

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

CITY OF LACONIA, NEW HAMPSHIRE

FISCAL YEAR ENDED JUNE 30, 2022



100th Anniversary - Laconia Motorcycle Week

COMPREHENSIVE ANNUAL FINANCIAL REPORT CITY OF LACONIA, NEW HAMPSHIRE FISCAL YEAR ENDED JUNE 30, 2022

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Cover photo

Courtesy of Laconia Motorcycle Week Association, with thanks to Charlie St. Clair and Jennifer Anderson.

Photo depicts an early Gypsy Tour held at the Weirs five years before the first sanctioned Laconia motorcycle rally in 1923.



March 15, 2023

Honorable Mayor and City Council
City of Laconia
Laconia NH 03246

Dear Council Members:

The annual comprehensive financial report of the City of Laconia for the fiscal year ended June 30, 2022 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 this 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 later are excluded from the government-wide financial statements. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.
3. An unaudited statistical section including financial and demographic data provides users with a broader understanding of the City and the trends in its financial affairs in that it presents some non-accounting data and covers more than one fiscal year.

Overview

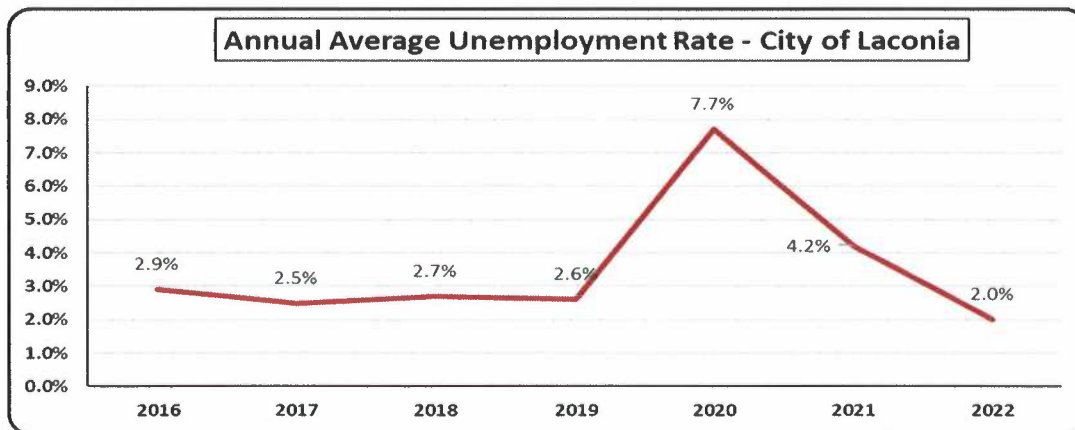
The City of Laconia has operated under the Council-Manager form of government since 1971. The City Council is comprised of six members and an elected Mayor. The City Council is responsible for enacting ordinances, resolutions and regulations concerning the City, as well as for appointing the members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

The City provides a full range of services, including police and fire protection, emergency medical services, public works operations, planning and zoning, code enforcement, health and welfare services, parks operation and maintenance, recreation, 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

Laconia's unemployment rate fell as the economy continued its recovery from the covid-19 pandemic. The June 2022 rate fell to 2.0%, down from 4.2% in June 2021. This represents the lowest unemployment rate in recent history and points toward the current labor shortage impacting our region and is expected to continue.



Data from 2021 (the most current year for which data is available) shows a increase in number of employers, bringing the number to pre-pandemic levels. The average annual employment decreases by 125 positions while the average weekly wage increased by \$22/week

Laconia Employment Outlook				
	2018	2019	2020	2021
# of Employers	570	575	571	575
Avg. Annual Employment	9,224	9,270	8,597	8,472
Average Weekly Wage	\$961.30	\$955.00	\$1,030.00	\$1,052.00

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 \$64.5 million in fiscal year 2022; this represented a decrease of 3.05% over fiscal year 2021. Major contributing factors are:

- Implementation of GASB 84 standards, which require the reclassification of taxes collected for other jurisdictions. In FY21 taxes collected for Belknap County appeared in the General Fund property tax line, in FY22 they do not. Taxes collected on behalf of the County totaled \$2,544,322 in FY22.
- A \$843,371 decrease in intergovernmental revenue, largely driven by the sunset of some Covid19 reimbursements.
- A \$563,733 increase in charges for services related to activity in the School and Transfer Station portion of the Public Works departments.

The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2022, and the amount of increase or decrease in relation to prior year revenues.

Revenues	FY22	FY21	Change	% Change
Property Tax	\$44,998,236	\$46,947,087	-\$1,948,851	-4.15%
Penalty, Interest & Other Taxes	\$576,845	\$634,188	-\$57,343	-9.04%
Charges for Services	\$3,041,942	\$2,478,209	\$563,733	22.75%
Intergovernmental	\$11,083,073	\$11,926,444	-\$843,371	-7.07%
Licenses & Permits	\$4,110,190	\$3,907,092	\$203,098	5.20%
Fines & Forfeitures	\$24,636	\$32,689	-\$8,053	-24.64%
Investment Income	\$70,681	\$103,473	-\$32,792	-31.69%
Miscellaneous	\$652,773	\$562,684	\$90,089	16.01%
Total Revenues	\$64,558,376	\$66,591,866	-\$2,033,490	-3.05%

Expenditures

Expenditures for the General Fund functions totaled \$63.7 million in fiscal year 2021, a decrease of 2.65% from prior year expenditures.

Factors that contribute to the increase include reclassification of County tax expense, education, Police and debt service expenses.

Expenses	FY22	FY21	Change	% Change
General Government	\$4,521,674	\$7,966,801	-\$3,445,127	-43.24%
Fire	\$5,010,131	\$4,757,709	\$252,422	5.31%
Police	\$7,184,868	\$6,548,447	\$636,421	9.72%
Education	\$36,223,201	\$33,286,246	\$2,936,955	8.82%
Highways & Streets	\$2,734,489	\$2,590,252	\$144,237	5.57%
Solid Waste	\$2,459,878	\$2,026,106	\$433,772	21.41%
Health & Welfare	\$41,845	\$25,124	\$16,721	66.55%
Parks & Recreation	\$874,277	\$647,426	\$226,851	35.04%
Library	\$870,726	\$814,211	\$56,515	6.94%
Conservation	\$2,315	\$1,292	\$1,023	79.18%
Capital Outlay	\$1,654,733	\$1,805,301	-\$150,568	-8.34%
Debt Service	\$2,157,888	\$4,999,322	-\$2,841,434	-56.84%
Total	\$63,736,025	\$65,468,237	-\$1,732,212	-2.65%

Fund Balance

Total fund balance for the general fund increased by \$86,316 from \$9,605,105 in FY21 to \$9,691,421 in FY22, as detailed below:

Use of fund balance as a funding source	(\$700,000)
Change in capital reserves	\$1,135,334
Other	(\$349,018)
Total	\$86,316

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	FY22	FY21	Change	% Change
Revenues	\$4,877,795	\$4,965,458	-\$87,663	-1.77%
Expenses	<u>\$4,654,383</u>	<u>\$4,412,589</u>	<u>\$241,794</u>	5.48%
Operating Income (Loss)	\$223,412	\$552,869	-\$329,457	-59.59%

Water Fund	FY22	FY21	Change	% Change
Revenues	\$2,995,007	\$2,986,177	\$8,830	0.30%
Expenses	<u>\$2,757,502</u>	<u>\$3,048,358</u>	<u>-\$290,856</u>	-9.54%
Operating Income (Loss)	\$237,505	-\$62,181	\$299,686	-481.96%

Fiduciary Operations

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

Assessed Valuation

Total assessment valuations before exemptions increased from \$2.596 billion to \$3.480 billion, an increase of \$884 million, or 34%. This is largely driven by two factors; significant new construction and market-driven increases in the value of waterfront residential properties. 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.

Debt Administration

The position of the general obligation bonds and notes as of the end of FY22 are as follows:

Government Activities		Outstanding Balance
		June 30 2022
City	2002 Capital Imp	\$100,000
	2003 Library	\$220,000
	2010 Weirs Boardwalk	\$280,000
	2011 Water Line/Boardwalk	\$254,250
	2010 Anthony Dr	\$97,943
	2013 Fire Truck/DPW (City Portion)	\$52,000
	2014 Smith Track/Weirs Cmty Park	\$170,000
	2015 Fbean/Fire Sta/Main Bridge/ GO *	\$4,181,921
	2017 Lakeside Av/Messer/Endicott	\$1,200,000
	2018 Road Improvements	\$1,500,000
	2018 PD Radio Tower, Disp. *	\$555,712
	2018 Streets/Sidewalks/Drainage *	\$1,759,521
	2020 Court St/Fire Eng./DPW Truck	\$1,620,000
	2020 Bridge/End Water/Sewer (City)	\$674,325
	2020 Colonial Theatre Restoration	\$6,163,596
	2021 Church Street Property Acquisition	\$614,700
	2021 Road Improvement Bond	\$1,312,400
School	2001 School Woodland Heights	\$205,000
	2007 School - MMS	\$7,662,122
	2011 Huot QZAB	\$996,000
	2012 Huot QZAB	\$2,990,000
	2012 Huot (Northway)	\$600,000
	2014 Huot QZAB	\$1,292,500
SSF	2020 Bridge/End Water/Sewer (SSF)	\$1,350,675
ISF	2013 Fire Truck/DPW (ISF Portion)	\$58,000
DTIF	2015 Fbean/Fire Sta/Main Bridge/ GO *	\$1,114,331
WTIF	2017 Weirs TIF	\$1,255,559
		\$38,280,555
Total	2009 LWW Water Tank	\$560,000
	2020 Water Line Repair & Replace	\$1,740,754
LWW		\$2,300,754
Total	Grand Total	\$40,581,309

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.

OTHER INFORMATION

Independent Audit

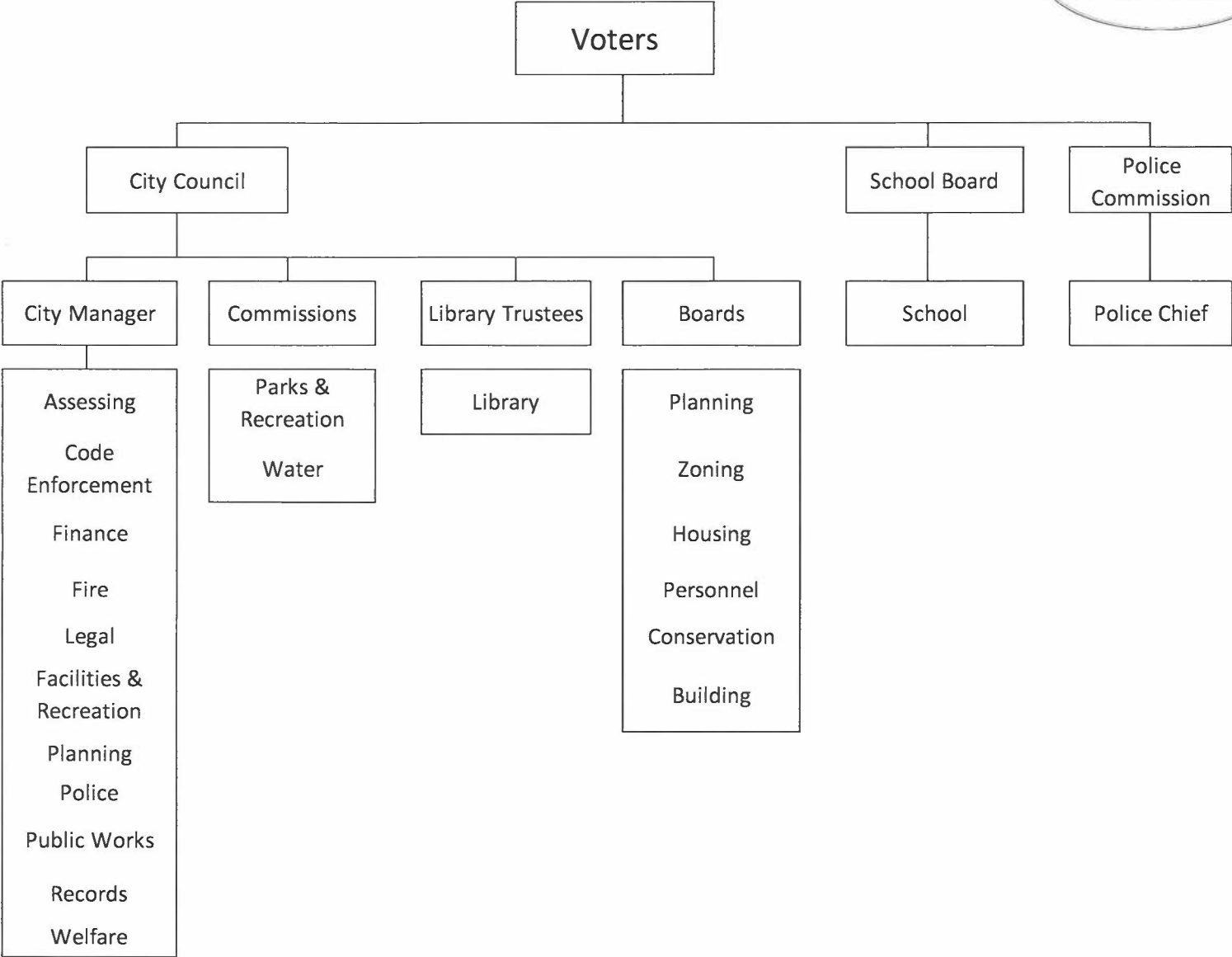
The financial records and transactions of the City of Laconia have been audited by the independent public accounting firm of Melanson, PC as required by New Hampshire State Statute. In addition to meeting the requirements set forth in state statutes, the audit was also conducted in accordance with generally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

Acknowledgements

Our appreciation is extended to the 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, NEW HAMPSHIRE
COUNCIL-MANAGER FORM OF GOVERNMENT
LISTING OF ELECTED CITY OFFICIALS
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

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, 2022**

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



CITY OF LACONIA, NEW HAMPSHIRE

Financial Statements and Required Supplementary Information
For the Year Ended June 30, 2022

(With Independent Auditor's Report Thereon)

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INDEPENDENT AUDITORS'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the 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 (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in the notes to the financial statements, in the year ending June 30, 2022, the City adopted GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

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Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management, 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 March 15, 2023 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 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
March 15, 2023

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 for the fiscal year ended June 30, 2022.

