11.4%. As of the end of 2015 there were 731 listings as compared to 761 at the end of 2014. The housing inventory represents slightly over a 9 month supply as of 2015, compared to 2014 when there was a 10 month supply and 2013 when there was an 11.3 month supply as of yearend. Of all Lakes Region Communities, Laconia showed the most residential home sales with 209 sales in 2015 as compared to 198 sales for 2014.

### Major Initiatives

#### *Infrastructure – Public Works:*

The City continues to make cash investments in the roads throughout the City. During Fiscal Year 2015 - \$1,900,000 was appropriated for resurfacing or reconstructing the roads throughout the City. The largest project completed during 2015 was the reconstruction of Union Avenue, from Gilford Avenue to

Messer Street, this project included upgrades to water line and sewer lines, as well as drainage improvements. A major reconstruction of sewer and drainage, sidewalks and the roadway of Avery Street, Batchelder Street, Tyler Street and Dixon Street began in the spring and were completed during the summer of 2015. Other roadways that saw improvements during Fiscal 15 was Cleveland Place, Roller Coaster Road, Walker Street, north end of Shore Drive as well as Cottonwood Avenue and Lakeview Avenue.

#### *Infrastructure – Sanitary Sewer:*

The Sanitary Sewer Department continued with upgrades to the gravity sewer mains located throughout the City. The sewer lines on Union Avenue from Gilford Avenue to Messer Street were completely replaced in combination with the road reconstruction project. Major investment were made installing new SCADA (Supervisory Control and Data Acquisition Systems) throughout the numerous pump stations located throughout the City.

#### *Main Street Bridge:*

The 1<sup>st</sup> phase of re-construction of the Main Street Bridge began in May 2014. This was a \$3.8M project with 80% of funding from Federal & State programs, and 20% from the City. The project was scheduled to be completed in 5 phases to minimize the disruption of traffic to the Downtown businesses during the construction, and was completed in September 2015.

#### *Central Fire Station:*

Construction began in February 2015 on the Renovation and Addition to the Central Fire Station. The original Fire Station was built 45 years ago and was in dire need of updating in the living quarters, garage bays and office areas. The project which included an addition of 12,000 sf of living quarters, office space, training rooms and renovation of the existing 13,200 sf is expected to be completed by early 2016 with an estimated cost of \$4.4M.

#### *Laconia High School:*

The Laconia School District invested \$1.8M in energy and safety improvements to the Laconia High School during Fiscal Year 2015. These improvements included new Acoustical Ceilings, upgrades to flooring, Sprinklers, HVAC systems, Air Conditioning and Electrical systems.

#### *Tax Increment Finance District-Downtown:*

The contribution to the Downtown TIF District was slightly over \$185,763 for Fiscal Year 2015. The TIF Board brought a list of projects forth to the City Council to enhance the Downtown TIF area. The list included funding for the Main Street Gateway, WOW Trail Phase II, Riverwalk Signage & Kiosks, a new ramp and walkway on the Landmark side of the river, as well as several segments to facilitate connecting the various Riverwalk areas already completed. The bond amount approved was \$1.705M. The first part of this project that will be completed will be the Main Street Gateway in conjunction with the re-construction of the Main Street Bridge.

#### *Tax Increment Finance District-Lakeport:*

The Lakeport Village TIF District established in 2012 received contributions of \$2,508 for Fiscal Year 2015. Due to the limited amount of funds available in the Lakeport TIF there have not been any

projects acted upon. Various ideas have been discussed by the TIF Board Members including the addition of pocket parks, increased parking for the Goss Library, walking pathways near the Lake, as well as potential improvements to Sanborn Park.

#### *Tax Increment Finance District- Weirs Beach*

The third Tax Increment Finance District was established in 2013 in the Weirs district of the City. Several areas of improvement being discussed include installing and repairing drainage issues, burying of utility wires, increased lighting throughout the Weirs, planting of trees, additional sidewalks to better connect the Weirs TIF district and possible improvements to the boat docks.

## **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

Revenues for general governmental functions totaled \$56.4 million in fiscal year 2014-2015; this represented an increase of 4.8% over fiscal year 2014. The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage increases or decreases in relation to prior year revenues.

<u>Revenue Source</u>	<u>Amount</u>	<u>% of Total</u>	<u>Increase/Decrease From Prior Year</u>
Taxes	\$39,996,225	70.89%	\$1,099,242
Penalties, interest and other taxes	\$608,093	1.07%	\$35,009
Licenses & Permits	\$2,875,961	5.10%	\$158,417
Intergovernmental	\$9,582,257	16.99%	\$576,492
Charges for Services	\$1,638,424	2.90%	(\$281,817)
Interest on Investments	\$43,141	0.08%	(\$6,309)
Other Revenues	<u>\$1,676,233</u>	2.97%	<u>\$1,031,729</u>
<b>TOTALS</b>	<b>\$56,420,334</b>		<b>\$2,612,763</b>

Taxes Revenues collections increased by 2.8% for Fiscal Year 2015, while Licenses & Permits increased 5.8% over Fiscal Year 2014. Motor Vehicle Registrations included in Licenses & Permits increased 7.8% to \$2,420,458 over Fiscal Year 2014 revenues. Interest on Investments continued to be lower than expected due to the low rates offered on investments. Penalties, interest and other taxes increased 6.10% over the prior year.

## Expenditures

Expenditures for the General Fund functions totaled \$53.5 million in fiscal year 2015 (excluding capital outlay), reflecting an increase of 4.3% or \$2,235,760 over prior year expenditures.

The composition of expenditures stayed consistent with prior year's expenses. All areas of expenditures increased over the prior year except for Health and Welfare, which decreased by 9.0% or \$11,054. General Government expenditures had the largest increase of \$769,816 or 12.2% over the prior year. Public Safety costs increased 5.5% or \$464,536 over the prior fiscal year due to several factors, an increase in the NHRS rates, combined with several retirement payouts, and also with the change in the LR Mutual Fire Aid being a part of the Fire Department budget instead of the County payment. An extremely harsh winter season with record amounts of snow contributed to the Public Works and Solid Waste expenditures rising \$179,085 or 4.6% over the prior year. Parks and Recreation 2.7%, Library 3.3% and Education 2.5% also increased primarily due to increases in NHRS costs. The Debt Service line showed an increase of 2.4% over prior year due to the bonding of several capital projects.

<b><u>Expenditure Sources</u></b>	<b><u>Amount</u></b>	<b><u>% of Total</u></b>	<b><u>Increase/(Decrease) From Prior Year</u></b>
General Government	\$7,055,686	13.17%	\$769,816
Public Safety	\$8,921,035	16.65%	\$464,536
Education	\$28,211,547	52.67%	\$698,767
Public Works & Solid Waste	\$4,034,211	7.53%	\$179,085
Health and Welfare	\$111,634	0.21%	(\$11,054)
Parks and Recreation	\$686,114	1.28%	\$18,392
Library	\$803,724	1.51%	\$25,746
Debt Service	\$3,743,456	6.98%	\$90,472
<b>TOTALS</b>	<b>\$53,567,407</b>	<b>100.0%</b>	<b>\$2,235,760</b>

### **Fund Balance**

Unreserved General Fund Balance decreased from \$5,574,412 as of June 30, 2014 to \$5,357,809 at the end of Fiscal Year 2015, a net decrease of \$216,603 over the prior year. This unreserved fund balance is within the guidelines established by the GFOA and the DRA.

### **Proprietary Funds**

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

Sanitary Sewer Fund: Revenues increased \$280,262 or 7.76% to \$3,891,219 for fiscal year 2015. Overall Operating Expenses decreased 3.3% or \$113,148, which contributed to an increase in Operating Income to \$584,693 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 decreased .07% to \$2,399,694 over prior year revenues. Operating Expenses increased \$40,000 or 1.6% which contributed to an overall Operating Loss for the fiscal year of \$49,741.

### **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 slightly from \$1.804 billion to \$1.815 billion, an increase of \$11 billion or 0.6%. 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, illustrating the payment of principal and interest and the amounts outstanding are as follows:

	<u>Balance Due</u> <u>June 30, 2015</u>	<u>Interest</u> <u>Paid</u>	<u>Principal</u> <u>Paid</u>
1996 Capital Project Bonds	55,000	5,856	52,046
2001 Capital Improvement	1,225,000	56,793	180,000
2002 Capital Improvement	800,000	36,720	100,000
2004 City Library Bonds	990,000	48,285	110,000
2006 Capital Improvement	41,086	3,332	41,086
2008 Fire Truck	285,000	11,704	95,000
2009 Transfer Station	380,000	22,575	100,000
2010 Revaluation	-	982	65,000
2010 Weirs Boardwalk	560,000	24,970	40,000
2011 Endicott Water/Boardwalk	452,000	17,675	28,250
2010 Anthony Drive	174,119	5,298	10,883
2013 Fire Truck/DPW Bond	880,000	22,666	110,000
2015 Capital Improvements	8,105,000	-	-
2001 School bonds/Elm/Pleasant	190,000	101,750	310,000
2001 School Bonds - WH	1,640,000	78,824	205,000
2007 School Bonds - MMS	13,837,583	428,494	1,059,249
2012 Huot Center (Northway)	950,000	29,640	50,000
2013 Huot Center (QZAB)	1,770,900	-	110,700
2013 Huot Center (QZAB)	4,132,000	-	135,000
2014 Smith Track/Weirs Cmty Park	765,000	19,703	85,000
2015 LHS Renovation (QZAB)	1,828,000	-	-
1996 School Bonds	<u>10,000</u>	<u>1,458</u>	<u>12,954</u>
<b>Total General Bonds &amp; Notes</b>	<b>41,070,688</b>	<b>916,725</b>	<b>2,900,168</b>
2010 Water Works Bonds	1,085,000	48,450	75,000
<b>Total Enterprise Funds</b>	<b>1,085,000</b>	<b>48,450</b>	<b>75,000</b>

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.

**With the New Hampshire Bond Bank in place, the City finances the majority of its debt through the NH Municipal Bank. It sells under their Moody's rating of Aa3, Standard & Poors rating of AA and Fitch rating of AA-, except for state guarantee sewer bonds which have a state bond rating.**

## **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 bank and saving bank certificates of deposits, and in U. S. Treasuries. During fiscal year 2014-2015, the majority of the deposits were either insured by federal depository insurance, collateralized at the Federal Reserve or covered by Federal Home Loan Bank lines of credit. The City also participates in the New Hampshire Public Deposit Investment Pool established in accordance with RSA 383:22-24.

## **OTHER INFORMATION**

### **Independent Audit**

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

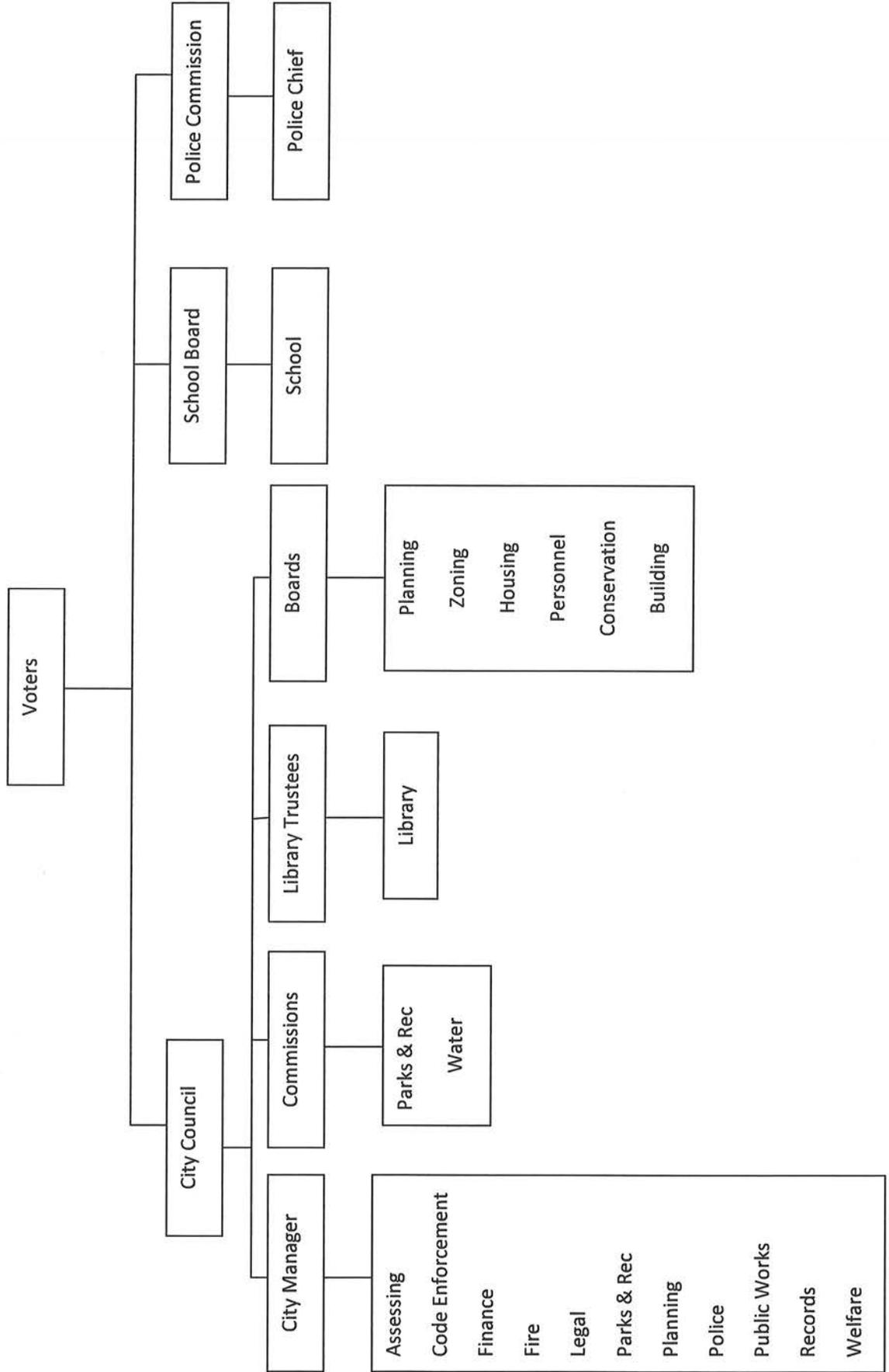
### **Acknowledgements**

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

Respectfully submitted,

Donna Woodaman  
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:	Jon Duhamel
CITY CLERK:	Mary Reynolds
CODE ENFORCEMENT DIRECTOR:	Shanna Saunders
FIRE CHIEF:	Kenneth Erickson
FINANCE DIRECTOR:	Donna Woodaman
LIBRARY DIRECTOR:	Randy Brough
PUBLIC WORKS DIRECTOR:	Paul Moynihan
PLANNER/CD DIRECTOR:	Shanna Saunders
POLICE CHIEF:	Chris Adams
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 5, 2013

Term: January 2, 2014- December 31, 2015

Mayor: Edward Engler

**Council Members:**

Ward 1 - Ava Doyle

Ward 2 - David Bownes

Ward 3 - Henry Lipman

Ward 4 - Brenda Baer

Ward 5 - Robert Hamel

Ward 6 - Armand Bolduc

**School Board**

Scott Vachon, Term 2013-2016

Barbara Luther, Term 2014-2016

Stacie Sirors, Term 2014-2017

Chris Guilmett, Term 2014-2017

Michael Persson, Term 2012-2015

Malcolm Murray, Vice Chair, Term 2012-2015

Joseph Cormier, Chair, Term 2012-2015

# FINANCIAL SECTION

**CITY OF LACONIA, NEW HAMPSHIRE**

**Annual Financial Statements**

**For the Year Ended June 30, 2015**

## INDEPENDENT AUDITORS' REPORT

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

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laconia, New Hampshire, as of and for the year ended June 30, 2015, 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.

### **Auditor's 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 auditor's 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, 2015, 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, the Schedule of Funding Progress, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2016 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 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 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*

January 4, 2016

## **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, 2015. 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 and liabilities, with the difference between the two 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 funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. 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

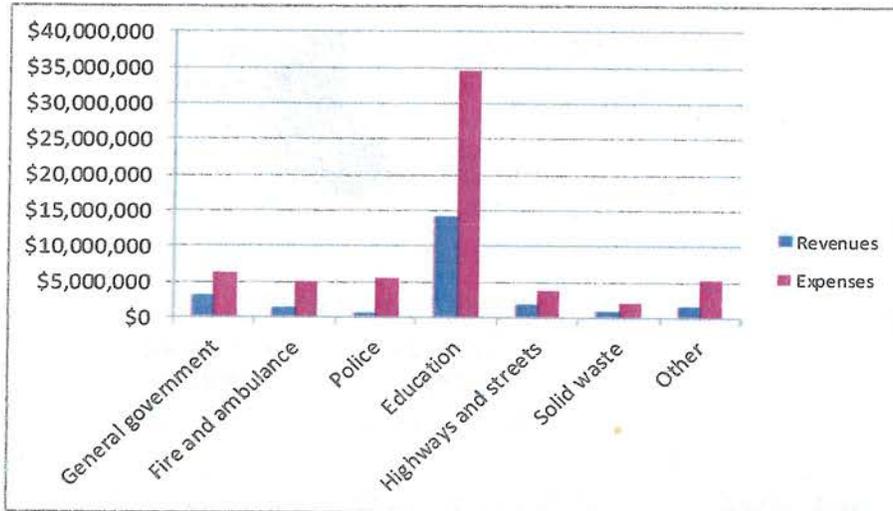
- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$59,818,945 (i.e., net position), a change of \$4,549,523 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$15,332,243, a change of \$6,230,395 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,357,809, a change of \$(216,603) in comparison to the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$42,538,768, a change of \$7,340,912 in comparison to the prior year.

