

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

CITY OF LACONIA, NEW HAMPSHIRE

FISCAL YEAR ENDED JUNE 30, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT CITY OF LACONIA, NEW HAMPSHIRE FISCAL YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	Page
Transmittal Letter	i
Organization Chart	vii
Listing of Elected Officials	viii
City Manager and Department Heads	ix
 Independent Auditor's Report	 1
 Statistical Section	 67
Net Position by Component	68
Changes in Net Position	69
Fund Balances of Governmental Funds	71
Changes in Fund Balances of Governmental Funds	72
General Governmental Expenditures by Function	73
General Governmental Revenues by Source	74
Property Tax Levies and Collections	75
Assessed Value and Estimated Full Value of Real Property	76
Property Tax Rates	77
Ratios of Outstanding Debt by Type	78
Computation of Legal Debt Margins	79
Legal Debt Margin Information	80
Computation of Overlapping Debt-Belknap County	81
Ratio of Annual Debt Service Expense	82
Demographic and Economic Statistics	83
Principal Property Taxpayers	84
City Government Employees by Function	85
Full-time Equivalent School Employees by Position	86
Operating Indicators by Function	87
Capital Asset Statistics by Function	88



March 16, 2021

Honorable Mayor and City Council
City of Laconia
Laconia NH 03246

Dear Council Members:

The comprehensive annual financial report of the City of Laconia for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of various funds, account groups, and component units of the City of Laconia. All disclosures necessary to enable the reader to gain an understanding of the City of Laconia's activities have been included.

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

1. An unaudited introductory section, including the transmittal letter, organization chart and list of principal elected officials acquaints the reader with the operations of the City.
2. A financial section, including the auditor's report on the financial statements and schedules, City management's discussion and analysis, and the financial statements as required under rules and standards established by the Governmental Accounting Standards Board. This includes government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) reporting information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.
3. An unaudited statistical section including financial and demographic data provides users with a broader understanding of the City and the trends in its financial affairs in that it presents some non-accounting data and covers more than one fiscal year.

Overview

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

The City provides a full range of services, including police and fire protection, emergency medical services, public works operations, planning and zoning, code enforcement, health and welfare services, parks operation and maintenance, recreation, library services, solid waste collection and disposal, schools and general administrative services.

Water and sewer services are provided under an Enterprise Fund concept with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt.

Economic Condition and Outlook

Covid-19 and related mitigation measures continue to impact our economy. New Hampshire's Economic and Labor Market Information Bureau reports that in the second quarter of 2020 a total of 80.3% of the City's employers were classified as 'Service Providing Industries', only slightly lower than the 81.1% reported for the second quarter of 2019. During this period the number of persons employed in this sector dropped from 9,400 to 7,600. Similar statistics can be found in other sectors hardest hit by the pandemic. The 'Accommodation and Food Services' classification reported 106 employers and 1,798 employees in June 2019 and 95 employers and 1,148 employees in June 2020. Other classifications, such as manufacturing, construction, finance and insurance and professional and technical services, saw minimal changes.

The City's weekly average wage ranged from \$448.68 in the 'Accommodation and Food Services' sector to \$1,644.55 in the 'Professional and Technical Service' sector. The City's overall average wage was \$986.74/week.

Laconia's unemployment rate increased significantly due to the pandemic. The June 2019 rate of 2.7% rose to 14.7% by June 2020. During this same period the State's overall unemployment rate also increased, from 2.5% to 11.7%. Unemployment rates in our neighboring states ranged from 6.6% in Maine to 17.4% in Massachusetts to. Nationally, the unemployment rate in June 2020 was 11.2%

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 \$65.0 million in fiscal year 2020; this represented an increase of 3.55% over fiscal year 2019. Major factors contributing to the increase include shared revenues received from the State, COVID-19 relief monies, interest on general fund deposits, and PILOT payments. The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2020 and the amount of increase or decrease in relation to prior year revenues.

Revenues	FY20	FY19	Change	% Change
Property Tax	\$45,961,741	\$44,643,319	\$1,318,422	2.95%
Penalty, Interest & Other Taxes	\$729,716	\$485,175	\$244,541	50.40%
Charges for Services	\$2,139,460	\$1,986,817	\$152,643	7.68%
Intergovernmental	\$10,971,078	\$9,954,625	\$1,016,453	10.21%
Licenses & Permits	\$3,630,168	\$3,476,994	\$153,174	4.41%
Fines & Forfeitures	\$28,222	\$24,938	\$3,284	13.17%
Investment Income	\$656,054	\$372,060	\$283,994	76.33%
Miscellaneous	\$891,063	\$1,835,233	-\$944,170	-51.45%
Total Revenues	\$65,007,502	\$62,779,161	\$2,228,341	3.55%

Expenditures

Expenditures for the General Fund functions totaled \$64.3 million in fiscal year 2020, an increase of 3.39% from prior year expenditures.

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

Expenses	FY20	FY19	Change	% Change
General Government	\$7,442,672	\$7,608,557	-\$165,885	-2.18%
Fire	\$4,568,776	\$4,450,213	\$118,563	2.66%
Police	\$6,591,187	\$6,411,441	\$179,746	2.80%
Education	\$32,225,609	\$30,826,646	\$1,398,963	4.54%
Highways & Streets	\$2,600,864	\$2,592,169	\$8,695	0.34%
Solid Waste	\$2,129,589	\$1,970,295	\$159,294	8.08%
Health & Welfare	\$112,914	\$149,169	-\$36,255	-24.30%
Parks & Recreation	\$694,062	\$831,918	-\$137,856	-16.57%
Library	\$790,219	\$862,015	-\$71,796	-8.33%
Conservation	\$1,856	\$2,587	-\$731	-28.26%
Capital Outlay	\$2,570,166	\$2,147,248	\$422,918	19.70%
Debt Service	\$4,619,515	\$4,382,506	\$237,009	5.41%
Total	\$64,347,429	\$62,234,764	\$2,112,665	3.39%

Fund Balance

Total fund balance for the general fund increased by \$601,276 from \$8,418,332 in FY19 to 9,019,608 in FY20, as detailed below:

Use of fund balance as a funding source	(\$770,000)
Revenues and transfers in excess of budget	\$677,809
Expenditures less than budget	\$1,051,566
Expenditures of prior year encumbrances	(\$790,212)
Change in capital reserves	<u>\$432,113</u>
Total	\$601,276

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	FY20	FY19	Change	% Change
Revenues	\$4,590,694	\$4,300,129	\$290,565	6.76%
Expenses	<u>\$4,071,133</u>	<u>\$3,690,874</u>	<u>\$380,259</u>	10.30%
Operating Income (Loss)	\$519,561	\$609,255	-\$89,694	-14.72%
Water Fund	FY20	FY19	Change	% Change
Revenues	\$2,898,845	\$2,745,761	\$153,084	5.58%
Expenses	<u>\$2,800,800</u>	<u>\$2,655,232</u>	<u>\$145,568</u>	5.48%
Operating Income (Loss)	\$98,045	\$90,529	\$7,516	8.30%