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 required 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 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 and Other Supplementary Information

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

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$24,267,425, a change of \$4,767,772, and net position in business-type activities was \$28,647,916, a change of \$720,645.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$14,677,210, a change of \$(917,588).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,203,244, a change of \$(1,007,540) 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 year:

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 44,594,997	\$ 44,937,060	\$ 5,213,589	\$ 6,956,926	\$ 49,808,586	\$ 51,893,986
Capital assets	<u>109,252,490</u>	<u>103,201,687</u>	<u>30,466,212</u>	<u>25,702,689</u>	<u>139,718,702</u>	<u>128,904,376</u>
Total Assets	153,847,487	148,138,747	35,679,801	32,659,615	189,527,288	180,798,362
Deferred Outflows of Resources	16,339,790	20,407,109	389,502	569,222	16,729,292	20,976,331
Liabilities						
Current liabilities	4,730,278	3,696,456	1,804,345	441,130	6,534,623	4,137,586
Noncurrent liabilities	<u>103,653,925</u>	<u>122,283,376</u>	<u>5,049,632</u>	<u>4,647,917</u>	<u>108,703,557</u>	<u>126,931,293</u>
Total Liabilities	108,384,203	125,979,832	6,853,977	5,089,047	115,238,180	131,068,879
Deferred Inflows on Resources	37,535,649	23,026,900	567,410	212,519	38,103,059	23,239,419
Net Position						
Net investment in capital assets	66,652,538	67,195,294	25,901,245	23,253,610	92,553,783	90,448,904
Restricted	6,016,204	6,938,074	-	-	6,016,204	6,938,074
Unrestricted	<u>(48,401,317)</u>	<u>(54,594,244)</u>	<u>2,746,671</u>	<u>4,673,661</u>	<u>(45,654,646)</u>	<u>(49,920,583)</u>
Total Net Position	\$ <u>24,267,425</u>	\$ <u>19,539,124</u>	\$ <u>28,647,916</u>	\$ <u>27,927,271</u>	\$ <u>52,915,341</u>	\$ <u>47,466,395</u>

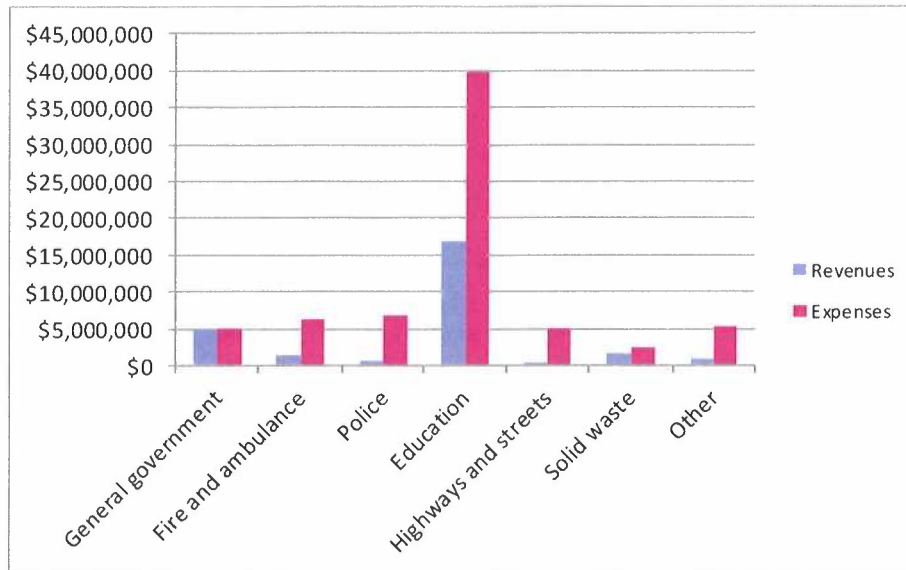
The largest portion of net position \$92,553,783 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, 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 \$6,016,204 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 \$(45,654,646) primarily resulting from the City's unfunded net pension and OPEB liabilities.

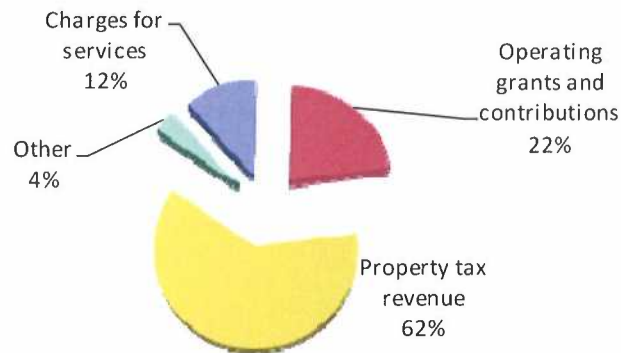
As noted earlier, net position may serve over time as a useful indicator of a City's financial position. At the close of the most recent fiscal year, total net position was \$52,915,341 a change of \$5,488,417 in comparison to the prior year.

CHANGE IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 9,222,340	\$ 8,134,451	\$ 7,872,802	\$ 7,951,635	\$ 17,095,142	\$ 16,086,086
Operating grants and contributions	16,962,488	16,289,662	73,980	69,295	17,036,468	16,358,957
Capital grants and contributions	744,042	1,190,799	280,899	438,120	1,024,941	1,628,919
General revenues:						
Property taxes	47,074,574	48,188,856	-	-	47,074,574	48,188,856
Penalties and interest on taxes	576,845	634,188	-	-	576,845	634,188
Grants and contributions not restricted to specific programs	1,273,180	1,718,908	-	-	1,273,180	1,718,908
Investment income (loss)	(387,091)	640,048	9,827	9,775	(377,264)	649,823
Miscellaneous	642,125	992,824	-	-	642,125	992,824
Total Revenues	76,108,503	77,789,736	8,237,508	8,468,825	84,346,011	86,258,561
Expenses:						
General government	5,115,702	8,116,485	-	-	5,115,702	8,116,485
Fire and ambulance	6,409,940	6,873,335	-	-	6,409,940	6,873,335
Police	6,919,870	7,936,571	-	-	6,919,870	7,936,571
Education	39,908,409	43,202,534	-	-	39,908,409	43,202,534
Highway and streets	5,141,411	7,333,751	-	-	5,141,411	7,333,751
Solid waste	2,592,430	2,112,586	-	-	2,592,430	2,112,586
Health and welfare	843,497	790,717	-	-	843,497	790,717
Parks and recreation	1,363,940	1,272,112	-	-	1,363,940	1,272,112
Library	1,015,037	931,934	-	-	1,015,037	931,934
Conservation	2,315	1,292	-	-	2,315	1,292
Airport	773,344	668,872	-	-	773,344	668,872
Interest expense	1,254,836	1,286,136	-	-	1,254,836	1,286,136
Water	-	-	2,823,782	3,048,358	2,823,782	3,048,358
Sanitary Sewer	-	-	4,693,081	4,412,589	4,693,081	4,412,589
Total Expenses	71,340,731	80,526,325	7,516,863	7,460,947	78,857,594	87,987,272
Change in Net Position	4,767,772	(2,736,589)	720,645	1,007,878	5,488,417	(1,728,711)
Net Position - Beginning of Year (as restated)	19,499,653	22,275,713	27,927,271	26,919,393	47,426,924	49,195,106
Net Position - End of Year	\$ 24,267,425	\$ 19,539,124	\$ 28,647,916	\$ 27,927,271	\$ 52,915,341	\$ 47,466,395

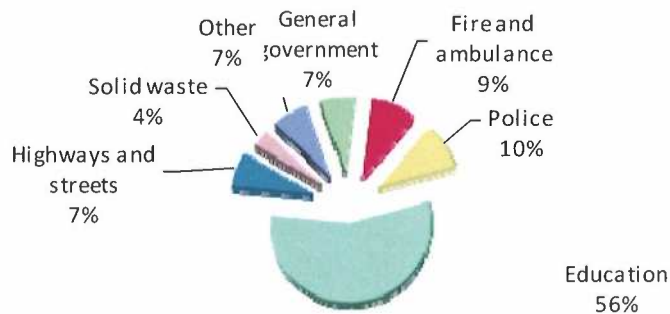
**Governmental Activities - Revenue v. Expense Comparison
For the Year Ended June 30, 2022**



**Governmental Activities - Revenues
For the Year Ended June 30, 2022**



**Governmental Activities - Expenses
For the Year Ended June 30, 2022**



Governmental Activities

Governmental activities for the year resulted in a change in net position of \$4,767,772. Key elements of this change are as follows:

Change in net pension liability, net of related deferrals	\$ 2,572,205
Court street bridge capital improvements	2,740,229
Other	<u>(544,662)</u>
Total	<u>\$ 4,767,772</u>

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$720,645. This change primarily results from positive budgetary results and capital contributions in the water fund. The following is a summary of the changes in net position by fund:

Water operations	\$ 532,005
Sanitary Sewer operations	<u>188,640</u>
Total	<u>\$ 720,645</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 \$3,203,244, while total fund balance was \$9,691,421. The City's unassigned fund balance decreased by \$(1,007,540) primarily from favorable budgetary results of \$1,705,351 (page 61), less \$700,000 used to reduce the tax rate in fiscal year 2022 and less \$1,000,000 added to the fund balance committed for educational purposes. 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>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	% of Total General Fund Expenditures
Unassigned fund balance	\$ 3,203,244	\$ 4,210,784	\$ (1,007,540)	5.0%
Total fund balance	\$ 9,691,421	\$ 9,605,105	\$ 86,316	15.0%

The total fund balance of the General Fund changed by \$86,316 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (700,000)
Change in capital reserves	1,135,334
Other	<u>(349,018)</u>
Total	\$ <u>86,316</u>

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
Capital reserves	\$ <u>5,501,899</u>	\$ <u>4,366,565</u>	\$ <u>1,135,334</u>

Nonmajor Governmental Funds

The fund balance of the nonmajor governmental funds changed by \$(657,427) 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 \$2,746,671, a change of \$(1,926,990) in comparison to the prior year primarily from 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

There were no differences between the original budget and the final budget for fiscal year 2022.

Capital Asset and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year end amounted to \$139,718,702 (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 \$2.8 million in Court Street improvements.

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

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$36,996,035 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, 2022

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Current			
Cash and short-term investments	\$ 28,687,903	\$ 3,653,633	\$ 32,341,536
Investments	4,396,065	1,019,638	5,415,703
Receivables, net of allowance for uncollectibles:			
Property taxes	4,051,567	-	4,051,567
Departmental and other	1,435,498	-	1,435,498
User fees	-	1,416,870	1,416,870
Intergovernmental	3,484,606	173,811	3,658,417
Internal balances	1,492,997	(1,492,997)	-
Due from external parties	69,926	-	69,926
Inventories and prepaids	<u>247,428</u>	<u>442,634</u>	<u>690,062</u>
Total Current Assets	43,865,990	5,213,589	49,079,579
Noncurrent			
Receivables, net of allowance for uncollectibles:			
Property taxes	729,007	-	729,007
Capital assets:			
Land and construction in progress	11,177,555	2,173,553	13,351,108
Right to use leased assets, net of accumulated amortization	4,911,252	-	4,911,252
Other capital assets, net of accumulated depreciation	<u>93,163,683</u>	<u>28,292,659</u>	<u>121,456,342</u>
Total Noncurrent Assets	<u>109,981,497</u>	<u>30,466,212</u>	<u>140,447,709</u>
Total Assets	153,847,487	35,679,801	189,527,288
Deferred Outflows of Resources			
Related to pensions	15,042,351	346,767	15,389,118
Related to OPEB	<u>1,297,439</u>	<u>42,735</u>	<u>1,340,174</u>
Total Deferred Outflows of Resources	16,339,790	389,502	16,729,292

(continued)

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

CITY OF LACONIA, NEW HAMPSHIRE

Statement of Net Position
June 30, 2022

(continued)	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Liabilities			
Current			
Accounts payable	2,449,690	209,560	2,659,250
Retainage payable	176,871	97,639	274,510
Accrued liabilities	1,769,357	124,292	1,893,649
Unearned revenues	334,360	-	334,360
Notes payable	-	1,320,025	1,320,025
Other current liabilities	-	52,829	52,829
Current portion of long-term liabilities:			
Bonds and loans payable	3,731,467	209,139	3,940,606
Compensated absences	103,955	5,196	109,151
Lease liability	23,224	-	23,224
Landfill liability	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Current Liabilities	8,603,924	2,018,680	10,622,604
Noncurrent			
Bonds and loans payable, net of current portion	33,894,568	3,035,803	36,930,371
Net pension liability	47,459,266	1,287,549	48,746,815
Net OPEB liability	11,195,597	395,947	11,591,544
Compensated absences, net of current portion	1,975,150	115,998	2,091,148
Lease liability, net of current portion	5,141,698	-	5,141,698
Landfill liability	<u>114,000</u>	<u>-</u>	<u>114,000</u>
Total Noncurrent Liabilities	<u>99,780,279</u>	<u>4,835,297</u>	<u>104,615,576</u>
Total Liabilities	108,384,203	6,853,977	115,238,180
Deferred Inflows of Resources			
Related to pensions	14,506,994	452,061	14,959,055
Related to OPEB	2,655,004	115,349	2,770,353
Related to taxes	<u>20,373,651</u>	<u>-</u>	<u>20,373,651</u>
Total Deferred Inflows of Resources	37,535,649	567,410	38,103,059
Net Position			
Net investment in capital assets	66,652,538	25,901,245	92,553,783
Restricted for:			
Grants	3,683,256	-	3,683,256
Permanent funds:			
Nonexpendable	802,532	-	802,532
Expendable	1,530,416	-	1,530,416
Unrestricted	<u>(48,401,317)</u>	<u>2,746,671</u>	<u>(45,654,646)</u>
Total Net Position	\$ <u><u>24,267,425</u></u>	\$ <u><u>28,647,916</u></u>	\$ <u><u>52,915,341</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, 2022

		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>	<u>(expense)</u>
					<u>Revenues</u>
Governmental Activities					
General government	\$ 5,115,702	\$ 4,361,754	\$ 698,090	\$ -	\$ (55,858)
Fire and ambulance	6,409,940	1,440,714	-	-	(4,969,226)
Police	6,919,870	315,554	249,225	-	(6,355,091)
Education	39,908,409	948,630	15,910,330	-	(23,049,449)
Highways and streets	5,141,411	17,882	-	325,954	(4,797,575)
Solid waste	2,592,430	1,703,818	-	-	(888,612)
Health and welfare	843,497	-	-	-	(843,497)
Parks and recreation	1,363,940	51,617	55,435	-	(1,256,888)
Library	1,015,037	8,405	49,408	-	(957,224)
Conservation	2,315	-	-	15,851	13,536
Airport	773,344	373,966	-	402,237	2,859
Interest on long-term debt	<u>1,254,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,254,836)</u>
Total Governmental Activities	71,340,731	9,222,340	16,962,488	744,042	(44,411,861)
Business-Type Activities					
Water services	2,823,782	2,995,007	73,980	280,899	526,104
Sanitary sewer services	<u>4,693,081</u>	<u>4,877,795</u>	<u>-</u>	<u>-</u>	<u>184,714</u>
Total Business-Type Activities	<u>7,516,863</u>	<u>7,872,802</u>	<u>73,980</u>	<u>280,899</u>	<u>710,818</u>
Total	\$ <u>78,857,594</u>	\$ <u>17,095,142</u>	\$ <u>17,036,468</u>	\$ <u>818,022</u>	(43,701,043)

(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, 2022

(continued)