## C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

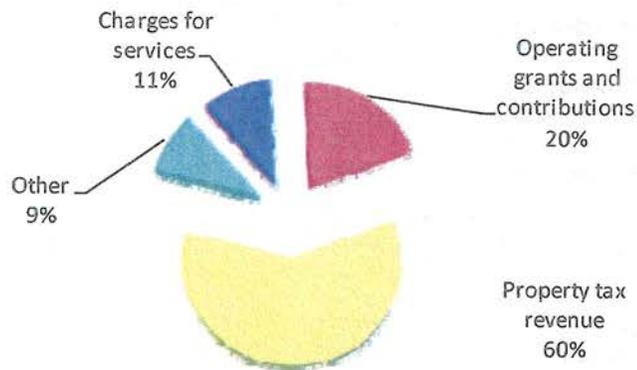
The following is a summary of condensed government-wide financial data for the current and prior fiscal years (in thousands).

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 40,411	\$ 32,970	\$ 7,864	\$ 7,318	\$ 48,275	\$ 40,288
Capital assets	105,587	100,929	19,030	19,265	124,617	120,194
Deferred outflows	4,094	-	318	-	4,412	-
Total assets and deferred outflows	150,092	133,899	27,212	26,583	177,304	160,482
Long-term liabilities outstanding	82,990	38,468	4,433	1,460	87,423	39,928
Other liabilities	4,371	3,569	320	409	4,691	3,978
Deferred inflows	24,826	19,669	545	42	25,371	19,711
Total liabilities and deferred inflows	112,187	61,706	5,298	1,911	117,485	63,617
Net position:						
Net investment in capital assets	67,680	67,962	17,945	18,105	85,625	86,067
Restricted	5,494	3,609	-	-	5,494	3,609
Unrestricted	(35,269)	622	3,969	6,567	(31,300)	7,189
Total net position	\$ 37,905	\$ 72,193	\$ 21,914	\$ 24,672	\$ 59,819	\$ 96,865

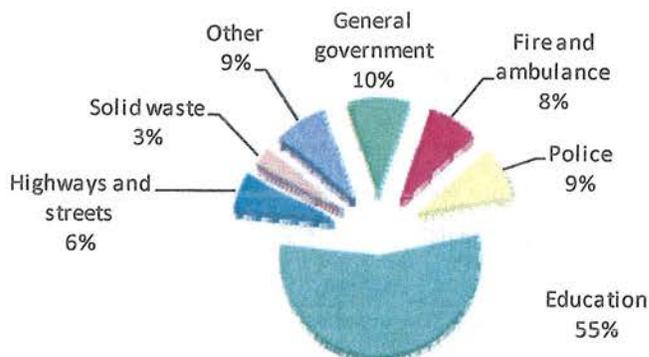
### Governmental Activities - Revenue v. Expenditure Comparison For the Year Ended June 30, 2015



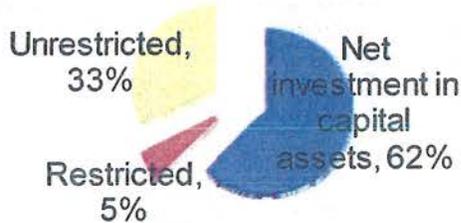
### Governmental Activities - Revenues For the Year Ended June 30, 2015



### Governmental Activities - Expenses For the Year Ended June 30, 2015



**Governmental Activity Net Position  
June 30, 2015**



CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 7,084	\$ 7,400	\$ 6,291	\$ 6,029	\$ 13,375	\$ 13,429
Operating grants and contributions	13,593	12,423	-	-	13,593	12,423
Capital grants and contributions	3,017	757	-	-	3,017	757
General revenues:						
Property taxes	40,250	38,973	-	-	40,250	38,973
Penalties and interest on taxes	608	573	-	-	608	573
Grants and contributions not restricted to specific programs	780	718	-	-	780	718
Investment income	149	298	14	14	163	312
Other	1,715	651	-	-	1,715	651
<b>Total revenues</b>	<b>67,196</b>	<b>61,793</b>	<b>6,305</b>	<b>6,043</b>	<b>73,501</b>	<b>67,836</b>
<b>Expenses:</b>						
General government	6,428	6,729	-	-	6,428	6,729
Fire and ambulance	5,090	5,122	-	-	5,090	5,122
Police	5,540	5,231	-	-	5,540	5,231
Education	34,649	33,945	-	-	34,649	33,945
Highway and streets	3,948	4,247	-	-	3,948	4,247
Solid waste	2,080	1,959	-	-	2,080	1,959
Health and welfare	114	118	-	-	114	118
Parks and recreation	2,178	891	-	-	2,178	891
Library	991	960	-	-	991	960
Conservation	7	3	-	-	7	3
Airport	1,224	1,260	-	-	1,224	1,260
Interest expense	901	916	-	-	901	916
Water	-	-	2,495	2,455	2,495	2,455
Sanitary Sewer	-	-	3,307	3,420	3,307	3,420
<b>Total expenses</b>	<b>63,150</b>	<b>61,381</b>	<b>5,802</b>	<b>5,875</b>	<b>68,952</b>	<b>67,256</b>
<b>Change in net position</b>	<b>4,046</b>	<b>412</b>	<b>503</b>	<b>168</b>	<b>4,549</b>	<b>580</b>
<b>Net position - beginning of year, as restated</b>	<b>33,859</b>	<b>71,781</b>	<b>21,411</b>	<b>24,504</b>	<b>55,270</b>	<b>96,285</b>
<b>Net position - end of year</b>	<b>\$ 37,905</b>	<b>\$ 72,193</b>	<b>\$ 21,914</b>	<b>\$ 24,672</b>	<b>\$ 59,819</b>	<b>\$ 96,865</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$59,818,945, a change of \$4,549,523 from the prior year, as restated.

The largest portion of net position \$85,625,262 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 \$5,493,722 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 \$(31,300,039) primarily resulting from the City's net pension liability (see Note 23).

**Governmental activities.** Governmental activities for the year resulted in a change in net position of \$4,046,054. Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ 1,053,402
Capital grants and contributions	3,016,971
Change in net OPEB obligation	(211,570)
Change in compensated absences	(249,052)
Change in net pension liability, net of related deferred inflows and outflows	626,947
Internal service fund operations	(292,606)
Other	<u>101,962</u>
Total	<u>\$ 4,046,054</u>

**Business-type activities.** Business-type activities for the year resulted in a change in net position of \$503,469. This change primarily results from expenditures in the sanitary sewer fund less than budget. The following is a summary of the changes in net position by fund:

Water operations	\$ (91,244)
Sanitary Sewer operations	<u>594,713</u>
Total	<u>\$ 503,469</u>

#### **D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S 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 \$15,332,243, a change of \$6,230,395 in comparison to the prior year. This change primarily results from a bond issuance shortly before the end of the fiscal year. Key elements of this change are as follows:

General fund operations, as discussed further below	\$ 1,053,402
Nonmajor fund activity	<u>5,176,993</u>
Total	<u>\$ 6,230,395</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,357,809, while total fund balance was \$8,017,555. 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>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 5,357,809	\$ 5,574,412	\$ (216,603)	9.7%
Total fund balance	\$ 8,017,555	\$ 6,964,153	\$ 1,053,402	14.5%

The total fund balance of the general fund changed by \$1,053,402 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (835,000)
Revenues in excess of budget	190,891
Expenditures less than budget	417,865
Change in capital reserves	767,015
Other	<u>512,631</u>
Total	<u>\$ 1,053,402</u>

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

	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
Capital reserves	\$ <u>1,462,112</u>	\$ <u>695,097</u>	\$ <u>767,015</u>
Total	<u>\$ 1,462,112</u>	<u>\$ 695,097</u>	<u>\$ 767,015</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 \$3,969,327, a change of \$(2,597,708) in comparison to the prior year. The decrease primarily results from 2015 being the first year of reporting the net pension liability on the Statement of Net Position (see Note 23).

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

**E. GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget resulted from City Council orders transferring funds between departmental line items.

**F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** Total investment in capital assets for governmental and business-type activities at year end amounted to \$124,616,993 (net of accumulated depreciation), a change of \$4,423,113 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

Governmental Activities

Huot center	\$	16,371,849
LHS renovation	\$	1,899,705
Weirs community park	\$	723,499
Union Ave	\$	1,133,953
Morrill St	\$	183,309
Bisson Ave drainage	\$	108,208

Business-Type Activities

Water

Distribution mains	\$	370,641
Transportation equipment	\$	97,215

Sanitary Sewer

Union Ave sewer	\$	194,785
SCADA equipment	\$	229,499

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 \$42,538,768, 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, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current:			
Cash and short-term investments	\$ 16,014,762	\$ 3,566,274	\$ 19,581,036
Restricted cash	1,455,176	-	1,455,176
Investments	15,808,636	2,936,222	18,744,858
Receivables, net of allowance for uncollectibles:			
Property taxes	4,384,337	-	4,384,337
User fees	1,424,148	1,187,986	2,612,134
Intergovernmental	72,854	-	72,854
Internal balances	214,962	(256,692)	(41,730)
Inventories and prepaids	130,687	142,666	273,353
Other assets	15,014	35,914	50,928
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	890,378	-	890,378
Other receivables	-	251,858	251,858
Capital assets:			
Land and construction in progress	14,986,373	93,152	15,079,525
Other capital assets, net of accumulated depreciation	90,600,639	18,936,829	109,537,468
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>4,094,122</u>	<u>317,580</u>	<u>4,411,702</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>150,092,088</b>	<b>27,211,789</b>	<b>177,303,877</b>
<b>LIABILITIES</b>			
Current:			
Accounts payable	3,088,752	77,608	3,166,360
Retainage payable	230,482	12,205	242,687
Accrued liabilities	841,990	44,125	886,115
Tax refunds payable	181,420	-	181,420
Other current liabilities	29,059	185,666	214,725
Current portion of long-term liabilities:			
Bonds payable	3,296,927	75,000	3,371,927
Other liabilities	345,625	21,139	366,764
Noncurrent:			
Bonds payable, net of current portion	38,156,841	1,010,000	39,166,841
Net pension liability	37,059,606	3,027,491	40,087,097
Other liabilities, net of current portion	4,130,803	299,822	4,430,625
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>24,825,946</u>	<u>544,425</u>	<u>25,370,371</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>112,187,451</b>	<b>5,297,481</b>	<b>117,484,932</b>
<b>NET POSITION</b>			
Net investment in capital assets	67,680,281	17,944,981	85,625,262
Restricted for:			
Grants	3,752,554	-	3,752,554
Permanent funds:			
Nonexpendable	272,603	-	272,603
Expendable	1,468,565	-	1,468,565
Unrestricted	<u>(35,269,366)</u>	<u>3,969,327</u>	<u>(31,300,039)</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u>37,904,637</u></b>	<b>\$ <u>21,914,308</u></b>	<b>\$ <u>59,818,945</u></b>

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, 2015

	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
<b>Governmental Activities:</b>						
General government	\$ 6,427,665	\$ 2,651	\$ -	\$ (3,392,257)	\$ -	\$ (3,392,257)
Fire and ambulance	5,089,838	262,527	-	(3,792,497)	-	(3,792,497)
Police	5,540,125	100,849	-	(4,988,296)	-	(4,988,296)
Education	34,648,727	871,315	244,785	(20,383,724)	-	(20,383,724)
Highways and streets	3,948,094	232,431	1,569,376	(2,146,287)	-	(2,146,287)
Solid waste	2,080,050	-	-	(1,073,298)	-	(1,073,298)
Health and welfare	113,906	1,245	-	(112,661)	-	(112,661)
Parks and recreation	2,178,003	133,584	443,926	(1,534,417)	-	(1,534,417)
Library	991,176	-	-	(978,689)	-	(978,689)
Conservation	7,030	-	4,000	(3,030)	-	(3,030)
Airport	1,224,322	319,628	754,884	(149,810)	-	(149,810)
Interest expense	901,448	-	-	(901,448)	-	(901,448)
Total Governmental Activities	63,150,384	7,083,506	3,016,971	(39,456,414)	-	(39,456,414)
<b>Business-Type Activities:</b>						
Water services	2,494,929	2,399,694	-	-	(95,235)	(95,235)
Sanitary Sewer services	3,306,525	3,891,218	-	-	584,693	584,693
Total Business-Type Activities	5,801,454	6,290,912	-	-	489,458	489,458
Total	\$ 68,951,838	\$ 13,374,418	\$ 3,016,971	(39,456,414)	489,458	(38,966,956)
<b>General Revenues:</b>						
Property taxes				40,250,411	-	40,250,411
Penalties, interest, and other taxes				608,093	-	608,093
Grants and contributions not restricted to specific programs				780,333	-	780,333
Investment income				148,610	14,011	162,621
Miscellaneous				1,715,021	-	1,715,021
Total general revenues				43,502,468	14,011	43,516,479
Change in Net Position				4,046,054	503,469	4,549,523
<b>Net Position:</b>						
Beginning of year, as restated				33,858,583	21,410,839	55,269,422
End of year				\$ 37,904,637	\$ 21,914,308	\$ 59,818,945

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

CITY OF LACONIA, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2015

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and short-term investments	\$ 15,500,756	\$ 568,244	\$ 16,069,000
Restricted cash	1,400,940	-	1,400,940
Investments	14,084,829	1,723,808	15,808,637
Receivables:			
Property taxes	5,368,031	-	5,368,031
Departmental and other	535,689	888,455	1,424,144
Intergovernmental	-	72,854	72,854
Due from other funds	2,320,437	6,773,235	9,093,672
Inventories and prepaids	69,850	40,071	109,921
Other assets	15,014	-	15,014
<b>TOTAL ASSETS</b>	<b>\$ 39,295,546</b>	<b>\$ 10,066,667</b>	<b>\$ 49,362,213</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,921,529	\$ 1,132,329	\$ 3,053,858
Retainage payable	96,266	134,216	230,482
Accrued liabilities	355,491	-	355,491
Tax refunds payable	181,420	-	181,420
Due to other funds	7,792,753	1,386,626	9,179,379
Other liabilities	40,152	898	41,050
<b>TOTAL LIABILITIES</b>	<b>10,387,611</b>	<b>2,654,069</b>	<b>13,041,680</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>20,890,380</b>	<b>97,910</b>	<b>20,988,290</b>
<b>FUND BALANCES</b>			
Nonspendable	71,475	272,603	344,078
Restricted	-	3,130,120	3,130,120
Committed	1,462,112	5,004,919	6,467,031
Assigned	1,126,159	-	1,126,159
Unassigned	5,357,809	(1,092,954)	4,264,855
<b>TOTAL FUND BALANCES</b>	<b>8,017,555</b>	<b>7,314,688</b>	<b>15,332,243</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 39,295,546</b>	<b>\$ 10,066,667</b>	<b>\$ 49,362,213</b>

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, 2015

<b>Total governmental fund balances</b>	\$ 15,332,243
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	102,817,287
• Deferred outflows of resources related to pensions resulting from changes in proportion and contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ending June 30, 2016 through June 30, 2020.	4,094,122
• Deferred inflows of resources related to pensions resulting from projected vs. actual earnings will be recognized as a reduction in the net pension liability in the years ending June 30, 2016 through June 30, 2020.	(4,741,808)
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	
Elimination of deferred revenue	904,155
Recording allowance for doubtful accounts	(93,315)
• Internal service funds are used by management to account for vehicle management and related activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	2,995,607
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(469,782)
• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(41,453,768)
Net pension liability	(37,059,606)
Other long-term liabilities	(4,420,498)
<b>Net position of governmental activities</b>	<u>\$ 37,904,637</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, 2015

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property taxes	\$ 39,996,225	\$ 188,271	\$ 40,184,496
Penalties, interest, and other taxes	608,093	-	608,093
Charges for services	1,638,424	1,765,076	3,403,500
Intergovernmental	9,582,257	7,808,542	17,390,799
Licenses and permits	2,875,961	-	2,875,961
Fines and forfeitures	37,806	-	37,806
Investment income	43,141	105,470	148,611
Contributions	679	-	679
Miscellaneous	<u>1,637,748</u>	<u>80,754</u>	<u>1,718,502</u>
Total Revenues	56,420,334	9,948,113	66,368,447
<b>Expenditures:</b>			
Current:			
General government	7,048,656	77,475	7,126,131
Fire and ambulance	3,784,368	3,156,235	6,940,603
Police	5,136,667	190,894	5,327,561
Education	28,211,547	6,576,344	34,787,891
Highways and streets	2,416,334	2,274,951	4,691,285
Solid waste	1,617,877	-	1,617,877
Health and welfare	111,634	-	111,634
Parks and recreation	686,114	1,279,187	1,965,301
Library	803,724	71,512	875,236
Conservation	7,030	-	7,030
Airport	-	1,060,564	1,060,564
Capital outlay	1,811,483	-	1,811,483
Debt service	<u>3,743,456</u>	<u>-</u>	<u>3,743,456</u>
Total Expenditures	55,378,890	14,687,162	70,066,052
Excess (deficiency) of revenues over expenditures	1,041,444	(4,739,049)	(3,697,605)
<b>Other Financing Sources (Uses):</b>			
Proceeds of bonds	-	9,933,000	9,933,000
Transfers in	11,958	-	11,958
Transfers out	<u>-</u>	<u>(16,958)</u>	<u>(16,958)</u>
Total Other Financing Sources (Uses)	11,958	9,916,042	9,928,000
Change in fund balance	1,053,402	5,176,993	6,230,395
Fund Equity, at Beginning of Year, as restated	<u>6,964,153</u>	<u>2,137,695</u>	<u>9,101,848</u>
Fund Equity, at End of Year	<u>\$ 8,017,555</u>	<u>\$ 7,314,688</u>	<u>\$ 15,332,243</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, 2015