Fiduciary Operations

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

Debt Administration

The position of the general obligation bonds and notes as of the end of FY20 are as follows:

Government Activities		Outstanding Balance June 30 2020
City	2001 Capital Imp (City Portion)	\$350,000
	2002 Capital Imp	\$300,000
	2003 Library	\$440,000
	2010 Weirs Boardwalk	\$360,000
	2011 Water Line/Boardwalk	\$310,750
	2010 Anthony Dr	\$119,708
	2013 Fire Truck/DPW (City Portion)	\$156,090
	2014 Smith Track/Weirs Cmty Park	\$340,000
	2015 Fbean/Fire Sta/Main Bridge/ GO	\$4,798,473
	2018 LED Street Lights	\$120,000
	2017 Lakeside Av/Messer/Endicott	\$1,360,000
	2018 Road Improvements	\$2,000,000
	2018 PD Radio Tower, Disp.	\$630,000
	2018 Streets/Sidewalks/Drainage	\$2,250,000
	2020 Court St/Fire Eng./DPW Truck	\$2,025,000
	2020 Bridge/End Water/Sewer (City)	\$1,500,750
School	2001 Capital Imp (School Portion)	\$620,000
	2001 School Woodland Heights	\$615,000
	2007 School - MMS	\$9,225,281
	2011 Huot QZAB	\$1,217,400
	2012 Huot QZAB	\$3,367,000
	2012 Huot (Northway)	\$700,000
	2014 Huot QZAB	\$1,453,000
SSF	2020 Bridge/End Water/Sewer (SSF)	\$749,250
ISF	2013 Fire Truck/DPW (ISF Portion)	\$173,910
DTIF	2015 Fbean/Fire Sta/Main Bridge/ GO	\$1,278,621
WTIF	2017 Weirs TIF	\$1,387,184
Total		\$37,847,417
LWW	2009 LWW Water Tank	\$710,000

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

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

Assessed Valuation

Total assessment valuations before exemptions increased from \$2.286 billion to \$2.406 billion, an increase of \$119 million, or 5.2%. There were no significant changes in the categories of the property within the City.

Cash Management

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

The City strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure efficient and profitable use of the City's cash resources. The City Council reviews and adopts an investment policy annually. Cash temporarily idle during the year is invested in commercial banks and saving banks certificates of deposits, and in U. S. Treasuries. During fiscal year the majority of the deposits were either insured by federal depository insurance, collateralized at the Federal Reserve or covered by Federal Home Loan Bank lines of credit. The City also participates in the New Hampshire Public Deposit Investment Pool established in accordance with RSA 383:22-24.

OTHER INFORMATION

Independent Audit

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

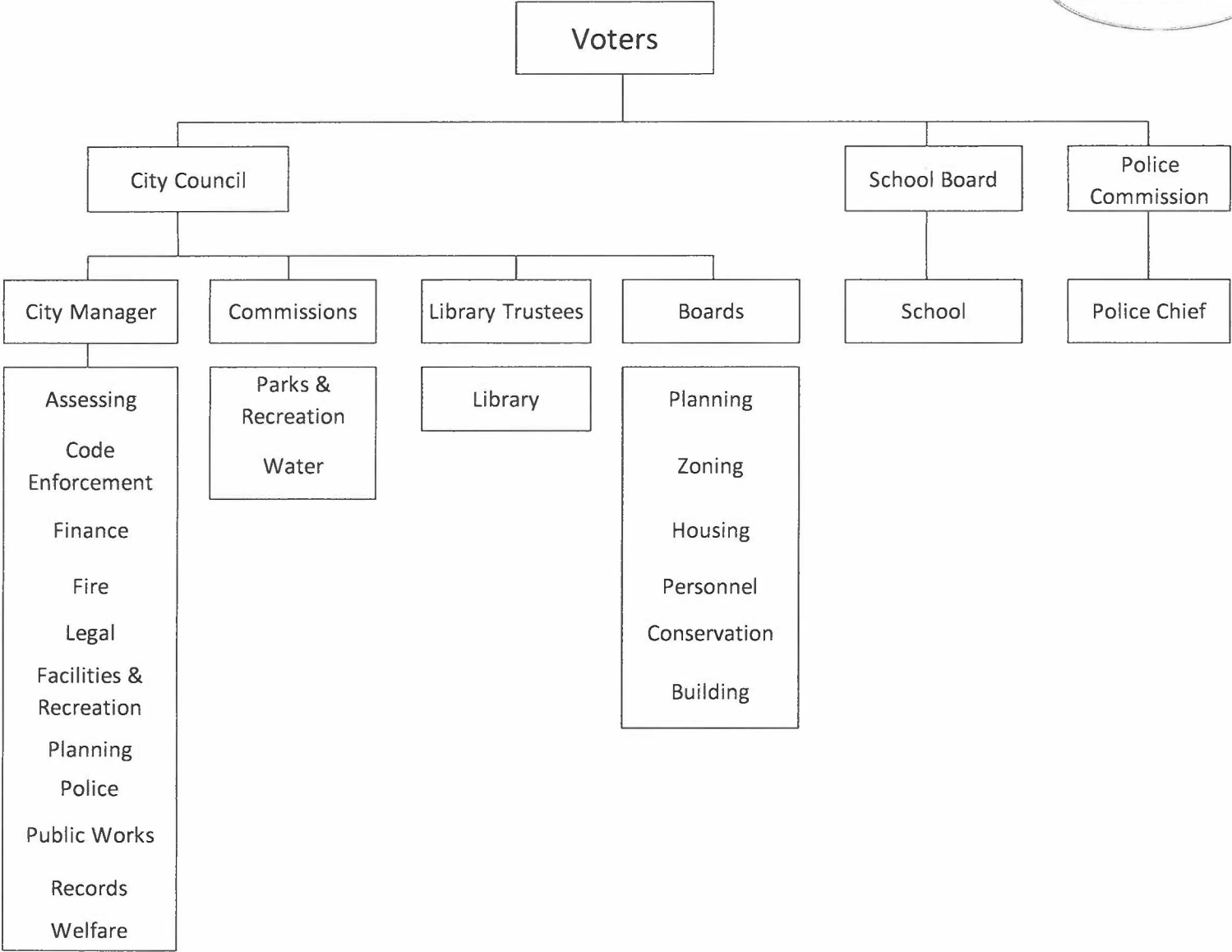
Acknowledgements

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

Respectfully submitted,



Glenn Smith
Finance Director



**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL-MANAGER FORM OF GOVERNMENT
LISTING OF ELECTED CITY OFFICIALS
FOR THE FISCAL YEAR ENDING JUNE 30, 2020**

City Council

Elected: November 7, 2019

Term: January 8, 2019- December 31, 2022

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

** Appointed by Council to fill the remaining term of David Bownes*

School Board:

Heather Lounsbury, Chair	Term 2018 - 2021
Aaron Hayward, Vice Chair	Term 2019 - 2022
Malcolm Murray	Term 2018 - 2021
Laura Dunn	Term 2019 - 2022
Dawn Johnson	Term 2020 - 2023
Joe Cormier	Term 2018 - 2021
Nick Grenon	Term 2020 - 2023