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Net (expenses) revenues from previous page	\$ (44,411,861)	\$ 710,818	\$ (43,701,043)
General Revenues:			
Property taxes	47,074,574	-	47,074,574
Penalties, interest, and other taxes	576,845	-	576,845
Grants and contributions not restricted to specific programs	1,273,180	-	1,273,180
Investment income (loss)	(387,091)	9,827	(377,264)
Miscellaneous	<u>642,125</u>	<u>-</u>	<u>642,125</u>
Total General Revenues	<u>49,179,633</u>	<u>9,827</u>	<u>49,189,460</u>
Change in Net Position	4,767,772	720,645	5,488,417
Net Position:			
Beginning of year, as restated	<u>19,499,653</u>	<u>27,927,271</u>	<u>47,426,924</u>
End of year	<u>\$ 24,267,425</u>	<u>\$ 28,647,916</u>	<u>\$ 52,915,341</u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and short-term investments	\$ 28,060,980	\$ 626,923	\$ 28,687,903
Investments	2,047,177	2,348,889	4,396,066
Receivables:			
Property taxes	4,780,574	-	4,780,574
Departmental and other	284,046	1,151,452	1,435,498
Intergovernmental	235,318	3,249,288	3,484,606
Due from other funds	4,028,790	3,658,244	7,687,034
Inventories and prepaids	<u>167,859</u>	<u>47,761</u>	<u>215,620</u>
Total Assets	\$ <u>39,604,744</u>	\$ <u>11,082,557</u>	\$ <u>50,687,301</u>
Liabilities			
Accounts payable	\$ 2,170,962	\$ 229,209	\$ 2,400,171
Retainage payable	96,350	80,521	176,871
Accrued liabilities	1,764,194	5,049	1,769,243
Unearned revenues	-	334,360	334,360
Due to other funds	<u>320,442</u>	<u>5,447,629</u>	<u>5,768,071</u>
Total Liabilities	4,351,948	6,096,768	10,448,716
Deferred Inflows of Resources			
Unavailable revenues	5,187,724	-	5,187,724
Taxes collected in advance	<u>20,373,651</u>	<u>-</u>	<u>20,373,651</u>
Total Deferred Inflows of Resources	25,561,375	-	25,561,375
Fund Balances			
Nonspendable	187,354	802,532	989,886
Restricted	-	5,525,168	5,525,168
Committed	5,501,899	-	5,501,899
Assigned	798,924	-	798,924
Unassigned	<u>3,203,244</u>	<u>(1,341,911)</u>	<u>1,861,333</u>
Total Fund Balances	<u>9,691,421</u>	<u>4,985,789</u>	<u>14,677,210</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>39,604,744</u>	\$ <u>11,082,557</u>	\$ <u>50,687,301</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, 2022

Total governmental fund balances	\$ 14,677,210
<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. 	100,440,291
<ul style="list-style-type: none"> Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 	4,911,252
<ul style="list-style-type: none"> Revenues are reported on the accrual basis of accounting and are not deferred until collected. 	5,187,724
<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. 	3,336,190
<ul style="list-style-type: none"> Deferred outflows of resources related to pension to be recognized in pension expense in future periods. 	15,042,351
<ul style="list-style-type: none"> Deferred outflows of resources related to OPEB to be recognized in pension expense in future periods. 	1,297,439
<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 and loans payable	(37,626,035)
Net pension liability	(47,459,266)
Net OPEB liability	(11,195,597)
Other (compensated absences, landfill, and leases)	(7,373,027)
<ul style="list-style-type: none"> Deferred inflows of resources related to pension to be recognized in pension expense in future periods. 	(14,506,994)
<ul style="list-style-type: none"> Deferred inflows of resources related to OPEB to be recognized in pension expense in future periods. 	(2,655,004)
<ul style="list-style-type: none"> Other reconciling items 	190,891
Net position of governmental activities	\$ <u>24,267,425</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, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 44,998,236	\$ 617,939	\$ 45,616,175
Penalties, interest, and other taxes	576,845	-	576,845
Charges for services	3,041,942	2,074,732	5,116,674
Intergovernmental	11,214,247	7,798,463	19,012,710
Licenses and permits	4,110,190	-	4,110,190
Fines and forfeitures	24,636	-	24,636
Investment income (loss)	77,686	(464,777)	(387,091)
Miscellaneous	<u>652,771</u>	<u>-</u>	<u>652,771</u>
Total Revenues	64,696,553	10,026,357	74,722,910
Expenditures			
Current:			
General government	4,895,160	301,434	5,196,594
Fire and ambulance	4,992,131	1,194,430	6,186,561
Police	7,184,868	363,008	7,547,876
Education	33,153,210	6,290,325	39,443,535
Highways and streets	2,694,489	65,101	2,759,590
Solid waste	2,503,272	-	2,503,272
Health and welfare	41,845	-	41,845
Parks and recreation	874,277	25,404	899,681
Library	885,726	-	885,726
Conservation	2,315	-	2,315
Airport	-	773,344	773,344
Capital outlay	2,456,950	3,201,157	5,658,107
Debt service			
Principal	3,789,683	142,019	3,931,702
Interest	<u>1,136,311</u>	<u>274,039</u>	<u>1,410,350</u>
Total Expenditures	<u>64,610,237</u>	<u>12,630,261</u>	<u>77,240,498</u>
Excess (deficiency) of revenues over expenditures	86,316	(2,603,904)	(2,517,588)
Other Financing Sources			
Proceeds of bonds	-	1,312,400	1,312,400
Bond premiums	<u>-</u>	<u>287,600</u>	<u>287,600</u>
Total Other Financing Sources	<u>-</u>	<u>1,600,000</u>	<u>1,600,000</u>
Change in fund balance	86,316	(1,003,904)	(917,588)
Fund Balance, at Beginning of Year, as restated	<u>9,605,105</u>	<u>5,989,693</u>	<u>15,594,798</u>
Fund Balance, at End of Year	\$ <u><u>9,691,421</u></u>	\$ <u><u>4,985,789</u></u>	\$ <u><u>14,677,210</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, 2022

Net changes in fund balances - total governmental funds	\$ (917,588)																								
<ul style="list-style-type: none"> Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table> <tr> <td>Capital outlay</td><td align="right">5,949,239</td></tr> <tr> <td>Net effect from disposals of assets</td><td align="right">(10,648)</td></tr> <tr> <td>Depreciation/amortization</td><td align="right">(6,938,931)</td></tr> </table> 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: <table> <tr> <td>Issuance of general obligation bonds and loans</td><td align="right">(1,312,400)</td></tr> <tr> <td>Repayments of general obligation bonds and loans</td><td align="right">4,063,013</td></tr> <tr> <td>Premiums received on issuance of general obligation bonds</td><td align="right">(287,600)</td></tr> </table> Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property tax, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. <table> <tr> <td></td><td align="right">1,458,399</td></tr> </table> Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table> <tr> <td>Change in net pension liability and related deferred outflows and inflows</td><td align="right">2,572,205</td></tr> <tr> <td>Change in net OPEB liability and related deferred outflows and inflows</td><td align="right">202,581</td></tr> <tr> <td>Bond premium amortization</td><td align="right">23,450</td></tr> </table> Internal service funds are used by management to account for vehicle management services and related activities. The net activity of internal service funds is reported with Governmental Activities. <table> <tr> <td></td><td align="right">3,693</td></tr> </table> Other differences <table> <tr> <td></td><td align="right"><u>(37,641)</u></td></tr> </table> 	Capital outlay	5,949,239	Net effect from disposals of assets	(10,648)	Depreciation/amortization	(6,938,931)	Issuance of general obligation bonds and loans	(1,312,400)	Repayments of general obligation bonds and loans	4,063,013	Premiums received on issuance of general obligation bonds	(287,600)		1,458,399	Change in net pension liability and related deferred outflows and inflows	2,572,205	Change in net OPEB liability and related deferred outflows and inflows	202,581	Bond premium amortization	23,450		3,693		<u>(37,641)</u>	
Capital outlay	5,949,239																								
Net effect from disposals of assets	(10,648)																								
Depreciation/amortization	(6,938,931)																								
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Change in net OPEB liability and related deferred outflows and inflows	202,581																								
Bond premium amortization	23,450																								
	3,693																								
	<u>(37,641)</u>																								
Change in net position of governmental activities	\$ <u><u>4,767,772</u></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, 2022

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Assets				
Current:				
Cash and short-term investments	\$ 1,614,643	\$ 2,038,990	\$ 3,653,633	\$ -
Investments	-	1,019,638	1,019,638	-
User fees receivable, net of allowance for uncollectibles	529,371	887,499	1,416,870	-
Intergovernmental receivables	173,811	-	173,811	-
Due from other funds	-	508,585	508,585	-
Inventory	<u>442,634</u>	<u>-</u>	<u>442,634</u>	<u>31,808</u>
Total Current Assets	2,760,459	4,454,712	7,215,171	31,808
Noncurrent:				
Capital assets:				
Land and construction in progress	41,053	2,132,500	2,173,553	-
Other capital assets, net of accumulated depreciation	<u>15,958,686</u>	<u>12,333,973</u>	<u>28,292,659</u>	<u>3,900,947</u>
Total Noncurrent Assets	<u>15,999,739</u>	<u>14,466,473</u>	<u>30,466,212</u>	<u>3,900,947</u>
Total Assets	18,760,198	18,921,185	37,681,383	3,932,755
Deferred Outflows of Resources				
Related to pensions	306,439	40,328	346,767	-
Related to OPEB	<u>11,563</u>	<u>31,172</u>	<u>42,735</u>	<u>-</u>
Total Deferred Outflows of Resources	318,002	71,500	389,502	-
Liabilities				
Current:				
Accounts payable	134,110	75,450	209,560	49,520
Retainage payable	-	97,639	97,639	-
Accrued liabilities	41,185	83,107	124,292	-
Notes payable	-	1,320,025	1,320,025	-
Other liabilities	52,829	-	52,829	-
Due to other funds	-	2,001,582	2,001,582	356,040
Current portion of long-term liabilities:				
Bonds and loans payable	134,102	75,037	209,139	55,195
Compensated absences	<u>-</u>	<u>5,196</u>	<u>5,196</u>	<u>-</u>
Total Current Liabilities	362,226	3,658,036	4,020,262	460,755
Noncurrent:				
Bonds and loans payable, net of current portion	1,760,165	1,275,638	3,035,803	135,810
Net pension liability	1,073,439	214,110	1,287,549	-
Net OPEB liability	106,117	289,830	395,947	-
Compensated absences	<u>115,998</u>	<u>-</u>	<u>115,998</u>	<u>-</u>
Total Noncurrent Liabilities	<u>3,055,719</u>	<u>1,779,578</u>	<u>4,835,297</u>	<u>135,810</u>
Total Liabilities	3,417,945	5,437,614	8,855,559	596,565
Deferred Inflows of Resources				
Related to pensions	381,867	70,194	452,061	-
Related to OPEB	<u>73,869</u>	<u>41,480</u>	<u>115,349</u>	<u>-</u>
Total Deferred Inflows of Resources	455,736	111,674	567,410	-
Net Position				
Net investment in capital assets	14,105,472	11,795,773	25,901,245	-
Unrestricted	<u>1,099,047</u>	<u>1,647,624</u>	<u>2,746,671</u>	<u>3,336,190</u>
Total Net Position	\$ <u>15,204,519</u>	\$ <u>13,443,397</u>	\$ <u>28,647,916</u>	\$ <u>3,336,190</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, 2022

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 2,753,284	\$ 4,877,795	\$ 7,631,079	\$ 1,183,631
Other	<u>241,723</u>	<u>-</u>	<u>241,723</u>	<u>-</u>
Total Operating Revenues	2,995,007	4,877,795	7,872,802	1,183,631
Operating Expenses				
Personnel costs	1,422,087	811,345	2,233,432	331,732
Non-personnel costs	541,895	3,395,542	3,937,437	239,804
Depreciation	<u>793,520</u>	<u>447,496</u>	<u>1,241,016</u>	<u>632,606</u>
Total Operating Expenses	<u>2,757,502</u>	<u>4,654,383</u>	<u>7,411,885</u>	<u>1,204,142</u>
Operating Income (Loss)	237,505	223,412	460,917	(20,511)
Nonoperating Revenues (Expenses)				
Investment income	5,901	3,926	9,827	24,204
Other	73,980	-	73,980	-
Interest expense	<u>(66,280)</u>	<u>(38,698)</u>	<u>(104,978)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses), Net	<u>13,601</u>	<u>(34,772)</u>	<u>(21,171)</u>	<u>24,204</u>
Income Before Capital Contributions	251,106	188,640	439,746	3,693
Capital contributions	<u>280,899</u>	<u>-</u>	<u>280,899</u>	<u>-</u>
Change in Net Position	532,005	188,640	720,645	3,693
Net Position at Beginning of Year, as restated	<u>14,672,514</u>	<u>13,254,757</u>	<u>27,927,271</u>	<u>3,332,497</u>
Net Position at End of Year	\$ <u>15,204,519</u>	\$ <u>13,443,397</u>	\$ <u>28,647,916</u>	\$ <u>3,336,190</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, 2022

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 2,821,291	\$ 4,896,354	\$ 7,717,645	\$ 1,175,633
Payments to employees and vendors	<u>(2,067,119)</u>	<u>(4,027,792)</u>	<u>(6,094,911)</u>	<u>(558,364)</u>
Net Cash Provided By Operating Activities	754,172	868,562	1,622,734	617,269
Cash Flows From Noncapital Financing Activities				
Interfund borrowing	<u>-</u>	<u>215,094</u>	<u>215,094</u>	<u>82,842</u>
Net Cash Provided By Capital and Related Financing Activities	-	215,094	215,094	82,842
Cash Flows From Capital and Related Financing Activities				
Proceeds of bonds and loans	-	1,320,025	1,320,025	96,812
Acquisition and construction of capital assets, net of disposals	(2,047,990)	(2,936,480)	(4,984,470)	(687,229)
Capital contributions	280,899	-	280,899	-
Principal payments on bonds and loans	(554,812)	(75,037)	(629,849)	(93,400)
Interest expense	(66,280)	(38,698)	(104,978)	-
Other nonoperating income	73,980	-	73,980	-
Other nonoperating expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,498)</u>
Net Cash Used For Capital and Related Financing Activities	(2,314,203)	(1,730,190)	(4,044,393)	(724,315)
Cash Flows From Investing Activities				
Investment income	5,901	3,926	9,827	24,204
Sale (purchase) of investments	<u>-</u>	<u>1,212,229</u>	<u>1,212,229</u>	<u>-</u>
Net Cash Provided By Investing Activities	5,901	1,216,155	1,222,056	24,204
Net Change in Cash and Short-Term Investments	(1,554,130)	569,622	(984,508)	-
Cash and Short-Term Investments, Beginning of Year	<u>3,168,773</u>	<u>1,469,368</u>	<u>4,638,141</u>	<u>-</u>
Cash and Short-Term Investments, End of Year	\$ <u>1,614,643</u>	\$ <u>2,038,990</u>	\$ <u>3,653,633</u>	\$ <u>-</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating income (loss)	\$ 237,505	\$ 223,412	\$ 460,917	\$ (20,511)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	793,520	447,496	1,241,016	632,606
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
User fees receivable	95	18,559	18,654	-
Inventory	(69,555)	-	(69,555)	(7,998)
Intergovernmental receivable	(173,811)	-	(173,811)	-
Other assets	(37,049)	-	(37,049)	-
Deferred outflows - related to pensions	146,869	36,926	183,795	-
Deferred outflows - related to OPEB	1,531	(5,606)	(4,075)	-
Accounts payable	67,688	45,630	113,318	13,172
Accrued liabilities	4,991	-	4,991	-
Retainage payable	-	76,212	76,212	-
Net pension liability	(509,711)	(76,865)	(586,576)	-
Net OPEB liability	(15,786)	34,860	19,074	-
Deferred inflows - related to pensions	6,364	54,007	60,371	-
Deferred inflows - related to OPEB	280,277	14,243	294,520	-
Other liabilities	<u>21,244</u>	<u>(312)</u>	<u>20,933</u>	<u>-</u>
Net Cash Provided By Operating Activities	\$ <u>754,172</u>	\$ <u>868,562</u>	\$ <u>1,622,734</u>	\$ <u>617,269</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, 2022

	Private Purpose Trust <u>Funds</u>	Custodial <u>Funds</u>
Assets		
Cash and short-term investments	\$ 239,088	\$ 144,639
Investments		
Corporate bonds	619,037	-
Corporate equities	1,684,696	-
Equity mutual funds	785,439	-
Federal agency securities	24,176	-
Fixed income mutual funds	1,010,006	-
U.S Treasury notes	<u>587,620</u>	<u>-</u>
Total Investments	4,710,974	-
Other assets	<u>-</u>	<u>51,494</u>
Total Assets	4,950,062	196,133
 Liabilities		
Accounts payable	-	605
Due to external parties	<u>121,198</u>	<u>222</u>
Total Liabilities	121,198	827
 Net Position		
Restricted for individual organizations and other governments	<u>4,828,864</u>	<u>195,306</u>
Total Net Position	\$ <u><u>4,828,864</u></u>	\$ <u><u>195,306</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
Additions		
Taxes collected for County	\$ -	\$ 2,544,332
Taxes collected for State of New Hampshire	-	1,118,403
Fees collected for students	-	227,239
(Decrease) in fair value of investments	(675,323)	-
Miscellaneous	<u>-</u>	<u>33,821</u>
Total additions	(675,323)	3,923,795
Deductions		
Payment of taxes to County	-	2,544,332
Payment of taxes to State of New Hampshire	-	1,118,403
Payments on behalf of students	-	209,038
Other	<u>-</u>	<u>21,705</u>
Total deductions	<u>-</u>	<u>3,893,478</u>
Net increase	(675,323)	30,317
Net position restricted for other purposes		
Beginning of year	<u>5,504,187</u>	<u>164,989</u>
End of year	\$ <u><u>4,828,864</u></u>	\$ <u><u>195,306</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 2022, 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 are 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:

- Private-purpose trust funds are 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 City 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 current the assets/deferred outflows and current liabilities/deferred inflows. 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, as follows:

- *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 various special revenue funds, capital project 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 capital reserve 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 includes the General Fund and deficit funds.