<b>Net changes in fund balances - total governmental funds</b>	\$	6,230,395																																	
<ul style="list-style-type: none"> <li>• 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 purchases</td> <td style="width: 5%;"></td> <td style="width: 25%; text-align: right;">9,636,338</td> </tr> <tr> <td>Depreciation</td> <td></td> <td style="text-align: right;">(4,721,507)</td> </tr> <tr> <td>Loss on disposal of assets</td> <td></td> <td style="text-align: right;">(1,610)</td> </tr> </table> </li> <li>• 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: 5%;"></td> <td style="width: 25%; text-align: right;">65,916</td> </tr> </table> </li> <li>• 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: 5%;"></td> <td style="width: 25%; text-align: right;">(9,933,000)</td> </tr> <tr> <td>Repayments of debt</td> <td></td> <td style="text-align: right;">2,900,168</td> </tr> <tr> <td>Current year capitalization of bond premium</td> <td></td> <td style="text-align: right;">32,735</td> </tr> <tr> <td>Repayment of capital lease</td> <td></td> <td style="text-align: right;">2,165</td> </tr> </table> </li> <li>• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.           <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;"></td> <td style="width: 5%;"></td> <td style="width: 25%; text-align: right;">(58,162)</td> </tr> </table> </li> <li>• Some expenses reported in the Statement of Activities, such as compensated absences, OPEB, and landfill 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%;"></td> <td style="width: 5%;"></td> <td style="width: 25%; text-align: right;">185,222</td> </tr> </table> </li> <li>• 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: 5%;"></td> <td style="width: 25%; text-align: right;"><u>(292,606)</u></td> </tr> </table> </li> </ul>			Capital outlay purchases		9,636,338	Depreciation		(4,721,507)	Loss on disposal of assets		(1,610)			65,916	Issuance of debt		(9,933,000)	Repayments of debt		2,900,168	Current year capitalization of bond premium		32,735	Repayment of capital lease		2,165			(58,162)			185,222			<u>(292,606)</u>
Capital outlay purchases		9,636,338																																	
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		185,222																																	
		<u>(292,606)</u>																																	
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>4,046,054</u></b>																																	

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Taxes	\$ 40,043,435	\$ 40,043,435	\$ 40,002,977	\$ (40,458)
Penalties, interest, and other taxes	553,055	553,055	608,093	55,038
Charges for services	1,737,114	1,737,114	1,638,423	(98,691)
Intergovernmental	9,544,791	9,544,791	9,582,257	37,466
Licenses and permits	2,587,075	2,587,075	2,875,961	288,886
Fines and forfeits	50,000	50,000	37,806	(12,194)
Investment income	70,000	70,000	42,390	(27,610)
Miscellaneous	1,252,000	1,252,000	1,240,454	(11,546)
Total Revenues	55,837,470	55,837,470	56,028,361	190,891
<b>Expenditures:</b>				
General government	7,547,377	6,947,377	6,744,370	203,007
Fire and ambulance	3,835,299	3,835,299	3,821,868	13,431
Police	5,213,738	5,213,738	5,136,667	77,071
Education	28,684,020	28,684,020	28,683,034	986
Highways and streets	2,388,668	2,388,668	2,416,334	(27,666)
Solid waste	1,687,268	1,687,268	1,617,877	69,391
Health and welfare	162,635	162,635	111,634	51,001
Parks and recreation	719,876	719,876	693,072	26,804
Library	824,340	824,340	813,724	10,616
Conservation	4,254	4,254	4,254	-
Capital outlay	1,635,872	2,235,872	2,228,913	6,959
Debt service	3,860,825	3,860,825	3,874,561	(13,735)
Total Expenditures	56,564,172	56,564,172	56,146,307	417,865
Excess (deficiency) of revenues over expenditures	(726,702)	(726,702)	(117,946)	608,756
<b>Other Financing Sources (Uses):</b>				
Transfers out	(65,000)	(65,000)	(65,000)	-
Budgetary use of fund balance	835,000	835,000	-	(835,000)
Total Other Financing Sources (Uses)	770,000	770,000	(65,000)	(835,000)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 43,298	\$ 43,298	\$ (182,946)	\$ (226,244)

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

## CITY OF LACONIA, NEW HAMPSHIRE

## PROPRIETARY FUNDS

## STATEMENT OF NET POSITION

JUNE 30, 2015

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
<b>ASSETS</b>				
Current:				
Cash and short-term investments	\$ 1,286,860	\$ 2,279,414	\$ 3,566,274	\$ -
Investments	825,334	2,110,888	2,936,222	-
User fees, net of allowance for uncollectibles	421,949	766,037	1,187,986	-
Due from other funds	-	-	-	300,668
Inventory	142,666	-	142,666	20,767
Other assets	35,914	-	35,914	-
Total current assets	2,712,723	5,156,339	7,869,062	321,435
Noncurrent:				
Accounts receivable	251,858	-	251,858	-
Capital assets:				
Land and construction in progress	41,053	52,099	93,152	-
Other capital assets, net of accumulated depreciation	13,910,543	5,026,286	18,936,829	2,769,725
Total noncurrent assets	14,203,454	5,078,385	19,281,839	2,769,725
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	78,508	239,072	317,580	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	16,994,685	10,473,796	27,468,481	3,091,160
<b>LIABILITIES</b>				
Current:				
Accounts payable	37,072	40,536	77,608	34,894
Retainage payable	-	12,205	12,205	-
Accrued liabilities	33,894	10,231	44,125	4,729
Due to other funds	-	256,692	256,692	-
Other current liabilities	185,666	-	185,666	-
Current portion of long-term liabilities:				
Bonds payable	75,000	-	75,000	-
Other liabilities	12,933	8,206	21,139	5,593
Total current liabilities	344,565	327,870	672,435	45,216
Noncurrent:				
Bonds payable, net of current portion	1,010,000	-	1,010,000	-
Net pension liability	954,348	2,073,143	3,027,491	-
Other liabilities, net of current portion	144,903	154,919	299,822	50,337
Total noncurrent liabilities	2,109,251	2,228,062	4,337,313	50,337
<b>DEFERRED INFLOWS OF RESOURCES</b>	279,165	265,260	544,425	-
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	2,732,981	2,821,192	5,554,173	95,553
<b>NET POSITION</b>				
Net investment in capital assets	12,866,596	5,078,385	17,944,981	2,769,725
Unrestricted	1,395,108	2,574,219	3,969,327	225,882
<b>TOTAL NET POSITION</b>	<b>\$ 14,261,704</b>	<b>\$ 7,652,604</b>	<b>\$ 21,914,308</b>	<b>\$ 2,995,607</b>

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, 2015

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
<b>Operating Revenues:</b>				
Charges for services	\$ 2,010,632	\$ 3,891,219	\$ 5,901,851	\$ 766,241
Other	<u>389,062</u>	<u>-</u>	<u>389,062</u>	<u>-</u>
Total Operating Revenues	2,399,694	3,891,219	6,290,913	766,241
<b>Operating Expenses:</b>				
Operating expenses	1,704,028	2,877,481	4,581,509	695,213
Depreciation	<u>745,407</u>	<u>429,045</u>	<u>1,174,452</u>	<u>363,634</u>
Total Operating Expenses	<u>2,449,435</u>	<u>3,306,526</u>	<u>5,755,961</u>	<u>1,058,847</u>
Operating Income (Loss)	(49,741)	584,693	534,952	(292,606)
<b>Nonoperating Revenues (Expenses):</b>				
Investment income	3,991	10,020	14,011	-
Interest expense	<u>(45,494)</u>	<u>-</u>	<u>(45,494)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses), Net	<u>(41,503)</u>	<u>10,020</u>	<u>(31,483)</u>	<u>-</u>
Change in Net Position	(91,244)	594,713	503,469	(292,606)
Net Position at Beginning of Year, as restated	<u>14,352,948</u>	<u>7,057,891</u>	<u>21,410,839</u>	<u>3,288,213</u>
Net Position at End of Year	<u>\$ 14,261,704</u>	<u>\$ 7,652,604</u>	<u>\$ 21,914,308</u>	<u>\$ 2,995,607</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, 2015

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers and users	\$ 2,452,275	\$ 3,937,914	\$ 6,390,189	\$ -
Receipts from interfund service provided	-	-	-	766,241
Payments to vendors and employees	(1,798,024)	(2,912,975)	(4,710,999)	(659,367)
Net Cash Provided By Operating Activities	654,251	1,024,939	1,679,190	106,874
<b>Cash Flows From Noncapital Financing Activities:</b>				
Interfund borrowing	-	18,503	18,503	1,848
Net Cash (Used For) Capital and Related Financing Activities	-	18,503	18,503	1,848
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets, net of disposals	(566,216)	(373,038)	(939,254)	(108,722)
Principal payments on bonds and notes	(75,000)	-	(75,000)	-
Bond premium	(2,128)	-	(2,128)	-
Interest expense	(45,494)	-	(45,494)	-
Net Cash (Used For) Capital and Related Financing Activities	(688,838)	(373,038)	(1,061,876)	(108,722)
<b>Cash Flows From Investing Activities:</b>				
Purchase (sale) of investments	-	(4,150)	(4,150)	-
Investment income	3,991	10,020	14,011	-
Net Cash Provided By Investing Activities	3,991	5,870	9,861	-
Net Change in Cash and Short-Term Investments	(30,596)	676,274	645,678	-
Cash and Short-Term Investments, Beginning of Year	1,317,456	1,603,140	2,920,596	-
Cash and Short-Term Investments, End of Year	\$ 1,286,860	\$ 2,279,414	\$ 3,566,274	\$ -
<b>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</b>				
Operating income (loss)	\$ (49,741)	\$ 584,693	\$ 534,952	\$ (292,606)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	745,407	429,045	1,174,452	363,634
Changes in assets and liabilities:				
User fees	33,309	-	33,309	-
Inventory	17,955	-	17,955	(2,107)
Other assets	(12,826)	46,697	33,871	-
Accounts payable	(71,628)	(4,181)	(75,809)	10,632
Accrued liabilities	2,707	10,231	12,938	4,729
Retainage payable	-	(22,511)	(22,511)	-
Net pension liabilities	(34,577)	(33,795)	(68,372)	-
Other liabilities	23,645	14,760	38,405	22,592
Net Cash Provided By (Used For) Operating Activities	\$ 654,251	\$ 1,024,939	\$ 1,679,190	\$ 106,874

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, 2015

	Private Purpose Trust Funds	Agency Funds
<b><u>ASSETS</u></b>		
Cash and short-term investments	\$ 93,153	\$ 860,316
Investments	3,723,827	-
Due from other funds	<u>-</u>	<u>59,593</u>
Total Assets	3,816,980	919,909
<b><u>LIABILITIES AND NET POSITION</u></b>		
Due to other funds	17,640	222
Other liabilities	<u>-</u>	<u>919,687</u>
Total Liabilities	<u>17,640</u>	<u>919,909</u>
<b><u>NET POSITION</u></b>		
Total net position held in trust	\$ <u><u>3,799,340</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, 2015

	<u>Private Purpose Trust Funds</u>
<b>Additions:</b>	
Investment Income	\$ 8,614
Total additions	8,614
<b>Deductions:</b>	
General government	372
Parks and recreation	<u>3,442</u>
Total deductions	<u>3,814</u>
<b>Operating Transfers:</b>	
Transfers in	<u>5,000</u>
Total operating transfers	<u>5,000</u>
Net increase	9,800
<b>Net position:</b>	
Beginning of year	<u>3,789,540</u>
End of year	<u>\$ 3,799,340</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 2015, 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, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, 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.

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 government 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 *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

#### 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 guar-

anted 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 market 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 1st and March 31st) 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. 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 (for enterprise funds only) 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 estimated fair market value 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 (i.e., perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. 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).
- 4) Assigned funds are used for specific purposes as established by management. 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)	\$ 56,420,334	\$ 55,378,890
Other financing sources/uses (GAAP basis)	<u>11,958</u>	<u>-</u>
Subtotal (GAAP Basis)	56,432,292	55,378,890
Reverse beginning of year appropriation carryforwards from expenditures	-	(337,436)
Add end of year appropriation carryforwards from expenditures	-	838,246
To eliminate capital reserve activity	-	(295,333)
Reverse nonbudgeted activity	<u>(403,931)</u>	<u>626,940</u>
Budgetary basis	<u>\$ 56,028,361</u>	<u>\$ 56,211,307</u>

#### D. Deficit Fund Equity

The following funds had deficits as of June 30, 2015:

Capital Project funds:	
Main Street Bridge Fund	\$(937,729)
Huot Technical Center Fund	\$ (91,225)
Weirs Community Park	\$ (64,000)

The deficits in these funds will be eliminated through future intergovernmental revenues, transfers from other funds and bond proceeds.

### **3. Cash and Short-Term Investments**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

*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 to it. 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 policy is to require full collateralization on all demand deposit accounts, savings, now accounts, money market accounts and non-negotiable certificates of deposit. The underlying securities of the City's deposit in repurchase agreements of \$9,984,696 are held by the investment's counterparty, not in the name of the City.

As of June 30, 2015, \$4,694,167 of the City's bank balance of \$23,642,683 was exposed to custodial credit risk as uninsured, uncollateralized, and collateral held by pledging bank's trust department not in the City's name. However, \$1,062,433 of the exposed balance was on deposit with New Hampshire Public Deposit Investment Pool.

### **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 (in thousands) 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):

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End							Not Rated	
				AAA	A1	AA1	A2	A3	AA2	BAA1		
Debt Related Securities:												
Certificates of deposits	\$ 17,122	N/A	\$ 17,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate bonds	703	N/A	-	-	127	101	50	81	50	25	269	
Corporate equities	2,831	N/A	2,831	-	-	-	-	-	-	-	-	
Municipal obligations	102	N/A	-	-	-	53	-	-	-	-	49	
Mutual funds	1,322	N/A	1,322	-	-	-	-	-	-	-	-	
Federal agency securities	389	N/A	-	389	-	-	-	-	-	-	-	
Total investments	<u>\$ 22,469</u>		<u>\$ 21,275</u>	<u>\$ 389</u>	<u>\$ 127</u>	<u>\$ 154</u>	<u>\$ 50</u>	<u>\$ 81</u>	<u>\$ 50</u>	<u>\$ 25</u>	<u>\$ 318</u>	

**B. 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 (in thousands):

	Controlling Agency			Total Amount	Percent of Investment
	City	Water	Sewer		
Certificates of Deposit:					
Bank of New Hampshire	\$ 3,004	\$ 422	\$ 2,111	\$ 5,537	25%
Meredith Village Savings Bank	3,078	-	-	3,078	14%
Franklin Savings Bank	8,104	251	-	8,355	37%
Northway Savings Bank	-	152	-	152	1%
Total	<u>\$ 14,186</u>	<u>\$ 825</u>	<u>\$ 2,111</u>	<u>\$ 17,122</u>	

**C. 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 (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>(in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
Debt Related Securities:				
Corporate bonds	\$ 703	\$ 101	\$ 349	\$ 253
Municipal obligations	102	53	39	10
Federal agency securities	389	102	138	149
Total	<u>\$ 1,194</u>	<u>\$ 256</u>	<u>\$ 526</u>	<u>\$ 412</u>

**D. 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.

**5. Restricted Cash**

Restricted cash represents capital reserve funds held by the trustees of trust funds as of June 30, 2015.

**6. Taxes Receivable**

The City bills property taxes on a semiannual basis and they are due in July and January. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable, within the current fiscal year and collected within the current period or within 60 days of year end.

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

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

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

Taxes receivable at June 30, 2015 consist of the following:

Real Estate		
2015		\$ 4,384,337
Unredeemed Taxes		
2014	529,144	
2013	268,634	
2012	63,681	
2011	9,152	
Prior	<u>5,098</u>	
		875,709
Tax Deeded		1,472
Elderly Tax Liens		43,283
Welfare Tax Liens		12,685
Other Tax Liens		<u>50,545</u>
Total		<u>\$ 5,368,031</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.