**CITY OF LACONIA, NEW HAMPSHIRE
COUNCIL - MANAGER FORM OF GOVERNMENT
CITY MANAGER AND APPOINTED DEPARTMENT HEADS
FOR THE YEAR ENDING JUNE 30, 2020**

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



CITY OF LACONIA, NEW HAMPSHIRE

Annual Financial Statements

For the Year Ended June 30, 2020

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	17
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Funds:	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Fund Net Position	22
Statement of Cash Flows	23
Fiduciary Funds:	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Notes to Financial Statements	26

REQUIRED SUPPLEMENTARY INFORMATION:**Budget and Actual:**

Schedule of Revenues, Expenditures, and Other Financing Sources/Uses – Budget and Actual – General Fund	61
Notes to Required Supplementary Information for Budget	62

Pension:

Schedule of Proportionate Share of the Net Pension Liability	63
Schedule of Pension Contributions	64

OPEB:

Schedules of Proportionate Share of the Net OPEB Liability and Contributions	65
Schedules of Changes in the Total OPEB Liability	66



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laconia, New Hampshire, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the city's internal control.

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

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Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laconia, New Hampshire, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance



with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Melanson

Merrimack, New Hampshire
March 17, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Laconia, New Hampshire (the City), we offer readers this narrative overview and analysis of the financial activities of the City of Laconia for the fiscal year ended June 30, 2020. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

Notes to Financial Statements

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

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

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

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$22,401,968, a change of \$(2,551,005), and net position in business-type activities was \$26,919,393, a change of \$606,108.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$17,170,961, a change of \$146,683.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,342,861, a change of \$85,730 in comparison to the prior year.

Government-Wide Financial Analysis

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

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 46,591,087	\$ 45,713,613	\$ 7,474,777	\$ 7,520,177	\$ 54,065,864	\$ 53,233,790
Capital assets	<u>105,022,326</u>	<u>103,148,796</u>	<u>22,451,533</u>	<u>21,871,955</u>	<u>127,473,859</u>	<u>125,020,751</u>
Total assets	151,613,413	148,862,409	29,926,310	29,392,132	181,539,723	178,254,541
Deferred outflows of resources	9,044,951	10,014,081	318,368	361,544	9,363,319	10,375,625
Current liabilities	12,403,816	9,877,898	516,758	524,436	12,920,574	10,402,334
Noncurrent liabilities	<u>98,545,311</u>	<u>96,805,952</u>	<u>2,569,161</u>	<u>2,652,254</u>	<u>101,114,472</u>	<u>99,458,206</u>
Total liabilities	110,949,127	106,683,850	3,085,919	3,176,690	114,035,046	109,860,540
Deferred inflows on resources	27,307,269	27,239,667	239,366	263,701	27,546,635	27,503,368
Net investment in capital assets	69,417,913	68,899,467	21,726,866	21,066,266	91,144,779	89,965,733
Restricted	8,055,590	8,025,887	-	-	8,055,590	8,025,887
Unrestricted	<u>(55,071,535)</u>	<u>(51,972,381)</u>	<u>5,192,527</u>	<u>5,247,019</u>	<u>(49,879,008)</u>	<u>(46,725,362)</u>
Total net position	\$ <u>22,401,968</u>	\$ <u>24,952,973</u>	\$ <u>26,919,393</u>	\$ <u>26,313,285</u>	\$ <u>49,321,361</u>	\$ <u>51,266,258</u>

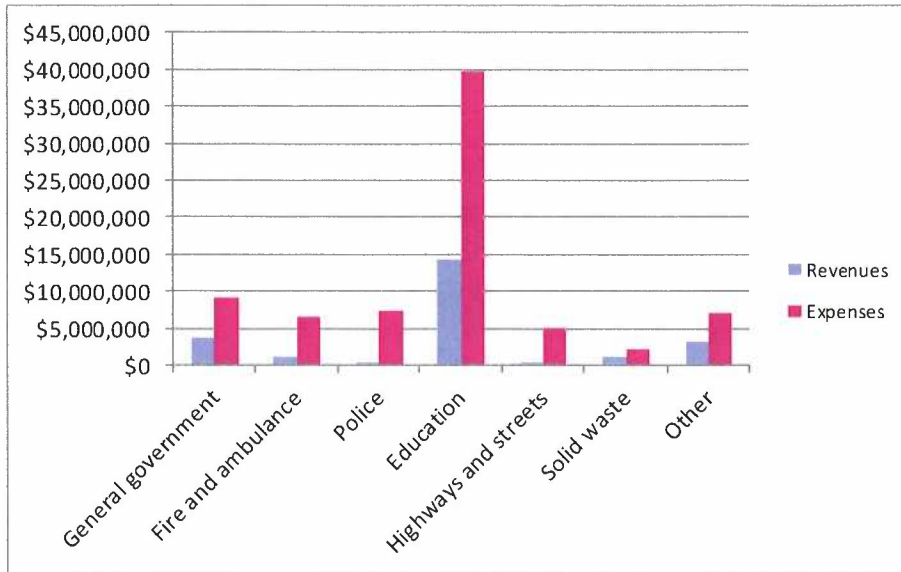
The largest portion of net position \$91,144,779 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, 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 \$8,055,590 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 \$(49,879,008) primarily resulting from the City's unfunded net pension and OPEB liabilities.

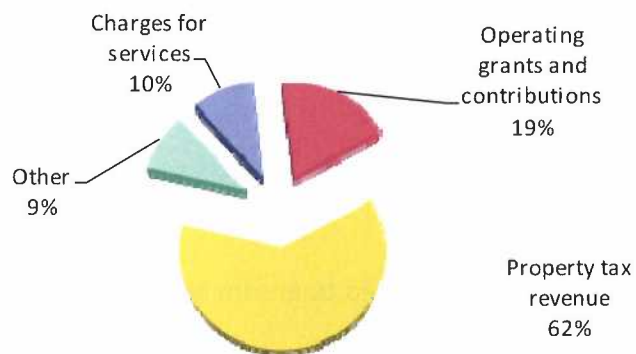
As noted earlier, net position may serve over time as a useful indicator of a City's financial position. At the close of the most recent fiscal year, total net position was \$49,321,361 a change of \$(1,944,897) in comparison to the prior year.

