

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

CITY OF LACONIA, NEW HAMPSHIRE

FISCAL YEAR ENDED JUNE 30, 2021



COMPREHENSIVE ANNUAL FINANCIAL REPORT CITY OF LACONIA, NEW HAMPSHIRE FISCAL YEAR ENDED JUNE 30, 2021

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March 14, 2022

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, 2021 is hereby submitted. Responsibility for the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of various funds, account groups, and component units of the City of Laconia. All disclosures necessary to enable the reader to gain an understanding of the City of Laconia's activities have been included.

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

1. An unaudited introductory section, including the transmittal letter, organization chart and list of principal elected officials acquaints the reader with the operations of the City.
2. A financial section, including the auditor's report on the financial statements and schedules, City management's discussion and analysis, and the financial statements as required under rules and standards established by the Governmental Accounting Standards Board. This includes government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) reporting information on all 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 latter are excluded from the government-wide financial statements. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.
3. An unaudited statistical section including financial and demographic data provides users with a broader understanding of the City and the trends in its financial affairs in that it presents some non-accounting data and covers more than one fiscal year.

Overview

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

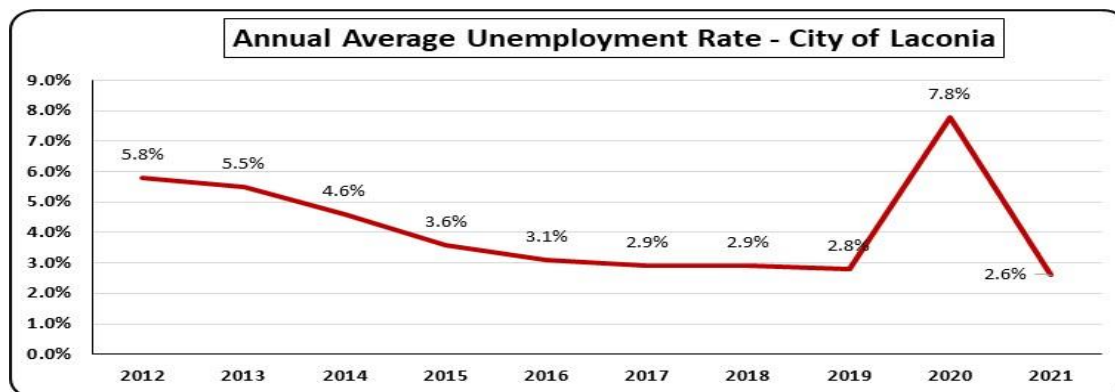
The City provides a full range of services, including police and fire protection, emergency medical services, public works operations, planning and zoning, code enforcement, health and welfare services, parks operation and maintenance, recreation, library services, solid waste collection and disposal, 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 year ending June 30, 2021 saw a continuation of factors related to the covid-19 pandemic.

Laconia's unemployment rate fell as the economy recovered from the initial phase of the pandemic. The June 2020 rate of 7.8% fell to 2.6% by June 2021.



Not Seasonally Adjusted Source: NH Employment Security, Economic & Labor Market Information Bureau

Compared to the previous year, 2020 (the most current year for which data is available) showed a reduction in average annual employment and an increase in the average weekly wage of \$75/week. It is likely that this is due to the initial impacts of the Covid 19 pandemic.

Laconia Employment Outlook			
	2018	2019	2020
# of Employers	570	575	571
Avg. Annual Employment	9,224	9,270	8,597
Average Weekly Wage	\$961.30	\$955.00	\$1,030.00

Source: NH Employment Security, covered employment & wages

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 agency within his department to another 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 or from one fund to another. Council approval is required before total actual expenditures may exceed the total appropriation for the year.

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

Revenues

General Fund revenues totaled \$64.3 million in fiscal year 2021; this represented a decrease of 1.09% over fiscal year 2020. Major contributing factors are:

- Implementation of GASB 84 standards, which require the reclassification of taxes collected for other jurisdictions. In FY20 taxes collected for Belknap County appeared in the General Fund property tax line, in FY21 they do not. Taxes collected on behalf of the County totaled \$2,890,536 in FY21
- A 10.08% increase in intergovernmental revenue, largely driven by Covid19 reimbursements
- Other contributing factors including increases in Motor Vehicle Registration income, increased police detail and transfer station revenues, and transfer of funds from the Municipal Transportation Fund.

The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2021, and the amount of increase or decrease in relation to prior year revenues.

Revenues	FY 21	FY20	Change	% Change
Property Tax	\$44,056,551	\$45,961,741	-\$1,905,190	-4.15%
Penalty, Interest & Other Taxes	\$634,188	\$729,716	-\$95,528	-13.09%
Charges for Services	\$2,478,209	\$2,139,460	\$338,749	15.83%
Intergovernmental	\$12,076,444	\$10,971,078	\$1,105,366	10.08%
Licenses & Permits	\$3,907,092	\$3,630,168	\$276,924	7.63%
Fines & Forfeitures	\$32,689	\$28,222	\$4,467	15.83%
Investment Income	\$105,773	\$656,054	-\$550,281	-83.88%
Miscellaneous	\$1,009,872	\$891,063	\$118,809	13.33%
Total Revenues	\$64,300,818	\$65,007,502	-\$706,684	-1.09%

Expenditures

Expenditures for the General Fund functions totaled \$63.1 million in fiscal year 2021, a decrease of 1.88% from prior year expenditures.

Factors that contribute to the increase include County tax expense, education, capital outlay and debt service expenses.

Expenses	FY21	FY20	Change	% Change
General Government	\$6,287,949	\$7,442,672	-\$1,154,723	-15.51%
Fire	\$4,751,616	\$4,568,776	\$182,840	4.00%
Police	\$6,657,118	\$6,591,187	\$65,931	1.00%
Education	\$32,007,759	\$32,225,609	-\$217,850	-0.68%
Highways & Streets	\$2,566,278	\$2,600,864	-\$34,586	-1.33%
Solid Waste	\$2,032,712	\$2,129,589	-\$96,877	-4.55%
Health & Welfare	\$62,124	\$112,914	-\$50,790	-44.98%
Parks & Recreation	\$759,962	\$694,062	\$65,900	9.49%
Library	\$799,211	\$790,219	\$8,992	1.14%
Conservation	\$1,292	\$1,856	-\$564	-30.39%
Capital Outlay	\$2,214,234	\$2,570,166	-\$355,932	-13.85%
Debt Service	\$4,999,322	\$4,619,515	\$379,807	8.22%
Total	\$63,139,577	\$64,347,429	-\$1,207,852	-1.88%

Fund Balance

Total fund balance for the general fund increased by \$711,752 from \$8,893,353 in FY20 to \$9,605,105 in FY21, as detailed below:

Use of fund balance as a funding source	(\$1,670,000)
Revenues and transfers in excess of budget	\$918,339
Expenditures less than budget	\$1,021,290
Expenditures of prior year encumbrances	\$861,803
Change in capital reserves	<u>(\$419,680)</u>
Total	\$711,752

Proprietary Funds

The City's proprietary funds include two separate activities: Sanitary Sewer and Water Works. The Sanitary Sewer Fund and the Water Works continue replacing various infrastructure throughout the City in conjunction with the City's road capital improvement projects.

Sanitary Sewer Fund	FY21	FY20	Change	% Change
Revenues	\$4,965,458	\$4,590,694	\$374,764	8.16%
Expenses	<u>\$4,412,589</u>	<u>\$4,071,133</u>	<u>\$341,456</u>	8.39%
Operating Income (Loss)	\$552,869	\$519,561	\$33,308	6.41%

Water Fund	FY21	FY20	Change	% Change
Revenues	\$2,986,177	\$2,898,845	\$87,332	3.01%
Expenses	<u>\$3,048,358</u>	<u>\$2,800,800</u>	<u>\$247,558</u>	8.84%
Operating Income (Loss)	-\$62,181	\$98,045	-\$160,226	-163.42%

Fiduciary Operations

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

Debt Administration

The position of the general obligation bonds and notes as of the end of FY21 are as follows:

Government Activities		Outstanding Balance
		June 30 2021
City	2001 Capital Imp (City Portion)	\$175,000
	2002 Capital Imp	\$200,000
	2003 Library	\$330,000
	2010 Weirs Boardwalk	\$320,000
	2011 Water Line/Boardwalk	\$282,500
	2010 Anthony Dr	\$108,825
	2013 Fire Truck/DPW (City Portion)	\$155,970
	2014 Smith Track/Weirs Cmty Park	\$255,000
	2015 Fbean/Fire Sta/Main Bridge/ GO *	\$4,467,629
	2018 LED Street Lights	\$60,000
	2017 Lakeside Av/Messer/Endicott	\$1,280,000
	2018 Road Improvements	\$1,750,000
	2018 PD Radio Tower, Disp. *	\$630,000
	2018 Streets/Sidewalks/Drainage *	\$2,000,000
	2020 Court St/Fire Eng./DPW Truck	\$1,822,500
	2020 Bridge/End Water/Sewer (City)	\$711,787
	2020 Colonial Theatre Restoration	\$6,431,798
	2021 Church Street Property Acquisition	\$683,000
School	2001 Capital Imp (School Portion)	\$310,000
	2001 School Woodland Heights	\$410,000
	2007 School - MMS	\$8,424,854
	2011 Huot QZAB	\$1,106,700
	2012 Huot QZAB	\$3,185,000
	2012 Huot (Northway)	\$650,000
SSF	2014 Huot QZAB	\$1,373,500
	2020 Bridge/End Water/Sewer (SSF)	\$1,425,713
ISF	2013 Fire Truck/DPW (ISF Portion)	\$64,030
DTIF	2015 Fbean/Fire Sta/Main Bridge/ GO *	\$1,190,411
WTIF	2017 Weirs TIF	\$1,322,434
Total		\$41,126,651
LWW	2009 LWW Water Tank	\$635,000
	2020 Water Line Repair & Replace	\$1,800,000
Total		\$2,435,000
Grand Total		\$43,561,651

* Refunded in 2021

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

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

Assessed Valuation

Total assessment valuations before exemptions increased from \$2.406 billion to \$2.596 billion, an increase of \$190 million, or 7.6%. There were no significant changes in the categories of the property within the City.

Cash Management

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

The City strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure efficient and profitable use of the City's cash resources. The City Council reviews and adopts an investment policy annually. Cash temporarily idle during the year is invested in commercial banks and saving banks certificates of deposits, and in U. S. Treasuries. During fiscal year 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, PC as required by New Hampshire State Statue. In addition to meeting the requirements set forth in state statues, 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.

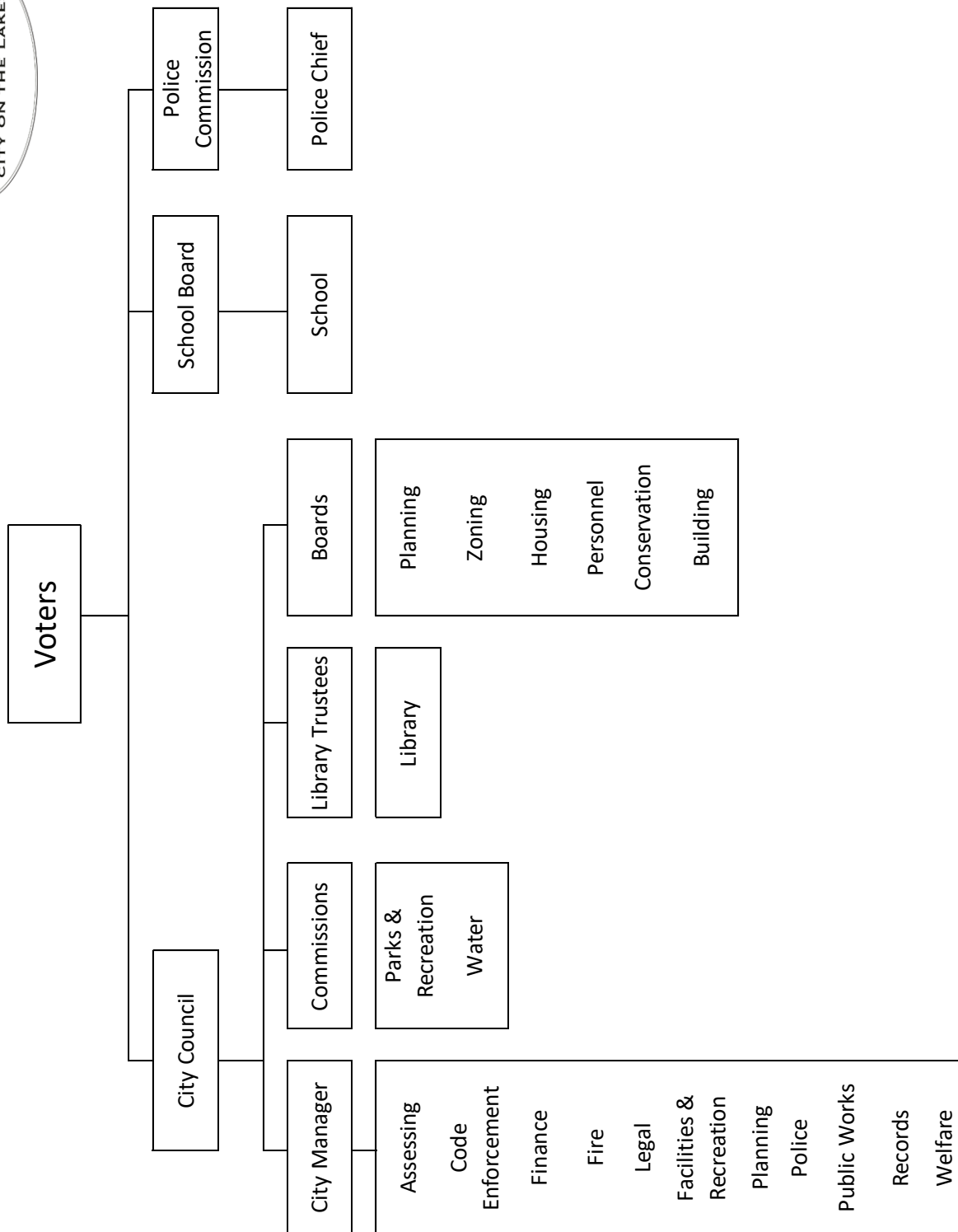
Acknowledgements

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

Respectfully submitted,

Glenn Smith
Finance Director

City of Laconia



**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL-MANAGER FORM OF GOVERNMENT
LISTING OF ELECTED CITY OFFICIALS
FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

City Council

Elected: November 2, 2021

Term: January 11, 2022- December 31, 2023

Mayor: Andrew Hosmer

Council Members:

Ward 1	Bruce Cheney
Ward 2	Robert Soucy
Ward 3	Henry Lipman
Ward 4	Mark Haynes
Ward 5	Robert Hamel
Ward 6	Tony Felch

School Board:

Aaron Hayward, Chair	Term 2019 - 2022
Laura Dunn, Vice Chair	Term 2019 - 2022
Jennifer Anderson	Term 2021 - 2024
Heather Drolet	Term 2021 - 2024
Nick Grenon	Term 2020 - 2023
Dawn Johnson	Term 2020 - 2023
Jennifer Ulrich	Term 2021 - 2024

**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL - MANAGER FORM OF GOVERNMENT
CITY MANAGER AND APPOINTED DEPARTMENT HEADS
FOR THE YEAR ENDING JUNE 30, 2021**

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



CITY OF LACONIA, NEW HAMPSHIRE

Annual Financial Statements
For the Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

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

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 city'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, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 24 to the financial statements, in 2021 the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2022 on our consideration of the City's internal control over financial reporting and on

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

Merrimack, New Hampshire

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Laconia, New Hampshire (the City), we offer readers this narrative overview and analysis of the financial activities of the City of Laconia for the fiscal year ended June 30, 2021. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and

demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

Notes to Financial Statements

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

Required/Other Supplementary Information (Other Than MD&A)

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.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$16,922,292, a change of \$(5,353,421) and net position in business-type activities was \$27,914,271, a change of \$1,007,878.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$16,543,179, a change of \$(501,527).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,210,784, a change of \$867,923 in comparison to the prior year.

Government-Wide Financial Analysis

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

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 44,937,060	\$ 46,591,087	\$ 6,956,926	\$ 7,474,777	\$ 51,893,986	\$ 54,065,864
Capital assets	<u>102,010,568</u>	<u>105,022,326</u>	<u>25,702,689</u>	<u>22,451,533</u>	<u>127,713,257</u>	<u>127,473,859</u>
Total assets	146,947,628	151,613,413	32,659,615	29,926,310	179,607,243	181,539,723
Deferred outflows of resources	20,407,109	9,044,951	569,222	318,368	20,976,331	9,363,319
Current liabilities	8,704,701	12,403,816	441,130	516,758	9,145,831	12,920,574
Noncurrent liabilities	<u>118,700,844</u>	<u>98,545,311</u>	<u>4,647,917</u>	<u>2,569,161</u>	<u>123,348,761</u>	<u>101,114,472</u>
Total liabilities	127,405,545	110,949,127	5,089,047	3,085,919	132,494,592	114,035,046
Deferred inflows on resources	23,026,900	27,307,269	212,519	239,366	23,239,419	27,546,635
Net investment in capital assets	67,195,294	69,417,913	23,253,610	21,726,866	90,448,904	91,144,779
Restricted	6,938,074	8,055,590	-	-	6,938,074	8,055,590
Unrestricted	<u>(57,211,076)</u>	<u>(55,071,535)</u>	<u>4,673,661</u>	<u>5,192,527</u>	<u>(52,537,415)</u>	<u>(49,879,008)</u>
Total net position	\$ <u>16,922,292</u>	\$ <u>22,401,968</u>	\$ <u>27,927,271</u>	\$ <u>26,919,393</u>	\$ <u>44,849,563</u>	\$ <u>49,321,361</u>

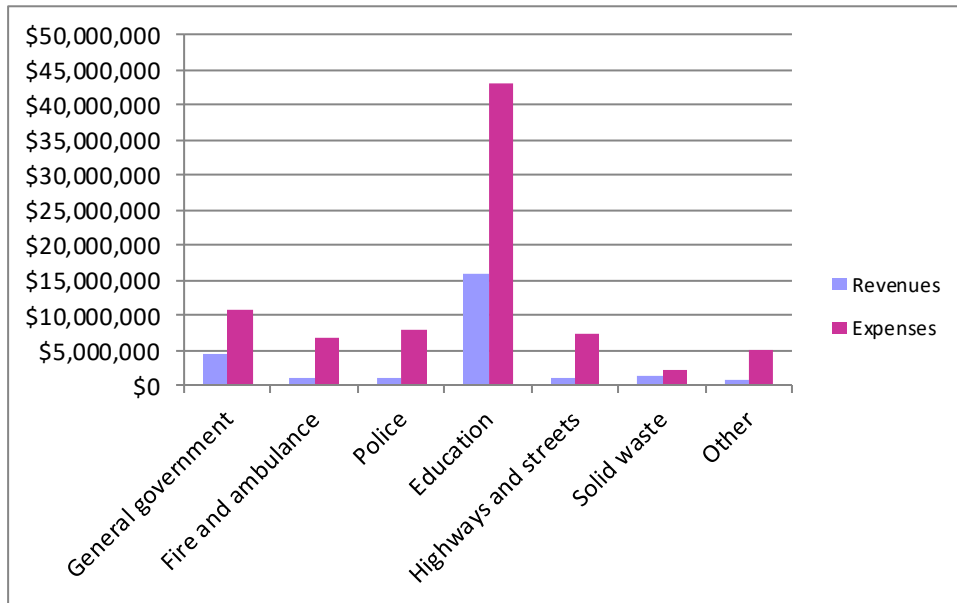
The largest portion of net position \$90,448,904 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, 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 \$6,938,074 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(52,537,415) primarily resulting from the City's unfunded net pension and OPEB liabilities.