**7. Allowance for Doubtful Accounts**

The receivables reported in the accompanying entity-wide financial statements reflect the following estimated allowances for doubtful accounts:

	<u>Governmental</u>	<u>Business-Type</u>
Property taxes	\$ 93,315	\$ -
Water	\$ -	\$ 25,004
Sanitary Sewer	\$ -	\$ 38,409

## 8. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2015.

## 9. Interfund Fund Receivables/Payables and Interfund Transfers

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, 2015 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	\$ 2,320,437	\$ 7,792,753
Nonmajor Funds:		
Downtown TIF	2,304,644	-
Park houses fund	26,799	-
Community development fund	103,657	-
City Grants fund	128,260	-
Special revenue revolving fund	582,083	-
School lunch and breakfast fund	-	51,552
School grants fund	-	633,131
Ambulance fund	-	66,235
Parking garage/Davis Place fund	5,022	-
Weirs community park/ Smith track	-	32,531
Weirs/Endicott Water Line	4,728	-
Main Street Bridge	-	511,952
Huot Tech Center	-	91,225
Central Station Improvements	2,890,276	-
Frank Bean Clean up	727,766	-
Total Governmental Funds	9,093,672	9,179,379
Enterprise Funds:		
Sanitary Sewer fund	-	256,692
Total Enterprise Funds	-	256,692
Internal Service Funds	300,668	-
Private Purpose Funds	-	17,640
Agency Funds	59,593	222
Total	\$ 9,453,933	\$ 9,453,933

Interfund transfers and their purposes during the year ended June 30, 2015 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Major Funds:</b>		
General Fund	\$ 11,958	\$ -
<b>Nonmajor Funds:</b>		
Bond Water/Revaluation	<u>-</u>	<u>16,958</u>
Total Governmental Funds	11,958	16,958
Private Purpose Funds	<u>5,000</u>	<u>-</u>
Total	<u>\$ 16,958</u>	<u>\$ 16,958</u>

## 10. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Land improvements	\$ 26,497,148	\$ 5,102,998	\$ -	\$ 31,600,146
Buildings and improvements	61,576,098	14,108,797	-	75,684,895
Furniture, equipment, and vehicles	12,912,786	1,278,818	(297,088)	13,894,516
Infrastructure	<u>28,453,507</u>	<u>1,457,094</u>	<u>(345,876)</u>	<u>29,564,725</u>
Total capital assets, being depreciated	129,439,539	21,947,707	(642,964)	150,744,282
Less accumulated depreciation for:				
Land improvements	(10,736,594)	(1,312,484)	-	(12,049,078)
Buildings and improvements	(24,160,511)	(1,846,286)	-	(26,006,797)
Furniture, equipment, and vehicles	(7,523,959)	(765,190)	295,478	(7,993,671)
Infrastructure	<u>(13,278,793)</u>	<u>(1,161,180)</u>	<u>345,876</u>	<u>(14,094,097)</u>
Total accumulated depreciation	<u>(55,699,857)</u>	<u>(5,085,140)</u>	<u>641,354</u>	<u>(60,143,643)</u>
Total capital assets, being depreciated, net	73,739,682	16,862,567	(1,610)	90,600,639
Capital assets, not being depreciated:				
Land	8,194,815	-	-	8,194,815
Construction in progress	<u>18,994,205</u>	<u>6,942,467</u>	<u>(19,145,114)</u>	<u>6,791,558</u>
Total capital assets, not being depreciated	<u>27,189,020</u>	<u>6,942,467</u>	<u>(19,145,114)</u>	<u>14,986,373</u>
Governmental activities capital assets, net	<u>\$ 100,928,702</u>	<u>\$ 23,805,034</u>	<u>\$ (19,146,724)</u>	<u>\$ 105,587,012</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 9,481,479	\$ 63,705	\$ -	\$ 9,545,184
Furniture, equipment, and vehicles	3,325,236	544,467	(22,160)	3,847,543
Infrastructure	32,691,406	382,330	-	33,073,736
Total capital assets, being depreciated	45,498,121	990,502	(22,160)	46,466,463
Less accumulated depreciation for:				
Buildings and improvements	(4,060,742)	(274,600)	-	(4,335,342)
Furniture, equipment, and vehicles	(2,613,384)	(203,109)	22,160	(2,794,333)
Infrastructure	(19,703,215)	(696,743)	-	(20,399,958)
Total accumulated depreciation	(26,377,341)	(1,174,452)	22,160	(27,529,633)
Total capital assets, being depreciated, net	19,120,780	(183,950)	-	18,936,830
Capital assets, not being depreciated:				
Land	38,503	-	-	38,503
Construction in progress	105,895	373,037	(424,284)	54,648
Total capital assets, not being depreciated	144,398	373,037	(424,284)	93,151
Business-type activities capital assets, net	\$ 19,265,178	\$ 189,087	\$ (424,284)	\$ 19,029,981

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

<b>Governmental Activities:</b>	
General government	\$ 141,102
Fire and ambulance	79,231
Police	99,251
Education	1,785,584
Highway and streets	1,681,627
Solid waste	89,377
Parks and recreation	284,120
Library	140,148
Airport	784,700
Total depreciation expense - governmental activities	\$ 5,085,140
<b>Business-Type Activities:</b>	
Water	\$ 745,407
Sanitary Sewer	429,045
Total depreciation expense - business-type activities	\$ 1,174,452

## 11. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the City that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets.

The following is a summary of deferred outflow of resources balances as of June 30, 2015:

	<u>Entity-wide Basis</u>		<u>Fund Basis</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Proprietary Funds Water</u>	<u>Sewer</u>
Changes in proportion and differences between contributions and proportionate share of pension contributions	\$ 783,099	\$ 53,175	\$ -	\$ 53,175
Pension contributions subsequent to the measurement date	<u>3,311,023</u>	<u>264,405</u>	<u>78,508</u>	<u>185,897</u>
	<u>\$ 4,094,122</u>	<u>\$ 317,580</u>	<u>\$ 78,508</u>	<u>\$ 239,072</u>

**12. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses represent 2015 expenditures paid after June 30, 2015.

**13. 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.

**14. Capital Lease Obligations**

The City is the lessee of certain equipment under a capital lease expiring in year 2017. Future minimum lease payments under the capital lease consisted of the following as of June 30, 2015:

	<u>Fiscal Year</u>	<u>Capital Leases</u>
	2016	\$ 2,743
	2017	<u>2,743</u>
Total minimum lease payments		5,486
Less amounts representing interest		<u>(608)</u>
Present Value of Minimum Lease Payments		<u>\$ 4,878</u>

**15. 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 <u>Through</u>	Interest Rate(s) %	Amount Outstanding as of <u>6/30/15</u>
<u>Governmental Activities:</u>			
Public improvement	01/15/16	5.30-5.65%	\$ 55,000
Capital improvement	08/15/21	4.38-5.00%	1,225,000
Capital improvement	08/15/22	4.00-5.00%	800,000
Library bond	01/15/24	5.00-4.75%	990,000
Capital improvement	09/07/15	4.00%	41,086
Fire truck - general obligation bond	05/09/18	3.08%	285,000
Transfer station	08/15/18	3.68%	380,000
Anthony Drive Stormwater Improvements	11/01/30	2.86%	174,119
School improvement bonds	01/15/16	5.40-5.65%	10,000
School bonds - Elm/Pleasant	08/15/21	4.125-5.00%	2,190,000
School bonds - Woodland Heights	01/15/23	4.25-4.90%	1,640,000
School bond - MMS Capital Project	08/15/36	4.76%	13,837,583
Weirs Boardwalk	01/15/30	3.56%	560,000
Weirs Boardwalk/Endicott Water Line	09/28/30	3.63%	452,000
Huot Center	12/15/30	0.00%	1,770,900
Huot Center	11/06/35	0.00%	4,132,000
Fire Truck - DPW Bond	07/15/22	2.39%	880,000
Huot Career Center	07/11/33	3.04%	950,000
Weirs Community Park/Smith Track	10/01/23	2.44%	765,000
Huot Center	07/15/35	0.00%	1,828,000
Capital improvement	02/01/35	3.25%	<u>8,105,000</u>
Total Governmental Activities:			<u>\$ 41,070,688</u>
<u>Business-Type Activities:</u>			
Treatment plant	08/15/29	3.97%	<u>\$ 1,085,000</u>
Total Business-Type Activities:			<u>\$ 1,085,000</u>

**B. Future Debt Service**

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2015 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,265,396	\$ 1,124,697	\$ 4,390,093
2017	3,118,547	1,158,582	4,277,129
2018	3,079,229	1,128,408	4,207,637
2019	2,954,235	1,094,986	4,049,221
2020	2,828,049	1,062,899	3,890,948
2021 - 2025	11,212,071	5,101,894	16,313,965
2026 - 2030	7,478,760	5,310,138	12,788,898
2031 - 2035	6,091,278	5,497,530	11,588,808
2036 - 2037	1,043,123	2,248,127	3,291,250
<b>Total</b>	<b>\$ 41,070,688</b>	<b>\$ 23,727,261</b>	<b>\$ 64,797,949</b>

The general fund has been designated as the source to repay the governmental-type general obligation long-term debt outstanding as of June 30, 2015:

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 75,000	\$ 46,091	\$ 121,091
2017	75,000	43,638	118,638
2018	75,000	40,905	115,905
2019	75,000	37,890	112,890
2020	75,000	34,875	109,875
2021 - 2025	360,000	120,902	480,902
2026 - 2030	350,000	39,813	389,813
<b>Total</b>	<b>\$ 1,085,000</b>	<b>\$ 364,114</b>	<b>\$ 1,449,114</b>

**C. Changes in General Long-Term Liabilities**

During the year ended June 30, 2015, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 6/30/14	Additions	Reductions	Total Balance 6/30/15	Less Current Portion	Equals Long-Term Portion 6/30/15
<b><u>Governmental Activities</u></b>						
Bonds payable	\$ 34,038	\$ 9,933	\$ (2,900)	\$ 41,071	\$ (3,265)	\$ 37,806
Bond premiums	416	-	(33)	383	(31)	352
Net pension liability	41,539	-	(4,479)	37,060	-	37,060
Other:						
Landfill closure	75	-	(19)	56	(19)	37
Compensated absences	2,972	273	(1)	3,244	(324)	2,920
Capital lease	7	-	(2)	5	(2)	3
OPEB obligation	960	807	(596)	1,171	-	1,171
<b>Totals</b>	<b>\$ 80,007</b>	<b>\$ 11,013</b>	<b>\$ (8,030)</b>	<b>\$ 82,990</b>	<b>\$ (3,641)</b>	<b>\$ 79,349</b>

	Total Balance 6/30/14	Additions	Reductions	Total Balance 6/30/15	Less Current Portion	Equals Long-Term Portion 6/30/15
<u>Business-Type Activities</u>						
Bonds payable	\$ 1,160	\$ -	\$ (75)	\$ 1,085	\$ (75)	\$ 1,010
Net pension liability	3,523	-	(496)	3,027	-	3,027
Other:						
Compensated absences	180	17	(8)	189	(18)	171
Bond premiums	32	-	(2)	30	(2)	28
OPEB obligation	88	27	(14)	101	-	101
Totals	\$ 4,983	\$ 44	\$ (595)	\$ 4,432	\$ (95)	\$ 4,337

## 16. Landfill Closure and Postclosure Care Costs

The year-end liability reported is based on what it would cost to perform post-closure care in 2014. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

## 17. Deferred Inflows of Resources

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

The following is a summary of deferred inflow of resources balances as of June 30, 2015:

	Entity-wide Basis		Fund Basis			
	Governmental Activities	Business-type Activities	Governmental Funds General Fund	Nonmajor	Proprietary Funds Water	Sewer
Unavailable revenues	\$ 4,482,250	\$ -	\$ 5,288,492	\$ 97,910	\$ -	\$ -
Taxes collected in advance	15,601,888	-	15,601,888	-	-	-
Customer deposits	-	61,333	-	-	61,333	-
Net difference between projected and actual pension investment earnings	4,741,808	387,370	-	-	122,110	265,260
Changes in proportion and differences between contributions and proportionate share of pension contributions	-	95,722	-	-	95,722	-
Total	\$ 24,825,946	\$ 544,425	\$ 20,890,380	\$ 97,910	\$ 279,165	\$ 265,260

## 18. Restricted Net Position

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

Permanent fund restricted net position is segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

## 19. 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, 2015:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing special article appropriations approved by City Council, capital reserve funds set aside by City Council vote (now reported as part of the general fund per GASB 54), and various special revenue funds.

Assigned - Represents amounts that are constrained by the City's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various City departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Unassigned - Represents amounts that are available to be spent in future periods.

Following is a breakdown of the City's fund balances at June 30, 2015:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>			
Inventories	\$ 71,475	\$ -	\$ 71,475
Nonexpendable permanent funds	<u>-</u>	<u>272,603</u>	<u>272,603</u>
Total Nonspendable	71,475	272,603	344,078
<b>Restricted</b>			
TIF	-	2,302,694	2,302,694
Community Development	-	103,657	103,657
Ambulance	-	1,757	1,757
Airport	-	489,003	489,003
City Grants	-	211,251	211,251
School lunch	<u>-</u>	<u>21,758</u>	<u>21,758</u>
Total Restricted	-	3,130,120	3,130,120
<b>Committed</b>			
Capital reserves	1,462,112	-	1,462,112
Park Houses	-	27,199	27,199
Revolving	-	595,231	595,231
Central Station Improvements	-	2,176,407	2,176,407
Frank Bean Clean up	-	727,766	727,766
Weirs and Endicott water line	-	4,728	4,728
Parking garage and Davis place	-	5,022	5,022
Expendable permanent funds	<u>-</u>	<u>1,468,566</u>	<u>1,468,566</u>
Total Committed	1,462,112	5,004,919	6,467,031
<b>Assigned</b>			
Street and sidewalk repairs	358,071	-	358,071
Capital outlay	304,987	-	304,987
Other	<u>463,101</u>	<u>-</u>	<u>463,101</u>
Total Assigned	1,126,159	-	1,126,159
<b>Unassigned</b>			
	<u>5,357,809</u>	<u>(1,092,954)</u>	<u>4,264,855</u>
Total Fund Balance	<u>\$ 8,017,555</u>	<u>\$ 7,314,688</u>	<u>\$ 15,332,243</u>

## 20. General Fund Unassigned Fund Balance

The unassigned general fund balance reported on the balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differs in respect to how unassigned fund balance is reported in accordance with the budgetary basis for reporting for the State of New Hampshire for tax rate setting purposes. The major difference is the State of New Hampshire considers revenues in connection with property tax receivables to be available to liquidate liabilities when billed rather than received.

The following summarizes the specific differences between GAAP basis and budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis	\$ 5,357,809
Tax dedeed property	45,990
Other GAAP adjustments	<u>72,464</u>
Tax Rate Setting balance	<u>\$ 5,476,263</u>

**21. Commitments and Contingencies**

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

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

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

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.

**22. Post-Employment Healthcare and Life Insurance Benefits**

**Other Post-Employment Benefits**

*GASB Statement 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), primarily healthcare,

on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

A. Plan Description

In addition to providing the pension benefits described, the City provides post-employment healthcare and life insurance benefits for retired employees through the City's plan. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50. As of June 30, 2014, there were approximately 262 retiree subscribers, including eligible spouses and dependents, and 438 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The City provides medical, prescription drug, and mental health/substance abuse to retirees and their covered dependents. All active employees who retire from the City and meet the eligibility criteria will receive these benefits.

C. Funding Policy

Retirees of the City contribute 100%, and under the early retirement incentive, up to 5 employees of the school shall be eligible to receive single-person health insurance benefits up to the age of 65. The City contributes the remainder of the health insurance plan cost on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The City's fiscal 2014 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year ending June 30, 2014, the amount actually contributed to the plan, and the change in the City's net OPEB obligation based on an actuarial valuation as of July 1, 2015.

	Governmental Activities		Business-Type Activities		Total
	City	School	Water	Sanitary Sewer	
Annual Required Contribution (ARC)	\$ 239,099	\$ 525,151	\$ 14,830	\$ 8,026	\$ 787,106
Interest on net OPEB obligation	24,762	18,413	592	3,364	47,131
Adjustment to ARC	(23,454)	(31,480)	(561)	(3,186)	(58,681)
Annual OPEB cost	240,407	512,084	14,861	8,204	775,556
Contributions made	(171,401)	(369,520)	(8,014)	(1,900)	(550,835)
Increase in net OPEB obligation	69,006	142,564	6,847	6,304	224,721
Net OPEB obligation - beginning of year	550,269	409,168	13,155	74,760	1,047,352
Net OPEB obligation - end of year	\$ 619,275	\$ 551,732	\$ 20,002	\$ 81,064	\$ 1,272,073

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 775,556	71.0%	\$ 1,272,073
2014	\$ 839,734	87.2%	\$ 1,047,352
2013	\$ 841,064	95.4%	\$ 939,497
2012	\$ 955,879	79.8%	\$ 900,903
2011	\$ 959,244	80.7%	\$ 707,629
2010	\$ 748,568	58.0%	\$ 635,219
2009	\$ 716,003	55.2%	\$ 321,073

The City's net OPEB obligation as of June 30, 2015 is recorded as a component of the "other long-term liabilities" line item.

**E. Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2015, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 7,218,582
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 7,218,582
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 24,352,094
UAAL as a percentage of covered payroll	29.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future

employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**F. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the plan as understood by the City and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation the projected unit credit cost method was used. The actuarial value of assets was not determined as the City has not advanced funded its obligation. The actuarial assumptions included a 4.5% investment rate of return and an initial annual healthcare cost trend rate of 0% which increases to a 5% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 3%.

**23. 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 I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by  $\frac{1}{4}$  of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earned compensation and/or service.

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 10.77% to 27.74% of covered compensation. The City's contributions to NHRS for the year ended June 30, 2015 was \$3,575,428, 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, 2015, the City reported a liability of \$40,087,097 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. 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, 2013, the City's proportion was 1.047 percent.