CHANGES IN NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 7,558,267	\$ 7,936,566	\$ 7,489,539	\$ 7,045,890	\$ 15,047,806	\$ 14,982,456
Operating grants and contributions	14,025,540	14,112,798	-	-	14,025,540	14,112,798
Capital grants and contributions	3,020,531	479,145	-	109,900	3,020,531	589,045
General revenues:						
Property taxes	46,282,755	45,071,943	-	-	46,282,755	45,071,943
Penalties and interest on taxes	729,716	485,175	-	-	729,716	485,175
Grants and contributions not restricted to specific programs	1,490,700	850,803	-	-	1,490,700	850,803
Investment income	738,818	496,931	16,712	24,747	755,530	521,678
Other	1,241,515	1,884,970	-	-	1,241,515	1,884,970
Total revenues	75,087,842	71,318,331	7,506,251	7,180,537	82,594,093	78,498,868
Expenses:						
General government	9,232,021	7,875,938	-	-	9,232,021	7,875,938
Fire and ambulance	6,653,035	6,672,334	-	-	6,653,035	6,672,334
Police	7,497,542	7,236,217	-	-	7,497,542	7,236,217
Education	39,901,186	35,931,507	-	-	39,901,186	35,931,507
Highway and streets	4,979,614	6,233,366	-	-	4,979,614	6,233,366
Solid waste	2,321,437	2,059,724	-	-	2,321,437	2,059,724
Health and welfare	113,520	177,553	-	-	113,520	177,553
Parks and recreation	728,577	1,276,749	-	-	728,577	1,276,749
Library	962,857	999,965	-	-	962,857	999,965
Conservation	1,856	2,587	-	-	1,856	2,587
Airport	3,872,624	1,191,050	-	-	3,872,624	1,191,050
Interest expense	1,374,578	1,360,922	-	-	1,374,578	1,360,922
Water	-	-	2,829,010	2,687,296	2,829,010	2,687,296
Sanitary Sewer	-	-	4,071,133	3,690,874	4,071,133	3,690,874
Total expenses	77,638,847	71,017,912	6,900,143	6,378,170	84,538,990	77,396,082
Change in net position	(2,551,005)	300,419	606,108	802,367	(1,944,897)	1,102,786
Net position - beginning of year	24,952,973	24,652,554	26,313,285	25,510,918	51,266,258	50,163,472
Net position - end of year	\$ 22,401,968	\$ 24,952,973	\$ 26,919,393	\$ 26,313,285	\$ 49,321,361	\$ 51,266,258

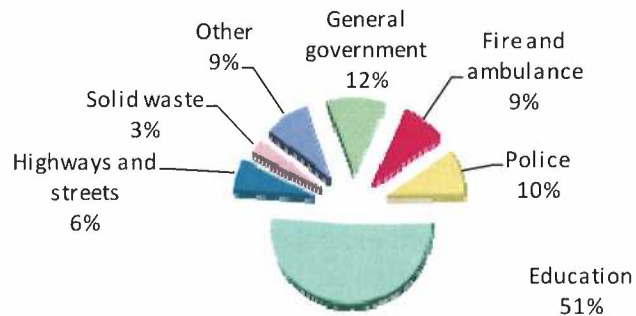
**Governmental Activities - Revenue v. Expense Comparison
For the Year Ended June 30, 2020**



**Governmental Activities - Revenues
For the Year Ended June 30, 2020**



**Governmental Activities - Expenses
For the Year Ended June 30, 2020**



Governmental Activities

Governmental activities for the year resulted in a change in net position of \$(2,551,005). Key elements of this change are as follows:

General fund operations	\$ 601,276
Internal service fund operations	(336,556)
Other governmental funds operations	(454,593)
Capital assets acquired with current year revenues	1,547,000
Depreciation expense in excess of principal debt service	(2,273,824)
Change in pension expense from GASB 68	(1,469,735)
Change in OPEB expense from GASB 75	(49,503)
Other	<u>(115,070)</u>
Total	\$ <u>(2,551,005)</u>

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$606,108. This change primarily results from expenses in the sanitary sewer fund less than budget after capitalizing current year expenditures which will be depreciated in future periods and capital contributions in the water fund. The following is a summary of the changes in net position by fund:

Water operations	\$ 81,967
Sanitary Sewer operations	<u>524,141</u>
Total	\$ <u>606,108</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 \$3,342,861, while total fund balance was \$9,019,608. The June 30, 2020 unassigned fund balance was essentially unchanged from the prior year as the positive budgetary results of \$1,729,375 (page 61) was offset by the use of fund balance of \$770,000 and the increase in our non-spendable fund balance of \$1,051,943 because of the cash deficit in the internal service fund. As a measure of the general fund's liquidity, it may be useful

to compare both unassigned fund balance and total fund balance to general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>	% of Total General Fund Expenditures
Unassigned fund balance	\$ 3,342,861	\$ 3,257,131	\$ 85,730	5.2%
Total fund balance	\$ 9,019,608	\$ 8,418,332	\$ 601,276	14.0%

The total fund balance of the general fund changed by \$601,276 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (770,000)
Revenues and transfers in excess of budget	677,809
Expenditures and transfers less than budget	1,051,566
Expenditures of prior year encumbrances	(790,212)
Change in capital reserves	<u>432,113</u>
Total	<u>\$ 601,276</u>

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

	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
Capital reserves	\$ <u>3,504,762</u>	\$ <u>3,072,649</u>	\$ <u>432,113</u>
Total	<u>\$ 3,504,762</u>	<u>\$ 3,072,649</u>	<u>\$ 432,113</u>

Detailed capital reserve balance at year end are as follows:

Accrued leave	\$ 291,902
Health insurance stabilization	171,339
School health insurance	601,906
School renovations	626,859
Special education	808,022
Winter maintenance stabilization	80,760
School district staff stabilization	619,120
School education stabilization	<u>304,854</u>
	<u>\$ 3,504,762</u>

Non-Major Governmental Funds

The non-major fund balance changed by \$(454,593) 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 \$5,192,527, a change of \$(54,492) in comparison to the prior year primarily from water fund depreciation and the sewer funds use of current revenues for capital purposes.

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

General Fund Budgetary Highlights

The differences between the original budget and the final budget were the transferring of funds between departmental line items. In the fall of 2019, during the tax rate setting process, the City elected to use \$770,000 of unassigned fund balance to reduce the tax rate.

Capital Asset and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year end amounted to \$127,473,859 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Major capital asset events (exclusive of depreciation expense) during the current fiscal year included the following:

Governmental Activities

Court Street Improvements	\$ 3,071,520
Riverwalk Improvements	\$ 509,162
Messer Street Drainage	\$ 368,257
Veteran Square Improvements	\$ 231,312
Beacon West Improvements	\$ 212,105
Construction in progress:	
Union Street Improvements	\$ 2,107,970

Business-Type Activities

Water

Distribution Mains	\$ 198,406
Reservoir	\$ 90,221

Sewer

Union Avenue Sewer	\$ 294,361
Gold Street PS	\$ 195,966

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

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$38,557,417 all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the City of Laconia's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Department
City of Laconia
45 Beacon Street East
Laconia, New Hampshire 03246