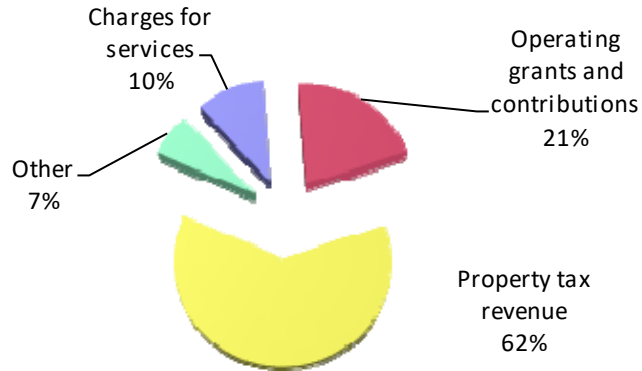
As noted earlier, net position may serve over time as a useful indicator of a City's financial position. At the close of the most recent fiscal year, total net position was \$44,849,563 a change of \$4,345,543 in comparison to the prior year.

CHANGES IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 8,134,451	\$ 7,558,267	\$ 7,951,635	\$ 7,489,539	\$ 16,086,086	\$ 15,047,806
Operating grants and contributions	16,289,662	14,025,540	69,295	-	16,358,957	14,025,540
Capital grants and contributions	1,190,799	3,020,531	438,120	-	1,628,919	3,020,531
General revenues:						
Property taxes	48,188,856	46,282,755	-	-	48,188,856	46,282,755
Penalties and interest on taxes	634,188	729,716	-	-	634,188	729,716
Grants and contributions not restricted to specific programs	1,718,908	1,490,700	-	-	1,718,908	1,490,700
Investment income	640,048	738,818	9,775	16,712	649,823	755,530
Other	992,824	1,241,515	-	-	992,824	1,241,515
Total revenues	77,789,736	75,087,842	8,468,825	7,506,251	86,258,561	82,594,093
Expenses:						
General government	10,733,317	9,232,021	-	-	10,733,317	9,232,021
Fire and ambulance	6,873,335	6,653,035	-	-	6,873,335	6,653,035
Police	7,936,571	7,497,542	-	-	7,936,571	7,497,542
Education	43,202,534	39,901,186	-	-	43,202,534	39,901,186
Highway and streets	7,333,751	4,979,614	-	-	7,333,751	4,979,614
Solid waste	2,112,586	2,321,437	-	-	2,112,586	2,321,437
Health and welfare	790,717	113,520	-	-	790,717	113,520
Parks and recreation	1,272,112	728,577	-	-	1,272,112	728,577
Library	931,934	962,857	-	-	931,934	962,857
Conservation	1,292	1,856	-	-	1,292	1,856
Airport	668,872	3,872,624	-	-	668,872	3,872,624
Interest expense	1,286,136	1,374,578	-	-	1,286,136	1,374,578
Water	-	-	3,048,358	2,829,010	3,048,358	2,829,010
Sanitary Sewer	-	-	4,412,589	4,071,133	4,412,589	4,071,133
Total expenses	83,143,157	77,638,847	7,460,947	6,900,143	90,604,104	84,538,990
Change in net position	(5,353,421)	(2,551,005)	1,007,878	606,108	(4,345,543)	(1,944,897)
Net position - beginning of year, as restated	22,275,713	24,952,973	26,919,393	26,313,285	49,195,106	51,266,258
Net position - end of year	\$ 16,922,292	\$ 22,401,968	\$ 27,927,271	\$ 26,919,393	\$ 44,849,563	\$ 49,321,361

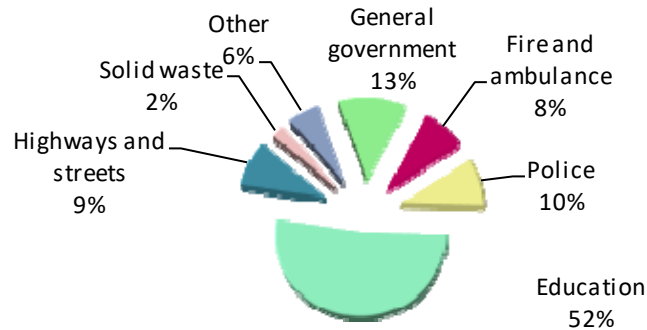
**Governmental Activities - Revenue v. Expense Comparison
For the Year Ended June 30, 2021**



**Governmental Activities - Revenues
For the Year Ended June 30, 2021**



**Governmental Activities - Expenses
For the Year Ended June 30, 2021**



Governmental Activities

Governmental activities for the year resulted in a change in net position of \$(5,353,421). Key elements of this change are as follows:

Change in pension expense from GASB 68	\$ (4,840,767)
Other	<u>(512,654)</u>
Total	<u>\$ (5,353,421)</u>

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$1,007,878. This change primarily results from expenses in the sanitary sewer fund less than budget after capitalizing current year expenditures which will be depreciated in future periods and capital contributions in the water fund. The following is a summary of the changes in net position by fund:

Water operations	\$ 13,913
Sanitary Sewer operations	<u>993,965</u>
Total	<u>\$ 1,007,878</u>

Financial Analysis of the City'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.

General Fund

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,210,784, while total fund balance was \$9,605,105. The June 30, 2021 unassigned fund balance increases noted on the next page results from the positive budgetary results of \$1,939,629 (page 61) was offset by the use of fund balance of \$950,000

during fiscal year 2021 to fund the internal service fund deficit. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>Change</u>	% of Total General Fund Expenditures
Unassigned fund balance	\$ 4,210,784	\$ 3,342,861	\$ 867,923	6.7%
Total fund balance	\$ 9,605,105	\$ 8,893,353	\$ 711,752	15.2%

The total fund balance of the general fund changed by \$711,752 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (1,670,000)
Revenues and transfers in excess of budget	918,339
Expenditures and transfers less than budget	1,021,290
Expenditures of prior year encumbrances	861,803
Change in capital reserves	<u>(419,680)</u>
Total	\$ <u>711,752</u>

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

	<u>6/30/21</u>	<u>6/30/20</u>	<u>Change</u>
Capital reserves	\$ <u>4,366,565</u>	\$ <u>3,504,762</u>	\$ <u>861,803</u>
Total	\$ <u>4,366,565</u>	\$ <u>3,504,762</u>	\$ <u>861,803</u>

Non-Major Governmental Funds

The non-major fund balance changed by \$(1,213,279) primarily from timing differences between the receipt and disbursement of grants and permanent financing of capital projects.

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 \$4,673,661, a change of \$(518,866) in comparison to the prior year primarily from water fund depreciation and the sewer funds use of current revenues for capital purposes.

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

General Fund Budgetary Highlights

The differences between the original budget and the final budget were the transferring of funds between departmental line items and a supplemental appropriation to fund the prior internal service fund deficit.

Capital Asset and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year end amounted to \$134,432,780 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

The most significant capital asset addition during the fiscal year was \$3.2 million in Court Street improvements.

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$38,557,417 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, 2021

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Current			
Cash and short-term investments	\$ 28,920,400	\$ 4,638,141	\$ 33,558,541
Investments	5,828,272	2,231,866	8,060,138
Receivables, net of allowance for uncollectibles:			
Property taxes	3,668,732	-	3,668,732
Departmental and other	1,333,300	-	1,333,300
User fees	-	1,435,524	1,435,524
Intergovernmental	2,504,453	-	2,504,453
Internal balances	1,684,634	(1,684,634)	-
Due from external parties	121,421	-	121,421
Inventories and prepaids	<u>215,457</u>	<u>336,029</u>	<u>551,486</u>
Total Current Assets	44,276,669	6,956,926	51,233,595
Noncurrent			
Receivables, net of allowance for uncollectibles:			
Property taxes	660,391	-	660,391
Capital assets:			
Land and construction in progress	14,449,330	4,122,751	18,572,081
Other capital assets, net of accumulated depreciation	<u>87,561,238</u>	<u>21,579,938</u>	<u>109,141,176</u>
Total Noncurrent Assets	<u>102,670,959</u>	<u>25,702,689</u>	<u>128,373,648</u>
Total Assets	146,947,628	32,659,615	179,607,243
Deferred Outflows of Resources			
Related to pensions	18,756,234	530,562	19,286,796
Related to OPEB	<u>1,650,875</u>	<u>38,660</u>	<u>1,689,535</u>
Total Deferred Outflows of Resources	20,407,109	569,222	20,976,331

(continued)

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

CITY OF LACONIA, NEW HAMPSHIRE

Statement of Net Position
June 30, 2021

(continued)	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Liabilities			
Current			
Accounts payable	2,162,795	96,242	2,259,037
Retainage payable	193,551	21,427	214,978
Accrued liabilities	1,340,110	152,702	1,492,812
Notes payable	600,000	-	600,000
Current portion of long-term liabilities:			
Bonds payable	4,161,500	154,223	4,315,723
Compensated absences	159,213	16,536	175,749
Capital leases	72,532	-	72,532
Landfill liability	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Current Liabilities	8,704,701	441,130	9,145,831
Noncurrent			
Bonds payable, net of current portion	37,185,704	2,294,856	39,480,560
Net pension liability	65,877,385	1,874,125	67,751,510
Net OPEB liability	13,526,882	376,873	13,903,755
Compensated absences	1,866,812	102,063	1,968,875
Capital leases	115,061	-	115,061
Landfill liability	<u>129,000</u>	<u>-</u>	<u>129,000</u>
Total Noncurrent Liabilities	<u>118,700,844</u>	<u>4,647,917</u>	<u>123,348,761</u>
Total Liabilities	127,405,545	5,089,047	132,494,592
Deferred Inflows of Resources			
Related to pensions	2,376,916	117,777	2,494,693
Related to OPEB	907,649	94,742	1,002,391
Related to taxes	<u>19,742,335</u>	<u>-</u>	<u>19,742,335</u>
Total Deferred Inflows of Resources	23,026,900	212,519	23,239,419
Net Position			
Net investment in capital assets	67,195,294	23,253,610	90,448,904
Restricted for:			
Grants	4,546,950	-	4,546,950
Permanent funds:			
Nonexpendable	903,899	-	903,899
Expendable	1,487,225	-	1,487,225
Unrestricted	<u>(57,211,076)</u>	<u>4,673,661</u>	<u>(52,537,415)</u>
Total Net Position	\$ <u><u>16,922,292</u></u>	\$ <u><u>27,927,271</u></u>	\$ <u><u>44,849,563</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues			Net (Expenses)
			Operating	Capital	Revenues
		Charges for	Grants and	Grants and	Net
	<u>Expenses</u>	<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	(expense)
					<u>Revenues</u>
Governmental Activities					
General government	\$ 10,733,317	\$ 3,982,059	\$ 454,554	\$ -	\$ (6,296,704)
Fire and ambulance	6,873,335	1,149,962	521	-	(5,722,852)
Police	7,936,571	673,574	358,123	-	(6,904,874)
Education	43,202,534	528,834	15,316,241	-	(27,357,459)
Highways and streets	7,333,751	21,153	-	1,134,991	(6,177,607)
Solid waste	2,112,586	1,264,077	-	-	(848,509)
Health and welfare	790,717	1,816	-	-	(788,901)
Parks and recreation	1,272,112	71,316	130,145	-	(1,070,651)
Library	931,934	7,534	30,078	-	(894,322)
Conservation	1,292	-	-	2,760	1,468
Airport	668,872	434,126	-	53,048	(181,698)
Interest on long-term debt	<u>1,286,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,286,136)</u>
Total Governmental Activities	83,143,157	8,134,451	16,289,662	1,190,799	(57,528,245)
Business-Type Activities					
Water services	3,048,358	2,986,177	69,295	-	7,114
Sanitary sewer services	<u>4,412,589</u>	<u>4,965,458</u>	<u>-</u>	<u>438,120</u>	<u>990,989</u>
Total Business-Type Activities	<u>7,460,947</u>	<u>7,951,635</u>	<u>69,295</u>	<u>438,120</u>	<u>998,103</u>
Total	\$ <u>90,604,104</u>	\$ <u>16,086,086</u>	\$ <u>16,358,957</u>	\$ <u>1,698,214</u>	(56,530,142)

(continued)

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, 2021

(continued)

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Net (expenses) revenues from previous page	\$ (57,528,245)	\$ 998,103	\$ (56,530,142)
General Revenues and Transfers:			
Property taxes	48,188,856	-	48,188,856
Penalties, interest, and other taxes	634,188	-	634,188
Grants and contributions not restricted to specific programs	1,718,908	-	1,718,908
Investment income	640,048	9,775	649,823
Miscellaneous	<u>992,824</u>	<u>-</u>	<u>992,824</u>
Total General Revenues and Transfers	<u>52,174,824</u>	<u>9,775</u>	<u>52,184,599</u>
Change in Net Position	(5,353,421)	1,007,878	(4,345,543)
Net Position:			
Beginning of year	<u>22,275,713</u>	<u>26,919,393</u>	<u>49,195,106</u>
End of year	\$ <u><u>16,922,292</u></u>	\$ <u><u>27,927,271</u></u>	\$ <u><u>44,849,563</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Governmental Funds
Balance Sheet
June 30, 2021

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets			
Cash and short-term investments	\$ 28,273,491	\$ 646,909	\$ 28,920,400
Investments	3,015,730	2,812,542	5,828,272
Receivables:			
Property taxes	4,410,373	-	4,410,373
Departmental and other	411,061	922,239	1,333,300
Intergovernmental	83,931	2,420,522	2,504,453
Due from other funds	5,842,190	4,966,004	10,808,194
Inventories and prepaids	<u>147,998</u>	<u>43,649</u>	<u>191,647</u>
Total Assets	\$ <u>42,184,774</u>	\$ <u>11,811,865</u>	\$ <u>53,996,639</u>
Liabilities			
Accounts payable	\$ 1,413,324	\$ 713,123	\$ 2,126,447
Retainage payable	71,022	122,529	193,551
Accrued liabilities	1,455,975	355	1,456,330
Due to other funds	5,401,323	3,317,984	8,719,307
Bond anticipation note	<u>-</u>	<u>600,000</u>	<u>600,000</u>
Total Liabilities	8,341,644	4,753,991	13,095,635
Deferred Inflows of Resources			
Unavailable revenues	4,495,690	119,800	4,615,490
Taxes collected in advance	<u>19,742,335</u>	<u>-</u>	<u>19,742,335</u>
Total Deferred Inflows of Resources	24,238,025	119,800	24,357,825
Fund Balances			
Nonspendable	147,998	2,391,124	2,539,122
Restricted	-	4,546,950	4,546,950
Committed	4,366,565	-	4,366,565
Assigned	879,758	-	879,758
Unassigned	<u>4,210,784</u>	<u>-</u>	<u>4,210,784</u>
Total Fund Balances	<u>9,605,105</u>	<u>6,938,074</u>	<u>16,543,179</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>42,184,774</u>	\$ <u>11,811,865</u>	\$ <u>53,996,639</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
in the Statement of Net Position
June 30, 2021