At June 30, 2014, the City's proportion was 1.068 percent, which was an increase of 0.021 from its previous year proportion.

For the year ended June 30, 2015, the City recognized pension expense of \$2,878,691. Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 5,129,178
Changes in proportion and differences between contributions and proportionate share of pension contributions	836,274	95,722
Pension contributions subsequent to the measurement date	<u>3,575,428</u>	<u>-</u>
Total	<u>\$ 4,411,702</u>	<u>\$ 5,224,900</u>

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:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 3,790,296	\$ 1,336,439
2017	214,868	1,336,439
2018	214,868	1,336,439
2019	214,868	1,336,439
2020	<u>(23,198)</u>	<u>(120,856)</u>
Total	<u>\$ 4,411,702</u>	<u>\$ 5,224,900</u>

**Actuarial assumptions:** The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent per year
Salary increases	3.75 - 5.8 percent average, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 mortality table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for woman for mortality improvements.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2005 – June 30, 2010.

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 Average Long-Term Expected Real Rate of Return
Large Cap Equities	22.50 %	3.25%
Small/Mid Cap Equities	7.50	3.25%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.25%
Emerging Int'l Equities	7.00	6.50%
Total international equities	20.00	
Core Bonds	18.00	-0.47%
High-Yield Bonds	1.50	1.50%
Global Bonds (unhedged)	5.00	-1.75%
Emerging Market Debt (external)	0.50	2.00%
Total fixed income	25.00	
Private equity	5.00	5.75%
Private debt	5.00	5.00%
Real estate	10.00	3.25%
Opportunistic	5.00	2.50%
Total alternative investments	25.00	
Total	100.00 %	

**Discount Rate:** The discount rate used to measure the total pension liability was 7.75%. 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.

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 7.75 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 (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
June 30, 2014	\$ 52,801,230	\$ 40,087,097	\$ 29,360,823

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

## 24. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

## 25. Tax Increment Financing District

The following represents the Downtown Tax Increment Financing District's fiscal year 2015 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	\$ 185,763	\$ 2,508	\$ -	\$ 188,271
Bond Proceeds	1,705,000	-	-	1,705,000
Expenditures:				
General Government	40,232	-	-	40,232
Total Expenditures	40,232	-	-	40,232
Excess (deficiency) of revenues over expenditures	1,850,531	-	-	1,853,039
Fund Equity, at Beginning of Year	448,406	1,249	-	449,655
Fund Equity, at End of Year	\$ 2,298,937	\$ 1,249	\$ -	\$ 2,302,694
Assessment Information				
Base Value	\$ 72,637,787	\$ 38,167,400	\$ 89,040,153	\$ 199,845,340
Captured Value*	\$ 78,359,319	\$ 3,732,100	\$ 2,774,399	\$ 84,865,818

\* = As of September 1, 2014

**26. Beginning Net Position Restatement**

The City's beginning net position for fiscal year 2015 has been restated from the previous fiscal year to conform to GASB Statement 68. Fiscal year 2014 and prior periods have not been restated due to impractical nature of allocating annual activity and lack of information for measurement dates June 30, 2012 and prior; as this is a new standard and beginning net position restatement does not recognize beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions per GASB 71. Accordingly, the following reconciliation is provided:

Government-Wide Financial Statements:

		<u>Governmental Activities</u>	<u>Business-Type Activities</u>
As previously reported		\$ 72,192,822	\$ 24,672,213
Implementation of GASB 68		<u>(38,334,239)</u>	<u>(3,261,374)</u>
As restated		<u>\$ 33,858,583</u>	<u>\$ 21,410,839</u>

	<u>Nonmajor Governmental Funds</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Internal Service Fund</u>
As previously reported	\$ 3,097,620	\$ 15,481,196	\$ 9,191,017	\$ 2,328,288
Reclassify financing source of Fire Truck Capitalization	(959,925)	-	-	959,925
Implementation of GASB 68	<u>-</u>	<u>(1,128,248)</u>	<u>(2,133,126)</u>	<u>-</u>
As restated	<u>\$ 2,137,695</u>	<u>\$ 14,352,948</u>	<u>\$ 7,057,891</u>	<u>\$ 3,288,213</u>

**CITY OF LACONIA, NEW HAMPSHIRE**  
**SCHEDULE OF FUNDING PROGRESS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2015**  
**(Unaudited)**  
**(Amounts Expressed in thousands)**

**Other Post-Employment Benefits**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
07/01/08	\$ -	\$ 7,557	\$ 7,557	0.0%	\$ 22,651	33.4%
06/29/10	\$ -	\$ 7,887	\$ 7,887	0.0%	\$ 23,330	33.8%
05/16/11	\$ -	\$ 10,148	\$ 10,148	0.0%	\$ 23,552	43.1%
05/23/12	\$ -	\$ 10,025	\$ 10,025	0.0%	\$ 24,258	41.3%
10/08/13	\$ -	\$ 7,966	\$ 7,966	0.0%	\$ 22,154	36.0%
07/01/15	\$ -	\$ 7,219	\$ 7,219	0.0%	\$ 24,352	29.6%

See Independent Auditors' Report.

**CITY OF LACONIA, NEW HAMPSHIRE**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**  
**(Unaudited)**

<u>New Hampshire Retirement System:</u>	<u>2015</u>
Proportion of the net pension liability for the most recent measurement date	1.068%
Proportionate share of the net pension liability for the most recent measurement date	\$ 40,087,097
Covered-employee payroll for the most recent measurement date	\$ 25,503,101
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	157%
Plan fiduciary net position as a percentage of the total pension liability	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 CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015  
(Unaudited)**

<u>New Hampshire Retirement System:</u>	<u>2015</u>
Contractually required contribution for the current fiscal year	\$ 3,575,428
Contributions in relation to the contractually required contribution	<u>(3,575,428)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll for the current fiscal year	\$ 26,290,822
Contributions as a percentage of covered-employee payroll	14%

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

See Independent Auditors' Report.

# STATISTICAL SECTION

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

	2015	2014	2013	2012	2011	2010*	2009	2008	2007	2006
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	67,680	67,962	66,162	57,995	58,604	58,797	55,566	\$33,091	\$42,731	\$33,470
Restricted for:							1,716	1,040	980	996
Grants	3,753	1,946	1,664	1,656	1,379	1,314	-	-	-	-
Permanent funds:										
Nonexpendable	272	259	220	192	278	162	-	-	-	-
Expendable	1,469	1,404	1,139	1,148	906	934	-	-	-	-
Unrestricted	(35,269)	622	2,596	3,689	4,088	4,718	3,365	24,624	7,215	7,379
Total governmental activities net assets	\$37,905	\$72,193	\$71,781	\$64,680	\$65,255	\$65,925	\$60,647	\$58,755	\$50,926	\$41,845
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	17,945	18,105	18,600	18,141	17,971	18,066	18,559	\$18,418	\$17,294	\$16,974
Restricted	-	-	-	-	-	-	-	-	392	67
Unrestricted	3,969	6,567	5,904	5,594	6,166	6,396	6,163	6,226	5,363	5,279
Total business-type activities net assets	\$21,914	\$24,672	\$24,504	\$23,735	\$24,137	\$24,462	\$24,722	\$24,644	\$23,049	\$22,320
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$85,625	\$86,067	\$84,762	\$76,136	\$76,575	\$76,863	\$74,125	\$51,509	\$60,025	\$50,444
Restricted for:							1,716	1,040	1,372	1,063
Grants	3,753	1,946	1,664	1,656	1,379	1,314	-	-	-	-
Permanent funds:										
Nonexpendable	272	259	220	192	278	162	-	-	-	-
Expendable	1,469	1,404	1,139	1,148	906	934	-	-	-	-
Unrestricted	(31,300)	7,189	8,500	9,283	10,254	11,114	9,528	30,850	12,578	12,658
Total primary governmental net assets	\$59,819	\$96,865	\$96,285	\$88,415	\$89,392	\$90,387	\$85,369	\$83,399	\$73,975	\$64,165

\* 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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses</b>										
Governmental activities:										
General government*	\$7,773	\$8,109	\$8,356	\$8,480	\$8,325	\$9,931	\$8,687	\$8,526	\$6,821	\$7,409
Public safety	10,630	10,354	9,517	9,504	9,483	9,453	9,188	8,611	7,757	7,621
Highways and streets	3,948	4,247	4,715	3,579	3,924	2,789	3,702	2,146	3,175	2,896
Solid Waste	2,080	1,959	1,652	1,825	1,794	1,723	1,699	1,683	1,738	1,663
Education	34,649	33,945	33,525	33,776	34,152	33,673	31,556	25,312	28,211	26,965
Culture and recreation	3,169	1,850	1,969	1,781	1,599	1,658	1,506	1,457	1,586	1,565
Interest on long-term debt	901	916	883	875	951	903	925	847	935	1,028
Total governmental activities expenses	<u>63,150</u>	<u>61,380</u>	<u>60,617</u>	<u>59,820</u>	<u>60,228</u>	<u>60,130</u>	<u>57,263</u>	<u>48,582</u>	<u>50,223</u>	<u>49,147</u>
Business-type activities:										
Water	2,495	2,455	2,455	2,408	2,361	2,299	2,281	2,016	1,977	1,931
Sewer	3,306	3,420	3,450	3,313	3,158	3,366	3,051	2,962	2,752	2,634
Total business-type activities expenses	<u>5,801</u>	<u>5,875</u>	<u>5,905</u>	<u>5,721</u>	<u>5,519</u>	<u>5,665</u>	<u>5,332</u>	<u>4,978</u>	<u>4,729</u>	<u>4,565</u>
Total primary government expenses	<u>\$68,951</u>	<u>\$67,255</u>	<u>\$66,522</u>	<u>\$65,541</u>	<u>\$65,747</u>	<u>\$65,795</u>	<u>\$62,595</u>	<u>\$53,560</u>	<u>\$54,952</u>	<u>\$53,712</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$3,353	\$3,172	\$2,928	\$2,818	\$2,841	\$2,858	\$2,961	\$3,262	\$3,153	\$3,202
Culture and recreation	134	160	86	95	91	88	59	65	80	64
Other activities	3,596	4,068	2,912	2,840	2,832	2,986	2,862	3,036	2,940	2,608
Operating grants and contributions	13,593	12,423	13,440	13,506	13,846	15,050	11,479	7,751	9,862	10,894
Capital grants and contributions	3,017	757	8,015	545	505	4,518	1,583	3,794	7,022	1,292
Total governmental activities program revenues	<u>23,693</u>	<u>20,580</u>	<u>27,381</u>	<u>19,804</u>	<u>20,116</u>	<u>25,500</u>	<u>18,964</u>	<u>17,908</u>	<u>23,057</u>	<u>18,060</u>
Business-type activities:										
Charges for services:										
Water	2,400	2,418	2,709	2,215	2,155	2,159	2,183	1,901	1,965	1,914
Sewer	3,891	3,611	3,348	3,073	2,700	2,654	2,709	2,741	2,343	2,061
Operating grants and contributions	-	-	599	-	-	3	3	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	1,441	754	590
Total business-type activities program revenues	<u>6,291</u>	<u>6,029</u>	<u>6,656</u>	<u>5,288</u>	<u>4,855</u>	<u>4,816</u>	<u>4,895</u>	<u>6,083</u>	<u>5,062</u>	<u>4,565</u>
Total primary government program revenues	<u>\$29,984</u>	<u>\$26,609</u>	<u>\$34,037</u>	<u>\$25,092</u>	<u>\$24,971</u>	<u>\$30,316</u>	<u>\$23,859</u>	<u>\$23,991</u>	<u>\$28,119</u>	<u>\$22,625</u>
Net (expense)/revenues										
Governmental activities	(\$39,457)	(\$40,800)	(\$33,236)	(\$40,016)	(\$40,112)	(\$34,630)	(\$38,299)	(\$30,674)	(\$27,166)	(\$31,087)
Business-type activities	490	154	751	(433)	(664)	(849)	(437)	1,105	333	-
Total primary government net expense	<u>(\$38,967)</u>	<u>(\$40,646)</u>	<u>(\$32,485)</u>	<u>(\$40,449)</u>	<u>(\$40,776)</u>	<u>(\$35,479)</u>	<u>(\$38,736)</u>	<u>(\$29,569)</u>	<u>(\$26,833)</u>	<u>(\$31,087)</u>

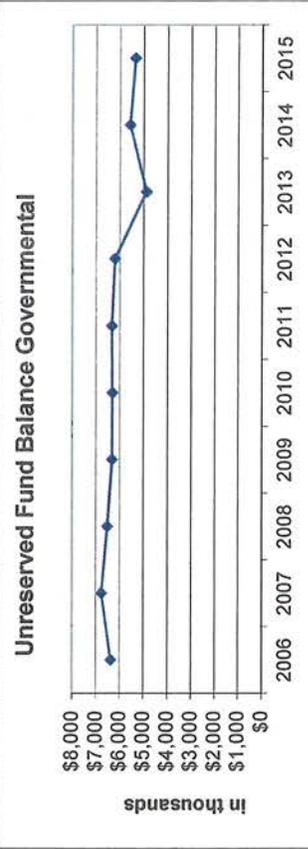
\* Includes Welfare, conservation and airport expenses

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes	\$39,996	\$38,973	\$38,394	\$37,537	\$37,415	\$37,609	\$36,474	\$33,298	\$32,811	\$31,327
Franchise taxes	298	285	285	273	269	262	259	248	232	220
Payment in lieu of taxes	395	387	398	409	431	347	351	304	263	241
Other taxes	213	186	223	247	251	113	160	469	549	681
Unrestricted grants and contributions	780	717	717	713	775	772	2,167	2,099	1,310	1,261
Investment earnings	149	298	252	116	350	417	576	1,645	1,128	677
Miscellaneous	1,671	366	68	146	242	387	393	454	89	453
Transfers	-	-	-	-	(291)	-	-	-	(133)	124
Total governmental activities	43,502	41,212	40,337	39,441	39,442	39,907	40,380	38,517	36,249	34,984
Business-type activities:										
Investment earnings	14	14	18	31	48	64	87	183	213	160
Miscellaneous	-	-	-	-	-	524	428	268	49	17
Transfers	-	-	-	-	291	-	-	-	133	(124)
Total business-type activities	14	14	18	31	339	588	515	451	395	53
Total primary government	\$43,516	\$41,226	\$40,355	\$39,472	\$39,781	\$40,495	\$40,895	\$38,968	\$36,644	\$35,037
<b>Changes in Net Assets</b>										
Governmental activities	\$4,045	\$412	\$7,101	(\$575)	(\$670)	\$5,277	\$2,081	\$7,843	\$9,083	\$3,897
Business-type activities	504	168	769	(402)	(325)	(261)	78	1,555	728	53
Total primary government	\$4,549	\$580	\$7,870	(\$977)	(\$995)	\$5,016	\$2,159	\$9,398	\$9,811	\$3,950

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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General fund</b>										
Nonspendable	\$71	\$71	\$167	\$146	\$53	\$1,182	\$675	\$760	\$507	\$1,219
Restricted	-	-	463	1,148	88	-	-	-	-	-
Committed	1,462	695	591	510	570	-	-	-	-	-
Assigned	1,126	623	4,890	5,209	6,341	6,312	6,322	6,524	6,766	6,383
Unassigned	5,358	5,575	\$6,111	\$7,013	\$7,052	\$7,494	\$6,997	\$7,284	\$7,273	\$7,602
<b>Total general fund</b>	<b>\$8,017</b>	<b>\$6,964</b>	<b>\$6,111</b>	<b>\$7,013</b>	<b>\$7,052</b>	<b>\$7,494</b>	<b>\$6,997</b>	<b>\$7,284</b>	<b>\$7,273</b>	<b>\$7,602</b>
<b>All other governmental funds</b>										
Nonspendable	\$273	\$259	\$219	\$192	\$191	\$162	\$145	\$145	\$162	\$162
Unreserved, reported in:										
Restricted	3,130	1,314	2,792	2,644	2,456	1,344	1,314	1,114	1,246	1,498
Committed	5,005	3,115	1,298	1,379	286	415	735	9,227	865	1,056
Assigned	-	-	-	-	-	934	883	894	783	669
Unassigned	(1,093)	(1,590)	(127)	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$7,315</b>	<b>\$3,098</b>	<b>\$4,182</b>	<b>\$4,215</b>	<b>\$2,933</b>	<b>\$2,855</b>	<b>\$3,077</b>	<b>\$11,380</b>	<b>\$3,056</b>	<b>\$3,385</b>



\* 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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Taxes	\$40,604	\$39,470	\$38,849	\$38,284	\$38,007	\$38,103	\$36,515	\$34,547	\$32,908	\$31,876
Licenses and permits	2,876	2,717	2,466	2,399	2,266	2,364	2,493	2,632	2,247	2,321
Intergovernmental	9,582	9,006	9,560	9,685	10,073	10,326	9,811	9,392	8,506	8,132
Charges for services	1,638	1,920	1,588	1,297	1,335	1,314	1,466	1,488	602	458
Fines	38	35	38	30	35	65	56	75	29	36
Investment earnings	43	49	56	77	152	306	610	1,576	849	594
Miscellaneous	1,639	610	344	381	485	335	443	457	1,812	2,261
Total revenues	<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>	<u>50,167</u>	<u>46,953</u>	<u>45,678</u>
<b>Expenditures</b>										
General government	7,168	6,409	6,440	6,853	6,821	6,558	6,711	6,498	5,973	5,674
Public safety	8,921	8,456	8,170	8,285	8,371	8,253	8,047	7,660	7,017	6,720
Education	28,212	27,513	27,541	27,059	27,110	26,986	25,669	24,936	23,443	22,234
Highways and streets	2,416	2,321	2,258	2,077	2,257	2,131	2,342	2,306	2,046	1,994
Solid Waste	1,618	1,534	1,605	1,759	1,722	1,671	1,712	1,796	1,743	1,662
Library	804	777	771	735	756	780	755	713	681	637
Parks & Recreation	666	668	731	617	645	572	651	581	563	551
Capital outlay	1,811	1,542	1,624	1,252	1,296	1,151	1,592	1,973	2,752	1,489
Debt service										
Principal **	2,842	2,758	2,710	2,634	2,892	3,232	3,238	2,855	2,305	2,314
Interest	901	895	871	871	892	883	878	901	977	1,072
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<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>	<u>50,219</u>	<u>47,500</u>	<u>44,347</u>
Excess of revenues over (under) expenditures	1,041	934	180	21	(409)	596	(201)	(52)	(547)	1,331
<b>Other financing sources (uses)</b>										
Transfers in	12	7	-	-	-	-	-	93	36	35
Transfers out	-	(88)	(1,082)	(60)	(120)	(100)	(85)	(30)	(60)	(210)
Capital leases	-	-	-	-	-	-	-	-	242	-
Bonds issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>12</u>	<u>(81)</u>	<u>(1,082)</u>	<u>(60)</u>	<u>(120)</u>	<u>(100)</u>	<u>(85)</u>	<u>63</u>	<u>218</u>	<u>(175)</u>
Net change in fund balances	<u>\$1,053</u>	<u>\$853</u>	<u>(\$902)</u>	<u>(\$39)</u>	<u>(\$529)</u>	<u>\$496</u>	<u>(\$286)</u>	<u>\$11</u>	<u>(\$329)</u>	<u>\$1,156</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.