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, 2022.

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. Deposits may be made in the New Hampshire Deposit Investment Pool (NHPDIP), in New Hampshire 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.

Deposits

Custodial Credit Risk

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, 2022, \$13,609,331, of the City's bank balance of \$42,427,736 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, 2022:

<u>Investment Type</u>	<u>Amount</u>
Certificates of deposits	\$ 3,297,002
Corporate bonds	1,115,741
Corporate equities	3,157,666
Equity mutual funds	785,438
Federal agency securities	63,535
Fixed income mutual funds	1,119,675
U.S. Treasury notes	<u>587,620</u>
Total investments	<u>\$ 10,126,677</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, 2022, \$6,419,439 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	-
Federal agency securities	63,535	63,535	-
U.S. Treasury notes	<u>1,060,913</u>	<u>1,060,913</u>	<u>-</u>
Total	<u>\$ 6,419,439</u>	<u>\$ 6,419,439</u>	<u>\$ -</u>

Credit Risk – Investments in 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, 2022, 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>Aaa-Aa</u>	<u>A</u>	<u>Baa</u>	<u>B</u>	<u>Unrated</u>
Corporate bonds	\$ 1,115,741	\$ 144,216	\$ 416,574	\$ 295,967	\$ 95,941	\$ 163,043
Federal agency securities	<u>63,535</u>	<u>63,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,179,276</u>	<u>\$ 207,751</u>	<u>\$ 416,574</u>	<u>\$ 295,967</u>	<u>\$ 95,941</u>	<u>\$ 163,043</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	\$ 2,051,415	20%
Bank of New Hampshire	<u>1,140,030</u>	11%
Total	<u>\$ 3,191,445</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 Than 1</u>	<u>1-5</u>	<u>6-10</u>
Corporate bonds	\$ 1,115,741	\$ 10,092	\$ 745,793	\$ 359,856
Federal agency securities	63,535	-	63,535	-
U.S. Treasury notes	<u>587,620</u>	<u>74,631</u>	<u>413,989</u>	<u>99,000</u>
Total	<u>\$ 1,766,896</u>	<u>\$ 84,723</u>	<u>\$ 1,223,317</u>	<u>\$ 458,856</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 are accessible 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, 2022:

		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	\$ 1,115,741	\$ -	\$ 1,115,741	\$ -
Corporate equities	3,157,666	3,157,666	-	-
Equity mutual funds	785,438	785,438	-	-
Federal agency securities	63,535	-	63,535	-
Fixed income mutual funds	1,119,675	1,119,675	-	-
U.S. Treasury notes	587,620	587,620	-	-
Total	\$ 6,829,675	\$ 5,650,399	\$ 1,179,276	\$ -

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, 2022 consist of the following in the General Fund:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Current Portion	Long- Term Portion
Real estate taxes	\$ 4,051,567	\$ -	\$ 4,051,567	\$ -
Tax liens	<u>729,007</u>	<u>-</u>	<u>-</u>	<u>729,007</u>
Total property taxes	<u>\$ 4,780,574</u>	<u>\$ -</u>	<u>\$ 4,051,567</u>	<u>\$ 729,007</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.

7. User Fees Receivable

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

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

8. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal year 2022.

9. 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, 2022 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	\$ 4,028,790	\$ 320,442
Nonmajor Governmental Funds:		
TIF - Weirs	-	78,858
TIF - Downtown	937,296	-
TIF - Lakeport	45,889	-
School Lunch	38,836	269,692
2017-2018 Bonds - Roads	-	31,652
2020 Bond - Road, Fire, ISF	16,260	-
2020 Bond - Water, Bridge, SSF	-	1,299,210
2020 Bond - Colonial Theater	-	19,524
2021 Bond - CPF	523,917	-
City Grants	108,966	30,000
School Grants	-	2,828,879
ARPA - Capital Project	432,926	-
Police Radios/Sidewalk	3,999	-
Permanent	29,810	-
Impact Fee	162,999	-
Huot Center	193,068	193,868
Drainage	308,805	-
Smith Track/Community Park	18,457	-
Central Station Improvements	-	1,700
Community Development	103,657	-
Weirs/EWL	-	101
Ambulance	3,446	649,342
Motorcycle Week	57,835	-
Police Drug Forfeiture	-	44,803
Airport	120	-
Current Use	241,479	-
Beach Funds	123,970	-
Municipal Transportation	306,509	-
Total Governmental Funds	7,687,034	5,768,071
Enterprise Funds:		
Sanitary Sewer	508,585	2,001,582
Total Enterprise Funds	508,585	2,001,582
Internal Service Funds	-	356,040
Private Purpose Funds	-	121,198
Custodial Funds	51,494	222
Total	\$ 8,247,113	\$ 8,247,113

10. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated:				
Land improvements	\$ 39,166,533	\$ -	\$ -	\$ 39,166,533
Buildings and improvements	79,844,880	577,102	-	80,421,982
Furniture, equipment, and vehicles	19,012,093	1,140,599	(558,649)	19,594,043
Infrastructure	<u>50,810,791</u>	<u>4,621,943</u>	<u>-</u>	<u>55,432,734</u>
Total capital assets, being depreciated	188,834,297	6,339,644	(558,649)	194,615,292
Less accumulated depreciation for:				
Land improvements	(21,599,695)	(1,767,574)	-	(23,367,269)
Buildings and improvements	(39,077,547)	(2,214,089)	-	(41,291,636)
Furniture, equipment, and vehicles	(11,483,042)	(1,242,375)	548,001	(12,177,416)
Infrastructure	<u>(22,540,636)</u>	<u>(2,074,652)</u>	<u>-</u>	<u>(24,615,288)</u>
Total accumulated depreciation	<u>(94,700,920)</u>	<u>(7,298,690)</u>	<u>548,001</u>	<u>(101,451,609)</u>
Total capital assets, being depreciated, net	94,133,377	(959,046)	(10,648)	93,163,683
Right to use assets, being amortized:				
Buildings and improvements	<u>5,184,099</u>	<u>-</u>	<u>-</u>	<u>5,184,099</u>
Total right of use assets, being amortized				
Less accumulated amortization for:				
Buildings and improvements	<u>-</u>	<u>(272,847)</u>	<u>-</u>	<u>(272,847)</u>
Total accumulated amortization	<u>-</u>	<u>(272,847)</u>	<u>-</u>	<u>(272,847)</u>
Total right of use assets, being amortized, net	5,184,099	(272,847)	-	4,911,252
Capital assets, not being depreciated:				
Land	9,279,572	-	-	9,279,572
Construction in progress	<u>1,601,159</u>	<u>4,702,812</u>	<u>(4,405,988)</u>	<u>1,897,983</u>
Total capital assets, not being depreciated	<u>10,880,731</u>	<u>4,702,812</u>	<u>(4,405,988)</u>	<u>11,177,555</u>
Governmental activities capital assets, net	<u>\$ 110,198,207</u>	<u>\$ 3,470,919</u>	<u>\$ (4,416,636)</u>	<u>\$ 109,252,490</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 10,585,251	\$ 13,444	\$ -	\$ 10,598,695
Furniture, equipment, and vehicles	5,335,404	133,806	(204,673)	5,264,537
Infrastructure	<u>39,289,104</u>	<u>6,847,496</u>	<u>-</u>	<u>46,136,600</u>
Total capital assets, being depreciated	55,209,759	6,994,746	(204,673)	61,999,832
Less accumulated depreciation for:				
Buildings and improvements	(5,900,224)	(307,492)	-	(6,207,716)
Furniture, equipment, and vehicles	(3,412,645)	(111,854)	184,673	(3,339,826)
Infrastructure	<u>(23,337,959)</u>	<u>(821,672)</u>	<u>-</u>	<u>(24,159,631)</u>
Total accumulated depreciation	<u>(32,650,828)</u>	<u>(1,241,018)</u>	<u>184,673</u>	<u>(33,707,173)</u>
Total capital assets, being depreciated, net	22,558,931	5,753,728	(20,000)	28,292,659
Capital assets, not being depreciated:				
Land	38,503	-	-	38,503
Construction in progress	<u>3,632,912</u>	<u>3,589,903</u>	<u>(5,087,765)</u>	<u>2,135,050</u>
Total capital assets, not being depreciated	<u>3,671,415</u>	<u>3,589,903</u>	<u>(5,087,765)</u>	<u>2,173,553</u>
Business-type activities capital assets, net	<u>\$ 26,230,346</u>	<u>\$ 9,343,631</u>	<u>\$ (5,107,765)</u>	<u>\$ 30,466,212</u>

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

Governmental Activities	
General government	\$ 316,720
Fire and ambulance	419,206
Police	389,051
Education	2,153,151
Highway and streets	2,768,461
Solid waste	101,619
Parks and recreation	492,366
Library	129,311
Airport	<u>801,652</u>
Total governmental activities	<u>\$ 7,571,537</u>
Business-Type Activities	
Water	\$ 793,521
Sanitary Sewer	<u>447,497</u>
Total business-type activities	<u>\$ 1,241,018</u>

11. Deferred Outflows of Resources

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

12. Accrued Liabilities

Accrued liabilities represent fiscal year 2022 expenditures paid in fiscal year 2023.

13. Notes Payable

The City had the following note outstanding at June 30, 2022:

<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>
Church Street	\$ 600,000	5/7/2021	0.55%	\$ 600,000	\$ -	\$ (600,000)	\$ -
Water Pollution Control	2,400,000	2/3/2021	2.00%	-	1,320,025	-	1,320,025
Total				\$ 600,000	\$ 1,320,025	\$ (600,000)	\$ 1,320,025

14. Lease Liability

The City is the lessee of the Colonial Theater through 2040. As of June 30, 2022, the value of the lease liability was \$5,164,922 based on an incremental borrowing rate of 3.38%. The future principal and interest lease payments were as follows:

	<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$	23,224	\$ 174,574	\$ 197,798
2024		27,965	173,789	201,754
2025		32,945	172,844	205,789
2026		38,174	171,731	209,905
2027		156,994	170,440	327,434
2028-2032		1,544,197	726,251	2,270,448
2033-2037		1,947,247	439,018	2,386,265
2038-2040		1,394,176	95,619	1,489,795
Total	\$	5,164,922	\$ 2,124,266	\$ 7,289,188

15. Long-Term Debt

General Obligation Bonds and Loans

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 outstanding are as follows:

<u>Governmental Activities</u>		Serial	Interest	Amount
	Original	Maturities	Rate(s) %	Outstanding
<u>General Obligation Bonds</u>	<u>Issue</u>	<u>Through</u>		<u>as of</u>
Public offerings:				<u>6/30/22</u>
Capital Improvement	\$ 2,783,375	08/15/22	4.34%	\$ 100,000
School Bonds - Woodland Heights	4,123,000	01/15/23	4.52%	205,000
Library Bond	2,244,000	01/15/24	4.08%	220,000
School - Memorial Middle Bond	22,644,000	08/15/36	4.76%	7,662,122
Weirs Boardwalk	760,000	01/15/30	3.56%	280,000
Road Improvement	1,312,400	08/15/31	0.96%	1,312,400
Huot Center - Qzab Bond	1,828,000	07/15/35	0.00%	<u>1,292,500</u>
Total public offerings				11,072,022
Direct placements:				
Weirs Boardwalk engineering/const & Endicott water line	565,000	09/28/30	3.63%	254,250
Huot Center - Qzab Bond	2,103,000	12/15/30	0.00%	996,000
Multihog Compact Tractor	191,868	06/01/25	2.85%	115,061
International Chassis	104,338	04/05/26	3.89%	75,944
ARRA - Anthony Drive Stormwater Improvements Project	217,649	11/01/30	2.86%	97,943
Fire Truck - DPW Bond	1,100,000	07/15/22	2.39%	110,000
Huot Center - Qzab Bond	4,397,000	11/06/35	0.00%	2,990,000
Hout Career Center	1,000,000	07/11/33	3.04%	600,000
Weirs Community Park/ Smith Track	850,000	10/01/23	2.44%	170,000
Bond A	1,600,000	12/15/36	3.23%	1,200,000
Bond B	1,600,000	12/15/36	3.23%	1,255,563
Road Bond	2,500,000	02/02/28	2.30%	1,500,000
2020 GOB - Series A	2,025,000	10/10/29	2.05%	1,620,000
2020 GOB - Series B	2,250,000	10/10/39	2.75%	674,324
2021 Refunding	8,707,093	10/16/39	2.35%	7,631,927
Church street property	683,000	05/26/31	2.15%	614,700
Colonial theater	6,700,000	12/05/44	3.75%	<u>6,163,596</u>
Total direct placements				<u>26,069,308</u>
Total Governmental Activities				<u>\$ 37,141,330</u>

Business-Type Activities

	Original	Serial	Interest	Amount
<u>General Obligation Bonds</u>	<u>Issue</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>Outstanding</u>
		<u>Through</u>		<u>as of</u>
				<u>6/30/22</u>
Public offerings:				
Water Treatment Plant	\$ 1,457,450	08/15/29	3.97%	\$ 560,000
Lakeport project	1,800,000	11/30/40	2.55%	<u>1,322,905</u>
Total public offerings				1,882,905
Direct placements:				
2020 GOB - Series B	2,250,000	10/10/39	2.75%	<u>1,350,675</u>
Total direct placements				<u>1,350,675</u>
Total Business-Type Activities				<u>\$ 3,233,580</u>

Future Debt Service

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2022 are as follows:

<u>Governmental</u>	<u>Bonds and Loans - Public Offerings</u>		<u>Bonds and Loans - Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,386,782	\$ 861,282	\$ 2,295,785	\$ 876,502
2024	1,032,144	888,686	2,209,556	800,396
2025	892,816	910,980	2,143,995	724,987
2026	857,145	930,575	2,128,252	649,806
2027	831,257	953,614	2,126,531	575,694
2028-2032	3,715,162	5,026,957	8,197,956	1,897,302
2033-2037	2,356,716	5,483,911	4,714,288	785,805
2038-2042	-	-	1,453,389	286,093
2043-2045	-	-	799,556	45,560
Total	<u>\$ 11,072,022</u>	<u>\$ 15,056,005</u>	<u>\$ 26,069,308</u>	<u>\$ 6,642,145</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, 2022.