CITY OF LACONIA, NEW HAMPSHIRE

Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current			
Cash and short-term investments	\$ 32,032,341	\$ 3,921,301	\$ 35,953,642
Investments	6,266,158	2,119,638	8,385,796
Receivables, net of allowance for uncollectibles:			
Property taxes	3,836,780	-	3,836,780
Departmental and other	1,227,419	-	1,227,419
User fees	-	1,582,803	1,582,803
Intergovernmental	1,737,555	-	1,737,555
Internal balances	467,139	(467,139)	-
Due from external parties	6,255	-	6,255
Inventories and prepaids	225,354	238,627	463,981
Other assets	<u>-</u>	<u>29,547</u>	<u>29,547</u>
Total Current Assets	45,799,001	7,424,777	53,223,778
Noncurrent			
Receivables, net of allowance for uncollectibles:			
Property taxes	792,086	-	792,086
Other receivables	-	50,000	50,000
Capital assets:			
Land and construction in progress	16,598,359	2,042,375	18,640,734
Other capital assets, net of accumulated depreciation	<u>88,423,967</u>	<u>20,409,158</u>	<u>108,833,125</u>
Total Noncurrent Assets	<u>105,814,412</u>	<u>22,501,533</u>	<u>128,315,945</u>
Total Assets	151,613,413	29,926,310	181,539,723
Deferred Outflows of Resources			
Related to pensions	7,621,225	283,489	7,904,714
Related to OPEB	<u>1,423,726</u>	<u>34,879</u>	<u>1,458,605</u>
Total Deferred Outflows of Resources	9,044,951	318,368	9,363,319

(continued)

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

CITY OF LACONIA, NEW HAMPSHIRE

Statement of Net Position
June 30, 2020

(continued)	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Liabilities			
Current			
Accounts payable	3,426,584	265,868	3,692,452
Retainage payable	274,005	5,117	279,122
Accrued liabilities	1,656,950	29,806	1,686,756
Notes payable	1,600,000	-	1,600,000
Customer deposits	-	35,272	35,272
Other current liabilities	1,317,810	93,179	1,410,989
Current portion of long-term liabilities:			
Bonds payable	3,915,542	77,128	3,992,670
Compensated absences	163,127	10,388	173,515
Capital leases	34,798	-	34,798
Landfill liability	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Current Liabilities	12,403,816	516,758	12,920,574
Noncurrent			
Bonds payable, net of current portion	34,174,240	647,539	34,821,779
Net pension liability	49,226,939	1,466,448	50,693,387
Net OPEB liability	13,496,854	361,715	13,858,569
Compensated absences	1,466,996	93,459	1,560,455
Capital leases	36,282	-	36,282
Landfill liability	<u>144,000</u>	<u>-</u>	<u>144,000</u>
Total Noncurrent Liabilities	<u>98,545,311</u>	<u>2,569,161</u>	<u>101,114,472</u>
Total Liabilities	110,949,127	3,085,919	114,035,046
Deferred Inflows of Resources			
Related to pensions	3,051,586	132,932	3,184,518
Related to OPEB	705,741	106,434	812,175
Other	<u>23,549,942</u>	<u>-</u>	<u>23,549,942</u>
Total Deferred Inflows of Resources	27,307,269	239,366	27,546,635
Net Position			
Net investment in capital assets	69,417,913	21,726,866	91,144,779
Restricted for:			
Grants	6,089,084	-	6,089,084
Permanent funds:			
Nonexpendable	903,899	-	903,899
Expendable	1,062,607	-	1,062,607
Unrestricted	<u>(55,071,535)</u>	<u>5,192,527</u>	<u>(49,879,008)</u>
Total Net Position	\$ <u>22,401,968</u>	\$ <u>26,919,393</u>	\$ <u>49,321,361</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, 2020

		Program Revenues			Net (Expenses)
		Charges for	Operating	Capital	Revenues
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u> <u>Contributions</u>	<u>Grants and</u> <u>Contributions</u>	<u>Total</u>
Governmental Activities					
General government	\$ 9,232,021	\$ 3,600,943	\$ 216,878	\$ -	\$ (5,414,200)
Fire and ambulance	6,653,035	1,166,888	569	-	(5,485,578)
Police	7,497,542	382,487	124,771	-	(6,990,284)
Education	39,901,186	823,219	13,504,416	-	(25,573,551)
Highways and streets	4,979,614	6,366	-	356,561	(4,616,687)
Solid waste	2,321,437	1,158,499	-	-	(1,162,938)
Health and welfare	113,520	-	-	-	(113,520)
Parks and recreation	728,577	71,958	57,771	-	(598,848)
Library	962,857	9,650	121,135	-	(832,072)
Conservation	1,856	-	-	10,148	8,292
Airport	3,872,624	338,257	-	2,653,822	(880,545)
Interest on long-term debt	<u>1,374,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,374,578)</u>
Total Governmental Activities	77,638,847	7,558,267	14,025,540	3,020,531	(53,034,509)
Business-Type Activities					
Water services	2,829,010	2,898,845	-	-	69,835
Sanitary sewer services	<u>4,071,133</u>	<u>4,590,694</u>	<u>-</u>	<u>-</u>	<u>519,561</u>
Total Business-Type Activities	<u>6,900,143</u>	<u>7,489,539</u>	<u>-</u>	<u>-</u>	<u>589,396</u>
Total	<u>\$ 84,538,990</u>	<u>\$ 15,047,806</u>	<u>\$ 14,025,540</u>	<u>\$ 3,020,531</u>	<u>(52,445,113)</u>

(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, 2020

(continued)

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Net (expenses) revenues from previous page	\$ (53,034,509)	\$ 589,396	\$ (52,445,113)
General Revenues and Transfers:			
Property taxes	46,282,755	-	46,282,755
Penalties, interest, and other taxes	729,716	-	729,716
Grants and contributions not restricted to specific programs	1,490,700	-	1,490,700
Investment income	738,818	16,712	755,530
Miscellaneous	<u>1,241,515</u>	<u>-</u>	<u>1,241,515</u>
Total General Revenues and Transfers	<u>50,483,504</u>	<u>16,712</u>	<u>50,500,216</u>
Change in Net Position	(2,551,005)	606,108	(1,944,897)
Net Position:			
Beginning of year	<u>24,952,973</u>	<u>26,313,285</u>	<u>51,266,258</u>
End of year	\$ <u><u>22,401,968</u></u>	\$ <u><u>26,919,393</u></u>	\$ <u><u>49,321,361</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and short-term investments	\$ 30,711,532	\$ 1,320,807	\$ 32,032,339
Investments	4,085,582	2,180,576	6,266,158
Receivables:			
Property taxes	4,710,116	-	4,710,116
Departmental and other	321,485	905,934	1,227,419
Intergovernmental	225,740	1,511,815	1,737,555
Due from other funds	-	4,926,844	4,926,844
Inventories and prepaids	<u>160,202</u>	<u>44,934</u>	<u>205,136</u>
Total Assets	\$ <u>40,214,657</u>	\$ <u>10,890,910</u>	\$ <u>51,105,567</u>
Liabilities			
Accounts payable	\$ 2,993,608	\$ 418,425	\$ 3,412,033
Retainage payable	97,136	176,871	274,007
Accrued liabilities	2,407,417	-	2,407,417
Due to other funds	1,388,446	2,013,061	3,401,507
Other liabilities	<u>-</u>	<u>3,535</u>	<u>3,535</u>
Total Liabilities	6,886,607	2,611,892	9,498,499
Deferred Inflows of Resources			
Unavailable revenues	4,903,800	127,665	5,031,465
Taxes collected in advance	<u>19,404,642</u>	<u>-</u>	<u>19,404,642</u>
Total Deferred Inflows of Resources	24,308,442	127,665	24,436,107
Fund Balances			
Nonspendable	1,202,031	903,899	2,105,930
Restricted	-	5,593,556	5,593,556
Committed	3,504,762	1,679,666	5,184,428
Assigned	969,954	-	969,954
Unassigned	<u>3,342,861</u>	<u>(25,768)</u>	<u>3,317,093</u>
Total Fund Balances	<u>9,019,608</u>	<u>8,151,353</u>	<u>17,170,961</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>40,214,657</u>	\$ <u>10,890,910</u>	\$ <u>51,105,567</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, 2020