Total governmental fund balances	\$ 16,543,179
<ul style="list-style-type: none">• Capital assets (exclusive of Internal Service Funds) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	99,067,755
<ul style="list-style-type: none">• Revenues are reported on the accrual basis of accounting and are not deferred until collected.	5,484,240
<ul style="list-style-type: none">• The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	1,509,850
<ul style="list-style-type: none">• Deferred outflows/inflows of resources represent a consumption/acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure or revenue until then, and therefore, are not reported in the funds.	17,122,544
<ul style="list-style-type: none">• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(318,821)
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, net pension liability, net OPEB liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(41,347,204)
Net pension liability	(65,877,385)
Net OPEB liability	(13,526,882)
Compensated absences	(1,590,984)
Landfill liability	<u>(144,000)</u>
Net position of governmental activities	<u>\$ 16,922,292</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, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 44,056,551	\$ 402,980	\$ 44,459,531
Penalties, interest, and other taxes	634,188	-	634,188
Charges for services	2,478,209	1,716,461	4,194,670
Intergovernmental	12,076,444	7,122,925	19,199,369
Licenses and permits	3,907,092	-	3,907,092
Fines and forfeitures	32,689	-	32,689
Investment income	105,773	534,275	640,048
Miscellaneous	<u>1,009,872</u>	<u>-</u>	<u>1,009,872</u>
Total Revenues	64,300,818	9,776,641	74,077,459
Expenditures			
Current:			
General government	6,287,949	186,191	6,474,140
Fire and ambulance	4,751,616	1,220,601	5,972,217
Police	6,657,118	490,375	7,147,493
Education	32,007,759	5,958,630	37,966,389
Highways and streets	2,566,278	46,613	2,612,891
Solid waste	2,032,712	-	2,032,712
Health and welfare	62,124	-	62,124
Parks and recreation	759,962	79,369	839,331
Library	799,211	-	799,211
Conservation	1,292	-	1,292
Airport	-	668,872	668,872
Capital outlay	2,214,234	7,236,315	9,450,549
Debt service			
Principal	3,886,453	158,542	4,044,995
Interest	<u>1,112,869</u>	<u>226,901</u>	<u>1,339,770</u>
Total Expenditures	<u>63,139,577</u>	<u>16,272,409</u>	<u>79,411,986</u>
Excess (deficiency) of revenues over expenditures	1,161,241	(6,495,768)	(5,334,527)
Other Financing Sources (Uses)			
Issuance of bonds	683,000	5,100,000	5,783,000
Issuance of refunding bonds	8,707,093	-	8,707,093
Payments to refunded escrow agent	(8,707,093)	-	(8,707,093)
Transfers in	96,000	278,489	374,489
Transfers out	<u>(1,228,489)</u>	<u>(96,000)</u>	<u>(1,324,489)</u>
Total Other Financing Sources (Uses)	<u>(449,489)</u>	<u>5,282,489</u>	<u>4,833,000</u>
Change in fund balance	711,752	(1,213,279)	(501,527)
Fund Balance, at Beginning of Year	<u>8,893,353</u>	<u>8,151,353</u>	<u>17,044,706</u>
Fund Balance, at End of Year	\$ <u><u>9,605,105</u></u>	\$ <u><u>6,938,074</u></u>	\$ <u><u>16,543,179</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net changes in fund balances - total governmental funds	\$ (501,527)
<ul style="list-style-type: none">Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:<ul style="list-style-type: none">Capital outlay, net of disposals of capital assets 3,310,119Depreciation (6,265,713)The issuance of long-term debt (e.g., bonds and notes) 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:<ul style="list-style-type: none">Issuance of debt (5,783,000)Repayments of debt 4,182,735Amortization of bond premium 23,450Repayment of capital lease -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 unavailable revenue. 4,679,325Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.<ul style="list-style-type: none">Change in pension expense from GASB 68 (4,840,767)Change in OPEB expense from GASB 75 206,023Other (276,417) <p>Internal service funds are used by management to account for vehicle management services and related activities. The net activity of internal service funds is reported with Governmental Activities. (87,649)</p>	
Change in net position of governmental activities	\$ <u>(5,353,421)</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Proprietary Funds
Statement of Net Position
June 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Assets				
Current:				
Cash and short-term investments	\$ 3,168,773	\$ 1,469,368	\$ 4,638,141	\$ -
Investments	-	2,231,866	2,231,866	-
User fees, net of allowance for uncollectibles	529,466	906,058	1,435,524	-
Due from other funds	-	23,161	23,161	-
Inventory	<u>336,029</u>	<u>-</u>	<u>336,029</u>	<u>23,810</u>
Total Current Assets	4,034,268	4,630,453	8,664,721	23,810
Noncurrent:				
Capital assets:				
Land and construction in progress	41,053	4,081,698	4,122,751	-
Other capital assets, net of accumulated depreciation	<u>14,703,127</u>	<u>6,876,811</u>	<u>21,579,938</u>	<u>2,942,813</u>
Total Noncurrent Assets	<u>14,744,180</u>	<u>10,958,509</u>	<u>25,702,689</u>	<u>2,942,813</u>
Total Assets	18,778,448	15,588,962	34,367,410	2,966,623
Deferred Outflows of Resources				
Related to pensions	453,308	77,254	530,562	-
Related to OPEB	<u>13,094</u>	<u>25,566</u>	<u>38,660</u>	<u>-</u>
Total Deferred Outflows of Resources	466,402	102,820	569,222	-
Liabilities				
Current:				
Accounts payable	66,422	29,820	96,242	36,348
Retainage payable	-	21,427	21,427	-
Accrued liabilities	69,284	83,418	152,702	-
Due to other funds	-	1,707,795	1,707,795	282,832
Bonds payable	154,223	-	154,223	-
Capital lease	-	-	-	72,532
Compensated absences	<u>11,340</u>	<u>5,196</u>	<u>16,536</u>	<u>-</u>
Total Current Liabilities	301,269	1,847,656	2,148,925	391,712
Noncurrent:				
Bonds payable, net of current portion	2,294,856	-	2,294,856	-
Net pension liability	1,583,150	290,975	1,874,125	-
Net OPEB liability	121,903	254,970	376,873	-
Capital lease, net of current portion	-	-	-	115,061
Compensated absences	102,063	-	102,063	-
Total Noncurrent Liabilities	<u>4,101,972</u>	<u>545,945</u>	<u>4,647,917</u>	<u>115,061</u>
Total Liabilities	4,403,241	2,393,601	6,796,842	506,773
Deferred Inflows of Resources				
Related to pensions	101,590	16,187	117,777	-
Related to OPEB	<u>67,505</u>	<u>27,237</u>	<u>94,742</u>	<u>-</u>
Total Deferred Inflows of Resources	169,095	43,424	212,519	-
Net Position				
Net investment in capital assets	12,295,101	10,958,509	23,253,610	-
Unrestricted	<u>2,377,413</u>	<u>2,296,248</u>	<u>4,673,661</u>	<u>1,509,850</u>
Total Net Position	\$ <u>14,672,514</u>	\$ <u>13,254,757</u>	\$ <u>27,927,271</u>	\$ <u>1,509,850</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 2,760,903	\$ 4,965,458	\$ 7,726,361	\$ 1,167,419
Other	<u>225,274</u>	<u>-</u>	<u>225,274</u>	<u>-</u>
Total Operating Revenues	2,986,177	4,965,458	7,951,635	1,167,419
Operating Expenses				
Personnel costs	1,636,446	699,933	2,336,379	330,539
Non-personnel costs	569,000	3,362,426	3,931,426	341,236
Capital costs	-	-	-	-
Depreciation	<u>842,912</u>	<u>350,230</u>	<u>1,193,142</u>	<u>539,296</u>
Total Operating Expenses	<u>3,048,358</u>	<u>4,412,589</u>	<u>7,460,947</u>	<u>1,211,071</u>
Operating Income (Loss)	(62,181)	552,869	490,688	(43,652)
Nonoperating Revenues (Expenses)				
Investment income	6,799	2,976	9,775	-
Other	69,295	-	69,295	(40,498)
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,499)</u>
Total Nonoperating Revenues (Expenses), Net	<u>76,094</u>	<u>2,976</u>	<u>79,070</u>	<u>(43,997)</u>
Income (Loss) Before Capital Contributions	13,913	555,845	569,758	(87,649)
Capital contributions	-	438,120	438,120	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>950,000</u>
Change in Net Position	13,913	993,965	1,007,878	(87,649)
Net Position at Beginning of Year	<u>14,658,601</u>	<u>12,260,792</u>	<u>26,919,393</u>	<u>1,597,499</u>
Net Position at End of Year	\$ <u><u>14,672,514</u></u>	\$ <u><u>13,254,757</u></u>	\$ <u><u>27,927,271</u></u>	\$ <u><u>1,509,850</u></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, 2021

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 3,109,951	\$ 5,068,510	\$ 8,178,461	\$ 1,163,828
Payments to employees and vendors	<u>(2,133,240)</u>	<u>(4,207,377)</u>	<u>(6,340,617)</u>	<u>(934,101)</u>
Net Cash Provided By Operating Activities	976,711	861,133	1,837,844	229,727
Cash Flows From Noncapital Financing Activities				
Interfund borrowing	<u>-</u>	<u>1,217,495</u>	<u>1,217,495</u>	<u>180,889</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	-	1,217,495	1,217,495	180,889
Cash Flows From Capital and Related Financing Activities				
Proceeds of bonds	1,800,000	-	1,800,000	-
Acquisition and construction of capital assets, net of disposals	(1,096,060)	(3,348,238)	(4,444,298)	(483,132)
Capital contributions	-	438,120	438,120	-
Principal payments on bonds	(75,588)	-	(75,588)	-
Principal payments on capital leases	-	-	-	116,513
Interest expense	(23,575)	-	(23,575)	(3,499)
Other nonoperating income	69,295	-	69,295	-
Other nonoperating expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,498)</u>
Net Cash Used For Capital and Related Financing Activities	674,072	(2,910,118)	(2,236,046)	(410,616)
Cash Flows From Investing Activities				
Investment income	6,799	2,976	9,775	-
Sale (purchase) of investments	<u>-</u>	<u>(112,228)</u>	<u>(112,228)</u>	<u>-</u>
Net Cash Provided By Investing Activities	<u>6,799</u>	<u>(109,252)</u>	<u>(102,453)</u>	<u>-</u>
Net Change in Cash and Short-Term Investments	1,657,582	(940,742)	716,840	-
Cash and Short-Term Investments, Beginning of Year	<u>1,511,191</u>	<u>2,410,110</u>	<u>3,921,301</u>	<u>-</u>
Cash and Short-Term Investments, End of Year	\$ <u>3,168,773</u>	\$ <u>1,469,368</u>	\$ <u>4,638,141</u>	\$ <u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating income (loss)	\$ (62,181)	\$ 552,869	\$ 490,688	\$ (43,652)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	842,912	350,230	1,193,142	539,296
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
User fees	67,802	103,052	170,854	-
Inventory	(97,402)	-	(97,402)	-
Other assets	79,547	-	79,547	(3,591)
Deferred outflows - related to pensions	(215,694)	(44,473)	(260,167)	-
Deferred outflows - related to OPEB	11,396	(2,083)	9,313	-
Accounts payable	11,359	(180,985)	(169,626)	21,797
Accrued liabilities	39,478	-	39,478	(244,984)
Retainage payable	-	16,310	16,310	-
Net pension liability	345,468	62,209	407,677	-
Net OPEB liability	5,638	9,520	15,158	-
Deferred inflows - related to pensions	51,306	1,044	52,350	-
Deferred inflows - related to OPEB	(79,061)	(136)	(79,197)	-
Other liabilities	<u>(23,857)</u>	<u>(6,424)</u>	<u>(30,281)</u>	<u>(39,139)</u>
Net Cash Provided By (Used For) Operating Activities	\$ <u>976,711</u>	\$ <u>861,133</u>	\$ <u>1,837,844</u>	\$ <u>229,727</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2021

	Private Purpose Trust <u>Funds</u>	Custodial <u>Funds</u>
Assets		
Cash and short-term investments	\$ 1,248,225	\$ 125,741
Investments		
Corporate bonds	705,954	-
Corporate equities	1,988,495	-
Mutual funds	<u>1,682,712</u>	<u>-</u>
Total Investments	<u>4,377,161</u>	<u>-</u>
Total Assets	5,625,386	125,741
Liabilities		
Due to external parties	<u>121,199</u>	<u>222</u>
Total Liabilities	121,199	222
Net Position		
Restricted for individual organizations and other governments	<u>5,504,187</u>	<u>125,519</u>
Total Net Position	<u>\$ 5,504,187</u>	<u>\$ 125,519</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, 2021

	Private Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>
Additions		
Taxes collected for County	\$ -	\$ 2,890,536
Taxes collected for State of New Hampshire	-	1,096,336
Fees collected for students	-	119,683
Increase in fair value of investments	<u>518,749</u>	<u>-</u>
Total additions	518,749	4,106,555
Deductions		
Payment of taxes to County	-	2,890,536
Payment of taxes to State of New Hampshire	-	1,096,336
Payments on behalf of students	<u>-</u>	<u>125,158</u>
Total deductions	<u>-</u>	<u>4,112,030</u>
Net increase	518,749	(5,475)
Net position restricted for other purposes		
Beginning of year	<u>4,985,438</u>	<u>130,994</u>
End of year	\$ <u><u>5,504,187</u></u>	\$ <u><u>125,519</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

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 2021, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

The City reports the following major governmental fund:

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and

services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

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

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

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

The City reports the following fiduciary funds:

- The private-purpose trust fund is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The custodial funds account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include taxes and fees collected on behalf of other governments.

2. Cash and 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. Generally, 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".

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

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

Investments are carried at fair value, except certificate of deposits which are reported at cost.

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:

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

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

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).

Inventories and Prepaid

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Prepaid represent expenses that have been capitalized and will be expensed when consumed.

Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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.

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.

Fund Equity

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

Fund Balance

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

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

Net Position

Net position represents the difference between assets/ deferred outflows and liabilities/ deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for

the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

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.

3. Stewardship, Compliance, and Accountability

Budgetary Information

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

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.

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.

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.

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.

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.

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.

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.

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.

Budget appropriations lapse at the end of the fiscal year except for any appropriations approved by City Council to be carried forward.

Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2021.

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

4. Deposits and Investments

State statutes (RSA 48:16 for Cities and Towns, or 197.23-a for School Districts) place certain limitation on the nature of deposits and investments available to the City/Town/District. Deposits may be made in the New Hampshire Deposit Investment Pool (NHPDIP), in NH Banks or banks outside the State if such banks pledge and deliver to a third-party custodial bank with various collateralized security, in accordance with RSA 383:22. NHDIP is under the control of the New Hampshire Banking Commission and Advisory Committee. Participation units of the NHDIP are considered short-term for financial presentation purposes due to high liquidity of the fund and is carried at amortized cost in accordance with GASB Statement 79.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. The City's policy related to the custodial credit risk of deposits is to require full collateralization on all demand deposit accounts, savings, now accounts, money market accounts and non-negotiable certificates of deposit.

As of June 30, 2021, \$13,975,767, of the City's bank balance of \$37,577,138 was exposed to custodial credit risk as uninsured and uncollateralized.

Investment Summary

The following is a summary of the City's investments as of June 30, 2021:

<u>Investment Type</u>	<u>Amount</u>
Certificates of deposits	\$ 4,375,380
Corporate bonds	1,211,979
Corporate equities	4,083,012
Equity mutual funds	1,706,015
U.S. Treasury notes	<u>1,060,913</u>
Total investments	<u>\$ 12,437,299</u>

Custodial Credit Risk – Investments

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

As of June 30, 2021, \$8,061,919 was subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and held by the City's brokerage firm, which is also the counterparty to these securities as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Held by Counterparty</u>	<u>Held by Counterparty's Trust or Agent</u>
Corporate bonds	\$ 1,211,979	\$ 1,211,979	\$ -
Corporate equities	4,083,012	4,083,012	-
Equity mutual funds	1,706,015	1,706,015	-
U.S. Treasury notes	<u>1,060,913</u>	<u>1,060,913</u>	<u>-</u>
Total	<u>\$ 8,061,919</u>	<u>\$ 8,061,919</u>	<u>\$ -</u>

Credit Risk – Investments of Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. The City does not have formal investment policies related to credit risk.

As of June 30, 2021, the credit quality ratings, as rated by Moody's Investors Service, Inc., of the City's debt securities are as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of Year End</u>			
		<u>Aa</u>	<u>A</u>	<u>Baa</u>	<u>Unrated</u>
Corporate bonds	\$ <u>1,211,979</u>	\$ <u>160,563</u>	\$ <u>959,747</u>	\$ <u>91,669</u>	\$ <u>-</u>
Total	\$ <u>1,211,979</u>	\$ <u>160,563</u>	\$ <u>959,747</u>	\$ <u>91,669</u>	\$ <u>-</u>

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. The City places no limit on the amount invested in any one issuer. The City's policy is to diversify investments to avoid over-concentration in securities from a specific issuer (excluding U.S. Treasury securities and agencies).

Investments exceeding 5% of the City's total investments are as follows:

<u>Investment Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
Franklin savings Bank	\$ 2,041,062	16%
Bank of New Hampshire	<u>2,231,866</u>	18%
Total	\$ <u>4,272,928</u>	

Interest Rate Risk – Investments of Debt Securities

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

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

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less</u>		
		<u>Than 1</u>	<u>1-5</u>	<u>6-10</u>
Certificates of deposits	\$ 4,378,380	\$ 4,378,380	\$	\$ -
Corporate bonds	1,211,979	20,025	573,445	618,509
U.S. Treasury notes	<u>1,060,914</u>	<u>53,992</u>	<u>577,219</u>	<u>429,703</u>
Total	\$ <u>6,651,273</u>	\$ <u>4,452,397</u>	\$ <u>1,150,664</u>	\$ <u>1,048,212</u>

Foreign Currency Risk – Investments

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

Fair Value

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

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

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

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The City has the following fair value measurements as of June 30, 2021:

		Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets	Significant observable inputs	Significant unobservable inputs
<u>Investment Type</u>	<u>Amount</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Investments by fair value level:				
Corporate bonds	\$ 1,211,979	\$ -	\$ 1,211,979	\$ -
Corporate equities	4,083,012	4,083,012	-	-
Equity mutual funds	1,706,015	-	1,706,015	-
U.S. Treasury notes	<u>1,060,913</u>	<u>1,060,913</u>	<u>-</u>	<u>-</u>
Total	\$ <u>8,061,919</u>	\$ <u>5,143,925</u>	\$ <u>2,917,994</u>	\$ <u>-</u>

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

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

5. Property Taxes Receivable

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

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

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

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

Property taxes receivable at June 30, 2021 consist of the following in the general fund:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Current Portion	Long- Term Portion
Real estate taxes	\$ 3,668,732	\$ -	\$ 3,668,732	\$ -
Tax liens	<u>741,641</u>	<u>(81,250)</u>	<u>-</u>	<u>660,391</u>
Total property taxes	<u>\$ 4,410,373</u>	<u>\$ (81,250)</u>	<u>\$ 3,668,732</u>	<u>\$ 660,391</u>

Taxes Collected for Others

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

6. Departmental and Other

The City provides various services through multiple departments. At year end the receivable balance consisted primarily of outstanding receivables related to Ambulance billing which totaled \$661,482.

7. User Fee Receivables

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

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

Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2021.

8. Interfund Accounts

Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the June 30, 2021 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	\$ 5,842,190	\$ 5,401,323
Nonmajor Funds:		
2020 Bond - 20 year maturity	1,790,222	-
TIF	893,647	-
Roads & Police Radio 2019 Bond	-	22,502
Road Improvements	-	-
Municipal Transportation	298,790	-
Messer, Lakeside, & Endicott Beach	95,015	-
School Lunch	-	137,533
2020 Bond - 10 year maturity	36,264	-
2021 Bond - 10 year maturity	600,000	-
Huot Center	-	800
Drainage	308,805	-
City Grants	123,605	-
Permanent	148,699	-
Impact Fee	119,698	-
Community Development	103,657	-
Parking & Beach Stickers	-	-
Parking Garage & Davis Place	-	-
Park Houses	38,772	-
Main Street Bridge	12,278	-
Weirs Community Park/Smith Track	18,457	-
Current Use	51,670	-
LED Street Light Conversion	4,442	-
Ambulance	2,500	-
Motorcycle week	64,759	-
Police grants	972	-
Airport	115	-
School Grants	-	2,045,494
City Permanent Trust	16,229	-
School Lunch	-	-
Colonial Theater	-	19,524
Central Station Improvements	-	-
Frank Bean Clean up	-	-
All other funds	<u>237,408</u>	<u>1,092,131</u>
Total Governmental Funds	10,808,194	8,719,307
Enterprise Funds:		
Sanitary Sewer	<u>23,161</u>	<u>1,707,795</u>
Total Enterprise Funds	23,161	1,707,795
Internal Service Funds	-	282,832
Private Purpose Funds	-	121,199
Custodial Funds	<u>-</u>	<u>222</u>
Total	\$ <u>10,831,355</u>	\$ <u>10,831,355</u>

Transfers

The City reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The most significant transfer involved the City Council approving a \$950,000 appropriation from the general fund to the internal service fund to eliminate the cash deficit that had accrued.

9. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated:				
Land improvements	\$ 38,996,533	\$ 170,000	\$ -	\$ 39,166,533
Buildings and improvements	80,549,837	138,427	-	80,688,264
Furniture, equipment, and vehicles	17,046,150	1,872,922	(779,626)	18,139,446
Infrastructure	<u>40,496,747</u>	<u>3,802,032</u>	<u>-</u>	<u>44,298,779</u>
Total capital assets, being depreciated	177,089,267	5,983,381	(779,626)	182,293,022
Less accumulated depreciation for:				
Land improvements	(19,961,216)	(1,638,479)	-	(21,599,695)
Buildings and improvements	(36,890,908)	(2,186,639)	-	(39,077,547)
Furniture, equipment, and vehicles	(11,190,447)	(1,062,587)	739,128	(11,513,906)
Infrastructure	<u>(20,623,332)</u>	<u>(1,917,304)</u>	<u>-</u>	<u>(22,540,636)</u>
Total accumulated depreciation	<u>(88,665,903)</u>	<u>(6,805,009)</u>	<u>739,128</u>	<u>(94,731,784)</u>
Total capital assets, being depreciated, net	88,423,364	(821,628)	(40,498)	87,561,238
Capital assets, not being depreciated:				
Land	8,596,572	683,000	-	9,279,572
Construction in progress	<u>8,001,787</u>	<u>2,129,150</u>	<u>(4,961,179)</u>	<u>5,169,758</u>
Total capital assets, not being depreciated	<u>16,598,359</u>	<u>2,812,150</u>	<u>(4,961,179)</u>	<u>14,449,330</u>
Governmental activities capital assets, net	<u>\$ 105,021,723</u>	<u>\$ 1,990,522</u>	<u>\$ (5,001,677)</u>	<u>\$ 102,010,568</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 10,540,397	\$ 44,854	\$ -	\$ 10,585,251
Furniture, equipment, and vehicles	3,866,571	701,278	(72,217)	4,495,632
Infrastructure	<u>37,955,935</u>	<u>1,617,788</u>	<u>-</u>	<u>39,573,723</u>
Total capital assets, being depreciated	52,362,903	2,363,920	(72,217)	54,654,606
Less accumulated depreciation for:				
Buildings and improvements	(5,589,586)	(310,638)	-	(5,900,224)
Furniture, equipment, and vehicles	(2,706,904)	(133,868)	72,217	(2,768,555)
Infrastructure	<u>(23,657,257)</u>	<u>(748,632)</u>	<u>-</u>	<u>(24,405,889)</u>
Total accumulated depreciation	<u>(31,953,747)</u>	<u>(1,193,138)</u>	<u>72,217</u>	<u>(33,074,668)</u>
Total capital assets, being depreciated, net	20,409,156	1,170,782	-	21,579,938
Capital assets, not being depreciated:				
Land	38,503	-	-	38,503
Construction in progress	<u>2,003,872</u>	<u>2,804,442</u>	<u>(724,066)</u>	<u>4,084,248</u>
Total capital assets, not being depreciated	<u>2,042,375</u>	<u>2,804,442</u>	<u>(724,066)</u>	<u>4,122,751</u>
Business-type activities capital assets, net	<u>\$ 22,451,531</u>	<u>\$ 3,975,224</u>	<u>\$ (724,066)</u>	<u>\$ 25,702,689</u>

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

Governmental Activities	
General government	\$ 41,372
Fire and ambulance	381,720
Police	297,874
Education	2,124,041
Highway and streets	2,536,809
Solid waste	99,339
Parks and recreation	462,538
Library	132,723
Airport	<u>728,593</u>
Total governmental activities	<u>\$ 6,805,009</u>
Business-Type Activities	
Water	\$ 842,910
Sanitary Sewer	<u>350,228</u>
Total business-type activities	<u>\$ 1,193,138</u>

10. Deferred Outflows of Resources

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

11. Accrued Liabilities

Accrued liabilities expenses represent 2021 expenditures paid in 2021.

12. Notes Payable

During the fiscal year 2020, the City, entered into an agreement with Bank of New Hampshire to secure a bond with a principal amount of \$6,700,000. The monies are to be drawn down to support the Colonial Theater project as requested by the City. The balance at year end is as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>New Issues</u>	<u>Reductions</u>	<u>Ending Balance</u>
Colonial Theater	\$ 6,700,000	12/5/2019	3.75%	\$ 1,600,000	\$ -	\$ (1,600,000)	\$ -
Church Street	600,000	5/7/2021	0.55%	-	600,000	-	600,000
Total				<u>\$ 1,600,000</u>	<u>\$ 600,000</u>	<u>\$ (1,600,000)</u>	<u>\$ 600,000</u>

13. Capital Lease Obligations

The City is the lessee of certain equipment under a capital lease expiring in year 2022. Future minimum lease payments under the capital lease consisted of the following as of June 30, 2021:

	<u>Fiscal Year</u>	<u>Capital Leases</u>
	2022	\$ 78,388
	2023	40,557
	2024	40,557
	2025	<u>40,559</u>
Total minimum lease payments		200,061
Less amounts representing interest		<u>(12,468)</u>
Present Value of Minimum Lease Payments		<u>\$ 187,593</u>

14. Long-Term Debt

Long-Term Debt Supporting Activities

The City issues general obligation bonds, including direct placements and direct borrowings, 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 and direct borrowings currently outstanding are as follows:

<u>Governmental Activities</u>				Amount Outstanding as of 6/30/21
<u>General Obligation Bonds</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	
Public offerings:				
Capital Improvement	\$ 3,565,000	08/15/21	4.71%	\$ 175,000
School Bonds - Elm/Pleasant	6,223,000	08/15/21	4.71%	310,000
Capital Improvement	2,783,375	08/15/22	4.34%	200,000
School Bonds - Woodland Heights	4,123,000	01/15/23	4.52%	410,000
Library Bond	2,244,000	01/15/24	4.08%	330,000
School - Memorial Middle Bond	22,644,000	08/15/36	4.76%	8,424,854
Weirs Boardwalk	760,000	01/15/30	3.56%	320,000
Huot Center - Qzab Bond	1,828,000	07/15/35	0.00%	<u>1,373,500</u>
Total public offerings				11,543,354
Direct placements:				
Weirs Boardwalk engineering/const & Endicott water line	565,000	09/28/30	3.63%	282,500
Huot Center - Qzab Bond	2,103,000	12/15/30	0.00%	1,106,700
ARRA - Anthony Drive Stormwater Improvements Project	217,649	11/01/30	2.86%	108,825
Fire Truck - DPW Bond	1,100,000	07/15/22	2.39%	220,000
Huot Center - Qzab Bond	4,397,000	11/06/35	0.00%	3,185,000
Hout Career Center	1,000,000	07/11/33	3.04%	650,000
Weirs Community Park/ Smith Track	850,000	10/01/23	2.44%	255,000
LED Bond	300,000	03/15/22	2.15%	60,000
Bond A	1,600,000	12/15/36	3.23%	1,280,000
Bond B	1,600,000	12/15/36	3.23%	1,322,434
Road Bond	2,500,000	02/02/28	2.30%	1,750,000
2020 GOB - Series A	2,025,000	10/10/29	2.05%	1,822,500
2020 GOB - Series B	2,250,000	10/10/39	2.75%	2,137,500
2021 Refunding	8,707,093	10/16/39	2.35%	8,288,040
Church street property	683,000	5/26/2031	2.15%	683,000
Colonial theater	6,700,000	12/5/2044	3.75%	<u>6,431,798</u>
Total direct placements				<u>29,583,297</u>
Total governmental activities				<u>\$ 41,126,651</u>

<u>Business-Type Activities</u>				Amount
	Original	Serial	Interest	Outstanding
<u>General Obligation Bonds</u>	<u>Issue</u>	<u>Maturities</u> <u>Through</u>	<u>Rate(s) %</u>	<u>as of</u> <u>6/30/21</u>
Public offerings:				
Water Treatment Plant	\$ 1,457,450	08/15/29	3.97%	\$ 635,000
Lakeport project	1,800,000	11/30/40	2.55%	<u>1,800,000</u>
Total business-type activities				<u>\$ 2,435,000</u>

Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2021 are as follows:

<u>Governmental</u>	<u>Bonds - Public Offerings</u>		<u>Bonds - Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,354,318	\$ 976,768	\$ 1,783,732	\$ 780,238
2023	2,315,627	906,889	1,254,382	797,726
2024	2,227,640	830,541	897,144	831,949
2025	2,160,262	754,763	757,816	861,128
2026	2,183,202	679,365	727,145	887,480
2027-2031	9,520,314	2,314,941	3,218,579	4,825,571
2032-2036	5,829,404	1,038,893	2,550,932	5,386,943
2037-2041	1,924,772	359,162	353,623	1,132,627
2042-2045	<u>1,067,758</u>	<u>81,101</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 29,583,297</u>	<u>\$ 7,942,423</u>	<u>\$ 11,543,354</u>	<u>\$ 15,503,662</u>

The general fund has been designated as the source to repay the governmental-type general obligation long-term debt outstanding as of June 30, 2021.

Bonds - Public Offerings

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 134,246	\$ 90,396
2023	151,549	63,413
2024	152,589	57,807
2025	153,642	52,173
2026	154,708	46,863
2027-2031	720,020	165,658
2032-2036	468,795	93,868
2037-2041	<u>499,451</u>	<u>32,164</u>
Total	\$ <u>2,435,000</u>	\$ <u>602,342</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Less Current Portion</u>	<u>Equals Long-Term Portion</u>
Governmental Activities						
Bonds payable						
Public offerings	\$ 13,363,281	\$ -	\$ (1,819,927)	\$ 11,543,354	\$ (2,354,318)	\$ 9,189,036
Direct placements	24,484,136	16,090,093	(10,990,931)	29,583,298	(1,783,732)	27,799,566
Unamortized premiums	<u>242,365</u>	<u>-</u>	<u>(21,810)</u>	<u>220,555</u>	<u>(23,445)</u>	<u>197,110</u>
Total bonds payable	38,089,782	16,090,093	(12,832,668)	41,347,207	(4,161,495)	37,185,712
Net pension liability	49,226,939	16,650,446	-	65,877,385	-	65,877,385
Net OPEB liability	13,496,854	30,028	-	13,526,882	-	13,526,882
Compensated absences	1,630,123	395,902	-	2,026,025	(159,213)	1,866,812
Capital leases	71,080	191,868	(75,355)	187,593	(72,532)	115,061
Landfill liability	<u>159,000</u>	<u>-</u>	<u>(15,000)</u>	<u>144,000</u>	<u>(15,000)</u>	<u>129,000</u>
Total	\$ <u>102,673,778</u>	\$ <u>33,358,337</u>	\$ <u>(12,923,023)</u>	\$ <u>123,109,092</u>	\$ <u>(4,408,240)</u>	\$ <u>118,700,852</u>
Business-Type Activities						
Bonds payable						
Public offerings	\$ 710,000	\$ 1,800,000	\$ (75,000)	\$ 2,435,000	\$ (134,246)	\$ 2,300,754
Unamortized premiums	<u>14,667</u>	<u>-</u>	<u>-</u>	<u>14,667</u>	<u>(2,124)</u>	<u>12,543</u>
Total bonds payable	724,667	1,800,000	(75,000)	2,449,667	(136,370)	2,313,297
Net pension liability	1,466,448	407,677	-	1,874,125	-	1,874,125
Net OPEB liability	361,715	15,158	-	376,873	-	376,873
Compensated absences	<u>103,847</u>	<u>24,617</u>	<u>-</u>	<u>128,464</u>	<u>(128,464)</u>	<u>-</u>
Total	\$ <u>2,656,677</u>	\$ <u>2,247,452</u>	\$ <u>(75,000)</u>	\$ <u>4,829,129</u>	\$ <u>(264,834)</u>	\$ <u>4,564,295</u>

Long-Term Debt Supporting Governmental and Business-Type Activities

Bonds and loans issued by the City for various municipal projects are approved by City Council and repaid with revenues recorded in the general fund and user fees recorded in enterprise funds. All other long-term debt is repaid from the funds that the cost relates to, primarily the general fund and enterprise funds.

15. Landfill Closure and Postclosure Care Costs

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

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

16. Deferred Inflows of Resources

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

17. Governmental Funds - Balances

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

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

The following types of fund balances are reported at June 30, 2021:

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 at City Council resolution, capital reserve funds, special purpose, 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, and surplus set aside to be used in the subsequent year's budget.

Unassigned

Represents amounts that are available to be spent in future periods and general capital reserve fund.

Following is a breakdown of the City's fund balances at June 30, 2021:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Prepays	\$ 147,998	\$ -	\$ 147,998
Nonexpendable permanent funds	-	2,391,124	2,391,124
Total Nonspendable	147,998	2,391,124	2,539,122
Restricted			
TIF	-	865,604	865,604
School grants	-	4,040	4,040
Airport	-	647,018	647,018
Ambulance	-	483,575	483,575
Municipal Transportation	-	298,790	298,790
Impact Fee	-	119,698	119,698
2020 Bond - 20 year maturity	-	1,447,094	1,447,094
Others	-	681,131	681,131
Total Restricted	-	4,546,950	4,546,950
Committed			
Capital reserve funds	4,366,565	-	4,366,565
Total Committed	4,366,565	-	4,366,565
Assigned			
General government	323,690	-	323,690
Fire and ambulance	22,500	-	22,500
Highways and streets	475,174	-	475,174
Solid waste	43,394	-	43,394
Library	15,000	-	15,000
Total Assigned	879,758	-	879,758
Unassigned			
General fund	4,210,784	-	4,210,784
Total Fund Balance	\$ 9,605,105	\$ 6,938,074	\$ 16,543,179

18. Retirement System

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

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.

Benefits Provided

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

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

Years of creditable service as of <u>January 1, 2012</u>	Minimum <u>Service</u>	Minimum <u>Age</u>	Benefit <u>Multiplier</u>
At least 8 but less than 10 years	21	46	2.4%
At least 6 but less than 8 years	22	47	2.3%
At least 4 but less than 6 years	23	48	2.2%
Less than 4 years	24	49	2.1%

Contributions

Plan members are required to contribute a percentage of their Earnable Compensation 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 10.88% to 26.43% of covered compensation. The City's contributions to NHRS for the year ended June 30, 2021 was \$4,705,653 (exclusive of \$482,190 in medical subsidy contributions), which was equal to its annual required contribution.

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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred flows of Resources Related to Pensions

At June 30, 2021, the City reported a liability of \$67,751,510 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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 the most recent measurement date, the City's proportion was 1.05925437% which was an increase of 0.00570022% from its previous year proportion.

For the year ended June 30, 2021, the City recognized pension expense of \$10,013,173. The City reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 1,829,619	\$ (727,457)
Changes of assumptions	6,701,968	-
Differences between projected and actual earnings on pension plan investments	4,190,504	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,535,180	(1,767,236)
Contributions subsequent to the measurement date	<u>5,029,525</u>	<u>-</u>
Total	<u>\$ 19,286,796</u>	<u>\$ (2,494,693)</u>

The amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase in pension expense in 2022. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 1,878,190
2023	3,120,463
2024	3,573,570
2025	<u>3,190,355</u>
Total	\$ <u>11,762,578</u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.00%, previously 2.50%
Wage inflation	3.25% per year (3.00% for Teachers)
Salary increases	5.60% average, including inflation
Investment rate of return	6.75, net of investment expenses, including inflation, previc

Mortality rates were updated to be based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

Actuarial assumptions also reflect benefit changes resulting from CH 340 laws of 2019 (HB 616), which grants a one-time, 1.5% COLA on the first \$50,000 of an annual pension benefit to members who retired on or before July 1, 2014, or any beneficiaries of such member who is receiving a survivorship pension benefit. The COLA will take effect on the retired member's first anniversary date of retirement occurring after July 1, 2020. The adjustment shall become a permanent addition to the member's base retirement allowance.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2016 – June 30, 2019.

Target Allocation

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

<u>Asset Class</u>	<u>Target Allocation Percentage</u>	<u>Weighted Average Average Long- Term Expected Real Rate of Return</u>
Large cap equities	22.50 %	3.71%
Small/mid cap equities	<u>7.50</u>	4.15%
Total domestic equities	30.00	
Int'l equities (unhedged)	13.00	3.96%
Emerging int'l equities	<u>7.00</u>	6.20%
Total international equities	20.00	
Core bonds	9.00	0.42%
Global multi-sector fixed income	10.00	1.66%
Absolute return fixed income	<u>6.00</u>	0.92%
Total fixed income	25.00	
Private equity	10.00	7.71%
Private debt	5.00	4.81%
Total alternative investments	<u>15.00</u>	
Real estate	<u>10.00</u>	2.95%
Total	<u><u>100.00</u></u> %	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Current	
1% Decrease	Discount Rate	1% Increase
\$ 87,710,632	\$ 67,751,510	\$ 51,442,264

Pension Plan Fiduciary Net Position

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

19. Other Post-Employment Benefits (GASB 75)

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

City OPEB Plan

All the following OPEB disclosures for the City OPEB Plan are based on a measurement date of June 30, 2021. The City contracts with an outside actuary to complete the GASB 75 actuarial valuation and schedule of changes in Net OPEB liability. Detailed information can be found in separately issued reports through request of the City Finance Department.

General Information about the OPEB Plan

Plan Description

The City indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the City who participate in this single-employer plan pay 100% of the healthcare premiums to participate in the City's healthcare program. Since they are included in the same pool as active employees, the insurance rates

are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the City pays for the retirees.

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

Benefits Provided

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

Plan Membership

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	164
Active employees	<u>444</u>
Total	<u>608</u>

Funding Policy

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

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	2.75%, average, including inflation
Discount rate	2.66%, previously 3.51%
Healthcare cost trend rates	8.00% for 2020, decreasing 0.5% per year to an ultimate rate of 4.50% as of 2028 and later years
Retirees' share of benefit-related costs	100%

The discount rate was based on the long-term municipal bond rate at June 30, 2021.