<u>Business-Type</u>	<u>Bonds - Public Offerings</u>		<u>Bonds - Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 131,974	\$ 36,931	\$ 75,038	\$ 36,616
2024	132,764	48,704	75,038	17,282
2025	133,564	43,589	75,038	32,432
2026	134,375	38,804	75,038	30,340
2027	135,196	34,305	75,038	28,247
2028-2032	548,661	117,944	375,190	109,969
2033-2037	360,809	66,794	375,190	57,573
2038-2041	305,562	19,603	225,105	9,423
Total	<u>\$ 1,882,905</u>	<u>\$ 406,674</u>	<u>\$ 1,350,675</u>	<u>\$ 321,882</u>

Changes in Long-Term Liabilities

During the year ended June 30, 2022, 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 and loans payable						
Public offerings	\$ 11,543,354	\$ 1,312,400	\$ (1,783,732)	\$ 11,072,022	\$ (1,386,782)	\$ 9,685,240
Direct placements	28,345,177	96,812	(2,372,681)	26,069,308	(2,295,785)	23,773,523
Unamortized premiums	220,555	287,600	(23,450)	484,705	(48,900)	435,805
Total bonds and loans payable	40,109,086	1,696,812	(4,179,863)	37,626,035	(3,731,467)	33,894,568
Net pension liability	65,877,385	-	(18,418,119)	47,459,266	-	47,459,266
Net OPEB liability	13,526,882	-	(2,331,285)	11,195,597	-	11,195,597
Compensated absences	2,026,025	53,080	-	2,079,105	(103,955)	1,975,150
Leases	5,184,099	-	(19,177)	5,164,922	(23,224)	5,141,698
Landfill liability	144,000	-	(15,000)	129,000	(15,000)	114,000
Total	<u>\$ 126,867,477</u>	<u>\$ 1,749,892</u>	<u>\$ (24,963,444)</u>	<u>\$ 103,653,925</u>	<u>\$ (3,873,646)</u>	<u>\$ 99,780,279</u>
Business-Type Activities						
Bonds and loans payable						
Public offerings	\$ 2,435,000	\$ -	\$ (552,095)	\$ 1,882,905	\$ (131,974)	\$ 1,750,931
Direct placements	1,425,713	-	(75,038)	1,350,675	(75,038)	1,275,637
Unamortized premiums	14,667	-	(3,305)	11,362	(2,127)	9,235
Total bonds and loans payable	3,875,380	-	(630,438)	3,244,942	(209,139)	3,035,803
Net pension liability	1,874,125	-	(586,576)	1,287,549	-	1,287,549
Net OPEB liability	376,873	19,074	-	395,947	-	395,947
Compensated absences	128,464	-	(7,270)	121,194	(5,196)	115,998
Total	<u>\$ 6,254,842</u>	<u>\$ 19,074</u>	<u>\$ (1,224,284)</u>	<u>\$ 5,049,632</u>	<u>\$ (214,335)</u>	<u>\$ 4,835,297</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.

16. 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.

17. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of net assets by the City that apply 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, in accordance with GASB Statements No. 69 and 75, 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.

18. Governmental Funds - Balances

The City's fund balances at June 30, 2022 are comprised of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Prepays	\$ 187,354	\$ -	\$ 187,354
Permanent funds	-	802,532	802,532
Total Nonspendable	187,354	802,532	989,886
Restricted			
Special revenue funds			
TIF	-	876,284	876,284
City grants	-	155,710	155,710
Airport	-	649,877	649,877
Ambulance	-	476,664	476,664
Municipal Transportation	-	306,505	306,505
Community development	-	103,657	103,657
Others	-	124,948	124,948
Capital project funds			
FY21 road bonds	-	992,302	992,302
Drainage	-	308,805	308,805
Permanent funds	-	1,530,416	1,530,416
Total Restricted	-	5,525,168	5,525,168
Committed			
Capital reserve funds			
School Education Stabilization	1,120,755	-	1,120,755
School Renovations	1,178,683	-	1,178,683
Special Education	910,353	-	910,353
LSD Health Insurance Stabilization	603,128	-	603,128
Other	1,688,980	-	1,688,980
Total Committed	5,501,899	-	5,501,899
Assigned			
Operating budget	798,924	-	798,924
Total Assigned	798,924	-	798,924
Unassigned			
General fund	3,203,244	-	3,203,244
Deficit funds	-	(1,341,911)	(1,341,911)
Total Unassigned	3,203,244	(1,341,911)	1,861,333
Total Fund Balance	\$ 9,691,421	\$ 4,985,789	\$ 14,677,210

19. New Hampshire 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. NHRS provides 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 NHRS. 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:

<u>Years of creditable service as of January 1, 2012</u>	<u>Minimum Service</u>	<u>Minimum Age</u>	<u>Benefit 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. 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 13.27% to 28.68% of covered compensation. The City's contributions to NHRS for the year ended June 30, 2022 was \$6,380,841 (exclusive of \$517,575 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 pension, 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, 2022, the City reported a liability of \$48,746,815 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021, utilizing procedures incorporating the actuarial valuation. 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 1.09500000% which was an increase of 0.035745632% from its previous year proportion.

For the year ended June 30, 2022, the City recognized pension expense of \$1,412,159. The City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,358,986	\$ 508,104
Changes of assumptions	5,068,967	-
Differences between projected and actual earnings on pension plan investments	-	13,573,485
Changes in proportion and differences between contributions and proportionate share of contributions	2,580,323	877,466
Contributions subsequent to the measurement date	6,380,842	-
Total	<u>\$ 15,389,118</u>	<u>\$ 14,959,055</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 2023. Other amounts reported as deferred

outflows of resources and deferred (inflows) of resources related to pension will be recognized as a (decrease) in pension expense as follows:

Year ended June 30:	
2023	\$ (800,940)
2024	(339,588)
2025	(731,357)
2026	<u>(4,078,894)</u>
Total	\$ <u>(5,950,779)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.50%, previously 2.00%
Wage inflation	3.25% per year (3.00% for Teachers)
Salary increases	5.60% average, including inflation
Investment rate of return	7.25, net of investment expenses, including inflation, previously 6.75%

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.

The actuarial assumptions used in the June 30, 2020 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 following is a table presenting target allocations and geometric real rates of return for each asset class:

<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 %	6.46%
Small/mid cap equities	<u>7.50</u>	1.14%
Total domestic equities	30.00	
Int'l equities (unhedged)	14.00	5.53%
Emerging int'l equities	<u>6.00</u>	2.37%
Total international equities	20.00	
Core fixed income	<u>25.00</u>	3.60%
Total fixed income	25.00	
Private equity	10.00	8.85%
Private debt	5.00	7.25%
Total alternative investments	<u>15.00</u>	
Real estate	<u>10.00</u>	6.60%
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 6.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
\$ 69,407,321	\$ 48,746,815	\$ 31,119,867

Pension Plan Fiduciary Net Position

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

20. 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, 2022. 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	165
Active employees	<u>444</u>
Total	<u>609</u>

Funding Policy

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

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020 projected to July 1, 2021, 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	4.09%, previously 2.19%
Healthcare cost trend rates	7.50% for 2022, decreasing 0.5% per year to an ultimate rate of 4.50% as of 2029 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, 2022.

The mortality rate is based on the following:

- General: Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Public Safety: Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

Discount Rate

The discount rate used to measure the total OPEB liability was 4.09%. 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 \$7,278,445, was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020 projected to July 1, 2021.

Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balances, beginning of year	\$ 9,416,253
Changes for the year:	
Service cost	402,432
Interest	210,454
Differences between expected and actual experience	(1,138,851)
Changes in assumptions	(1,191,740)
Benefit payments	<u>(420,103)</u>
Net Changes	<u>(2,137,808)</u>
Balances, end of year	\$ <u>7,278,445</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.19% in 2021 to 4.09% in 2022. 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 (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
\$ 7,979,819	\$ 7,278,445	\$ 6,653,453

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 (6.50%)	Current Healthcare Cost Trend Rates (7.50%)	1% Increase (8.50%)
\$ 6,546,781	\$ 7,278,445	\$ 8,131,598

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

For the year ended June 30, 2022, the City recognized an OPEB expense of \$281,072. At June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 169,938	\$ 1,694,689
Change in assumptions	<u>696,291</u>	<u>1,020,880</u>
Total	<u>\$ 866,229</u>	<u>\$ 2,715,569</u>

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

2025	(313,865)
2026	(306,168)
2027	(310,355)
Thereafter	<u>(460,340)</u>
Total	<u>\$ (1,849,340)</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, 2021 was \$4,313,099, representing 1.07700000%.

For the year ended June 30, 2022, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$369,895. At June 30, 2022, 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	\$ -	\$ 899
Net difference between projected and actual earnings on OPEB investments	-	53,878
Changes in proportion	1,407	7
Contributions subsequent to the measurement date	<u>472,538</u>	<u>-</u>
Total	\$ <u>473,945</u>	\$ <u>54,784</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, 2023.

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

<u>Fiscal Year Ended:</u>	
2023	\$ (11,824)
2024	(11,321)
2025	(12,689)
2026	<u>(17,543)</u>
Total	\$ <u>(53,377)</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% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
\$ 4,688,678	\$ 4,313,099	\$ 3,986,321

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, 2022:

	Total OPEB Liability	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources	Total OPEB Expense
City OPEB Plan	\$ 7,278,445	\$ 866,229	\$ 2,715,569	\$ 281,072
Proportionate share of NHRS Medical Subsidy Plan	<u>4,313,099</u>	<u>473,945</u>	<u>54,784</u>	<u>369,895</u>
Total	<u>\$ 11,591,544</u>	<u>\$ 1,340,174</u>	<u>\$ 2,770,353</u>	<u>\$ 650,967</u>

21. 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 remains 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.

Pollution Remediation Obligation

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

22. Tax Increment Financing District

The following represents the Tax Increment Financing Districts fiscal year 2022 financial report, which is required by NH RSA 162-K:11. This District is reported as a special revenue fund of the City.

	Downtown TIF	Lakeport TIF	Weirs Beach TIF	Total TIF
Revenues				
Tax Increment	\$ 250,000	\$ 8,129	\$ 170,000	\$ 428,129
Expenditures				
General Government	2,243	-	-	2,243
Debt Service	310,455	-	104,751	415,206
Total Expenditures	312,698	-	104,751	417,449
Excess (deficiency) of revenues over expenditures	(62,698)	8,129	65,249	10,680
Fund Equity, at Beginning of Year	971,950	37,760	(144,107)	865,603
Fund Equity, at End of Year	\$ 909,252	\$ 45,889	\$ (78,858)	\$ 876,283

23. Change in Accounting Principle

During fiscal year 2022, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The statement redefines a lease as a right to use of another entity's asset over a definitive period of time.

24. Beginning Fund Balance/Net Position Restatement

The beginning (July 1, 2021) fund balance/net position of the City has been restated as follows:

Government-Wide Financial Statements:

	Governmental Activities
As previously reported	\$ 16,922,292
Reclassification of sewer project	(948,381)
Prior period restatement of capital assets	2,100,029
Prior period restatement of bonds payable	<u>1,425,713</u>
As restated	\$ <u>19,499,653</u>

Fund Basis Financial Statements:

	Nonmajor Governmental Funds	Internal Service Fund
As previously reported	\$ 6,938,074	\$ 2,459,850
Prior period restatement of capital assets	-	872,647
Reclassification of sewer project	<u>(948,381)</u>	<u>-</u>
As restated	\$ <u>5,989,693</u>	\$ <u>3,332,497</u>

25. Subsequent Events

Management has evaluated subsequent events through March 15, 2023, which is the date the financial statements were available to be issued.

CITY OF LACONIA, NEW HAMPSHIRE

Required Supplementary Information
General Fund
Schedule of Revenues and Other Sources, and Expenditures and Other Uses -
Budget and Actual
For the Year Ended June 30, 2022
(unaudited)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Property Taxes	\$ 45,586,415	\$ 45,586,415	\$ 44,998,236	\$ (588,179)
Penalties, interest, and other taxes	633,500	633,500	576,845	(56,655)
Charges for services	2,194,450	2,194,450	3,041,942	847,492
Intergovernmental	10,289,664	10,289,664	11,083,073	793,409
Licenses and permits	3,941,360	3,941,360	4,110,190	168,830
Fines and forfeitures	26,050	26,050	24,636	(1,414)
Investment income	150,000	150,000	70,681	(79,319)
Miscellaneous	893,601	893,601	652,773	(240,828)
Total Revenues	63,715,040	63,715,040	64,558,376	843,336
Expenditures				
General government	5,213,074	5,213,074	4,521,674	691,400
Fire and ambulance	4,991,190	4,991,190	5,010,131	(18,941)
Police	7,168,585	7,168,585	7,184,868	(16,283)
Education	36,227,702	36,227,702	36,223,201	4,501
Highways and streets	2,852,619	2,852,619	2,734,489	118,130
Solid waste	2,351,010	2,351,010	2,459,878	(108,868)
Health and welfare	84,199	84,199	41,845	42,354
Parks and recreation	876,293	876,293	874,277	2,016
Library	885,726	885,726	870,726	15,000
Conservation	9,000	9,000	2,315	6,685
Capital outlay	1,780,000	1,780,000	1,654,733	125,267
Debt service	2,158,642	2,158,642	2,157,888	754
Total Expenditures	64,598,040	64,598,040	63,736,025	862,015
Excess (deficiency) of revenues over expenditures	(883,000)	(883,000)	822,351	1,705,351
Other Financing Sources (Uses)				
Transfers in	96,000	96,000	96,000	-
Budgetary use of fund balance:				
To reduce the tax rate	700,000	700,000	700,000	-
Other sources	87,000	87,000	87,000	-
Total Other Financing Sources (Uses)	883,000	883,000	883,000	-
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 1,705,351	\$ 1,705,351

See Independent Auditor's Report.