Total governmental fund balances	\$ 17,170,961
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	105,022,326
<ul style="list-style-type: none">• Revenues are reported on the accrual basis of accounting and are not deferred until collected.	804,915
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, net pension liability, net OPEB liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(38,089,782)
Notes payable	(1,600,000)
Pension liability, net of related deferred outflows & inflows of resources	(48,508,954)
OPEB liability, net of related deferred outflows & inflows of resources	(8,927,215)
Compensated absences	(1,630,123)
Other	<u>(1,840,160)</u>
Net position of governmental activities	\$ <u>22,401,968</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, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 45,961,741	\$ 358,968	\$ 46,320,709
Penalties, interest, and other taxes	729,716	4,200	733,916
Charges for services	2,139,460	1,760,413	3,899,873
Intergovernmental	10,971,078	7,565,695	18,536,773
Licenses and permits	3,630,168	-	3,630,168
Fines and forfeitures	28,222	-	28,222
Investment income	656,054	82,764	738,818
Contributions	-	327,000	327,000
Miscellaneous	<u>891,063</u>	<u>-</u>	<u>891,063</u>
Total Revenues	65,007,502	10,099,040	75,106,542
Expenditures			
Current:			
General government	7,442,672	1,881,500	9,324,172
Fire and ambulance	4,568,776	1,696,524	6,265,300
Police	6,591,187	190,963	6,782,150
Education	32,225,609	4,705,563	36,931,172
Highways and streets	2,600,864	4,292,596	6,893,460
Solid waste	2,129,589	152,970	2,282,559
Health and welfare	112,914	-	112,914
Parks and recreation	694,062	38,366	732,428
Library	790,219	36,974	827,193
Conservation	1,856	-	1,856
Airport	-	3,159,130	3,159,130
Capital outlay	2,570,166	93,749	2,663,915
Debt service			
Principal	3,396,397	147,906	3,544,303
Interest	<u>1,223,118</u>	<u>91,189</u>	<u>1,314,307</u>
Total Expenditures	<u>64,347,429</u>	<u>16,487,430</u>	<u>80,834,859</u>
Excess (deficiency) of revenues over expenditures	660,073	(6,388,390)	(5,728,317)
Other Financing Sources (Uses)			
Issuance of bonds	-	4,275,000	4,275,000
Issuance of notes	-	1,600,000	1,600,000
Transfers in	3,000	61,797	64,797
Transfers out	<u>(61,797)</u>	<u>(3,000)</u>	<u>(64,797)</u>
Total Other Financing Sources (Uses)	<u>(58,797)</u>	<u>5,933,797</u>	<u>5,875,000</u>
Change in fund balance	601,276	(454,593)	146,683
Fund Balance, at Beginning of Year	<u>8,418,332</u>	<u>8,605,946</u>	<u>17,024,278</u>
Fund Balance, at End of Year	\$ <u><u>9,019,608</u></u>	\$ <u><u>8,151,353</u></u>	\$ <u><u>17,170,961</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, 2020

Net changes in fund balances - total governmental funds	\$ 146,683																		
<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, net of disposals of capital assets</td><td>7,422,000</td></tr> <tr> <td>Depreciation</td><td>(5,876,097)</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 debt</td><td>(5,875,000)</td></tr> <tr> <td>Repayments of debt</td><td>3,602,273</td></tr> <tr> <td>Amortization of bond premium</td><td>23,450</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>(42,154)</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 pension expense from GASB 68</td><td>(1,469,762)</td></tr> <tr> <td>Change in OPEB expense from GASB 75</td><td>(49,503)</td></tr> <tr> <td>Other</td><td>(96,339)</td></tr> </table> 	Capital outlay, net of disposals of capital assets	7,422,000	Depreciation	(5,876,097)	Issuance of debt	(5,875,000)	Repayments of debt	3,602,273	Amortization of bond premium	23,450		(42,154)	Change in pension expense from GASB 68	(1,469,762)	Change in OPEB expense from GASB 75	(49,503)	Other	(96,339)	
Capital outlay, net of disposals of capital assets	7,422,000																		
Depreciation	(5,876,097)																		
Issuance of debt	(5,875,000)																		
Repayments of debt	3,602,273																		
Amortization of bond premium	23,450																		
	(42,154)																		
Change in pension expense from GASB 68	(1,469,762)																		
Change in OPEB expense from GASB 75	(49,503)																		
Other	(96,339)																		
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.	(336,556)																		
Change in net position of governmental activities	\$ <u>(2,551,005)</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, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Assets				
Current:				
Cash and short-term investments	\$ 1,511,191	\$ 2,410,110	\$ 3,921,301	\$ -
Investments	-	2,119,638	2,119,638	-
User fees, net of allowance for uncollectibles	573,693	1,009,110	1,582,803	-
Inventory	238,627	-	238,627	20,219
Other assets	29,547	-	29,547	-
Total Current Assets	2,353,058	5,538,858	7,891,916	20,219
Noncurrent:				
Accounts receivable	50,000	-	50,000	-
Capital assets:				
Land and construction in progress	41,053	2,001,322	2,042,375	-
Other capital assets, net of accumulated depreciation	14,449,979	5,959,179	20,409,158	2,998,977
Total Noncurrent Assets	14,541,032	7,960,501	22,501,533	2,998,977
Total Assets	16,894,090	13,499,359	30,393,449	3,019,196
Deferred Outflows of Resources				
Related to pensions	250,708	32,781	283,489	-
Related to OPEB	11,396	23,483	34,879	-
Total Deferred Outflows of Resources	262,104	56,264	318,368	-
Liabilities				
Current:				
Accounts payable	55,063	210,805	265,868	14,551
Retainage payable	-	5,117	5,117	-
Accrued liabilities	29,806	-	29,806	244,984
Due to other funds	-	467,139	467,139	1,051,943
Other current liabilities	3,337	89,842	93,179	-
Customer deposits payable	35,272	-	35,272	-
Current portion of long-term liabilities:				
Bonds payable	77,128	-	77,128	-
Capital lease	-	-	-	34,798
Compensated absences	9,865	523	10,388	3,914
Total Current Liabilities	210,471	773,426	983,897	1,350,190
Noncurrent:				
Bonds payable, net of current portion	647,539	-	647,539	-
Net pension liability	1,237,682	228,766	1,466,448	-
Net OPEB liability	116,265	245,450	361,715	-
Capital lease, net of current portion	-	-	-	36,282
Compensated absences	88,786	4,673	93,459	35,225
Total Noncurrent Liabilities	2,090,272	478,889	2,569,161	71,507
Total Liabilities	2,300,743	1,252,315	3,553,058	1,421,697
Deferred Inflows of Resources				
Related to pensions	117,789	15,143	132,932	-
Related to OPEB	79,061	27,373	106,434	-
Total Deferred Inflows of Resources	196,850	42,516	239,366	-
Net Position				
Net investment in capital assets	13,766,365	7,960,501	21,726,866	2,927,897
Restricted	-	-	-	-
Unrestricted	892,236	4,300,291	5,192,527	(1,330,398)
Total Net Position	\$ 14,658,601	\$ 12,260,792	\$ 26,919,393	\$ 1,597,499