The mortality rate is based on the following:

- General: Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020
- Public Safety: Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020
- Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

Discount Rate

The discount rate used to measure the total OPEB liability was 2.66%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Total OPEB Liability

The City's total OPEB liability of \$9,302,416, was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

Changes in the Total OPEB Liability

The following summarizes the changes to the total OPEB liability for the past year:

	Total OPEB <u>Liability</u>
Balances, beginning of year	\$ 9,302,416
Changes for the year:	
Service cost	371,959
Interest	251,233
Differences between expected and actual experience	(445,798)
Changes in assumptions or other inputs	398,548
Benefit payments	<u>(462,105)</u>
Net Changes	<u>113,837</u>
Balances, end of year	\$ <u><u>9,416,253</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.51% in 2019 to 2.66% in 2020. All other assumptions were the same as those used in the previous measurement.

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

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

1% Decrease	Current Discount Rate	1% Increase
\$ 10,335,911	\$ 9,416,253	\$ 8,592,717

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

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

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 8,190,886	\$ 9,416,253	\$ 10,478,338

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

For the year ended June 30, 2021, the City recognized an OPEB expense of \$408,623. At June 30, 2021, the City reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 217,142	\$ (957,809)
Change in assumptions	887,954	(670)
Net difference between projected and actual earnings on OPEB investment	-	-
Total	\$ <u>1,105,096</u>	\$ <u>(958,479)</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will

be included as a reduction of the net OPEB liability in the year ending June 30, 2021:

2023	44,431
2024	120,825
2025	(1,931)
2026	5,766
Thereafter	<u>226</u>
Total	\$ <u><u>146,617</u></u>

New Hampshire Retirement System Medical Subsidy Plan Description

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed above, the City participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer other post-employment benefit plan (OPEB Plan) for retiree health insurance subsidies. Benefit amounts and eligibility requirements are set by state law, and members are designated by type. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

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

Benefits Provided

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

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

Contributions

Pursuant to RSA 100-A:16,III, and the biennial actuarial valuation, funding for the Medical Subsidy payment is via the employer contribution rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age

normal funding method and are expressed as a percentage of Earnable Compensation. The City contributed 0.29% of gross payroll for Group I employees and, 1.81% of gross payroll for Group I teachers, and 3.66% and 3.66% of gross payroll for Group II fire and police department members, respectively. Employees are not required to contribute. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the medical subsidy plan.

Actuarial Assumptions and Other Inputs

Actuarial assumptions are the same in the Retirement System footnote.

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

The City's proportionate share of the net NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2020 was \$4,487,507, representing 1.0392208%.

For the year ended June 30, 2021, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$432,870. At June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ (13,175)
Change in assumptions	29,237	-
Net difference between projected and actual earnings on OPEB investments	17,013	-
Changes in proportion	20,875	(30,737)
Contributions subsequent to the measurement date	<u>517,314</u>	<u>-</u>
Total	\$ <u>584,439</u>	\$ <u>(43,912)</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2021.

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

<u>Fiscal Year Ended:</u>	
2022	\$ 7,487
2023	5,037
2024	6,003
2025	<u>4,686</u>
Total	\$ <u>23,213</u>

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

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

1%	Current	1%
Decrease	Discount	Increase
	Rate	
\$ 4,937,565	\$ 4,487,502	\$ 4,207,908

Healthcare Cost Trend Rate

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

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

The following consolidates the City's total OPEB liability and related deferred outflows/inflows, and the City's proportionate share of the NHRS Medical Subsidy net OPEB liability and related deferred outflows/inflows at June 30, 2021:

	Total OPEB <u>Liability</u>	Total Deferred Outflows <u>of Resources</u>	Total Deferred (Inflows) <u>of Resources</u>	Total OPEB <u>Expense</u>
Town OPEB Plan	\$ 9,416,253	\$ 1,105,096	\$ (958,479)	\$ 600,491
Proportionate share of NHRS Medical Subsidy Plan	<u>4,487,502</u>	<u>584,439</u>	<u>(43,912)</u>	<u>432,870</u>
Total	\$ <u>13,903,755</u>	\$ <u>1,689,535</u>	\$ <u>(1,002,391)</u>	\$ <u>1,033,361</u>

20. Commitments and Contingencies

COVID-19

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. There is considerable uncertainty around the duration and scope of the economic disruption. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on individuals served by the City, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

Outstanding Legal Issues

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

Grants

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

Abatements

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

Pollution Remediation Obligation

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

Encumbrances

At year-end the City's general fund has \$879,758 in encumbrances that will be honored in the next fiscal year.

21. Tax Increment Financing District

The following represents the Tax Increment Financing Districts fiscal year 2021 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	\$ 238,061	\$ 8,129	\$ 120,000	\$ 366,190
Expenditures				
General Government	1,966	-	-	1,966
Debt Service	<u>279,672</u>	<u>-</u>	<u>155,772</u>	<u>435,444</u>
Total Expenditures	<u>281,638</u>	<u>-</u>	<u>155,772</u>	<u>437,410</u>
Excess (deficiency) of revenues over expenditures	(43,577)	8,129	(35,772)	(71,220)
Fund Equity, at Beginning of Year	<u>1,015,527</u>	<u>29,631</u>	<u>(108,335)</u>	<u>936,823</u>
Fund Equity, at End of Year	<u>\$ 971,950</u>	<u>\$ 37,760</u>	<u>\$ (144,107)</u>	<u>\$ 865,603</u>
Assessment Information				
Base Value	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u>-</u>
Captured Value*	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u>-</u>

* = As of December 1, 2018

22. Beginning Fund Balance/Net Position Restatement

The beginning (July 1, 2020) fund balance/net position of the City has been restated as follows:

Government-Wide Financial Statements:

	<u>Governmental Activities</u>	
As previously reported	\$ 22,401,968	
Implementation of GASB 84	<u>(126,255)</u>	
As restated	<u>\$ 22,275,713</u>	
	<hr/>	
	<u>General Fund</u>	<u>Private Purpose Funds</u>
As previously reported	\$ 9,019,608	\$ 4,859,183
Implementation of GASB 84	<u>(126,255)</u>	<u>126,255</u>
As restated	<u>\$ 8,893,353</u>	<u>\$ 4,985,438</u>
	<hr/>	<hr/>

23. New Pronouncements

Management is currently evaluating the impact of implementing the following GASB pronouncement.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the City beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.

24. Change in Accounting Principle

During fiscal year 2021 the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This required moving certain items previously recorded through a general fund liability account to the newly established custodial fund that reports additions and deductions for these activities.

25. Subsequent Events

Management has evaluated subsequent events through _____, which is the date the financial statements were available to be issued.

CITY OF LACONIA, NEW HAMPSHIRE

Required Supplemental Information

General Fund

Schedule of Revenues and Other Sources, and Expenditures and Other Uses -

Budget and Actual

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues				
Property Taxes	\$ 46,884,688	\$ 46,884,688	\$ 46,947,087	\$ 62,399
Penalties, interest, and other taxes	669,400	669,400	634,188	(35,212)
Charges for services	2,132,500	2,132,500	2,478,209	345,709
Intergovernmental	11,292,937	11,292,937	11,926,444	633,507
Licenses and permits	3,683,100	3,683,100	3,907,092	223,992
Fines and forfeitures	27,700	27,700	32,689	4,989
Investment income	360,000	360,000	103,473	(256,527)
Miscellaneous	<u>623,202</u>	<u>623,202</u>	<u>562,684</u>	<u>(60,518)</u>
Total Revenues	65,673,527	65,673,527	66,591,866	918,339
Expenditures				
General government	7,961,184	7,961,184	7,966,801	(5,617)
Fire and ambulance	4,700,992	4,700,992	4,757,709	(56,717)
Police	6,548,450	6,548,450	6,548,447	3
Education	33,434,794	33,434,794	33,286,246	148,548
Highways and streets	2,771,000	2,771,000	2,590,252	180,748
Solid waste	2,229,817	2,229,817	2,026,106	203,711
Health and welfare	77,921	77,921	25,124	52,797
Parks and recreation	743,122	743,122	647,426	95,696
Library	870,351	870,351	814,211	56,140
Conservation	4,500	4,500	1,292	3,208
Capital outlay	2,074,566	2,074,566	1,805,301	269,265
Debt service	<u>5,072,830</u>	<u>5,072,830</u>	<u>4,999,322</u>	<u>73,508</u>
Total Expenditures	<u>66,489,527</u>	<u>66,489,527</u>	<u>65,468,237</u>	<u>1,021,290</u>
Excess (deficiency) of revenues over expenditures	(816,000)	(816,000)	1,123,629	1,939,629
Other Financing Sources (Uses)				
Transfers in	96,000	96,000	96,000	-
Transfers out	-	(950,000)	(950,000)	-
Budgetary use of fund balance:				-
To reduce the tax rate	720,000	720,000	-	(720,000)
To fund internal service deficit	<u>-</u>	<u>950,000</u>	<u>-</u>	<u>(950,000)</u>
Total Other Financing Sources (Uses)	<u>816,000</u>	<u>816,000</u>	<u>(854,000)</u>	<u>(1,670,000)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>269,629</u>	\$ <u>269,629</u>

See Independent Auditors' Report.

**Notes to Required Supplementary Information
for General Fund Budget**

Budgetary Basis

The general fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

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

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

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
Revenues/expenditures/transfers (GAAP Basis)	\$ 64,300,818	\$ 63,139,577	\$ (449,489)
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,293,480)	-
Add end of year appropriation carryforwards from expenditures	-	879,368	-
To eliminate capital reserve activity	(152,300)	296,063	-
Taxes collected on behalf of County	2,890,536	2,890,536	-
Sale of property	(447,188)	(447,188)	-
Transfer to food service fund	-	-	278,489
Bond proceeds	-	-	(683,000)
Miscellaneous	-	3,361	-
Budgetary basis	<u>\$ 66,591,866</u>	<u>\$ 65,468,237</u>	<u>\$ (854,000)</u>

See Independent Auditors' Report.

CITY OF LACONIA, NEW HAMPSHIRE

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

(Unaudited)

New Hampshire Retirement System						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2021	June 30, 2020	1.05925437%	\$67,751,510	\$ 28,914,342	234%	58.72%
June 30, 2020	June 30, 2019	1.05355415%	\$67,751,510	\$ 28,072,177	241%	65.59%
June 30, 2019	June 30, 2018	1.03703517%	\$49,935,343	\$ 26,069,919	192%	64.73%
June 30, 2018	June 30, 2017	1.06997084%	\$52,621,089	\$ 27,124,802	194%	62.66%
June 30, 2017	June 30, 2016	1.11234008%	\$59,149,744	\$ 27,469,995	215%	58.30%
June 30, 2016	June 30, 2015	1.06213206%	\$42,076,650	\$ 26,290,822	160%	65.47%
June 30, 2015	June 30, 2014	1.06796808%	\$40,087,097	\$ 25,503,101	157%	66.32%

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

See Independent Auditors' Report.

CITY OF LACONIA, NEW HAMPSHIRE

Required Supplementary Information
Schedule of Pension Contributions

(Unaudited)

New Hampshire Retirement System

Fiscal <u>Year</u>	Measurement <u>Date</u>	Contributions in Relation to the		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
		Actuarially Determined <u>Contribution</u>	Actuarially Determined <u>Contribution</u>			
June 30, 2021	June 30, 2020	\$ 4,705,653	\$ 4,705,653	\$ -	\$ 29,980,798	15.70%
June 30, 2020	June 30, 2019	\$ 4,708,220	\$ 4,708,220	\$ -	\$ 29,107,571	16.18%
June 30, 2019	June 30, 2018	\$ 4,585,174	\$ 4,585,174	\$ -	\$ 28,072,177	16.33%
June 30, 2018	June 30, 2017	\$ 4,385,657	\$ 4,385,657	\$ -	\$ 26,069,919	16.82%
June 30, 2017	June 30, 2016	\$ 4,157,350	\$ 4,157,350	\$ -	\$ 27,124,802	15.33%
June 30, 2016	June 30, 2015	\$ 4,174,617	\$ 4,174,617	\$ -	\$ 27,469,995	15.20%
June 30, 2015	June 30, 2014	\$ 3,575,428	\$ 3,575,428	\$ -	\$ 26,290,822	13.60%

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

See Independent Auditors' Report.

CITY OF LACONIA, NEW HAMPSHIRE

Required Supplementary Information
Schedules of Proportionate Share and Contributions of the Net OPEB Liability

(Unaudited)

Schedule of Proportionate Share

New Hampshire Retirement System Medical Subsidy						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Net OPEB Liability</u>
June 30, 2021	June 30, 2020	1.03881739%	\$4,487,507	\$ 28,914,342	15.52%	7.74%
June 30, 2020	June 30, 2019	1.03924208%	\$4,556,153	\$ 28,072,177	16.23%	7.75%
June 30, 2019	June 30, 2018	1.02748455%	\$4,704,291	\$ 26,069,919	18.04%	7.53%
June 30, 2018	June 30, 2017	1.00769896%	\$4,607,542	\$ 27,124,802	16.99%	7.91%
June 30, 2017	June 30, 2016	1.07379758%	\$5,198,310	\$ 27,469,995	18.92%	5.21%

Schedule of Contributions

New Hampshire Retirement System Medical Subsidy						
<u>Fiscal Year</u>	<u>Valuation Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions Relative to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
June 30, 2021	June 30, 2020	\$ 482,190	\$ 482,190	\$ -	\$29,980,798	1.61%
June 30, 2020	June 30, 2019	\$ 482,494	\$ 482,494	\$ -	\$29,107,571	1.66%
June 30, 2019	June 30, 2018	\$ 474,302	\$ 474,302	\$ -	\$28,072,177	1.69%
June 30, 2018	June 30, 2017	\$ 443,829	\$ 443,829	\$ -	\$26,076,439	1.70%

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

See Independent Auditors' Report.

CITY OF LACONIA, NEW HAMPSHIRE

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedule of Changes in the Total OPEB Liability
(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 371,959	\$ 346,120	\$ 322,913	\$ 351,408
Interest	251,233	302,660	338,040	327,237
Differences between expected and actual experience	(445,798)	35,377	(548,965)	(402,770)
Changes of assumptions	398,548	574,466	277,901	8,747
Benefit payments, including refunds of member contributions	<u>(462,105)</u>	<u>(461,764)</u>	<u>(587,038)</u>	<u>(735,894)</u>
Net change in total OPEB liability	113,837	796,859	(197,149)	(451,272)
Total OPEB liability - beginning	<u>9,302,416</u>	<u>8,505,557</u>	<u>8,702,706</u>	<u>9,153,978</u>
Total OPEB liability - ending	\$ <u>9,416,253</u>	\$ <u>9,302,416</u>	\$ <u>8,505,557</u>	\$ <u>8,702,706</u>
Covered employee payroll	\$ 25,163,047	\$ 24,430,143	\$ 24,577,310	\$ 23,803,689
Total OPEB liability as a percentage of covered employee payroll	37.42%	38.08%	34.61%	36.56%

Does not include New Hampshire Retirement System Medical Subsidy.

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

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

See Independent Auditors' Report.

**CITY OF LACONIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021**

STATISTICAL SECTION

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities										
Invested in capital assets, net of related deb	67195	69,418	68,899	68,784	68,984	68,559	67,680	67,962	66,162	57,995
Restricted for:										
Grants	4547	6,089	6,178	3,372	2,875	3,216	3,753	1,946	1,664	1,656
Permanent funds:										
Nonexpendable	904	904	791	755	685	273	272	259	220	192
Expendable	1487	1062	1,057	924	1,018	1,625	1,469	1,404	1,139	1,148
Unrestricted	<u>(57,211)</u>	<u>(55,071)</u>	<u>(51,972)</u>	<u>(49,183)</u>	<u>(36,523)</u>	<u>(34,022)</u>	<u>(35,269)</u>	<u>622</u>	<u>2,596</u>	<u>3,689</u>
Total governmental activities net assets	<u>\$16,922</u>	<u>\$22,402</u>	<u>\$24,953</u>	<u>\$24,652</u>	<u>\$37,039</u>	<u>\$39,651</u>	<u>\$37,905</u>	<u>\$72,193</u>	<u>\$71,781</u>	<u>\$64,680</u>
Business-type activities										
Invested in capital assets, net of related deb	23254	21,727	21,066	19,998	18,965	18,016	17,945	18,105	18,600	18,141
Restricted			0	0	-	-	-	-	-	-
Unrestricted	4674	5192	5247	<u>5,513</u>	<u>6,604</u>	<u>4,542</u>	<u>3,969</u>	<u>6,567</u>	<u>5,904</u>	<u>5,594</u>
Total business-type activities net assets	<u>\$27,928</u>	<u>\$26,919</u>	<u>\$26,313</u>	<u>\$25,511</u>	<u>\$25,569</u>	<u>\$22,558</u>	<u>\$21,914</u>	<u>\$24,672</u>	<u>\$24,504</u>	<u>\$23,735</u>
Primary government										
Invested in capital assets, net of related deb	\$90,449	\$91,145	\$89,965	\$88,782	\$87,949	\$86,575	\$85,625	\$86,067	\$84,762	\$76,136
Restricted for:										
Grants	4,547	6,089	6,178	3,372	2,875	3,216	3,753	1,946	1,664	1,656
Permanent funds:										
Nonexpendable	904	904	791	755	685	273	272	259	220	192
Expendable	1,487	1,062	1,057	924	1,018	1,625	1,469	1,404	1,139	1,148
Unrestricted	<u>(52,537)</u>	<u>(49,879)</u>	<u>(46,725)</u>	<u>(43,670)</u>	<u>(29,919)</u>	<u>(29,480)</u>	<u>(31,300)</u>	<u>7,189</u>	<u>8,500</u>	<u>9,283</u>
Total primary governmental net assets	<u>\$44,850</u>	<u>\$49,321</u>	<u>\$51,266</u>	<u>\$50,163</u>	<u>\$62,608</u>	<u>\$62,209</u>	<u>\$59,819</u>	<u>\$96,865</u>	<u>\$96,285</u>	<u>\$88,415</u>