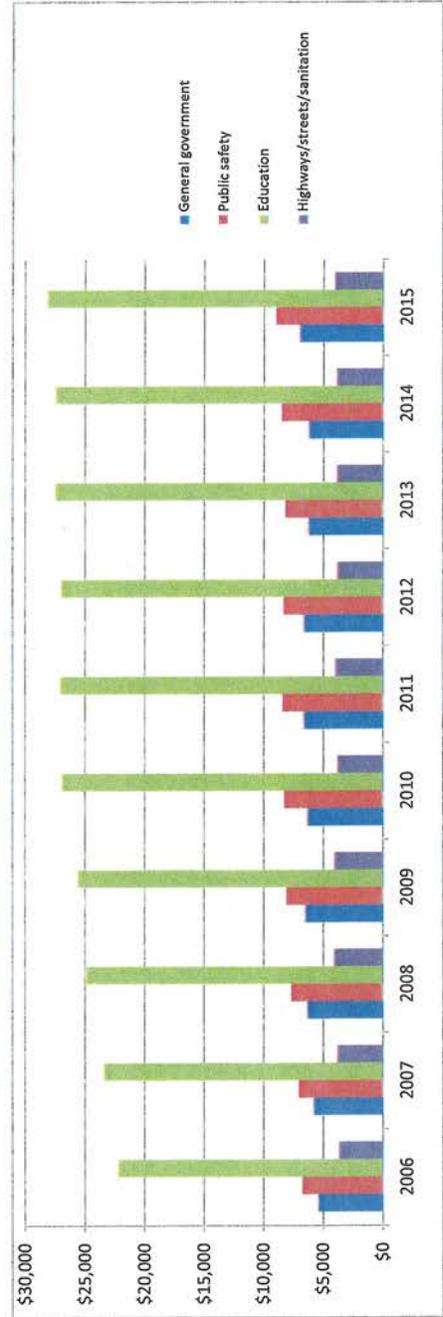
**CITY OF LACONIA**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION-GENERAL FUND**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government	\$7,055	\$6,285	\$6,292	\$6,703	\$6,710	\$6,384	\$6,557	\$6,380	\$5,846	\$5,460
Public safety	8,921	8,456	8,171	8,285	8,371	8,253	8,048	7,661	7,017	6,720
Education	28,211	27,513	27,541	27,059	27,111	26,986	25,669	24,936	23,443	22,234
Highways/streets/sanitation	4,034	3,856	3,863	3,836	3,980	3,802	4,054	4,102	3,789	3,656
Welfare	112	123	148	151	111	173	157	117	126	213
Parks & Recreation	686	668	731	617	645	572	651	581	563	551
Library	804	778	770	735	756	780	754	713	681	637
Capital outlay	1,811	1,541	1,624	1,252	1,296	1,151	1,591	1,973	2,752	1,489
Debt service	3,743	3,653	3,581	3,504	3,783	4,115	4,115	3,756	3,282	3,386
<b>TOTALS</b>	<b>55,377</b>	<b>52,873</b>	<b>52,721</b>	<b>52,142</b>	<b>52,763</b>	<b>52,216</b>	<b>51,596</b>	<b>50,219</b>	<b>47,499</b>	<b>44,346</b>

Percent of Total	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government	12.7%	11.9%	11.9%	12.9%	12.7%	12.2%	12.7%	12.7%	12.3%	12.3%
Public safety	16.1%	16.0%	15.5%	15.9%	15.9%	15.8%	15.6%	15.3%	14.8%	15.2%
Education	50.9%	52.0%	52.2%	51.9%	51.4%	51.7%	49.7%	49.7%	49.4%	50.1%
Highways/streets/sanitation	7.3%	7.3%	7.3%	7.4%	7.5%	7.3%	7.9%	8.2%	8.0%	8.2%
Welfare	0.2%	0.2%	0.3%	0.3%	0.2%	0.3%	0.3%	0.2%	0.3%	0.5%
Parks & Recreation	1.2%	1.3%	1.4%	1.2%	1.2%	1.1%	1.3%	1.2%	1.2%	1.2%
Library	1.5%	1.5%	1.5%	1.4%	1.4%	1.5%	1.5%	1.4%	1.4%	1.4%
Capital outlay	3.3%	2.9%	3.1%	2.4%	2.5%	2.2%	3.1%	3.9%	5.8%	3.4%
Debt service	6.8%	6.9%	6.8%	6.7%	7.2%	7.9%	8.0%	7.5%	6.9%	7.6%

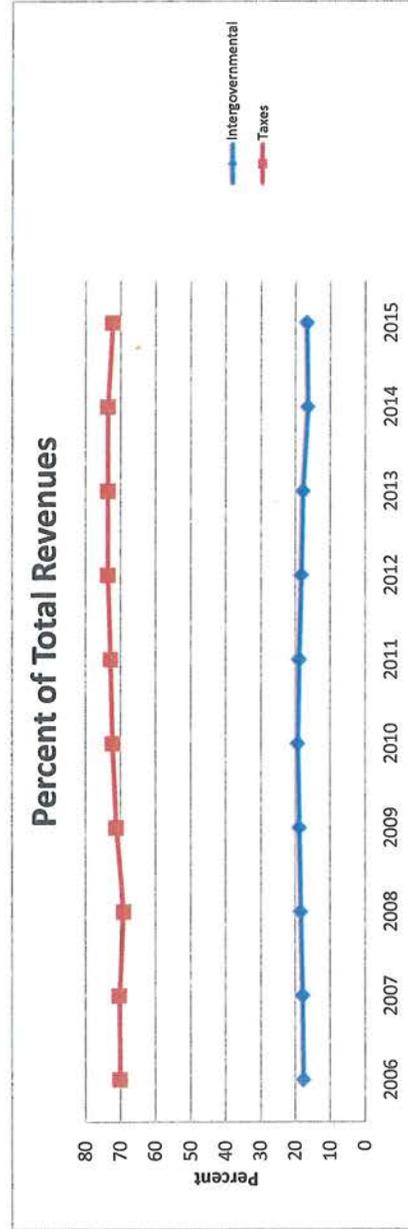
\*Capital Outlay was reported in the functions



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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Taxes	\$40,604	\$39,470	\$38,849	\$38,295	\$38,007	\$38,103	\$36,515	\$34,546	\$32,908	\$31,875
Licenses and permits	2,876	2,717	2,465	2,399	2,266	2,364	2,493	2,632	2,247	2,321
Intergovernmental	9,582	9,006	9,560	9,684	10,073	10,326	9,811	9,392	8,507	8,133
Charges for services	1,638	1,920	1,588	1,297	1,335	1,314	1,466	1,488	602	458
Interest and Dividends	43	49	56	77	152	306	610	1,576	849	594
Other	<u>1,677</u>	<u>645</u>	<u>382</u>	<u>411</u>	<u>521</u>	<u>400</u>	<u>499</u>	<u>533</u>	<u>1,841</u>	<u>2,296</u>
<b>Total revenues</b>	<b>\$56,420</b>	<b>\$53,807</b>	<b>\$52,900</b>	<b>\$52,163</b>	<b>\$52,354</b>	<b>\$52,813</b>	<b>\$51,394</b>	<b>\$50,167</b>	<b>\$46,954</b>	<b>\$45,677</b>

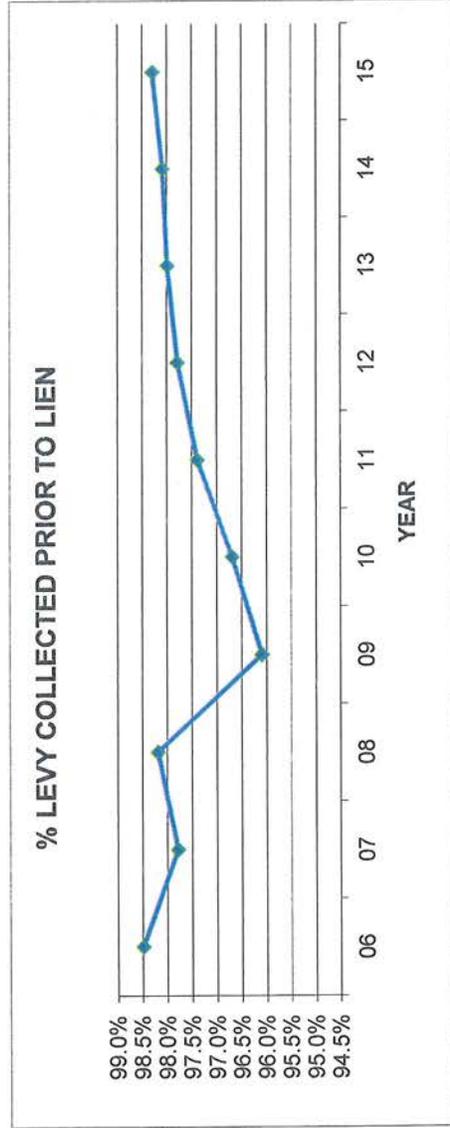
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Percent of Total Revenue</b>										
Taxes	72.0%	73.4%	73.4%	73.4%	72.6%	72.1%	71.0%	68.9%	70.1%	69.8%
Licenses and permits	5.1%	5.0%	4.7%	4.6%	4.3%	4.5%	4.9%	5.2%	4.8%	5.1%
Intergovernmental	17.0%	16.7%	18.1%	18.6%	19.2%	19.6%	19.1%	18.7%	18.1%	17.8%
Charges for services	2.9%	3.6%	3.0%	2.5%	2.5%	2.5%	2.9%	3.0%	1.3%	1.0%
Interest and Dividends	0.1%	0.1%	0.1%	0.1%	0.3%	0.6%	1.2%	3.1%	1.8%	1.3%
Other	3.0%	1.2%	0.7%	0.8%	1.0%	0.8%	1.0%	1.1%	3.9%	5.0%



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

Fiscal Year Ended 30-Jun	Total Property Tax Levy	Current Fiscal Collections Year 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
2006	31,335	30,871	98.5%	464	464	31,335	100.0%	-	0.0%
2007	32,997	32,244	97.8%	753	753	32,997	100.0%	-	0.0%
2008	34,409	33,635	98.2%	774	772	34,407	99.7%	-	0.0%
2009	36,062	34,668	96.1%	1,394	1,352	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%
2015	41,673	40,956	98.3%	717	188	41,144	98.7%	529	1.3%

(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)

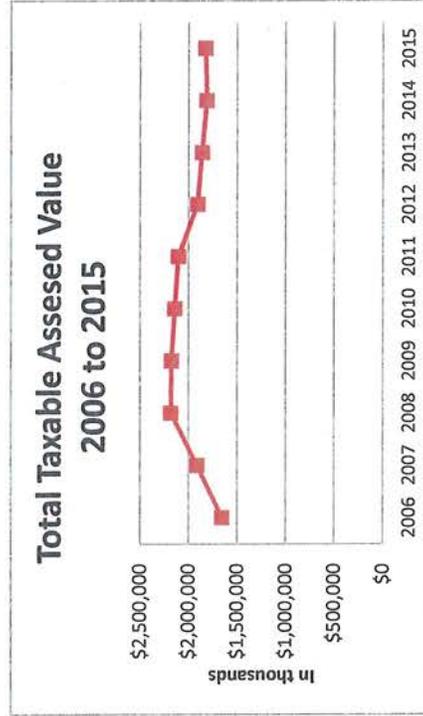
Fiscal Year End	Local Assessed Value (1)		Total Assessed Value*	Less: Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate (per \$1,000)	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value	COD	PDR
	Residential Property	Commercial Property								
2006	1,598,527	287,132	\$1,908,623	9,475	\$1,899,148	\$16.72	2,088,694	91.4%	13.8	1.01
2007	1,804,316	348,509	\$2,174,536	9,250	\$2,165,286	\$15.51	2,255,023	96.4%	10.8	1.01
2008	1,816,321	329,897	\$2,169,333	8,610	\$2,160,723	\$16.20	2,290,486	94.7%	12.9	1.01
2009	1,782,228	328,711	\$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	\$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	\$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	\$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	\$1,809,635	5,755	\$1,803,880	\$21.00	1,883,388	96.1%	10.26	1.02
2014	1,504,976	287,230	\$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	\$1,889,158	5,110	\$1,884,048	\$22.40	1,932,169	97.8%	13.2	1.02

**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 ten to indicate assessment progressivity.

	Percentages	
	Residential	Commercial
2006	83.8%	15.0%
2007	83.0%	16.0%
2008	83.7%	15.2%
2009	83.5%	15.4%
2010*	83.3%	15.6%
2011	82.0%	16.8%
2012	82.0%	16.9%
2013	82.7%	15.9%
2014	83.2%	15.8%
2015	86.7%	15.4%

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

\*Corrected after publication.

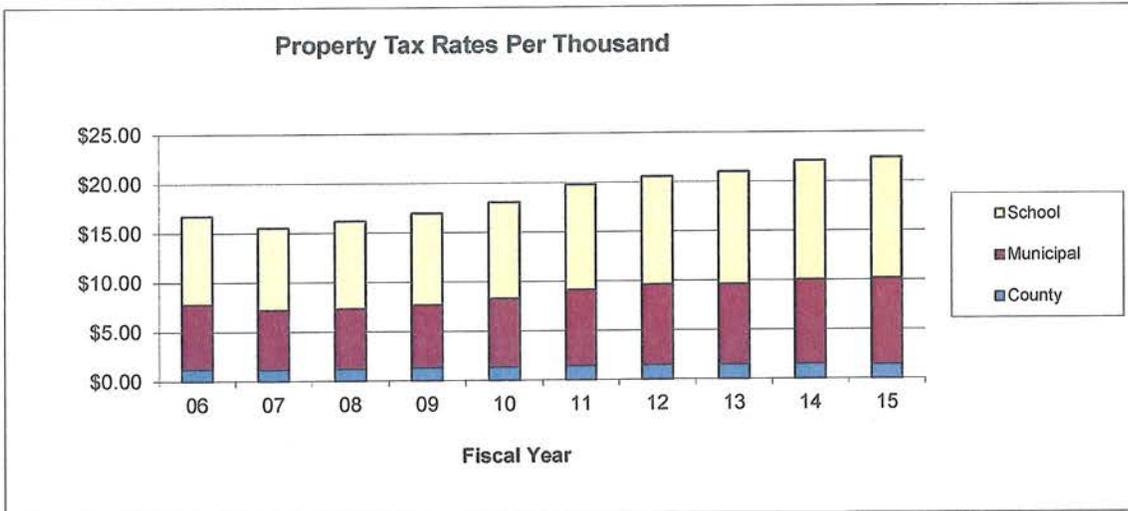


**CITY OF LACONIA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING  
Last Ten Fiscal Years**

**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 &amp; Overlapping Rates</u>
2006	\$6.55	\$6.63	\$2.34	\$8.97	\$15.52	\$1.20	\$16.72
2007	\$6.06	\$6.22	\$2.11	\$8.33	\$14.39	\$1.12	\$15.51
2008	\$6.09	\$6.73	\$2.17	\$8.90	\$14.99	\$1.21	\$16.20
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