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, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sanitary Sewer Fund	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 2,559,558	\$ 4,590,694	\$ 7,150,252	\$ 993,385
Other	<u>339,287</u>	<u>-</u>	<u>339,287</u>	<u>-</u>
Total Operating Revenues	2,898,845	4,590,694	7,489,539	993,385
Operating Expenses				
Operating expenses	1,949,838	3,771,252	5,721,090	865,815
Depreciation	<u>850,962</u>	<u>299,881</u>	<u>1,150,843</u>	<u>444,185</u>
Total Operating Expenses	<u>2,800,800</u>	<u>4,071,133</u>	<u>6,871,933</u>	<u>1,310,000</u>
Operating Income (Loss)	98,045	519,561	617,606	(316,615)
Nonoperating Revenues (Expenses)				
Investment income	12,132	4,580	16,712	-
Loss on sale of fixed assets	-	-	-	(19,941)
Interest expense	<u>(28,210)</u>	<u>-</u>	<u>(28,210)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses), Net	<u>(16,078)</u>	<u>4,580</u>	<u>(11,498)</u>	<u>(19,941)</u>
Change in Net Position	81,967	524,141	606,108	(336,556)
Net Position at Beginning of Year	<u>14,576,634</u>	<u>11,736,651</u>	<u>26,313,285</u>	<u>1,934,055</u>
Net Position at End of Year	\$ <u><u>14,658,601</u></u>	\$ <u><u>12,260,792</u></u>	\$ <u><u>26,919,393</u></u>	\$ <u><u>1,597,499</u></u>

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

CITY OF LACONIA, NEW HAMPSHIRE

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

	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	\$ 2,893,171	\$ 4,444,910	\$ 7,338,081	\$ -
Receipts from interfund service provided	-	-	-	993,385
Payments to employees	(660,585)	(3,522,791)	(4,183,376)	(66,093)
Payments to vendors	<u>(1,472,358)</u>	<u>(126,740)</u>	<u>(1,599,098)</u>	<u>(540,307)</u>
Net Cash Provided By Operating Activities	760,228	795,379	1,555,607	386,985
Cash Flows From Noncapital Financing Activities				
Interfund borrowing	<u>-</u>	<u>427,764</u>	<u>427,764</u>	<u>469,571</u>
Net Cash Provided By (Used For) Capital and Related Financing Activities	-	427,764	427,764	469,571
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets, net of disposals	(339,505)	(1,390,749)	(1,730,254)	(791,753)
Principal payments on bonds	(75,000)	-	(75,000)	-
Principal payments on capital leases	-	-	-	(59,904)
Interest expense	<u>(34,399)</u>	<u>-</u>	<u>(34,399)</u>	<u>(4,899)</u>
Net Cash Used For Capital and Related Financing Activities	(448,904)	(1,390,749)	(1,839,653)	(856,556)
Cash Flows From Investing Activities				
Investment income	12,132	4,580	16,712	-
Sale (purchase) of investments	<u>153,208</u>	<u>-</u>	<u>153,208</u>	<u>-</u>
Net Cash Provided By Investing Activities	165,340	4,580	169,920	-
Net Change in Cash and Short-Term Investments	476,664	(163,026)	313,638	-
Cash and Short-Term Investments, Beginning of Year	1,034,527	2,573,136	3,607,663	-
Cash and Short-Term Investments, End of Year	<u>\$ 1,511,191</u>	<u>\$ 2,410,110</u>	<u>\$ 3,921,301</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating income (loss)	\$ 98,045	\$ 519,561	\$ 617,606	\$ (316,615)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	850,962	299,881	1,150,843	444,185
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
User fees	(54,759)	(145,784)	(200,543)	-
Inventory	(70,476)	-	(70,476)	11,079
Other assets	49,085	-	49,085	-
Deferred outflows - related to pensions	38,500	11,375	49,875	-
Deferred outflows - related to OPEB	(5,871)	(828)	(6,699)	-
Accounts payable	(23,282)	146,810	123,528	2,212
Accrued liabilities	(13,275)	-	(13,275)	244,984
Retainage payable	-	(29,098)	(29,098)	-
Net pension liability	50,075	344	50,419	-
Net OPEB liability	(10,616)	(25,765)	(36,381)	-
Deferred inflows - related to pensions	(55,906)	(3,507)	(59,413)	-
Deferred inflows - related to OPEB	7,705	27,373	35,078	-
Other liabilities	<u>(99,959)</u>	<u>(4,983)</u>	<u>(104,942)</u>	<u>1,140</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 760,228</u>	<u>\$ 795,379</u>	<u>\$ 1,555,607</u>	<u>\$ 386,985</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, 2020

	Private Purpose Trust Funds	Agency Funds
Assets		
Cash and short-term investments	\$ 186,673	\$ 135,467
Investments	<u>4,688,434</u>	<u>-</u>
Total Assets	4,875,107	135,467
Liabilities		
Warrants payable	4,690	-
Due to external parties	6,033	222
Other liabilities	<u>5,201</u>	<u>135,245</u>
Total Liabilities	<u>15,924</u>	<u>\$ 135,467</u>
Net Position		
Restricted for individual organizations and other governments	<u>4,859,183</u>	
Total Net Position	<u>\$ 4,859,183</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, 2020

	<u>Private Purpose Trust Funds</u>
Additions	
Investment Income	\$ <u>319,762</u>
Total additions	319,762
Deductions	
General government	119,592
Education	<u>7,300</u>
Total deductions	<u>126,892</u>
Net increase	192,870
Net position restricted for other purposes	
Beginning of year	<u>4,666,313</u>
End of year	\$ <u><u>4,859,183</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 2020, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

The City reports the following major governmental fund:

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

The City reports the following fiduciary funds:

- The private-purpose trust fund is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The agency fund is custodial in nature and is used to account for funds to be remitted to other organizations. The agency fund reports only assets and liabilities, and has no measurement focus.

2. Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments".

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

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

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

Property Tax Limitations

In November 2005, the voters approved a Charter Amendment (Tax Cap) to limit the increases in proposed budgets going forward. This Tax Cap limits increases in net spending for the City, School, and County budgets as follows:

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

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

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans).