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government*	\$12,194	\$13,220	\$9,247	\$10,377	\$8,652	\$8,105	\$7,773	\$8,109	\$8,356	\$8,480
Public safety	14,809	14,150	13,908	11,724	11,736	11,386	10,630	10,354	9,517	9,504
Highways and streets	7,334	4,980	6,233	4,355	3,895	3,428	3,948	4,247	4,715	3,579
Solid Waste	2,113	2,321	2,060	2,027	1,735	1,752	2,080	1,959	1,652	1,825
Education	43,203	39,901	35,931	37,786	36,573	38,093	34,649	33,945	33,525	33,776
Culture and recreation	2,204	1,692	2,277	2,259	2,310	2,243	3,169	1,850	1,969	1,781
Interest on long-term debt	1,286	1,375	1,361	1,325	1,179	1,111	901	916	883	875
Total governmental activities expenses	<u>83,143</u>	<u>77,639</u>	<u>71,017</u>	<u>69,853</u>	<u>66,080</u>	<u>66,118</u>	<u>63,150</u>	<u>61,380</u>	<u>60,617</u>	<u>59,820</u>
Business-type activities:										
Water	3,048	2,829	2,687	2,917	2,651	2,474	2,495	2,455	2,455	2,408
Sewer	4,413	4,071	3,691	3,665	3,597	3,724	3,306	3,420	3,450	3,313
Total business-type activities expenses	<u>7,461</u>	<u>6,900</u>	<u>6,378</u>	<u>6,582</u>	<u>6,248</u>	<u>6,198</u>	<u>5,801</u>	<u>5,875</u>	<u>5,905</u>	<u>5,721</u>
Total primary government expenses	<u>\$90,604</u>	<u>\$84,539</u>	<u>\$77,395</u>	<u>\$76,435</u>	<u>\$72,328</u>	<u>\$72,316</u>	<u>\$68,951</u>	<u>\$67,255</u>	<u>\$66,522</u>	<u>\$65,541</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$4,678	\$3,601	\$3,977	\$3,846	\$3,711	\$3,563	\$3,353	\$3,172	\$2,928	\$2,818
Culture and recreation	\$79	\$82	\$75	\$77	\$92	\$172	\$134	\$160	\$86	\$95
Other activities	\$3,377	\$3,875	\$3,885	2,746	3,499	3,933	3,596	4,068	2,912	2,840
Operating grants and contributions	\$16,289	\$14,026	\$14,113	14,874	12,886	14,628	13,593	12,423	13,440	13,506
Capital grants and contributions	\$1,191	\$3,020	\$479	1,902	715	1,928	3,017	757	8,015	545
Total governmental activities program revenue	<u>\$25,614</u>	<u>\$24,604</u>	<u>\$22,529</u>	<u>23,445</u>	<u>20,903</u>	<u>24,224</u>	<u>23,693</u>	<u>20,580</u>	<u>27,381</u>	<u>19,804</u>
Business-type activities:										
Charges for services:										
Water	\$2,986	\$2,899	\$2,746	2,694	2,650	2,480	2,400	2,418	2,709	2,215
Sewer	\$4,965	\$4,591	\$4,300	4,150	4,351	4,296	3,891	3,611	3,348	3,073
Operating grants and contributions	69	-	-	-	-	-	-	-	599	-
Capital grants and contributions	438	-	-	-	428	53	-	-	-	-
Total business-type activities program revenue	<u>\$8,458</u>	<u>\$7,490</u>	<u>\$7,046</u>	<u>6,844</u>	<u>7,429</u>	<u>6,829</u>	<u>6,291</u>	<u>6,029</u>	<u>6,656</u>	<u>5,288</u>
Total primary government program revenues	<u>\$34,072</u>	<u>\$32,094</u>	<u>\$29,575</u>	<u>\$30,289</u>	<u>\$28,332</u>	<u>\$31,053</u>	<u>\$29,984</u>	<u>\$26,609</u>	<u>\$34,037</u>	<u>\$25,092</u>
Net (expense)/revenues										
Governmental activities	(\$57,529)	(\$53,035)	(\$48,489)	(\$46,408)	(\$45,177)	(\$41,894)	(\$39,457)	(\$40,800)	(\$33,236)	(\$40,016)
Business-type activities	997	590	778	261	1,181	631	490	154	751	(433)
Total primary government net expense	<u>(\$56,532)</u>	<u>(\$52,445)</u>	<u>(\$47,711)</u>	<u>(\$46,147)</u>	<u>(\$43,996)</u>	<u>(\$41,263)</u>	<u>(\$38,967)</u>	<u>(\$40,646)</u>	<u>(\$32,485)</u>	<u>(\$40,449)</u>

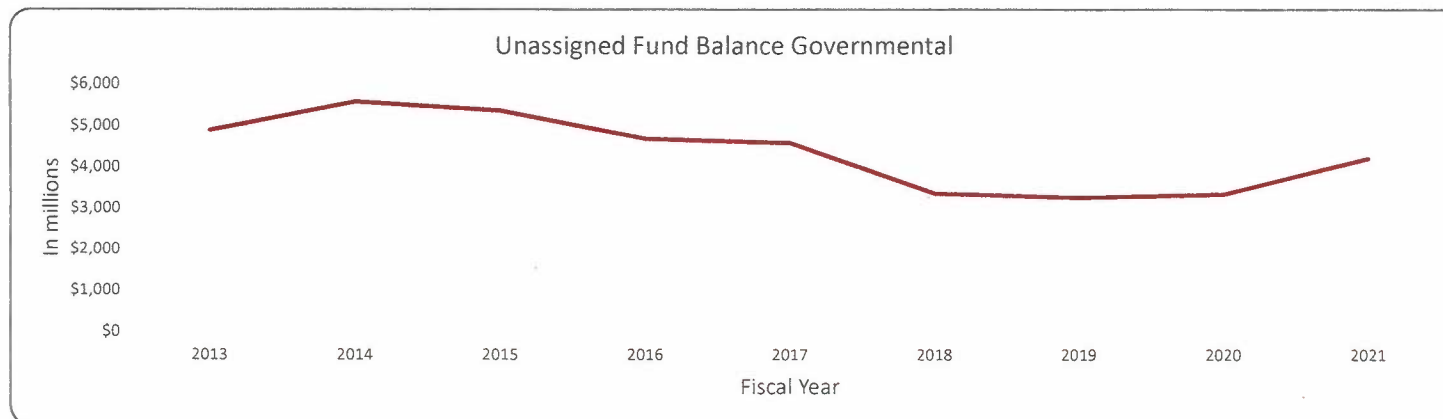
* Includes Welfare, conservation and airport expenses

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$48,189	\$46,283	\$45,071	\$43,103	\$42,239	\$41,167	\$39,996	\$38,973	\$38,394	\$37,537
Franchise taxes	297	305	320	323	322	309	298	285	285	273
Payment in lieu of taxes	444	557	235	524	349	339	395	387	398	409
Other taxes	190	173	250	292	243	311	213	186	223	247
Unrestricted grants and contributions	1719	1490	851	851	841	777	780	717	717	713
Investment earnings	640	739	497	425	300	182	149	298	252	116
Miscellaneous	696	936	1565	1,037	86	495	1,671	366	68	146
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>52,175</u>	<u>50,483</u>	<u>48,789</u>	<u>46,555</u>	<u>44,380</u>	<u>43,580</u>	<u>43,502</u>	<u>41,212</u>	<u>40,337</u>	<u>39,441</u>
Business-type activities:										
Investment earnings	10	17	25	22	19	14	14	14	18	31
Miscellaneous	-	-	-	-	(4)	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>10</u>	<u>17</u>	<u>25</u>	<u>22</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>18</u>	<u>31</u>
Total primary government	<u>\$52,185</u>	<u>\$50,500</u>	<u>\$48,814</u>	<u>\$46,577</u>	<u>\$44,395</u>	<u>\$43,594</u>	<u>\$43,516</u>	<u>\$41,226</u>	<u>\$40,355</u>	<u>\$39,472</u>
Changes in Net Assets										
Governmental activities	(\$5,354)	(\$2,552)	\$300	\$147	(\$797)	\$1,686	\$4,045	\$412	\$7,101	(\$575)
Business-type activities	1,007	607	803	283	1,196	645	504	168	769	(402)
Total primary government	<u>(\$4,347)</u>	<u>(\$1,945)</u>	<u>\$1,103</u>	<u>\$430</u>	<u>\$399</u>	<u>\$2,331</u>	<u>\$4,549</u>	<u>\$580</u>	<u>\$7,870</u>	<u>(\$977)</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General fund										
Nonspendable	148	1,202	199	197	\$395	\$183	\$71	\$71	\$167	\$146
Restricted			0	0	-	-	-	-	-	-
Committed	4,366	3,505	3,073	2,392	1,813	1,373	1,462	695	463	1,148
Assigned	880	970	1,889	1,907	1,223	977	1,126	623	591	510
Unassigned	<u>4211</u>	<u>3343</u>	<u>3,257</u>	<u>3,359</u>	<u>4,587</u>	<u>4,682</u>	<u>5,358</u>	<u>5,575</u>	<u>4,890</u>	<u>5,209</u>
Total general fund	<u>\$9,605</u>	<u>\$9,020</u>	<u>\$8,418</u>	<u>\$7,855</u>	<u>\$8,018</u>	<u>\$7,215</u>	<u>\$8,017</u>	<u>\$6,964</u>	<u>\$6,111</u>	<u>\$7,013</u>
All other governmental funds										
Nonspendable	2,391	904	791	755	\$685	\$273	\$273	\$259	\$219	\$192
Unreserved, reported in:										
Restricted	4,547	5,593	6,035	5,507	3,090	3,201	3,130	1,314	2,792	2,644
Committed	-	1,680	1,780	1,768	1,587	2,174	5,005	3,115	1,298	1,379
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(26)	-	(42)	(524)	(206)	(1,093)	(1,590)	(127)	-
Total all other governmental fun	<u>\$6,938</u>	<u>\$8,151</u>	<u>\$8,606</u>	<u>\$7,988</u>	<u>\$4,838</u>	<u>\$5,442</u>	<u>\$7,315</u>	<u>\$3,098</u>	<u>\$4,182</u>	<u>\$4,215</u>

* City implemented GASB 54 in FY11



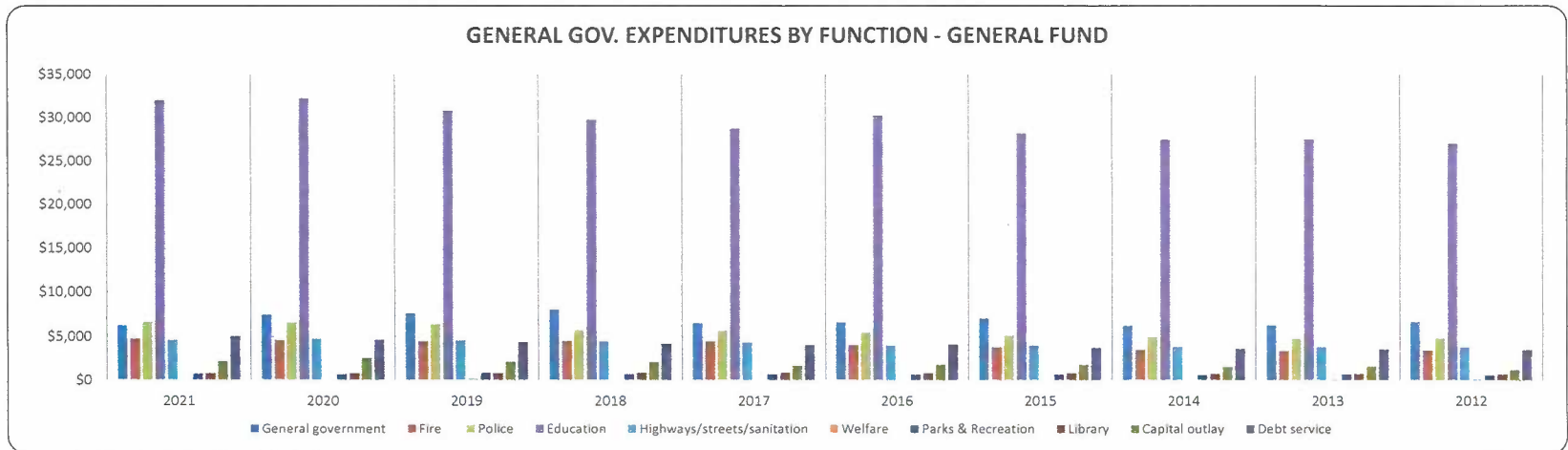
CITY OF LACONIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes	44691	\$46,692	\$45,128	\$43,740	\$42,788	\$41,818	\$40,604	\$39,470	\$38,849	\$38,294
Licenses and permits	3907	3,630	3,477	3,345	3,187	3,053	2,876	2,717	2,466	2,399
Intergovernmental	12076	10,971	9,955	10,063	9,534	10,271	9,582	9,006	9,560	9,685
Charges for services	2478	2,139	1,987	2,149	2,051	1,815	1,638	1,920	1,588	1,297
Fines	33	28	25	30	25	33	38	35	38	30
Investment earnings	106	656	372	212	109	95	43	49	56	77
Miscellaneous	1010	891	1,835	1,023	242	404	1,639	610	344	381
Total revenues	<u>64,301</u>	<u>65,007</u>	<u>62,779</u>	<u>60,562</u>	<u>57,936</u>	<u>57,489</u>	<u>56,420</u>	<u>53,807</u>	<u>52,901</u>	<u>52,163</u>
Expenditures										
General government	6,351	7,558	7,761	8,207	6,648	6,739	7,168	6,409	6,440	6,853
Public safety	11,409	11,160	10,862	10,227	10,118	9,513	8,921	8,456	8,170	8,285
Education	32,008	32,226	30,827	29,793	28,765	30,280	28,212	27,513	27,541	27,059
Highways and streets	2,566	2,601	2,592	2,525	2,699	2,391	2,416	2,321	2,258	2,077
Solid Waste	2,033	2,129	1,970	1,937	1,644	1,610	1,618	1,534	1,605	1,759
Library	799	790	862	851	853	840	804	777	771	735
Parks & Recreation	760	694	832	753	743	688	686	668	731	617
Capital outlay	2,214	2,570	2,147	2,125	1,722	1,792	1,811	1,542	1,624	1,252
Debt service										
Principal	3,887	3,396	3,173	3,076	2,975	3,122	2,842	2,758	2,710	2,634
Interest	1,113	1,223	1,209	1,126	1,121	1,043	901	895	871	871
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>63,140</u>	<u>64,347</u>	<u>62,235</u>	<u>60,620</u>	<u>57,288</u>	<u>58,018</u>	<u>55,379</u>	<u>52,873</u>	<u>52,721</u>	<u>52,142</u>
Excess of revenues over (under) expenditures	1,161	660	544	(58)	648	(529)	1,041	934	180	21
Other financing sources (uses)										
Transfers in	96	3	19	21	155	63	12	7	-	-
Transfers out	(1,228)	(62)	-	(126)	-	(336)	-	(88)	(1,082)	(60)
Capital leases	-	-	-	-	-	-	-	-	-	-
Bonds issued	683.00	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(449)</u>	<u>(59)</u>	<u>19</u>	<u>(105)</u>	<u>155</u>	<u>(273)</u>	<u>12</u>	<u>(81)</u>	<u>(1,082)</u>	<u>(60)</u>
Net change in fund balances	<u>\$712</u>	<u>\$601</u>	<u>\$563</u>	<u>(\$163)</u>	<u>\$803</u>	<u>(\$802)</u>	<u>\$1,053</u>	<u>\$853</u>	<u>(\$902)</u>	<u>(\$39)</u>

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

	Fiscal Year									
Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	\$6,289	\$7,445	\$7,612	\$8,064	\$6,506	\$6,611	\$7,055	\$6,285	\$6,292	\$6,703
Fire	4,752	4,569	4,450	4,479	4,446	4,039	3,784	3,491	3,380	3,438
Police	6,657	6,591	6,411	5,747	5,670	5,474	5,137	4,965	4,791	4,847
Education	32,008	32,226	30,827	29,793	28,765	30,280	28,211	27,513	27,541	27,059
Highways/streets/sanitation	4,599	4,730	4,562	4,462	4,343	4,001	4,034	3,856	3,863	3,836
Welfare	62	113	149	143	144	128	112	123	148	151
Parks & Recreation	760	694	862	753	743	688	686	668	731	617
Library	799	790	832	852	853	840	804	778	770	735
Capital outlay	2,214	2,570	2,147	2,125	1,722	1,792	1,811	1,541	1,624	1,252
Debt service	5,000	4,619	4,383	4,202	4,096	4,165	3,743	3,653	3,581	3,504
TOTALS	63,140	64,347	62,235	60,620	57,288	58,018	55,377	52,873	52,721	52,142

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Percent of Total										
General government	9.8%	11.6%	12.2%	13.3%	11.2%	11.4%	12.7%	11.9%	11.9%	12.9%
Fire	7.4%	7.1%	7.2%	7.4%	7.8%	7.0%	6.8%	6.6%	6.4%	6.6%
Police	10.3%	10.2%	10.3%	9.5%	9.8%	9.4%	8.9%	8.6%	8.3%	8.4%
Education	49.7%	50.1%	49.5%	49.1%	49.6%	52.2%	50.9%	52.0%	52.2%	51.9%
Highways/streets/sanitation	7.1%	7.4%	7.3%	7.4%	7.5%	6.9%	7.3%	7.3%	7.3%	7.4%
Welfare	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
Parks & Recreation	1.2%	1.1%	1.4%	1.2%	1.3%	1.2%	1.2%	1.3%	1.4%	1.2%
Library	1.2%	1.2%	1.3%	1.4%	1.5%	1.4%	1.5%	1.5%	1.5%	1.4%
Capital outlay	3.4%	4.0%	3.4%	3.5%	3.0%	3.1%	3.3%	2.9%	3.1%	2.4%
Debt service	7.8%	7.2%	7.0%	6.9%	7.1%	7.2%	6.8%	6.9%	6.8%	6.7%