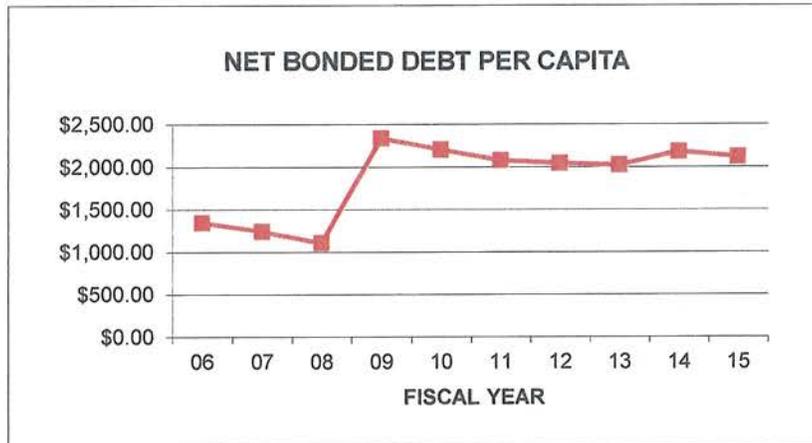
Source:  
NH State Department of Revenue Administration



**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>		
2006	21,118	523	\$21,641	\$1,238.96
2007	18,813	367	\$19,180	\$1,102.75
2008	39,552	211	\$39,763	\$2,333.45
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

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements  
\*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, 2015**

Base Valuation for Debt Limit (1)		<u>\$ 1,932,169,697</u>
Bonded Debt Limit - 3.00% of Base		\$ 57,965,091
Gross Bonded Debt, June 30, 2015	\$ 42,155,688	
Less: Water Bonds	\$ (1,085,000)	
School Bonds	\$ (26,358,483)	
		<u>\$14,712,205</u>
Debt Margin		<u>\$43,252,886</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		\$ 1,821,956,599
Department of Revenue Administration Inventory Adjustment		\$ 92,036,390
Equalized Assessed Valuation		<u>\$ 1,913,992,989</u>
Adjustment: RSA 31-A		\$ -
Base Valuation for Debt Limit		<u>\$ 1,913,992,989</u>

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

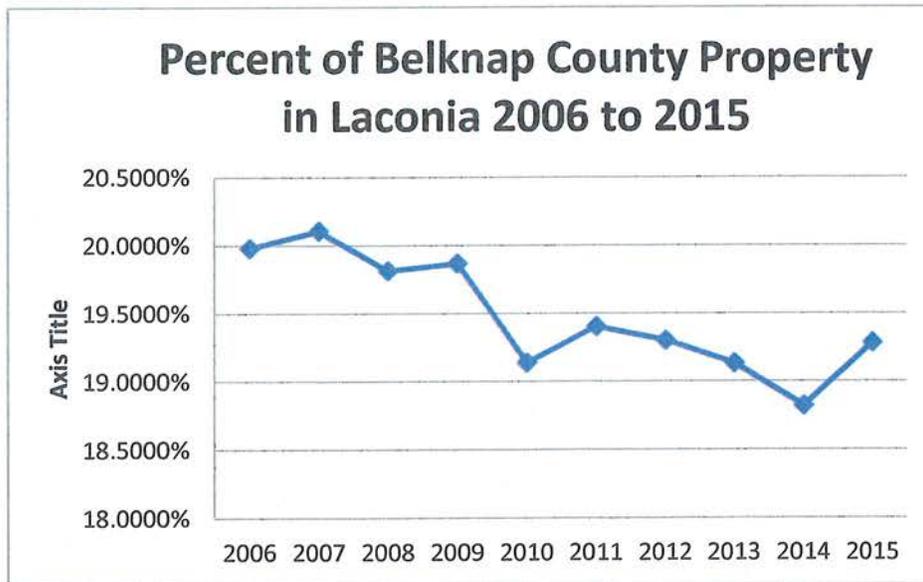
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Legal Debt Limits</b>										
City 3%	\$57,965	\$55,314	\$55,917	\$58,215	\$59,643	\$60,899	\$65,841	\$69,367	\$68,514	\$63,477
School 7%	\$135,252	\$129,066	\$130,472	\$135,837	\$139,166	\$142,098	\$153,630	\$161,855	\$159,865	\$148,114
<b>Debt Against Legal Debt Limits</b>										
City	14,712	8,788	8,952	7,528	10,873	8,801	8,790	9,173	9,541	10,910
School	<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>	<u>30,379</u>	<u>9,271</u>	<u>10,208</u>
Total City & School Debt June 30	\$41,070	\$35,198	\$36,238	\$32,216	\$35,160	\$35,160	\$37,290	\$39,552	\$18,812	\$21,118
<b>Unused Capacity of Legal Debt Limits</b>										
City	\$43,253	\$46,526	\$46,965	\$50,687	\$48,770	\$52,098	\$57,051	\$60,194	\$58,973	\$52,567
School *	108,894	102,656	103,186	111,149	114,879	115,739	125,130	131,476	150,594	137,906
<b>% of Legal Debt Limits Used</b>										
City	25.4%	15.9%	16.0%	12.9%	18.2%	14.5%	13.4%	13.2%	13.9%	17.2%
School	19.5%	20.5%	20.9%	18.2%	17.5%	18.5%	18.6%	18.8%	5.8%	6.9%

\*Reductions in this number need to be made to reflect authorized debt, not yet issued of \$1,828,000 for the Laconia High School Renovations

Data Source  
 Annual Financial Statements  
 NH Department of Revenue Administration

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

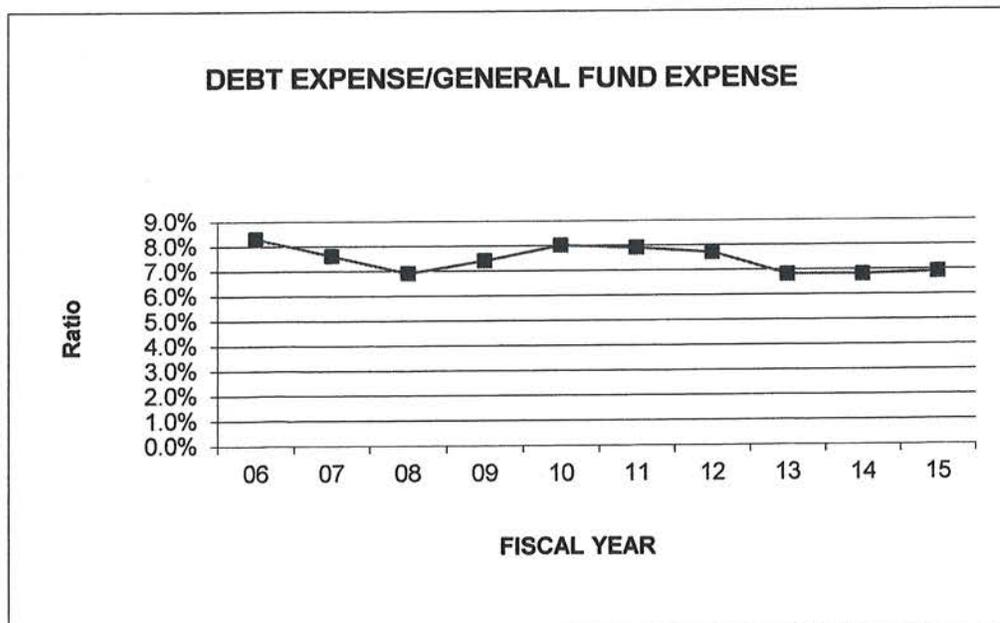
<b>End of Year</b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable to Laconia</b>	<b>Amount Applicable to Laconia</b>
2015	\$1,360,000	19.28%	\$262,208
2014	\$1,930,000	18.82%	\$363,226
2013	\$2,510,000	19.13%	\$480,163
2012	\$3,100,000	19.30%	\$598,300
2011	\$3,945,000	19.40%	\$765,330
2010	\$4,350,000	19.13%	\$832,342
2009	\$4,845,000	19.86%	\$962,416
2008	\$5,420,000	19.81%	\$1,073,718
2007	\$5,864,600	20.10%	\$1,178,919
2006	\$6,579,200	19.98%	\$1,314,254



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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Principal and Interest Payments</b>	<b>Total General Fund Expenditures</b>	<b>%</b>
2015	\$2,842,008	\$901,448	\$3,743,456	\$55,378,890	6.8%
2014	\$2,758,364	\$894,620	\$3,652,984	\$52,970,545	6.9%
2013	\$2,709,361	\$871,974	\$3,581,335	\$52,721,651	6.8%
2012	\$2,663,053	\$870,361	\$3,533,414	\$52,141,823	6.8%
2011	\$3,167,717	\$892,102	\$4,059,819	\$52,763,415	7.7%
2010	\$3,231,704	\$883,673	\$4,115,377	\$52,216,815	7.9%
2009	\$3,238,389	\$877,394	\$4,115,783	\$51,595,864	8.0%
2008	\$2,854,710	\$881,502	\$3,736,212	\$50,219,571	7.4%
2007	\$2,305,366	\$976,916	\$3,282,282	\$47,499,904	6.9%
2006	\$2,314,280	\$1,071,710	\$3,385,990	\$44,346,839	7.6%

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



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

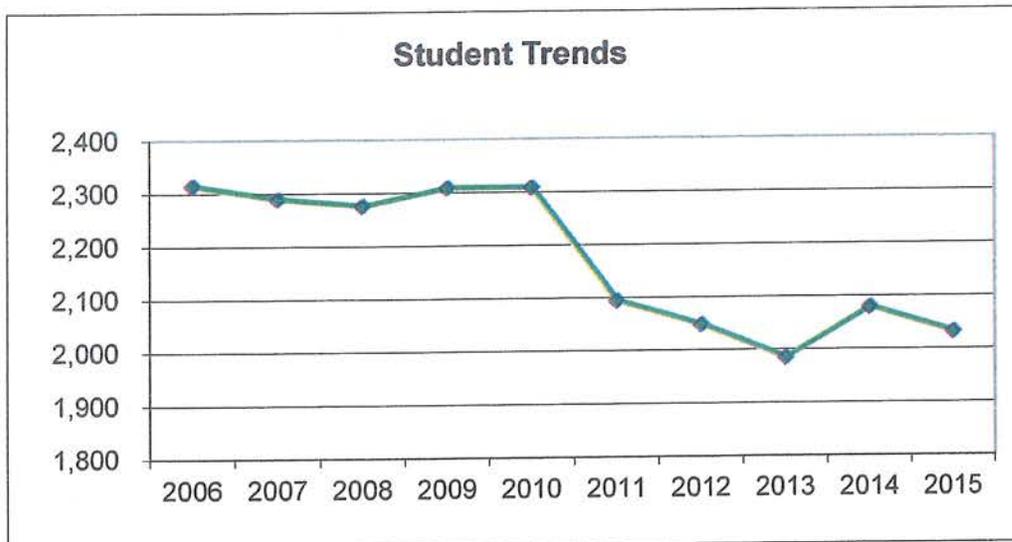
<b>Fiscal Year</b>	<b>Population*</b>	<b>Personal Income*</b>	<b>Per Capita Personal Income*</b>	<b>Median Age*</b>	<b>School Enrollment**</b>	<b>Unemployment Rate***</b>
2006	17,045	37,796	19,540	38.8	2,314	2.9%
2007	17,060	37,796	19,540	38.1	2,288	3.5%
2008	16,950	37,796	19,540	38.8	2,275	4.0%
2009	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%

**Data Source**

\*Bureau of Census/County Regional Planning Commission, city-data.com

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

\*\*\* State of NH reports as of June 30th of the year.



**CITY OF LACONIA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 June 30, 2015  
 (amounts expressed in thousands)

	2015				2005			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
Public Service of NH	\$18,102	1	0.96%		\$12,114	1	0.63%	
Keyspan Energy Delivery	9,771	2	0.52%		5,106	6	0.27%	
Lakemont Cooperative Inc(Briarcrest)	6,314	3	0.34%		-			
Gilford Route 11 Realty Trust	5,948	4	0.32%		5,559	3	0.29%	
Remington John & Jacqueline	5,468	5	0.29%		-			
Akwa Vista LLC	5,437	6	0.29%		-			
Irwin James R & Sons Inc	5,398	7	0.29%		-			
Summit at Four Season Owners	4,870	8	0.26%		5,559			
Estates Circle Apartments LLC(Lakeshc	4,823	9	0.26%		4,911	8	0.26%	
Akwa Village	4,359	10	0.23%		-			
<b>Totals</b>	<b>\$70,490</b>		<b>3.74%</b>		<b>\$33,249</b>		<b>1.45%</b>	
Total Net Assessed Taxable Value	\$1,883,868				\$1,908,623			

Source:  
 City of Laconia, Assessing Records and Tax Records

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	27	26	28	26	26	27	27	27	27	27
Public safety										
Police										
Officers	34	33	39	39	39	39	40	41	41	42
Civilians	9	11	10	10	10	10	10	10	10	10
Fire										
Firefighters and officers	35	35	36	36	36	36	36	40	40	40
Civilians	1	1	1	1	1	1	1	1	1	1
Call firefighters	8	10	17	13	0	0	0	0	0	0
Highway and streets										
Engineering	2	2	2	2	1	1	1	1	1	1
Maintenance	14	13	14	13	16	16	16	16	16	17
Solid Waste	1	1	1	1	1	1	1	1	1	1
Library	11	11	11	11	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	16	16	16	17
Sewer	7	7	7	8	8	8	8	8	8	8
ISF	3	2	3	3	2	2	2	2	2	3
<b>Total</b>	<b>175</b>	<b>175</b>	<b>192</b>	<b>186</b>	<b>173</b>	<b>174</b>	<b>175</b>	<b>180</b>	<b>180</b>	<b>184</b>

Source: City Budget Reports

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

<b>Position</b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Administrators	18	18	18	18	18	18	19	22	22	22
Guidance Counselors	10	10	10	11	12	11	11	11	10	10
Classroom Teachers	161	160	160	158	160	160	152	152	157	151
Special Education Teachers	29	32	28	31	31	31	32	32	32	30
Librarians	2	2	2	2	2	2	2	2	2	2
Vocational Education Teachers	13	13	12	12	12	12	12	12	12	12
Nurses	5	5	5	5	5	5	5	5	5	5
Itinerant Staff	<u>19</u>	<u>21</u>	<u>22</u>	<u>24</u>	<u>27</u>	<u>27</u>	<u>25</u>	<u>25</u>	<u>27</u>	<u>33</u>
<b>Total</b>	<b>257</b>	<b>261</b>	<b>257</b>	<b>261</b>	<b>267</b>	<b>266</b>	<b>258</b>	<b>261</b>	<b>267</b>	<b>265</b>