**Notes to the 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>
GAAP Basis	\$ 64,696,553	\$ 64,610,237	\$ -
Reverse beginning of year appropriation carryforwards from expenditures	-	(879,368)	-
Add end of year appropriation carryforwards from expenditures	-	799,534	-
To eliminate capital reserve activity	(175,859)	(231,300)	-
Recognize use of fund balance as funding source	-	-	700,000
Other	<u>37,682</u>	<u>(563,078)</u>	<u>183,000</u>
Budgetary basis	<u>\$ 64,558,376</u>	<u>\$ 63,736,025</u>	<u>\$ 883,000</u>

See Independent Auditor's 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, 2022	June 30, 2021	1.09500000%	\$48,746,815	\$ 29,781,772	164%	72.22%
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%	\$50,693,387	\$ 28,072,177	181%	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>	Actuarially Determined <u>Contribution</u>	Contributions in Relation to the Actuarially Determined <u>Contribution</u>	Contribution Deficiency (<u>Excess</u>)	Covered <u>Payroll</u>	Contributions as a Percentage of <u>Covered Payroll</u>
June 30, 2022	June 30, 2021	\$ 6,380,841	\$ 6,380,841	\$ -	\$ 30,880,222	20.66%
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, 2022	June 30, 2021	1.07700000%	\$4,313,099	\$ 29,781,773	14.48%	11.06%
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, 2022	June 30, 2021	\$ 517,575	\$ 517,575	\$ -	\$30,880,222	1.68%
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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 402,432	\$ 371,959	\$ 346,120	\$ 322,913	\$ 351,408
Interest	210,454	251,233	302,660	338,040	327,237
Differences between expected and actual experience	(1,138,851)	(445,798)	35,377	(548,965)	(402,770)
Changes of assumptions	(1,191,740)	398,548	574,466	277,901	8,747
Benefit payments, including refunds of member contributions	<u>(420,103)</u>	<u>(462,105)</u>	<u>(461,764)</u>	<u>(587,038)</u>	<u>(735,894)</u>
Net change in total OPEB liability	(2,137,808)	113,837	796,859	(197,149)	(451,272)
Total OPEB liability - beginning	<u>9,416,253</u>	<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>\$ 7,278,445</u>	<u>\$ 9,416,253</u>	<u>\$ 9,302,416</u>	<u>\$ 8,505,557</u>	<u>\$ 8,702,706</u>
Covered employee payroll	\$ 26,242,481	\$ 25,163,047	\$ 24,430,143	\$ 24,577,310	\$ 23,803,689
Total OPEB liability as a percentage of covered employee payroll	27.74%	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
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022**

STATISTICAL SECTION

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

	<u>2022</u>	<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>
Governmental activities										
Invested in capital assets, net of related debt	66653	67195	69,418	68,899	68,784	68,984	68,559	67,680	67,962	66,162
Restricted for:										
Grants	3683	4547	6,089	6,178	3,372	2,875	3,216	3,753	1,946	1,664
Permanent funds:										
Nonexpendable	802	904	904	791	755	685	273	272	259	220
Expendable	1530	1487	1062	1,057	924	1,018	1,625	1,469	1,404	1,139
Unrestricted	<u>(48,401)</u>	<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>
Total governmental activities net assets	<u>\$24,267</u>	<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>
Business-type activities										
Invested in capital assets, net of related debt	25901	23254	21,727	21,066	19,998	18,965	18,016	17,945	18,105	18,600
Restricted				0	0	-	-	-	-	-
Unrestricted	2747	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>
Total business-type activities net assets	<u>\$28,648</u>	<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>
Primary government										
Invested in capital assets, net of related debt	\$92,554	\$90,449	\$91,145	\$89,965	\$88,782	\$87,949	\$86,575	\$85,625	\$86,067	\$84,762
Restricted for:										
Grants	3,683	4,547	6,089	6,178	3,372	2,875	3,216	3,753	1,946	1,664
Permanent funds:										
Nonexpendable	802	904	904	791	755	685	273	272	259	220
Expendable	1,530	1,487	1,062	1,057	924	1,018	1,625	1,469	1,404	1,139
Unrestricted	<u>(45,654)</u>	<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>
Total primary governmental net assets	<u>\$52,915</u>	<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>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>Fiscal Year</u>		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
				<u>2019</u>	<u>2018</u>					
Expenses										
Governmental activities:										
General government*	\$6,735	\$12,194	\$13,220	\$9,247	\$10,377	\$8,652	\$8,105	\$7,773	\$8,109	\$8,356
Public safety	13,330	14,809	14,150	13,908	11,724	11,736	11,386	10,630	10,354	9,517
Highways and streets	5,142	7,334	4,980	6,233	4,355	3,895	3,428	3,948	4,247	4,715
Solid Waste	2,592	2,113	2,321	2,060	2,027	1,735	1,752	2,080	1,959	1,652
Education	39,908	43,203	39,901	35,931	37,786	36,573	38,093	34,649	33,945	33,525
Culture and recreation	2,379	2,204	1,692	2,277	2,259	2,310	2,243	3,169	1,850	1,969
Interest on long-term debt	1,255	1,286	1,375	1,361	1,325	1,179	1,111	901	916	883
Total governmental activities expenses	<u>71,341</u>	<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>
Business-type activities:										
Water	2,824	3,048	2,829	2,687	2,917	2,651	2,474	2,495	2,455	2,455
Sewer	4,693	4,413	4,071	3,691	3,665	3,597	3,724	3,306	3,420	3,450
Total business-type activities expenses	<u>7,517</u>	<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>
Total primary government expenses	<u>\$78,858</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$4,362	\$4,678	\$3,601	\$3,977	\$3,846	\$3,711	\$3,563	\$3,353	\$3,172	\$2,928
Culture and recreation	\$60	\$79	\$82	\$75	77	92	172	134	160	86
Other activities	\$4,801	\$3,377	\$3,875	\$3,885	2,746	3,499	3,933	3,596	4,068	2,912
Operating grants and contributions	\$16,962	\$16,289	\$14,026	\$14,113	14,874	12,886	14,628	13,593	12,423	13,440
Capital grants and contributions	\$744	\$1,191	\$3,020	\$479	1,902	715	1,928	3,017	757	8,015
Total governmental activities program revenue	<u>\$26,929</u>	<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>
Business-type activities:										
Charges for services:										
Water	\$2,995	\$2,986	\$2,899	\$2,746	2,694	2,650	2,480	2,400	2,418	2,709
Sewer	\$4,878	\$4,965	\$4,591	\$4,300	4,150	4,351	4,296	3,891	3,611	3,348
Operating grants and contributions	74	69	-	-	-	-	-	-	-	599
Capital grants and contributions	281	438	-	-	-	428	53	-	-	-
Total business-type activities program revenue	<u>\$8,228</u>	<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>
Total primary government program revenues	<u>\$35,157</u>	<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>
Net (expense)/revenues										
Governmental activities	(\$44,412)	(\$57,529)	(\$53,035)	(\$48,489)	(\$46,408)	(\$45,177)	(\$41,894)	(\$39,457)	(\$40,800)	(\$33,236)
Business-type activities	711	997	590	778	261	1,181	631	490	154	751
Total primary government net expense	<u>(\$43,701)</u>	<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>

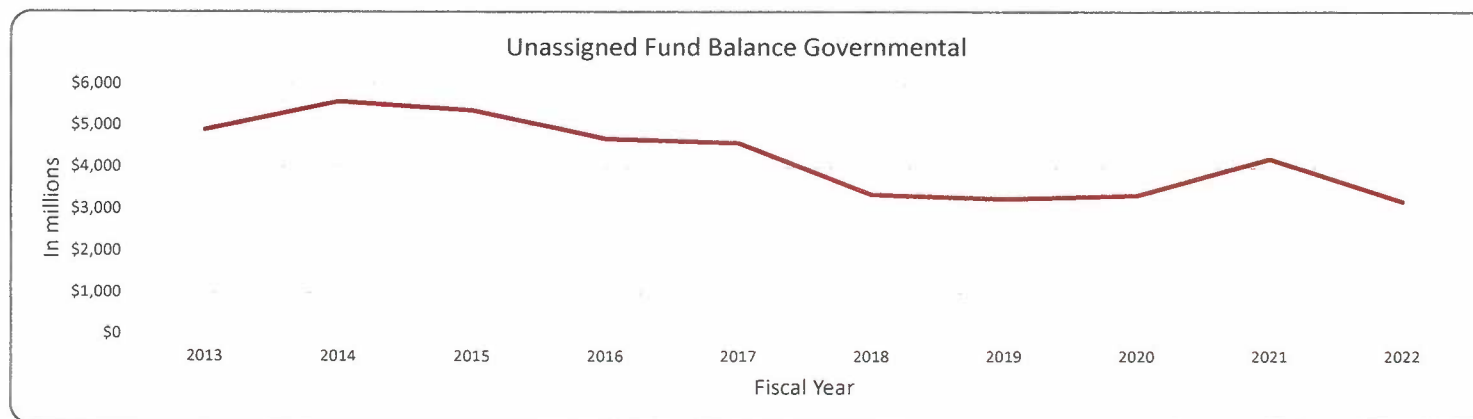
* Includes Welfare, conservation and airport expenses

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$47,074	\$48,189	\$46,283	\$45,071	\$43,103	\$42,239	\$41,167	\$39,996	\$38,973	\$38,394
Franchise taxes	315	297	305	320	323	322	309	298	285	285
Payment in lieu of taxes	409	444	557	235	524	349	339	395	387	398
Other taxes	168	190	173	250	292	243	311	213	186	223
Unrestricted grants and contributions	1273	1719	1490	851	851	841	777	780	717	717
Investment earnings	-387	640	739	497	425	300	182	149	298	252
Miscellaneous	327	696	936	1565	1,037	86	495	1,671	366	68
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>49,179</u>	<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>
Business-type activities:										
Investment earnings	10	10	17	25	22	19	14	14	14	18
Miscellaneous	-	-	-	-	-	(4)	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>10</u>	<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>
Total primary government	<u>\$49,189</u>	<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>
Changes in Net Assets										
Governmental activities	\$4,768	(\$5,354)	(\$2,552)	\$300	\$147	(\$797)	\$1,686	\$4,045	\$412	\$7,101
Business-type activities	<u>720</u>	<u>1,007</u>	<u>607</u>	<u>803</u>	<u>283</u>	<u>1,196</u>	<u>645</u>	<u>504</u>	<u>168</u>	<u>769</u>
Total primary government	<u>\$5,488</u>	<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>

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

	<u>2022</u>	<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>
General fund										
Nonspendable	187	148	1,202	199	197	\$395	\$183	\$71	\$71	\$167
Restricted				0	0	-	-	-	-	-
Committed	5,502	4,366	3,505	3,073	2,392	1,813	1,373	1,462	695	463
Assigned	799	880	970	1,889	1,907	1,223	977	1,126	623	591
Unassigned	<u>3203</u>	<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>
Total general fund	<u>\$9,691</u>	<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>
All other governmental funds										
Nonspendable	803	2,391	904	791	755	\$685	\$273	\$273	\$259	\$219
Unreserved, reported in:										
Restricted	5,525	4,547	5,593	6,035	5,507	3,090	3,201	3,130	1,314	2,792
Committed	-	-	1,680	1,780	1,768	1,587	2,174	5,005	3,115	1,298
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>(1,342)</u>	<u>-</u>	<u>(26)</u>	<u>-</u>	<u>(42)</u>	<u>(524)</u>	<u>(206)</u>	<u>(1,093)</u>	<u>(1,590)</u>	<u>(127)</u>
Total all other governmental fun	<u>\$4,986</u>	<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>

* City implemented GASB 54 in FY11



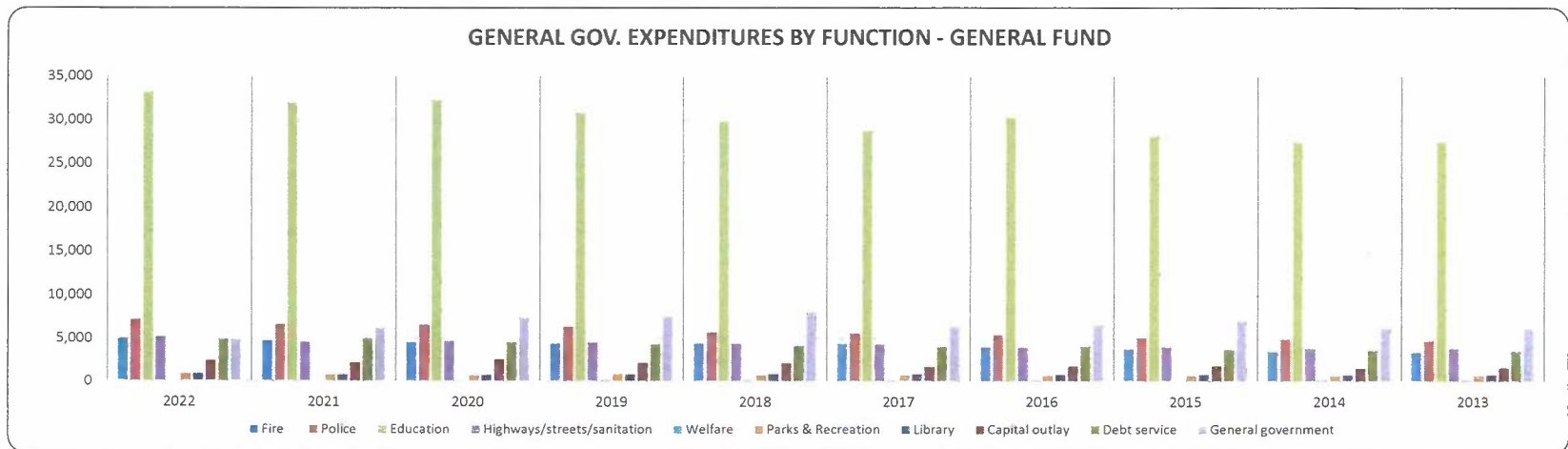
CITY OF LACONIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	45575	44691	446,692	445,128	443,740	442,788	441,818	440,604	439,470	438,849
Licenses and permits	4110	3907	3,630	3,477	3,345	3,187	3,053	2,876	2,717	2,466
Intergovernmental	11214	12076	10,971	9,955	10,063	9,534	10,271	9,582	9,006	9,560
Charges for services	3042	2478	2,139	1,987	2,149	2,051	1,815	1,638	1,920	1,588
Fines	25	33	28	25	30	25	33	38	35	38
Investment earnings	78	106	656	372	212	109	95	43	49	56
Miscellaneous	652	1010	891	1,835	1,023	242	404	1,639	610	344
Total revenues	64,696	64,301	65,007	62,779	60,562	57,936	57,489	56,420	53,807	52,901
Expenditures										
General government	4,939	6,351	7,558	7,761	8,207	6,648	6,739	7,168	6,409	6,440
Public safety	12,177	11,409	11,160	10,862	10,227	10,118	9,513	8,921	8,456	8,170
Education	33,153	32,008	32,226	30,827	29,793	28,765	30,280	28,212	27,513	27,541
Highways and streets	2,695	2,566	2,601	2,592	2,525	2,699	2,391	2,416	2,321	2,258
Solid Waste	2,503	2,033	2,129	1,970	1,937	1,644	1,610	1,618	1,534	1,605
Library	886	799	790	862	851	853	840	804	777	771
Parks & Recreation	874	760	694	832	753	743	688	686	668	731
Capital outlay	2,457	2,214	2,570	2,147	2,125	1,722	1,792	1,811	1,542	1,624
Debt service										
Principal	3,790	3,887	3,396	3,173	3,076	2,975	3,122	2,842	2,758	2,710
Interest	1,136	1,113	1,223	1,209	1,126	1,121	1,043	901	895	871
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	64,610	63,140	64,347	62,235	60,620	57,288	58,018	55,379	52,873	52,721
Excess of revenues over (under) expenditures	86	1,161	660	544	(58)	648	(529)	1,041	934	180
Other financing sources (uses)										
Transfers in	-	96	3	19	21	155	63	12	7	-
Transfers out	-	(1,228)	(62)	-	(126)	-	(336)	-	(88)	(1,082)
Capital leases	-	-	-	-	-	-	-	-	-	-
Bonds issued	-	683.00	-	-	-	-	-	-	-	-
Total other financing sources (uses)	0	(449)	(59)	19	(105)	155	(273)	12	(81)	(1,082)
Net change in fund balances	\$86	\$712	\$601	\$563	(\$163)	\$803	(\$802)	\$1,053	\$853	(\$902)