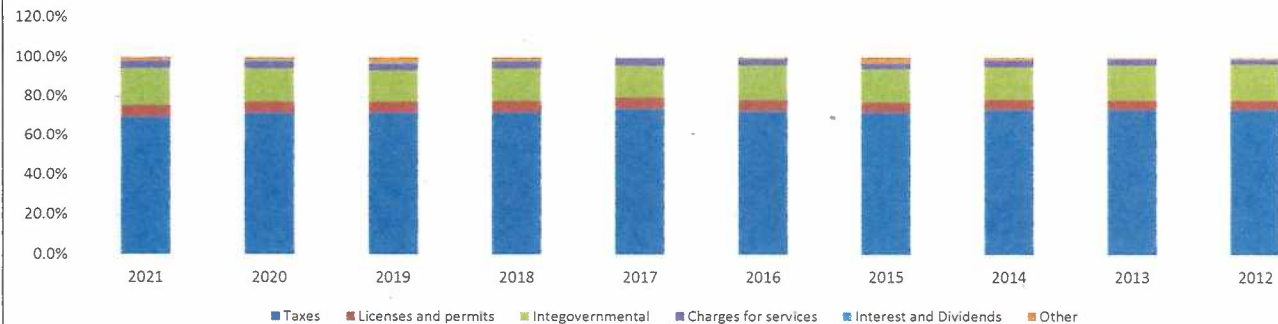
City of Laconia
General Revenues by Source-General Fund
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes	\$44,691	\$46,692	\$45,128	\$43,741	\$42,788	\$41,817	\$40,604	\$39,470	\$38,849	\$38,295
Licenses and permits	3,907	3,630	3,477	3,345	3,187	3,053	2,876	2,717	2,465	2,399
Intergovernmental	12,076	10,971	9,955	10,063	9,534	10,271	9,582	9,006	9,560	9,684
Charges for services	2,478	2,139	1,987	2,178	2,051	1,815	1,638	1,920	1,588	1,297
Interest and Dividends	106	656	372	212	109	95	43	49	56	77
Other	1,043	919	1,860	1,024	267	438	1,677	645	382	411
Total revenues	\$64,301	\$65,007	\$62,779	\$60,563	\$57,936	\$57,489	\$56,420	\$53,807	\$52,900	\$52,163

Percent of Total Revenue

Taxes	69.5%	71.8%	71.9%	72.2%	73.9%	72.7%	72.0%	73.4%	73.4%	73.4%
Licenses and permits	6.1%	5.6%	5.5%	5.5%	5.5%	5.3%	5.1%	5.0%	4.7%	4.6%
Intergovernmental	18.8%	16.9%	15.9%	16.6%	16.5%	17.9%	17.0%	16.7%	18.1%	18.6%
Charges for services	3.9%	3.3%	3.2%	3.6%	3.5%	3.2%	2.9%	3.6%	3.0%	2.5%
Interest and Dividends	0.2%	1.0%	0.6%	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Other	1.6%	1.4%	3.0%	1.7%	0.5%	0.8%	3.0%	1.2%	0.7%	0.8%

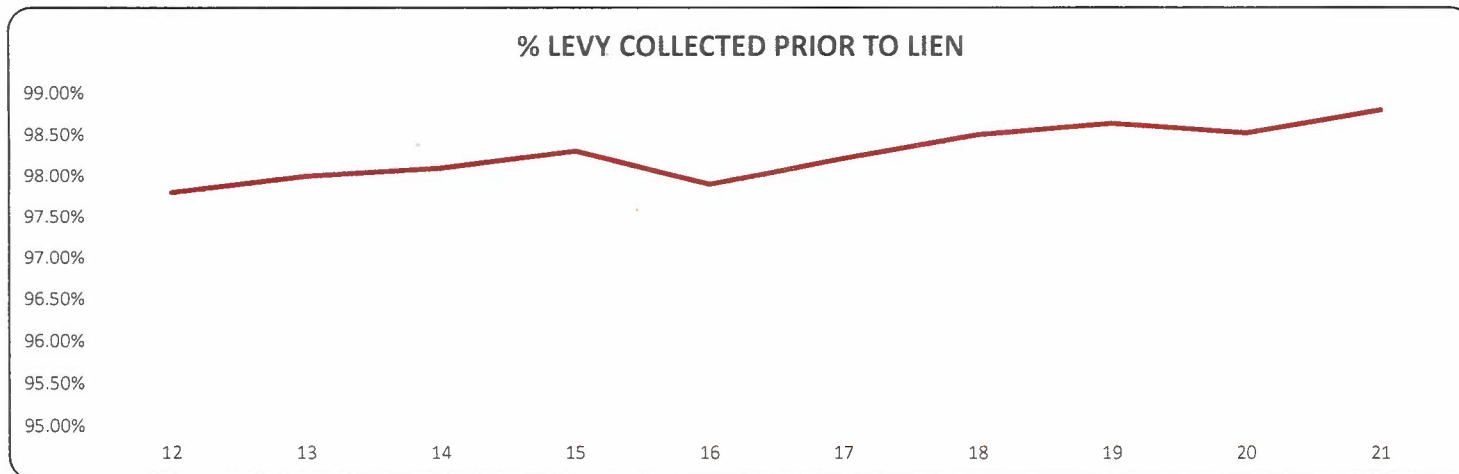
General Fund Revenue by Source



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

Fiscal Year Ended 30-Jun	Total Property Tax Levy	Current Fiscal Year Collections Adjustments	Percent of Levy Collected Prior to Tax Lien	Property Taxes Liened(1)	Current Fiscal Liened Collections	Total Tax Collections For Current Fiscal Year	Collections as Percent of Total Tax Levy	Outstanding Liened Taxes For Current at Fiscal Year End	Outstanding Liened Taxes as Percent of Tax Levy
2012	38,558	37,713	97.8%	845	197	37,910	98.3%	530	1.4%
2013	39,406	38,612	98.0%	794	240	38,852	98.6%	-	0.0%
2014	40,367	39,618	98.1%	749	209	39,827	98.7%	536	1.3%
2011	38,113	37,139	97.4%	974	221	37,360	98.0%	753	2.0%
2016	42,415	41,544	97.9%	871	247	41,791	98.5%	623	1.5%
2017	42,703	41,940	98.2%	762	175	42,115	98.6%	587	1.4%
2018	43,922	43,269	98.5%	652	182	43,451	98.9%	466	1.1%
2019	46,671	46,034	98.6%	636	128	46,162	98.9%	506	1.1%
2020	47,585	46,883	98.5%	702	224	47,107	99.0%	473	1.0%
2021	47,408	46,840	98.8%	568	192	47,032	99.2%	368	0.8%

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



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

Fiscal Year End	Local Assessed Value (1)			Total Assessed Value*	Less: Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate (per \$1,000)	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value	COD	PDR
	Residential Property	Commercial Property	Utilities								
2012	1,521,087	314,155	20,705	\$1,855,947	6,595	\$1,849,352	\$20.56	1,856,403	100.0%	13.7	1.04
2013	1,495,744	288,361	25,530	\$1,809,635	5,755	\$1,803,880	\$21.00	1,883,388	96.1%	10.3	1.02
2014	1,504,976	287,230	29,300	\$1,821,506	5,860	\$1,815,646	\$22.08	1,843,806	98.8%	14.6	1.03
2015	1,568,526	291,464	29,168	\$1,889,158	5,110	\$1,884,048	\$22.40	1,932,169	97.8%	13.2	1.02
2016	1,605,415	282,976	31,837	\$1,920,228	5,350	\$1,914,878	\$22.20	1,989,355	96.5%	13.6	1.00
2017	1,745,845	290,578	35,838	\$2,072,261	5,320	\$2,066,941	\$21.03	2,086,317	99.3%	12.8	1.04
2018	1,875,439	286,547	33,697	\$2,195,683	5,130	\$2,190,553	\$20.85	2,209,429	99.4%	12.2	1.01
2019	1,954,533	292,273	39,202	\$2,286,008	4,931	\$2,281,077	\$20.59	2,356,623	97.0%	12.5	1.01
2020	2,025,791	295,013	51,991	\$2,372,795	4,900	\$2,367,895	\$19.72	2,555,417	92.9%	13.0	1.02
2021	2,202,878	298,767	58,318	\$2,559,963	3,820	\$2,556,143	\$18.86	2,732,379	93.7%	13.4	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.

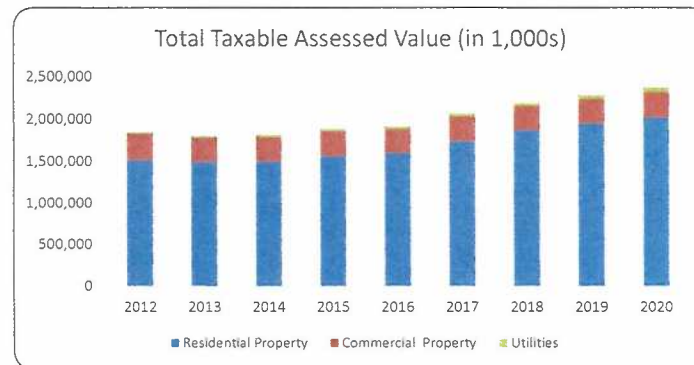
PDR is Price-related Differential - The mean divided by the weighted mean. The statistic has a slight bias upward. Price-related differentials above 1.03 tend to indicate assessment regressivity; price-related differentials below .98 tend to indicate assessment progressivity.

	Percentages		
	Residential	Commercial	Utilities
2012	82.0%	16.9%	1.1%
2013	82.7%	15.9%	1.4%
** 2014	82.6%	15.8%	1.6%
** 2015	83.0%	15.4%	1.5%
** 2016	83.6%	14.7%	1.7%
** 2017	84.2%	14.0%	1.7%
2018	85.4%	13.1%	1.5%
2019	85.5%	12.8%	1.7%
2020	85.4%	12.4%	2.2%
2021	86.1%	11.7%	2.3%

Source: (1) MS 1 reports on Assessed Value

(2) NH Department of Revenue Administration's Equalization Survey
Comparison of Full Tax Rates

**Corrected before publication January, 2019

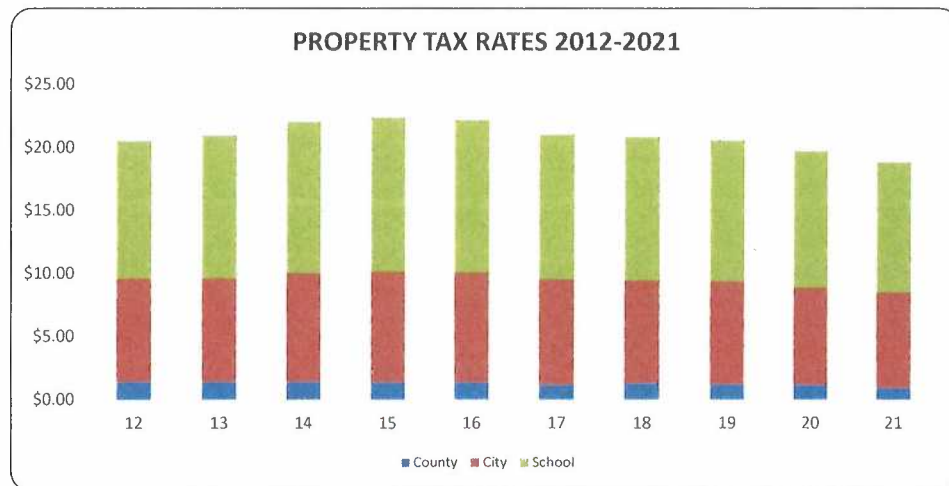


**CITY OF LACONIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING
Last Ten Fiscal Years**

City Direct Rates

Fiscal Year	City	School	State Education	Total School	Total Direct	Overlapping Rate County	Total Direct & Overlapping Rates
2012	\$8.14	\$8.41	\$2.55	\$10.96	\$19.10	\$1.46	\$20.56
2013	\$8.14	\$8.81	\$2.59	\$11.40	\$19.54	\$1.46	\$21.00
2014	\$8.55	\$9.40	\$2.66	\$12.06	\$20.61	\$1.47	\$22.08
2015	\$8.73	\$9.67	\$2.58	\$12.25	\$20.98	\$1.42	\$22.40
2016	\$8.65	\$9.76	\$2.37	\$12.13	\$20.78	\$1.42	\$22.20
2017	\$8.30	\$9.33	\$2.18	\$11.51	\$19.81	\$1.22	\$21.03
2018	\$8.11	\$9.29	\$2.10	\$11.39	\$19.50	\$1.35	\$20.85
2019	\$8.10	\$9.20	\$2.03	\$11.23	\$19.33	\$1.26	\$20.59
2020	\$7.65	\$8.94	\$1.92	\$10.86	\$18.51	\$1.21	\$19.72
2021	\$7.51	\$8.53	\$1.83	\$10.36	\$17.87	\$0.99	\$18.86

Source:
NH State Department of Revenue Administration

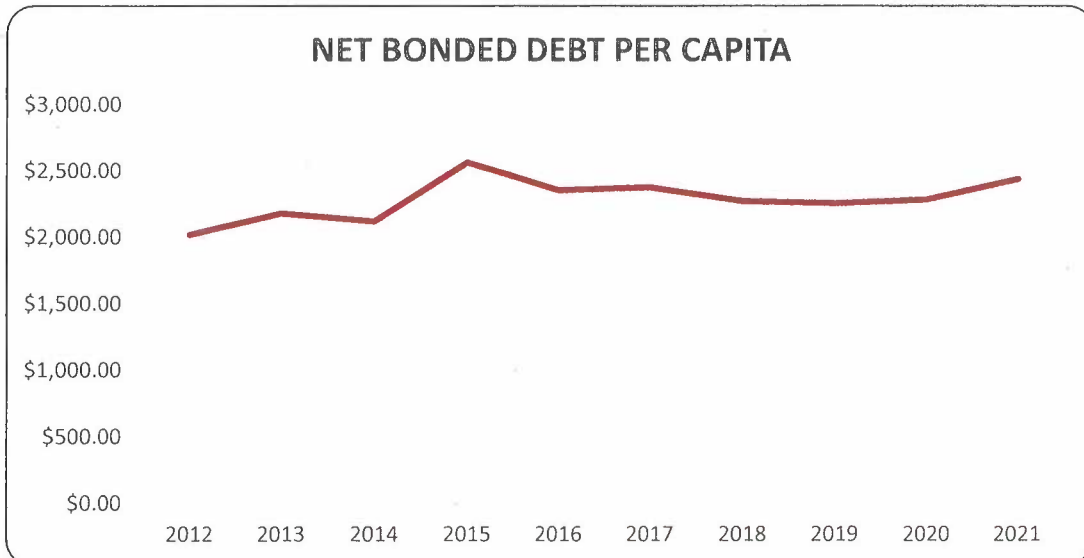


CITY OF LACONIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed thousands, except per capita amount)

<u>Fiscal Year</u>	<u>Governmental Activities General Obligation Bonds</u>	<u>Business Activities General Obligation Bonds</u>	<u>Total Primary Government</u>	<u>Per Capita*</u>
2012	\$32,217	\$1,310	\$33,527	\$2,019.75
2013	\$35,004	\$1,235	\$36,239	\$2,180.26
2014	\$34,037	\$1,160	\$35,197	\$2,120.02
2015	\$41,071	\$1,085	\$42,156	\$2,565.33
2016	\$37,805	\$1,010	\$38,815	\$2,352.96
2017	\$38,156	\$935	\$39,091	\$2,374.81
2018	\$37,378	\$860	\$38,238	\$2,270.29
2019	\$37,173	\$785	\$37,958	\$2,254.00
2020	\$37,847	\$710	\$38,557	\$2,282.83
2021	\$41,127	\$2,435	\$43,562	\$2,437.73

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

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



**CITY OF LACONIA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2021**

Base Valuation for Debt Limit (1)	\$ 2,709,043,504
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Bonded Debt Limit - 3.00% of Base	\$ 81,271
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Gross Bonded Debt, June 30, 2020	\$	43,562
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Less: Water Bonds	\$	(1,800)
School Bonds	\$	(15,461)

Net Bonded Debt, June 30, 2020	\$26,301
Debt Margin	\$54,970

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

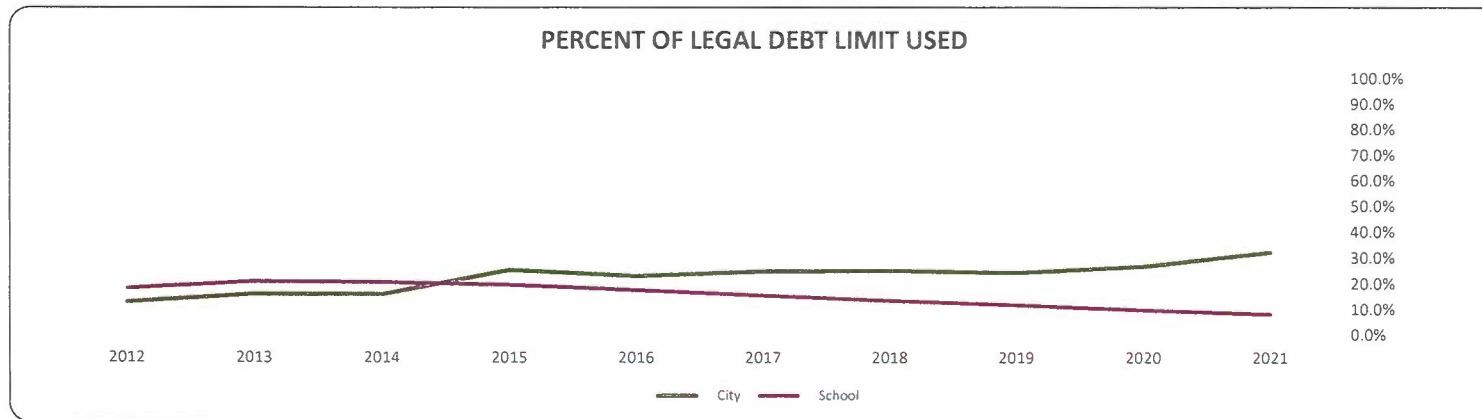
"Equalize annually the valuation of the property in the several towns, cities and unincorporated places in the state by adding or deducting from the aggregate valuation of the property as assessed in towns, cities and unincorporated places such sums as will bring such valuations to the true and market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

(2) Net Local Assessed Valuation *	\$2,405,661,491
Department of Revenue Administration Inventory Adjustment	\$303,382,013
Equalized Assessed Valuation	\$2,709,043,504
Adjustment: RSA 31-A	\$0
Base Valuation for Debt Limit	\$2,709,043,504

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Legal Debt Limits										
City 3%	\$ 81,271	\$ 76,040	\$ 70,123	\$ 66,283	\$62,589	\$57,990	\$57,965	\$55,314	\$55,917	\$58,215
School 7%	\$189,633	\$177,426	\$ 163,621	\$ 154,660	\$146,042	\$139,255	\$135,252	\$129,066	\$130,472	\$135,837
Debt Against Legal Debt Limits										
City	26301	20,428	17,093	16,622	15,575	13,361	14,712	8,788	8,952	7,528
School	<u>15461</u>	<u>17,419</u>	<u>19,295</u>	<u>20,756</u>	<u>22,580</u>	<u>24,444</u>	<u>26,358</u>	<u>26,410</u>	<u>27,286</u>	<u>24,688</u>
Total City & School Debt June 30	\$41,762	\$37,847	\$36,388	\$37,378	\$38,155	\$37,805	\$41,070	\$35,198	\$36,238	\$32,216
Unused Capacity of Legal Debt Limits										
City	\$54,970	\$55,612	\$53,030	\$49,661	\$47,014	44,629	\$43,253	\$46,526	\$46,965	\$50,687
School	174,172	160,007	144,326	133,904	123,462	114,811	108,894	102,656	103,186	111,149
% of Legal Debt Limits Used										
City	32.4%	26.9%	24.4%	25.1%	24.9%	23.0%	25.4%	15.9%	16.0%	12.9%
School	8.2%	9.8%	11.8%	13.4%	15.5%	17.6%	19.5%	20.5%	20.9%	18.2%