**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																																																																																																																																																																																																																																																																																																																																																														
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015																																																																																																																																																																																																																																																																																																																																																					
Police											Calls for service	18,721	18,364	18,841	18,870	19,335	17,964	17,870	16,760	20,783	21,691	Criminal arrests	1,913	1,911	1,697	1,600	1,690	1,524	1,457	1,352	1,253	1,352	Parking violations	5,035	4,765	4,017	4,042	3,259	1,805	1,096	1,555	1,776	2,124	Traffic violations	1,149	1,021	730	694	525	464	596	448	376	329	Fire											Number of calls answered	3,017	3,186	3,315	3,394	3,173	3,303	3,576	3,739	3,881	4,380	Inspections	2,028	2,112	1,800	2,387	2,963	2,468	2,214	2,286	2,322	2,412	Highways and streets											Street resurfacing (miles)	3.00	3.43	2.95	2.21	3.17	3.17	3.80	3.13	1.03	5.79	Code											Building permits issued	341	439	310	254	273	245	287	322	249	290	Estimated construction value** (in thousands)	\$40,352	\$34,765	\$52,115	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3
Calls for service	18,721	18,364	18,841	18,870	19,335	17,964	17,870	16,760	20,783	21,691	Criminal arrests	1,913	1,911	1,697	1,600	1,690	1,524	1,457	1,352	1,253	1,352	Parking violations	5,035	4,765	4,017	4,042	3,259	1,805	1,096	1,555	1,776	2,124	Traffic violations	1,149	1,021	730	694	525	464	596	448	376	329	Fire											Number of calls answered	3,017	3,186	3,315	3,394	3,173	3,303	3,576	3,739	3,881	4,380	Inspections	2,028	2,112	1,800	2,387	2,963	2,468	2,214	2,286	2,322	2,412	Highways and streets											Street resurfacing (miles)	3.00	3.43	2.95	2.21	3.17	3.17	3.80	3.13	1.03	5.79	Code											Building permits issued	341	439	310	254	273	245	287	322	249	290	Estimated construction value** (in thousands)	\$40,352	\$34,765	\$52,115	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3											
Criminal arrests	1,913	1,911	1,697	1,600	1,690	1,524	1,457	1,352	1,253	1,352	Parking violations	5,035	4,765	4,017	4,042	3,259	1,805	1,096	1,555	1,776	2,124	Traffic violations	1,149	1,021	730	694	525	464	596	448	376	329	Fire											Number of calls answered	3,017	3,186	3,315	3,394	3,173	3,303	3,576	3,739	3,881	4,380	Inspections	2,028	2,112	1,800	2,387	2,963	2,468	2,214	2,286	2,322	2,412	Highways and streets											Street resurfacing (miles)	3.00	3.43	2.95	2.21	3.17	3.17	3.80	3.13	1.03	5.79	Code											Building permits issued	341	439	310	254	273	245	287	322	249	290	Estimated construction value** (in thousands)	\$40,352	\$34,765	\$52,115	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3																						
Parking violations	5,035	4,765	4,017	4,042	3,259	1,805	1,096	1,555	1,776	2,124	Traffic violations	1,149	1,021	730	694	525	464	596	448	376	329	Fire											Number of calls answered	3,017	3,186	3,315	3,394	3,173	3,303	3,576	3,739	3,881	4,380	Inspections	2,028	2,112	1,800	2,387	2,963	2,468	2,214	2,286	2,322	2,412	Highways and streets											Street resurfacing (miles)	3.00	3.43	2.95	2.21	3.17	3.17	3.80	3.13	1.03	5.79	Code											Building permits issued	341	439	310	254	273	245	287	322	249	290	Estimated construction value** (in thousands)	\$40,352	\$34,765	\$52,115	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3																																	
Traffic violations	1,149	1,021	730	694	525	464	596	448	376	329	Fire											Number of calls answered	3,017	3,186	3,315	3,394	3,173	3,303	3,576	3,739	3,881	4,380	Inspections	2,028	2,112	1,800	2,387	2,963	2,468	2,214	2,286	2,322	2,412	Highways and streets											Street resurfacing (miles)	3.00	3.43	2.95	2.21	3.17	3.17	3.80	3.13	1.03	5.79	Code											Building permits issued	341	439	310	254	273	245	287	322	249	290	Estimated construction value** (in thousands)	\$40,352	\$34,765	\$52,115	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3																																												
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Inspections	2,028	2,112	1,800	2,387	2,963	2,468	2,214	2,286	2,322	2,412	Highways and streets											Street resurfacing (miles)	3.00	3.43	2.95	2.21	3.17	3.17	3.80	3.13	1.03	5.79	Code											Building permits issued	341	439	310	254	273	245	287	322	249	290	Estimated construction value** (in thousands)	\$40,352	\$34,765	\$52,115	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3																																																																													
Highways and streets											Street resurfacing (miles)	3.00	3.43	2.95	2.21	3.17	3.17	3.80	3.13	1.03	5.79	Code											Building permits issued	341	439	310	254	273	245	287	322	249	290	Estimated construction value** (in thousands)	\$40,352	\$34,765	\$52,115	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3																																																																																								
Street resurfacing (miles)	3.00	3.43	2.95	2.21	3.17	3.17	3.80	3.13	1.03	5.79	Code											Building permits issued	341	439	310	254	273	245	287	322	249	290	Estimated construction value** (in thousands)	\$40,352	\$34,765	\$52,115	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3																																																																																																			
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Building permits issued	341	439	310	254	273	245	287	322	249	290	Estimated construction value** (in thousands)	\$40,352	\$34,765	\$52,115	\$27,021	\$53,975	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3																																																																																																																									
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Library											Volumes	42,763	45,920	48,330	53,882	55,384	58,230	58,419	61,381	62,713	66,019	Circulation	93,509	111,571	120,508	129,583	135,602	127,711	131,402	125,440	120,127	117,695	Solid Waste											Refuse collected (tons per year)	16,974	16,366	15,030	14,471	13,495	14,221	12,744	11,930	11,171	10,479	Recyclables collected (tons per year)	483	536	593	768	918	1,090	1,209	1,432	1,922	1,913	Parks & Recreation											Field Use Requests	58	57	72	66	69	75	101	81	90	103	School Enrollment											Laconia HS	747	784	785	763	750	660	614	598	589	585	Laconia Middle School	561	511	452	484	489	505	474	469	482	423	Woodland Heights	415	414	417	424	422	381	421	352	430	453	Pleasant Street	290	284	303	309	302	288	262	283	292	285	Elm Street	301	295	318	328	315	259	276	282	285	285	Area 8/Huot	384	335	360	397	420	443	364	420	473	421	Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3																																																																																																																																															
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Water											New connections	93	74	85	56	61	55	42	30	62	50	Water main breaks	4	6	8	11	4	4	3	7	7	10	Average daily consumption-MGD	1.81	1.75	1.65	1.49	1.44	1.54	1.43	1.45	1.47	1.3																																																																																																																																																																																																																																																																																																																				
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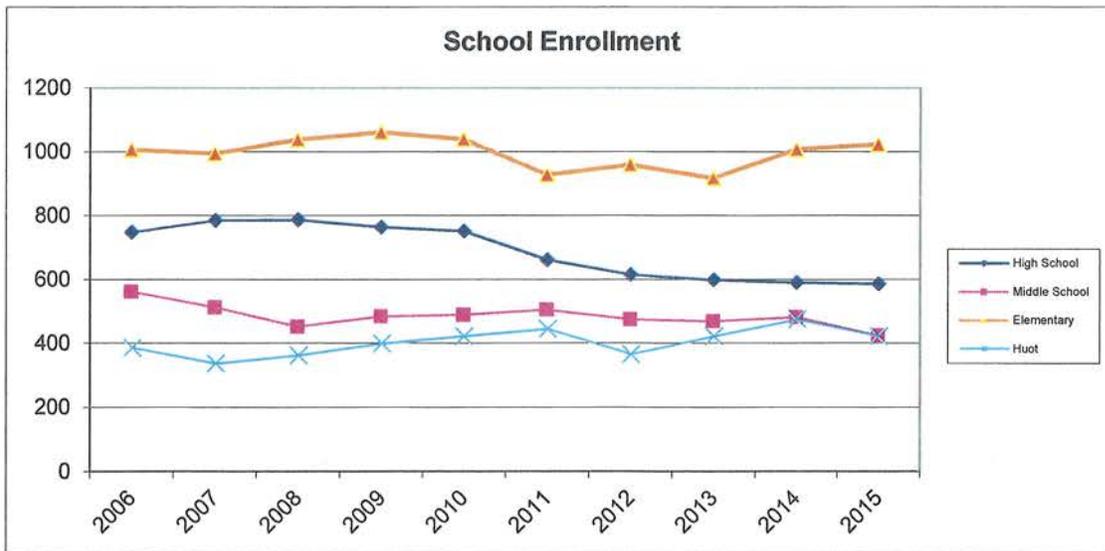
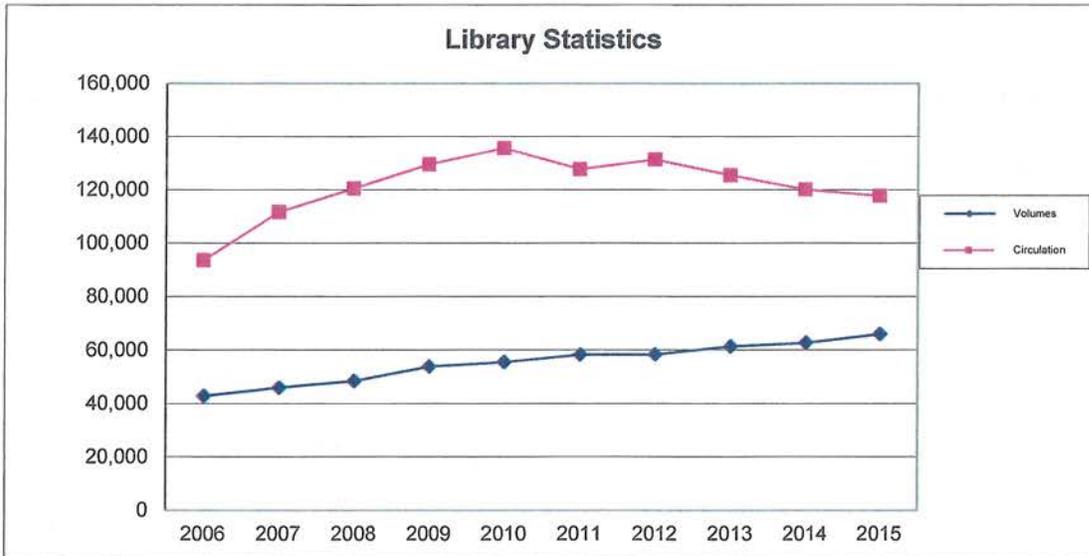
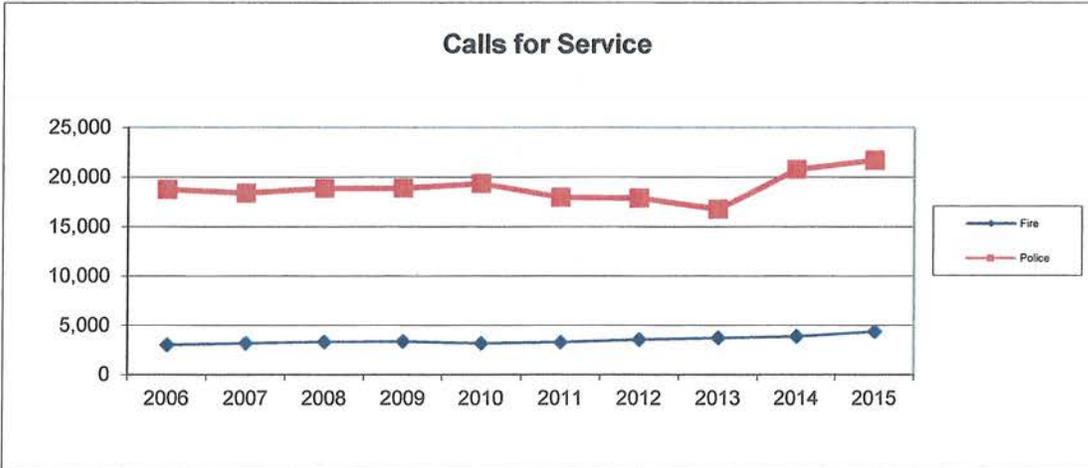
Sources: Various government departments

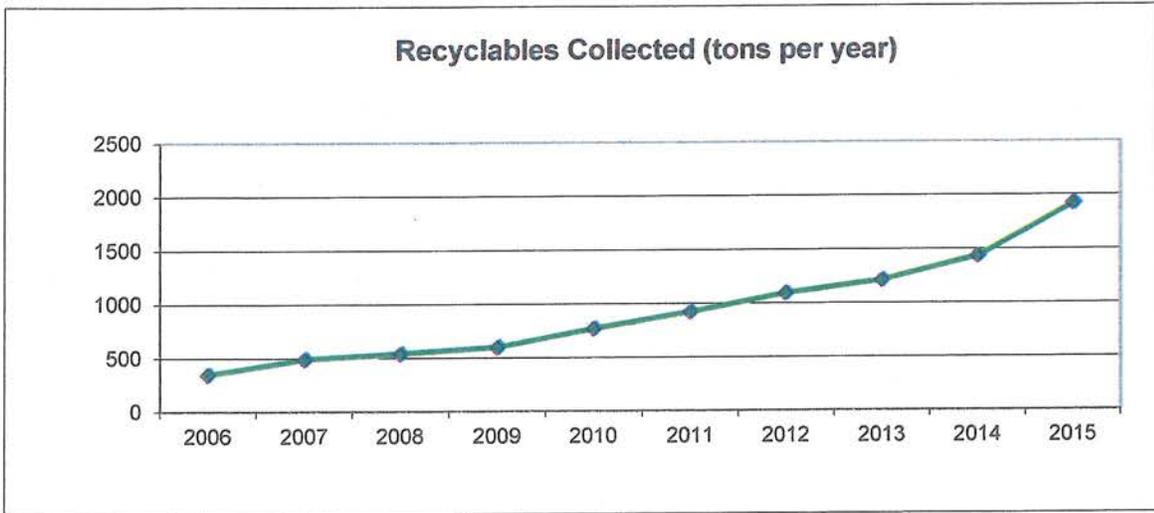
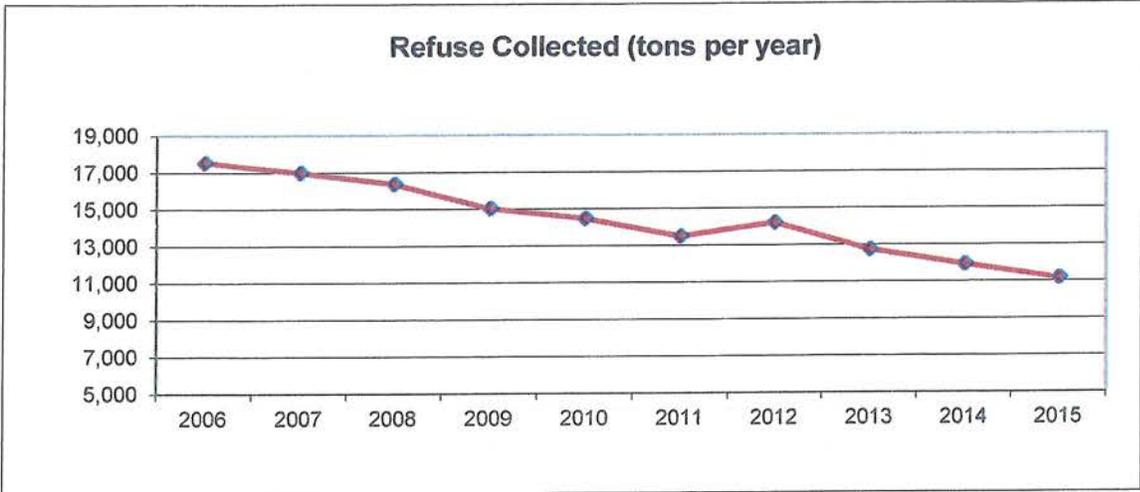
\*\*\*2008 permits included \$19.8 million school project

\*\*\*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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	3	3	3	2	2
Highways and streets										
Streets (miles)-paved ##	105.12	105.12	105.21	105.21	105.21	105.21	105.21	105.21	83.2	83.2
Streets (miles)-unpaved ##	7.24	7.24	7.24	7.24	7.24	7.24	7.24	7.24	2.18	2.18
Traffic intersections	7	7	7	7	7	7	7	7	7	7
Street lights	1,341	1,341	1,341	1,344	1,344	1,344	1,344	1,344	1,344	1,344
Culture and recreation										
Parks acreage	208.7	208.7	208.7	208.7	208.7	208.7	208.7	208.7	208.7	208.7
Parks **	14	14	14	14	14	14	28	28	28	28
Tennis courts	9	9	9	9	9	9	7	7	7	7
Community centers	8	8	8	8	8	8	5	4	4	4
Water										
Water mains (miles)	97.55	99.38	99.87	100.97	102.39	102.39	102.72	104.35	104.35	104.35
Fire hydrants	461	482	482	515	517	523	527	527	530	542
Maximum daily capacity (MGD)	6	6	6	6	6	6	6	6	6	6
Service connections	6,103	6,177	6,262	6,318	6,379	6,434	6,476	6,506	6,568	6,617
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	10,440	10,531	10,604	10,655	10,700	10,741	10,785	10,850	10,865	10,877
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	19	19	19	19	19	19	19	19	19	19

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

**OTHER**



ANNUAL REPORT FROM EXECUTIVE COUNCILOR JOSEPH KENNEY, DISTRICT ONE

January 2016

As I start my 3rd year of service to you and the State of New Hampshire in Council District 1, I am grateful and honored to serve you.

I continue to work with the Governor, Council and Legislature on the important issues impacting the State. The Heroin and Opioid epidemic has been the number one issue. The Governor and Council called for a Special Legislative Session on November 18<sup>th</sup> to address the statewide heroin and opioid crisis. A Joint Legislative Task Force on Heroin and Opioid Epidemic was formed and will make recommendations to the Governor and Legislature in the upcoming session.

Economic development is still my top priority for the Northern most Council District and I will work with community and business leaders to assist in the creation of jobs and economic opportunity. I am committed to the Balsams project in Dixville Notch and I will continue to work with the various public and private partners to move this project forward. Additionally, I continue to work with the county and regional economic development councils and executive directors on present and future economic opportunities to grow businesses in the District.

I join with the NH Congressional Delegation - Senator Jeanne Shaheen, Senator Kelly Ayotte, Congresswoman Annie Kuster and Congressman Frank Guinta in working with other New England states and our northern Canadian friends to seek economic opportunities and relationships.

The Ten Year Transportation Improvement Plan process working with the Department of Transportation and the Regional Planning Commissions has been completed. The Executive Council approved the final draft and submitted it to the Governor on December 16<sup>th</sup>. The plan focuses on preservation, maintenance and safety of existing pavement and bridge infrastructure throughout the State. The US Congress passed the Fixing America's Surface Transportation (FAST) Act, which provides increased federal funding to the State of New Hampshire over the next five years. Contact William Watson at NH DOT for any additional details at 271-3344 or [bwatson@dot.state.nh.us](mailto:bwatson@dot.state.nh.us).

The 2016 session of the NH House and Senate will address legislation that deals with the heroin and opioid crisis, Medicaid expansion, and maintaining a good business climate. Again, be watchful of proposed legislation passing costs on to the county and local levels of government. Stay close to your local state senator and house members.

The Governor and Council are always looking for volunteers to serve on the dozens of boards and commissions. If you are interested, please send your resume to Governor Maggie Hassan, State House, 107 North Main Street, Concord, NH 03301 attention Jennifer Kuzma Director of Appointments/Liaison or at (603) 271-2121. A complete list is available at the NH Secretary of State website at [www.sos.nh.gov/redbook/index.htm](http://www.sos.nh.gov/redbook/index.htm).

My office has available informational items: NH Constitutions, tourist maps, consumer handbooks, etc. I periodically send, via email, a list of my schedule for the week. Send me your email address if you'd like to added to the list at [Joseph.Kenney@nh.gov](mailto:Joseph.Kenney@nh.gov).

Contact my office any time I can be of assistance to you.

Serving you,

Joe