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

	Fiscal Year									
Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government	\$4,897	\$6,289	\$7,445	\$7,612	\$8,064	\$6,506	\$6,611	\$7,055	\$6,285	\$6,292
Fire	4,992	4,752	4,569	4,450	4,479	4,446	4,039	3,784	3,491	3,380
Police	7,185	6,657	6,591	6,411	5,747	5,670	5,474	5,137	4,965	4,791
Education	33,153	32,008	32,226	30,827	29,793	28,765	30,280	28,211	27,513	27,541
Highways/streets/sanitation	5,198	4,599	4,730	4,562	4,462	4,343	4,001	4,034	3,856	3,863
Welfare	42	62	113	149	143	144	128	112	123	148
Parks & Recreation	874	760	694	862	753	743	688	686	668	731
Library	886	799	790	832	852	853	840	804	778	770
Capital outlay	2,457	2,214	2,570	2,147	2,125	1,722	1,792	1,811	1,541	1,624
Debt service	4,926	5,000	4,619	4,383	4,202	4,096	4,165	3,743	3,653	3,581
TOTALS	64,610	63,140	64,347	62,235	60,620	57,288	58,018	55,377	52,873	52,721

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Percent of Total										
General government	7.6%	10.0%	11.6%	12.2%	13.3%	11.2%	11.4%	12.7%	11.9%	11.9%
Fire	7.7%	7.5%	7.1%	7.2%	7.4%	7.8%	7.0%	6.8%	6.6%	6.4%
Police	11.1%	10.5%	10.2%	10.3%	9.5%	9.8%	9.4%	8.9%	8.6%	8.3%
Education	51.3%	50.7%	50.1%	49.5%	49.1%	49.6%	52.2%	50.9%	52.0%	52.2%
Highways/streets/sanitation	8.0%	7.3%	7.4%	7.3%	7.4%	7.5%	6.9%	7.3%	7.3%	7.3%
Welfare	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%
Parks & Recreation	1.4%	1.2%	1.1%	1.4%	1.2%	1.3%	1.2%	1.2%	1.3%	1.4%
Library	1.4%	1.3%	1.2%	1.3%	1.4%	1.5%	1.4%	1.5%	1.5%	1.5%
Capital outlay	3.8%	3.5%	4.0%	3.4%	3.5%	3.0%	3.1%	3.3%	2.9%	3.1%
Debt service	7.6%	7.9%	7.2%	7.0%	6.9%	7.1%	7.2%	6.8%	6.9%	6.8%



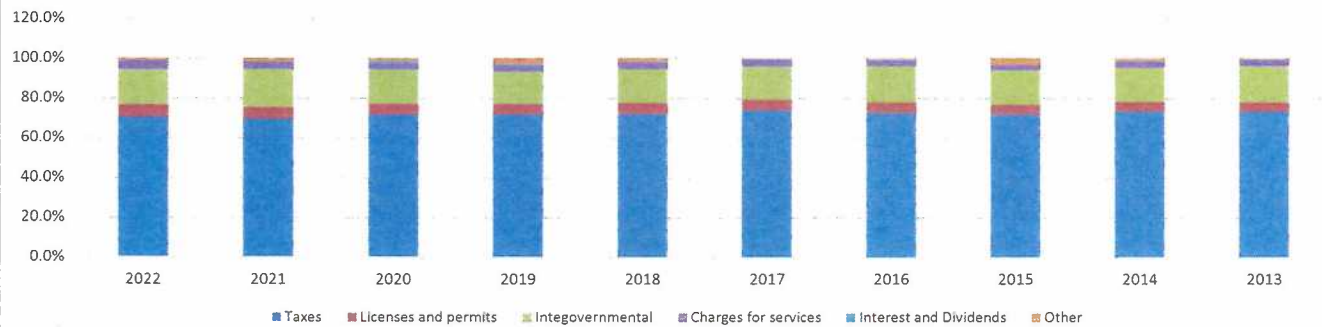
City of Laconia
General Revenues by Source-General Fund
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes	\$45,575	\$44,691	\$46,692	\$45,128	\$43,741	\$42,788	\$41,817	\$40,604	\$39,470	\$38,849
Licenses and permits	4,110	3,907	3,630	3,477	3,345	3,187	3,053	2,876	2,717	2,465
Intergovernmental	11,214	12,076	10,971	9,955	10,063	9,534	10,271	9,582	9,006	9,560
Charges for services	3,042	2,478	2,139	1,987	2,178	2,051	1,815	1,638	1,920	1,588
Interest and Dividends	78	106	656	372	212	109	95	43	49	56
Other	<u>678</u>	<u>1,043</u>	<u>919</u>	<u>1,860</u>	<u>1,024</u>	<u>267</u>	<u>438</u>	<u>1,677</u>	<u>645</u>	<u>382</u>
Total revenues	\$64,697	\$64,301	\$65,007	\$62,779	\$60,563	\$57,936	\$57,489	\$56,420	\$53,807	\$52,900

Percent of Total Revenue

Taxes	70.4%	69.5%	71.8%	71.9%	72.2%	73.9%	72.7%	72.0%	73.4%	73.4%
Licenses and permits	6.4%	6.1%	5.6%	5.5%	5.5%	5.5%	5.3%	5.1%	5.0%	4.7%
Intergovernmental	17.3%	18.8%	16.9%	15.9%	16.6%	16.5%	17.9%	17.0%	16.7%	18.1%
Charges for services	4.7%	3.9%	3.3%	3.2%	3.6%	3.5%	3.2%	2.9%	3.6%	3.0%
Interest and Dividends	0.1%	0.2%	1.0%	0.6%	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%
Other	1.0%	1.6%	1.4%	3.0%	1.7%	0.5%	0.8%	3.0%	1.2%	0.7%

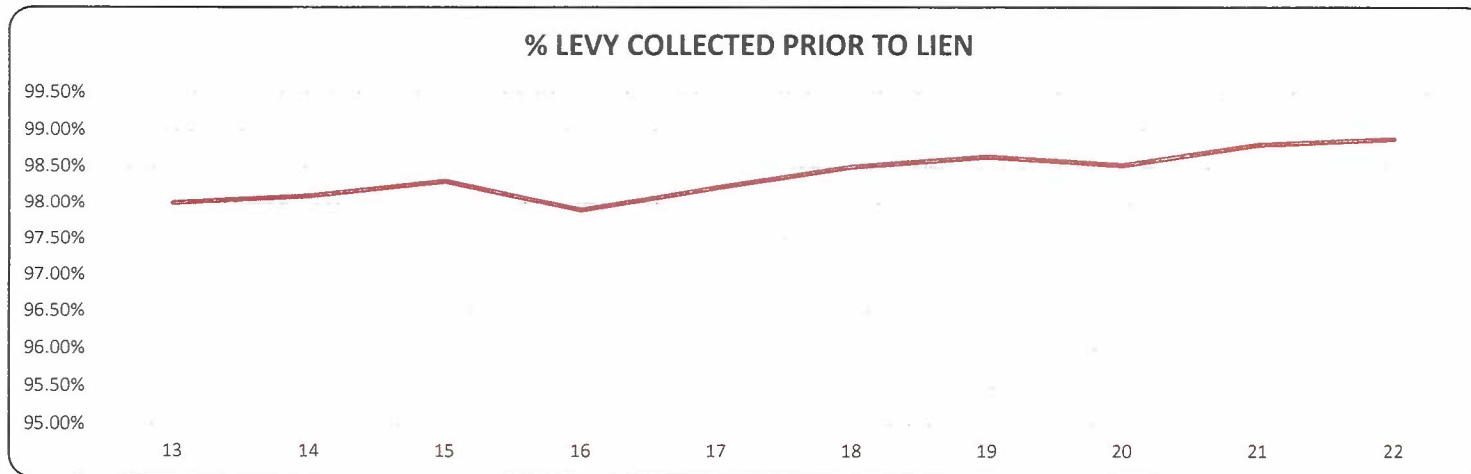
General Fund Revenue by Source



**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
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%
2022	44,871	44,371	98.9%	500	122	44,493	99.2%	378	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								
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
2022	3,054,462	315,423	63,365	\$3,433,250	4,600	\$3,428,650	\$14.85	3,316,221	103.5%	16.6	1.05

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%
2022	89.0%	9.2%	1.8%

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

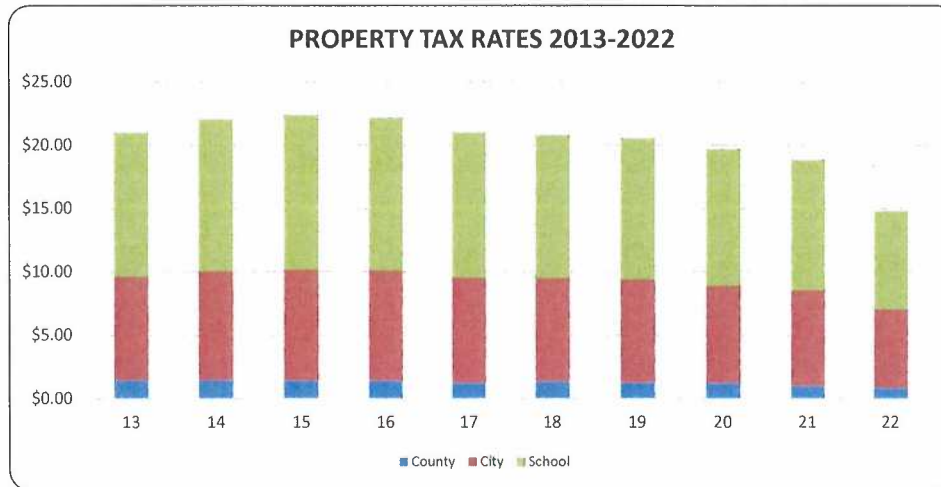


**CITY OF LACONIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING
Last Ten Fiscal Years**

City Direct Rates

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>State Education</u>	<u>Total School</u>	<u>Total Direct</u>	<u>Overlapping Rate County</u>	<u>Total Direct & Overlapping Rates</u>
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
2022	\$6.17	\$6.86	\$0.97	\$7.83	\$14.00	\$0.85	\$14.85

Source:
NH State Department of Revenue Administration

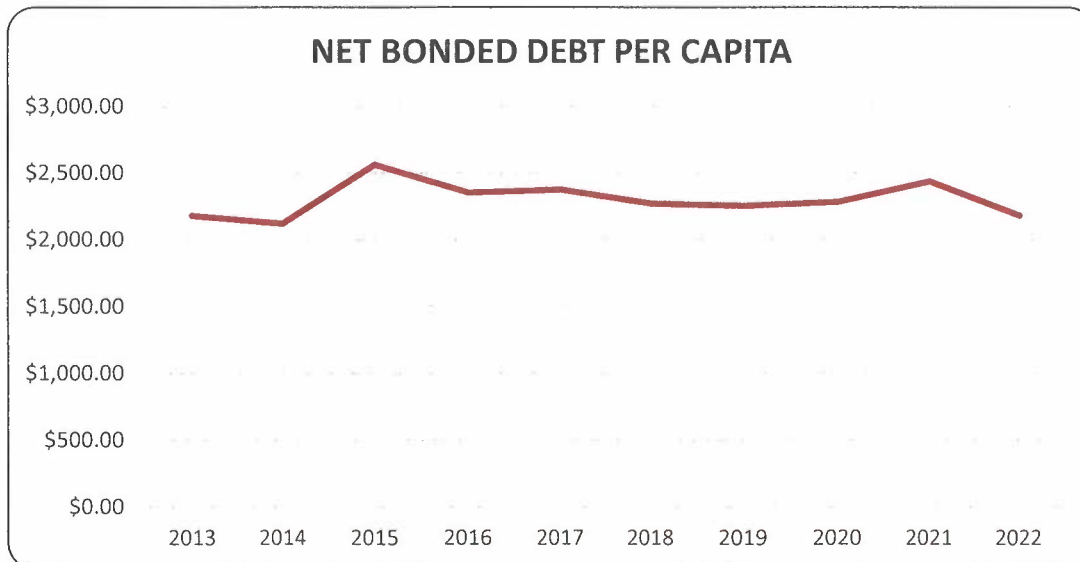


CITY OF LACONIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed thousands, except per capita amount)

Fiscal Year	<u>Governmental</u> <u>Activities</u> General Obligation Bonds	<u>Business</u> <u>Activities</u> General Obligation Bonds	Total Primary Government	Per Capita*
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
2022	\$37,141	\$3,234	\$40,375	\$2,181.56

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, 2022**

Base Valuation for Debt Limit (1)		<u>\$ 3,285,770,087</u>
Bonded Debt Limit - 3.00% of Base		<u>\$ 98,573</u>
Gross Bonded Debt, June 30, 2022	\$ 40,375	
Less: Water Bonds	\$ (1,880)	
School Bonds	\$ (13,746)	
Net Bonded Debt, June 30, 2022		<u>\$24,749</u>
Debt Margin		<u>\$73,824</u>

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

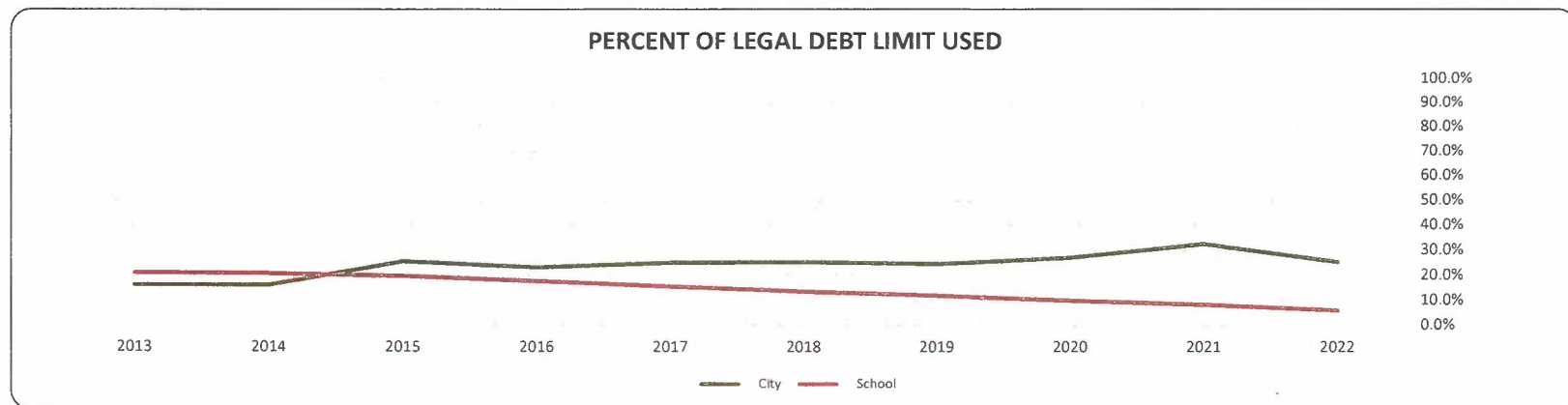
"Equalize annually the valuation of the property in the several towns, cities and unincorporated places in the state by adding or deducting from the aggregate valuation of the property as assessed in towns, cities and unincorporated places such sums as will bring such valuations to the true and market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