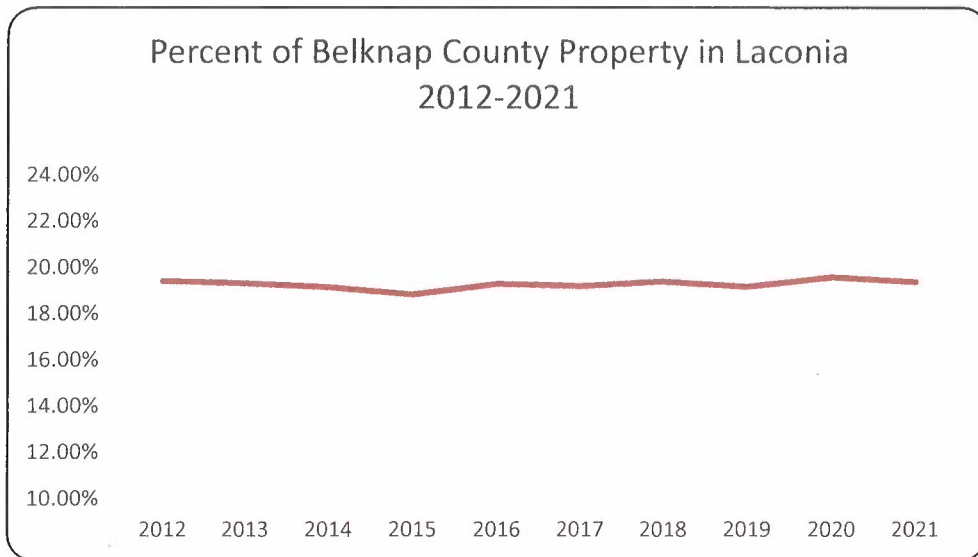
Data Source
Annual Financial Statements



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

End of Year	Total Bonded Long Term Debt Outstanding*	Percentage Applicable to Laconia	Amount Applicable to Laconia
2012	\$3,945,000	19.40%	\$ 765,330
2013	\$3,100,000	19.30%	\$ 598,300
2014	\$2,510,000	19.13%	\$ 480,163
2015	\$1,930,000	18.82%	\$ 363,226
2016	\$1,360,000	19.28%	\$ 262,208
2017	\$800,000	19.18%	\$ 153,440
2018	\$245,000	19.37%	\$ 47,457
2019	\$7,800,000	19.15%	\$ 1,493,700
2020	\$7,668,176	19.57%	\$ 1,500,662
2021	\$7,429,260	19.36%	\$ 1,438,305

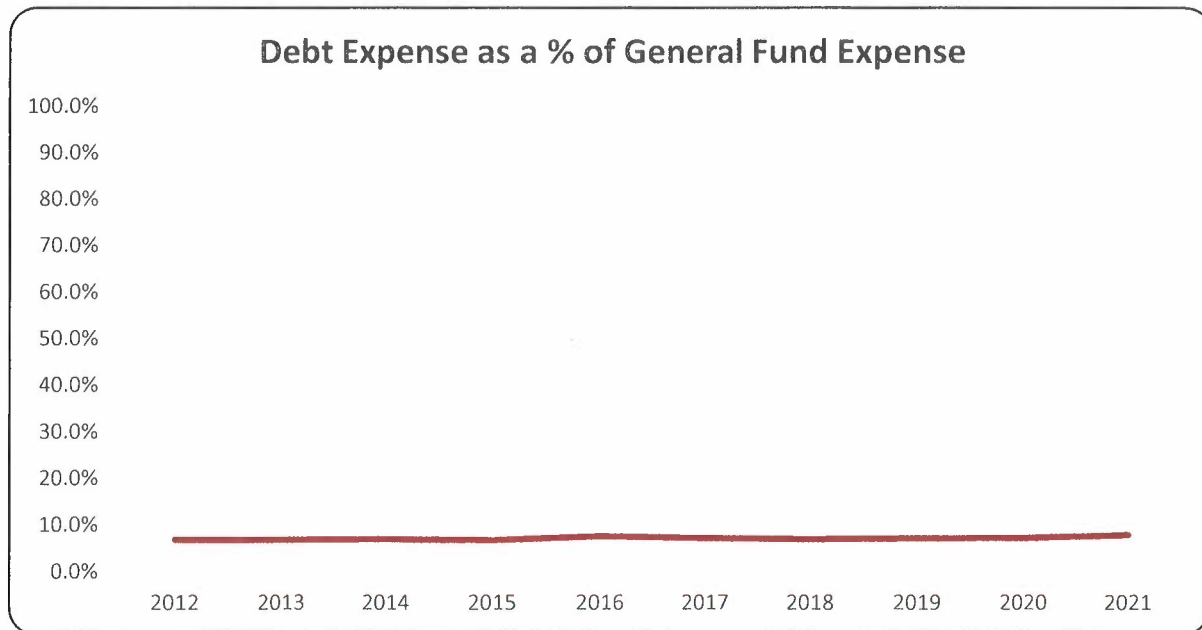
*** Source: Belknap County Audit Reports**



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

Fiscal Year	Principal	Interest	Total Principal and Interest Payments	Total General Fund Expenditures	%
2012	\$2,663,053	\$870,361	\$3,533,414	\$52,141,823	6.8%
2013	\$2,709,361	\$871,974	\$3,581,335	\$52,721,651	6.8%
2014	\$2,758,364	\$894,620	\$3,652,984	\$52,970,545	6.9%
2015	\$2,842,008	\$901,448	\$3,743,456	\$55,378,890	6.8%
2016	\$3,122,206	\$1,043,298	\$4,165,504	\$55,378,890	7.5%
2017	\$2,975,228	\$1,121,180	\$4,096,408	\$57,288,619	7.2%
2018	\$3,075,909	\$1,126,419	\$4,202,328	\$ 60,619,820	6.9%
2019	\$3,256,915	\$1,187,926	\$4,444,841	\$ 62,234,764	7.1%
2020	\$3,396,397	\$1,223,118	\$4,619,515	\$ 64,347,429	7.2%
2021	\$3,886,453	\$1,112,869	\$4,999,322	\$ 63,139,577	7.9%

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



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

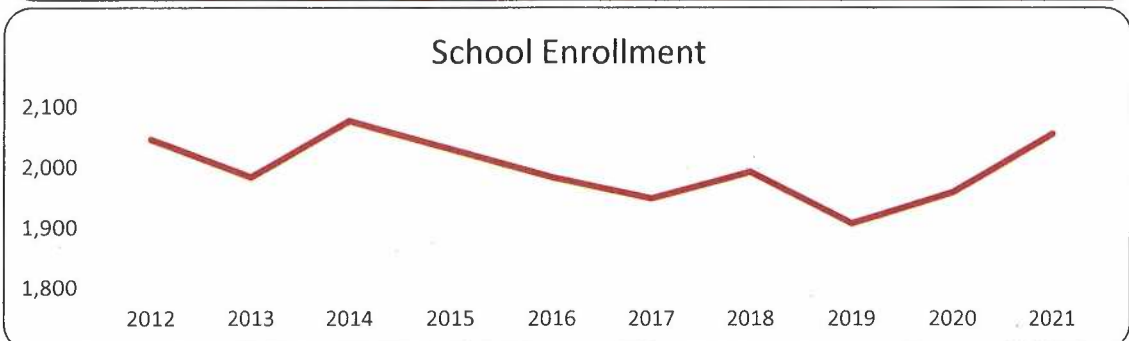
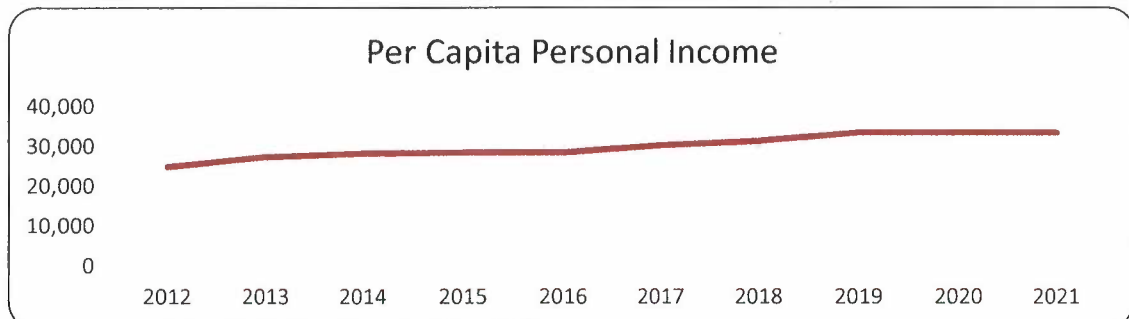
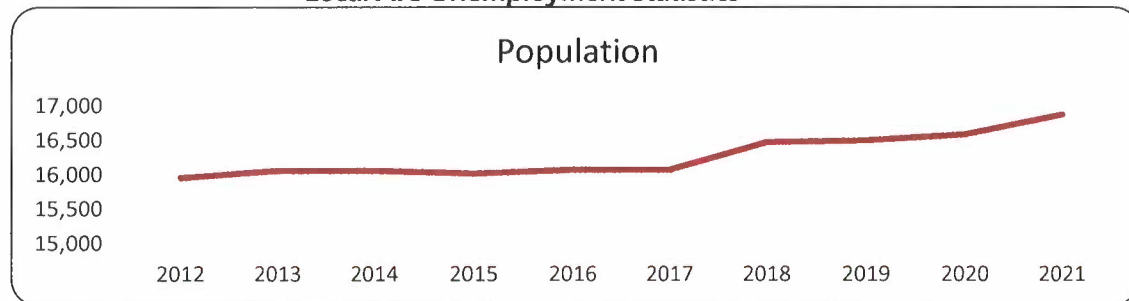
Fiscal Year	Population*	Median Household Income*	Per Capita Personal Income*	Median Age*	School Enrollment**	Unemploy. Rate***
2012	15,951	44,919	24,959	43.0	2,047	5.1%
2013	16,055	47,004	27,295	43.0	1,984	4.6%
2014	16,055	46,605	28,165	43.0	2,078	3.9%
2015	16,010	47,180	28,418	46.7	2,031	3.0%
2016	16,067	47,180	28,418	46.7	1,984	2.6%
2017	16,067	50,643	30,293	46.3	1,949	2.4%
2018	16,464	52,702	31,317	46.3	1,993	2.4%
2019	16,492	57,046	33,443	47.0	1,908	2.3%
2020	16,581	57,960	33,387	47.4	1,959	4.6%
2021	16,871	57,960	33,387	46.4	2,056	3.4%

Data Source

* Bureau of Census

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

*** Belknap County Rate as of June 30th, as reported in NHES
Local Are Unemployment Statistics



**CITY OF LACONIA
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2021
(amounts expressed in thousands)**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Public Service of NH	\$38,546	1	1.49%	\$17,196	1	0.92%
Keyspan Energy Delivery	18,673	2	0.72%	7,992	2	0.43%
Double D Development	8,049	3	0.31%			
Lakemont Cooperative Inc	7,100	4	0.27%			
Irwin James R & Sons Inc	6,487	5	0.25%	6,168	4	0.33%
First Laconia Associates	5,867	6	0.23%			
Gilford Route 11 Realty Trust	5,601	7	0.20%	5,743	5	0.31%
Akwa Vista LLC	5,206	8	0.20%	6,402	3	0.34%
Northern NE Telephone	5,158	9	0.19%			
Weirs Sports Center Inc.	4,837	10	0.22%			
Remington John & Jacqueline				5,637	6	0.30%
Summit at Four Season Owners				4,871	7	0.26%
Laconia Country Club				4,680	8	0.25%
Aavid Thermal Products				4,550	9	0.24%
Margate Motel Inc				4,280	10	0.23%
Totals	\$106		4.07%	67,519		3.33%
Total Net Assessed Taxable Value Line 21A of MS1	\$2,591,996			\$1,870,057		

Source:
City of Laconia, Assessing Records and Tax Records

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

Position	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Administrators	19	22	22	22	22	21	20	18	18	18
Guidance Counselors	11	11	10	10	10	9	10	10	10	10
Classroom Teachers	152	152	157	151	149	136	127	126	129	130
Special Education Teachers	32	32	32	30	31	28	30	28	27	27
Librarians	2	2	2	2	2	2	2	2	2	2
Vocational Education Teachers	12	12	12	12	12	12	12	11	14	14
Nurses	5	5	5	5	5	5	5	5	5	5
Itinerant Staff	<u>25</u>	<u>25</u>	<u>27</u>	<u>33</u>	<u>33</u>	<u>34</u>	<u>36</u>	<u>34</u>	<u>34</u>	34
Total	258	261	267	265	264	247	242	234	239	240

Full-Time Equivalent Employees as of June 30

Source: City Annual reports
School District

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>#</u> <u>Change</u>	<u>%</u> <u>Change</u>
Function												
General government	27	27	27	27	27	27	28	28	27	28	1	3.70%
Public safety												
Police												
Officers	39	40	41	41	42	42	42	42	44	44	5	12.82%
Civilians	10	10	10	10	10	10	10	10	10	10	0	0.00%
Fire												
Firefighters and officer:	31	31	31	35	35	35	35	35	35	35	4	12.90%
EMS Ambulance	5	5	5	5	5	5	5	5	5	5	0	0.00%
Civilians	1	1	1	1	1	1	1	1	1	1	0	0.00%
Call firefighters	0	0	0	0	0	0	0	0	0	0	0	
Highway and streets												
Engineering	1	1	1	1	1	1	1	1	1	1	0	0.00%
Maintenance	16	16	16	16	17	18	18	18	19	19	3	18.75%
Solid Waste	1	1	1	1	1	1	1	1	1	1	0	0.00%
Library	10	10	10	10	10	10	10	10	10	10	0	0.00%
Parks & Recreation	7	7	7	7	7	7	7	7	8	8	1	14.29%
Water	16	16	16	16	17	17	17	17	18	18	2	12.50%
Sewer	8	8	8	8	8	8	8	8	7	7	-1	-12.50%
ISF	2	2	2	2	3	3	3	3	3	3	1	50.00%
Total	174	175	176	180	184	185	186	186	189	190	16	9.20%

Source: City Approved Budgets

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

Function	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021
Police										
Calls for service	17,870	16,760	16,148	16,729	17,983	17,699	22,293	19,913	21,725	21,108
Criminal arrests	1,457	1,352	1,319	1,352	1,526	1,505	1,425	1,471	1,238	1,313
Parking violations	1,096	1,549	1,676	2,124	1,390	983	1,651	1,813	1,447	1,817
Traffic violations	596	448	399	329	378	309	457	342	298	497
Fire										
Number of calls answered	3,576	3,739	3,881	4,380	4,487	4,760	5,064	4,975	4,422	4,851
Inspections	2,214	2,286	2,322	2,412	3,265	1,931	1,655	1,857	1,664	1,402
Highways and streets										
Street resurfacing (miles)	3.80	3.13	1.03	5.79	3.20	0.00	3.70	3.10	3.10	2.30
Code										
Building permits issued	287	322	249	290	284	349	257	206	345	378
Estimated construction value** (in thousands)	\$22,431	\$19,911	\$27,607	\$34,654	\$32,732	\$23,136	\$17,496	\$16,956	\$19,373	\$48,627
Library										
Volumes	58,419	61,381	62,713	66,019	67,316	66,857	61,764	58,840	61,822	59,085
Circulation	131,402	125,440	120,127	117,695	111,183	104,170	104,370	101,451	87,939	71,180
Solid Waste										
Refuse collected (tons per year)	12,744	11,930	11,171	10,479	10,950	10,601	10,850	10,828	12,391	10,938
Recyclables collected (tons per year)	1,209	1,432	1,922	1,913	1,856	1,737	1,651	897	816	781
Parks & Recreation										
Field Use Requests	101	81	90	103	98	75	96	87	85	91
School Enrollment										
Laconia HS	614	598	589	585	552	526	555	539	538	561
Laconia Middle School	474	469	482	423	423	405	413	441	486	481
Woodland Heights	421	352	430	453	444	391	373	342	347	333
Pleasant Street	262	283	292	285	282	315	331	294	292	265
Elm Street	276	282	285	285	283	312	321	292	296	272
Area 8/Huot	364	420	473	421	441	394	411	409	399	432
Water										
New connections	42	30	62	50	39	50	43	24	38	69
Water main breaks	3	7	7	10	5	6	9	7	5	2
Average daily consumption-MGD	1.43	1.45	1.47	1.3	1.59	1.49	1.42	1.41	1.34	1.41

Sources: Various government departments

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

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

Function	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	4	4	4	4	4	4	4	4	4	
Fire stations	3	3	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles)-paved ##	105.21	105.21	83.2	83.2	83.2	83.2	79.25	79.25	79.25	79.25
Streets (miles)-unpaved ##	7.24	7.24	2.18	2.18	2.18	2.18	0.85	0.85	0.85	0.85
Traffic intersections	7	7	7	7	7	7	8	8	8	8
Street lights	1,344	1,344	1,344	1,344	1,344	1,308	1,308	1310	1,310	1,310
Culture and recreation										
Parks acreage	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5
Parks **	47	47	47	47	47	47	47	48	48	48
Tennis courts	7	7	7	7	7	8	8	8	8	8
Basketball courts	7	7	7	7	7	7	6	7	7	7
Community centers	5	4	4	4	4	4	4	5	5	5
Cemeteries	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	102.72	104.35	104.35	104.35	104.35	105.43	105.43	105.76	105.76	105.76
Fire hydrants	527	527	530	542	542	547	547	547	547	547
Maximum daily capacity (MGD)	6	6	6	6	6	6	6	6	6	6
Service connections	6,476	6,506	6,568	6,617	6,656	6,685	6,728	6752	6790	6859
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	10,785	10,850	10,865	10,877	10,885	10,930	10,950	10954	10,954	10,958
Maximum daily capacity -MGD	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Pump Stations	17	17	17	17	17	17	18	18	18	18

Sources: various city departments

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

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

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

*previous administration counted some private roads