(2) Net Local Assessed Valuation *	\$2,595,815,863
Department of Revenue Administration Inventory Adjustment	\$689,954,224
Equalized Assessed Valuation	\$3,285,770,087
Adjustment: RSA 31-A	<u>\$0</u>
Base Valuation for Debt Limit	<u>\$3,285,770,087</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Legal Debt Limits											
City 3%	\$ 98,573	\$ 81,271	\$ 76,040	\$ 70,123	\$ 66,283	\$62,589	\$57,990	\$57,965	\$55,314	\$55,917	\$58,215
School 7%	\$ 230,004	\$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	24749	26301	20,428	17,093	16,622	15,575	13,361	14,712	8,788	8,952	7,528
School	<u>13746</u>	<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	\$38,495	\$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	\$73,824	\$54,970	\$55,612	\$53,030	\$49,661	\$47,014	44,629	\$43,253	\$46,526	\$46,965	\$50,687
School	216,258	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	25.1%	32.4%	26.9%	24.4%	25.1%	24.9%	23.0%	25.4%	15.9%	16.0%	12.9%
School	6.0%	8.2%	9.8%	11.8%	13.4%	15.5%	17.6%	19.5%	20.5%	20.9%	18.2%

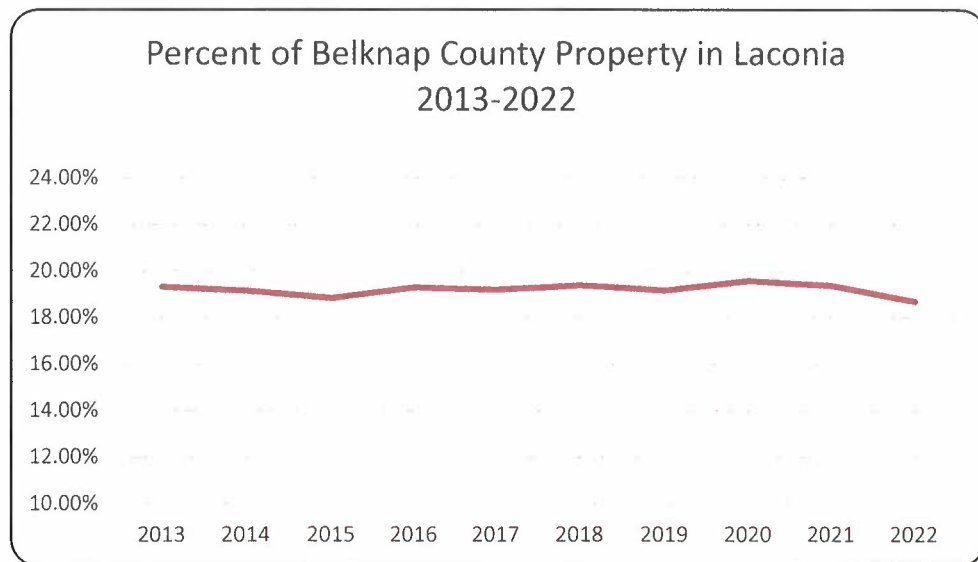
Data Source
 Annual Financial Statements



**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
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	\$7,478,252	19.36%	\$ 1,447,790
2022	\$7,278,328	18.69%	\$ 1,360,320

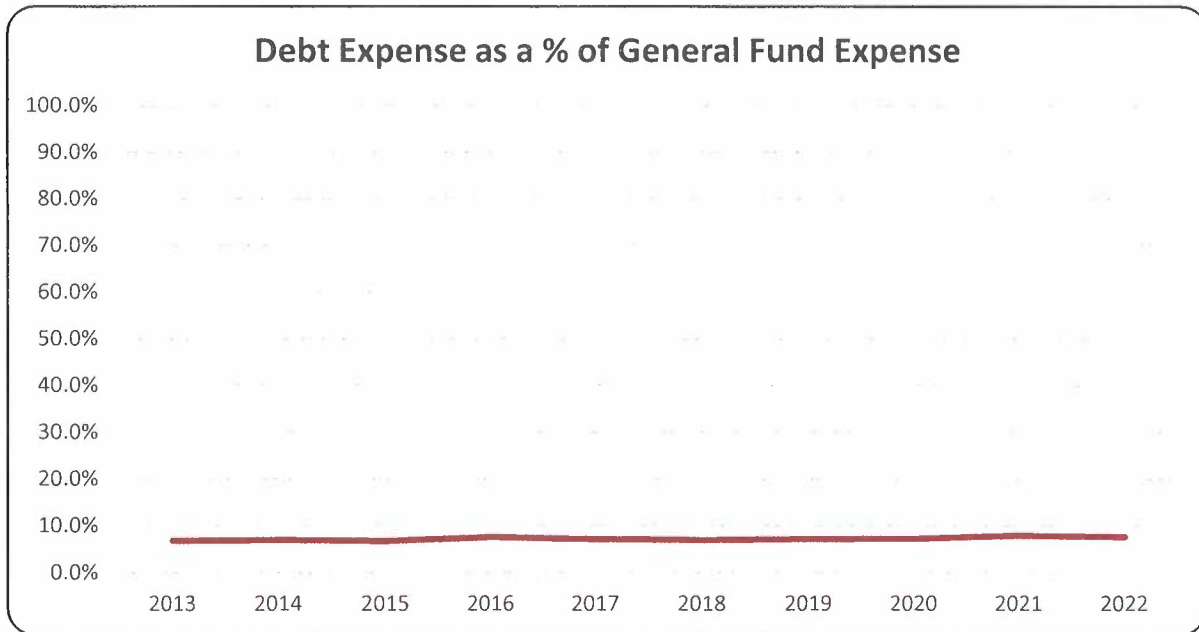
*** Source: Belknap County Audit Reports**



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	%
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%
2022	\$3,789,683	\$1,136,311	\$4,925,994	\$ 64,610,237	7.6%

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

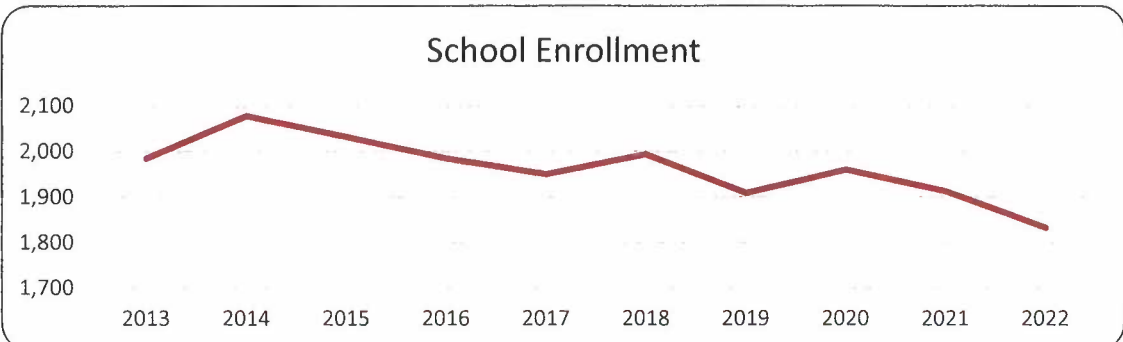
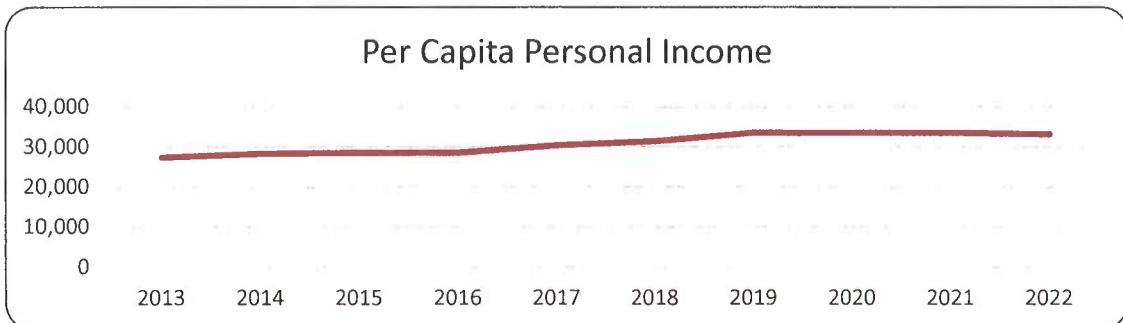
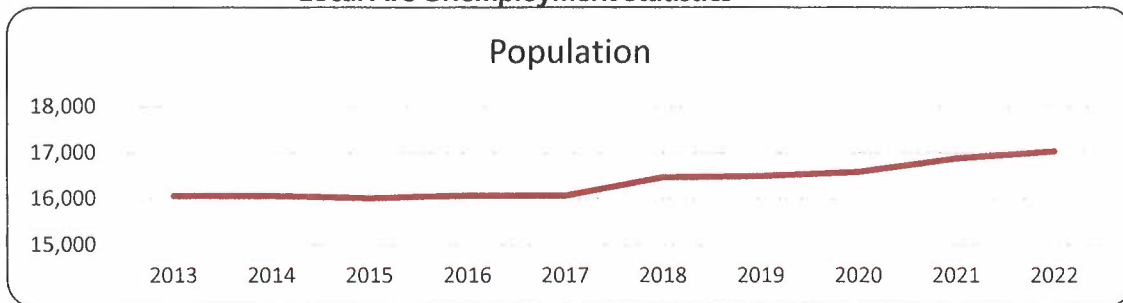


**CITY OF LACONIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Fiscal Year	Population*	Median Household Income*	Per Capita Personal Income*	Median Age*	School Enrollment**	Unemploy. Rate***
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	1,912	3.4%
2022	17,025	55,814	33,119	46.4	1,832	1.9%

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, 2022
(amounts expressed in thousands)

Taxpayer	2022			2013		
	Taxable Assessed		Percentage of Total Taxable Assessed	Taxable Assessed		Percentage of Total Taxable Assessed
	Value	Rank		Value	Rank	
Public Service of NH	42,436	1	1.22%	\$16,918	1	0.90%
Energy North (Keyspan)	19,817	2	0.57%	8,179	2	0.46%
Double D Development	8,709	3	0.25%			
Lakemont Cooperative Inc	7,252	4	0.21%			
Irwin James R & Sons Inc	7,191	5	0.21%	5,353	4	0.30%
Brady Sullivan Lilac Valley LLC	7,081	6	0.20%			
First Laconia Associates	6,582	7	0.19%			
Village of Winnepesaukee Timeshare Assoc	6,310	8	0.18%			
DHB Homes	6,104	9	0.18%			
Wingate Village Lmted.	6,011	10	0.17%			
Akwa Vista LLC				6,957	3	0.39%
Gilford Route 11 Realty Trust				5,320	5	0.30%
Remington John & Jacqueline				5,240	6	0.30%
Summit at Four Season Owners				4,871	7	0.27%
Laconia Country Club				4,175	8	0.24%
Margate Motel Inc				3,754	9	0.21%
Weirs Sports Center				3,708	10	0.21%
Totals	\$117,494		3.38%	\$30,450		3.58%

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

Position	<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>	<u>2022</u>
Administrators	22	22	22	22	21	20	18	18	18	18
Guidance Counselors	11	10	10	10	9	10	10	10	10	10
Classroom Teachers	152	157	151	149	136	127	126	129	130	132
Special Education Teachers	32	32	30	31	28	30	28	27	27	27
Librarians	2	2	2	2	2	2	2	2	2	2
Vocational Education Teachers	12	12	12	12	12	12	11	14	14	14
Nurses	5	5	5	5	5	5	5	5	5	5
Itinerant Staff	<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	34
Total	261	267	265	264	247	242	234	239	240	242

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>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>2021-22</u>	<u>#</u> <u>Change</u>	<u>%</u> <u>Change</u>
Function												
General government	27	27	27	27	27	28	28	27	28	28	0	3.70%
Public safety												
Police												
Officers	39	40	40	41	41	41	42	43	46	46	0	17.95%
Civilians	12	11	11	11	11	11	11	11	11	11	0	10.00%
Fire												
Firefighters and officers	31	31	35	35	35	35	35	35	35	35	0	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	17	18	18	18	18	18	18	0	12.50%
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	8	8	8	0	14.29%
Water	16	16	16	17	17	17	17	18	18	18	0	12.50%
Sewer	8	8	8	8	8	8	8	7	7	7	0	-12.50%
ISF	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	3	3	3	0	50.00%
Total	176	176	180	184	185	186	187	188	192	192	0	10.34%

Source: City Approved Budgets

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

Function	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021	2021-22
Police										
Calls for service	16,760	16,148	16,729	17,983	17,699	22,293	19,913	21,725	21,108	14,971
Criminal arrests	1,352	1,319	1,352	1,526	1,505	1,425	1,471	1,238	1,313	1,281
Parking violations	1,549	1,676	2,124	1,390	983	1,651	1,813	1,447	1,817	1,111
Traffic violations	448	399	329	378	309	457	342	298	497	413
Fire										
Number of calls answered	3,739	3,881	4,380	4,487	4,760	5,064	4,975	4,422	4,851	4,663
Inspections	2,286	2,322	2,412	3,265	1,931	1,655	1,857	1,664	1,402	1,096
Highways and streets										
Street resurfacing (miles)	3.13	1.03	5.79	3.20	0.00	3.70	3.10	3.10	2.30	2.47
Code										
Building permits issued	322	249	290	284	349	257	206	345	378	691
Estimated construction value** (in thousands)	\$19,911	\$27,607	\$34,654	\$32,732	\$23,136	\$17,496	\$16,956	\$19,373	\$48,627	\$60,920
Library										
Volumes	61,381	62,713	66,019	67,316	66,857	61,764	58,840	61,822	59,085	59,944
Circulation	125,440	120,127	117,695	111,183	104,170	104,370	101,451	87,939	71,180	91,069
Solid Waste										
Refuse collected (tons per year)	11,930	11,171	10,479	10,950	10,601	10850	10,828	12,391	10,938	15,906
Recyclables collected (tons per year)	1,432	1,922	1,913	1,856	1,737	1651	897	816	781	769
Parks & Recreation										
Field Use Requests	81	90	103	98	75	96	87	85	91	111
School Enrollment										
Laconia HS	598	589	585	552	526	555	539	538	561	583
Laconia Middle School	469	482	423	423	405	413	441	486	481	422
Woodland Heights	352	430	453	444	391	373	342	347	333	316
Pleasant Street	283	292	285	282	315	331	294	292	265	250
Elm Street	282	285	285	283	312	321	292	296	272	261
Area 8/Huot	420	473	421	441	394	411	409	399	432	398
Water										
New connections	30	62	50	39	50	43	24	38	69	53
Water main breaks	7	7	10	5	6	9	7	5	2	3
Average daily consumption-MGD	1.45	1.47	1.30	1.59	1.49	1.42	1.41	1.34	1.41	1.22

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>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>	<u>2022</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	4	4	4	4	4	4	4	4	4	4
Fire stations	3	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles)-paved ##	105.21	83.2	83.2	83.2	83.2	79.25	79.25	79.25	79.25	79.25
Streets (miles)-unpaved ##	7.24	2.18	2.18	2.18	2.18	0.85	0.85	0.85	0.85	0.85
Traffic intersections	7	7	7	7	7	8	8	8	8	8
Street lights	1,344	1,344	1,344	1,344	1,308	1,308	1310	1,310	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	48	48	48	48
Tennis courts	7	7	7	7	8	8	8	8	8	8
Basketball courts	7	7	7	7	7	6	7	7	7	7
Community centers	4	4	4	4	4	4	5	5	5	5
Cemeteries	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	104.35	104.35	104.35	104.35	105.43	105.43	105.76	105.76	105.76	106.49
Fire hydrants	527	530	542	542	547	547	547	547	547	547
Maximum daily capacity (MGD)	6	6	6	6	6	6	6	6	6	6
Service connections	6,506	6,568	6,617	6,656	6,685	6,728	6752	6790	6859	6912
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	10,850	10,865	10,877	10,885	10,930	10,950	10954	10,954	10,958	10,991
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	18	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