Inventories and Prepaid

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

Capital Assets

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

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

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	10 - 20
Building improvements	15 - 40
Infrastructure:	
Sewer system	50
Water system	5 - 40
Roads	15 - 30
Bridges	50
Furniture, equipment, and vehicles	4 - 25

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Fund Equity

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

Fund Balance

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

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

Net Position

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

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

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

3. Stewardship, Compliance, and Accountability

Budgetary Information

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

At such time as may be requested by the City Manager or specified by the administrative code, each director of a department submits an itemized estimate of the expenditures for the next fiscal year for the departments or activities under his control. The Manager submits the proposed budget to the Council at least one month before the start of the fiscal year, which begins July 1.

A public hearing on the budget is held before its final adoption by the Council. Notice of the public hearing, together with a summary of the budget as submitted, is published at least one week in advance by the City Clerk.

The budget must be legally adopted no later than July 27. Should the Council take no final action on or prior to that date, the budget as submitted, is deemed to have been finally adopted by the Council.

No appropriation is made for any purpose not included in the annual budget as adopted unless voted by a two-thirds majority of the Council after a public hearing held to discuss the appropriation. The Council may by resolution, designate the source of any money so appropriated.

At the beginning of each quarterly period during the fiscal year and more often if required by the Council, the City Manager submits data to the Council showing a comparison of the estimated and actual revenues and expenditures to date. If it appears that the revenues are less than anticipated, the Council or City Manager may reduce the appropriation for any item

or items, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the City's revenues. The City Manager may provide for monthly or quarterly allotments of appropriations to departments, funds or agencies under such rules as he may prescribe.

After the budget has been adopted, no expenditure may be incurred, except pursuant to a budget appropriation, unless there is a specific additional appropriation therefore. The head of any department, with the approval of the manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within the department to another fund or agency within the department; the manager, with the approval of the Council, may transfer any unencumbered appropriation balance or any portion thereof from one department to another. Council approval is required before total actual expenditures may exceed the total appropriation for the year.

Formal budgetary integration is employed as a management control device during the year only for the General Fund and the following Special Revenue Funds: School Lunch and Breakfast Programs and School Federal Projects.

The City legally adopts one inclusive budget for the General and two of the Special Revenue Funds (as defined above). The budget is adopted on a basis consistent with generally accepted accounting principles.

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

Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2020.

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

4. Deposits and Investments

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

Custodial Credit Risk – Deposits

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

As of June 30, 2020, \$1,782,828, of the City's bank balance of \$49,164,720 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, 2020:

<u>Investment Type</u>	<u>Amount</u>
Certificates of deposits	\$ 6,357,684
Corporate bonds	1,273,346
Corporate equities	2,871,013
Equity mutual funds	887,600
Fixed income mutual funds	574,005
U.S. Treasury and agencies	<u>1,110,582</u>
Total investments	<u>\$ 13,074,230</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, 2020, \$6,716,546 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	\$ 1,273,346	\$ 1,273,346	\$ -
Corporate equities	2,871,013	2,871,013	-
Equity mutual funds	887,600	887,600	-
Fixed income mutual funds	574,005	574,005	-
U.S. Treasury and agencies	<u>1,110,582</u>	<u>1,110,582</u>	<u>-</u>
Total	<u>\$ 6,716,546</u>	<u>\$ 6,716,546</u>	<u>\$ -</u>

Credit Risk – Investments of Debt Securities

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

As of June 30, 2020, the credit quality ratings, as rated by Moody's Investors Service, Inc., of the City's debt securities are as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of Year End</u>			
		<u>Aa</u>	<u>A</u>	<u>Baa</u>	<u>Unrated</u>
Corporate bonds	\$ 1,273,346	\$ 31,269	\$ 903,317	\$ 338,760	\$ -
Fixed income mutual funds	<u>574,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>574,005</u>
Total	<u>\$ 1,847,351</u>	<u>\$ 31,269</u>	<u>\$ 903,317</u>	<u>\$ 338,760</u>	<u>\$ 574,005</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	\$ 4,137,797	32%
Bank of New Hampshire	<u>2,219,887</u>	17%
Total	<u>\$ 6,357,684</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>		
		Less <u>Than 1</u>	<u>1-5</u>	<u>6-10</u>
Certificates of deposits	\$ 6,357,684	\$ 2,032,828	\$ 4,324,856	\$ -
Corporate bonds	1,273,346	106,903	456,272	710,171
Fixed income mutual funds	574,005	574,005	-	-
U.S. Treasury notes	<u>1,110,582</u>	<u>5,016</u>	<u>482,375</u>	<u>623,191</u>
Total	\$ <u>9,315,617</u>	\$ <u>2,718,752</u>	\$ <u>5,263,503</u>	\$ <u>1,333,362</u>

Foreign Currency Risk – Investments

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

Fair Value

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

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

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

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

The City has the following fair value measurements as of June 30, 2020:

		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	\$ 1,273,346	\$ -	\$ 1,273,346	\$ -
Corporate equities	2,871,013	2,871,013	-	-
Equity mutual funds	869,271	-	869,271	-
Fixed income mutual funds	550,344	-	550,344	-
U.S. Treasury and agencies	1,110,582	-	1,110,582	-
Total	\$ 6,674,556	\$ 2,871,013	\$ 3,803,543	\$ -

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, 2020 consist of the following in the general fund:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Current Portion	Long- Term Portion
Real estate taxes	\$ 3,836,780	\$ -	\$ 3,836,780	\$ -
Tax liens	<u>873,336</u>	<u>(81,250)</u>	<u>-</u>	<u>792,086</u>
Total property taxes	<u>\$ 4,710,116</u>	<u>\$ (81,250)</u>	<u>\$ 3,836,780</u>	<u>\$ 792,086</u>

Taxes Collected for Others

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

6. Departmental and Other

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

7. User Fee Receivables

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

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

Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2020.

8. Interfund Fund Accounts

Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the June 30, 2020 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	\$ -	\$ 1,388,446
Nonmajor Funds:		
2020 Bond - 20 year maturity	1,830,298	-
TIF	975,322	-
Roads & Police Radio 2019 Bond	388,781	-
Road Improvements	340,669	-
Municipal Transportation	291,820	-
Messer, Lakeside, & Endicott Beach	266,925	-
2020 Bond - 10 year maturity	156,538	-
City Grants	118,167	-
Special Revenue Revolving	111,931	-
Impact Fee	108,388	-
Community Development	103,657	-
Parking & Beach Stickers	81,579	-
Parking Garage & Davis Place	41,880	-
Park Houses	37,219	-
Main Street Bridge	32,548	-
Weirs Community Park/Smith Track	18,354	-
Current Use	14,880	-
LED Street Light Conversion	4,442	-
Ambulance	3,446	274,403
School Grants	-	1,483,050
City Permanent Trust	-	181,120
School Lunch	-	52,728
Colonial Theater	-	20,060
Central Station Improvements	-	1,700
Total Governmental Funds	4,926,844	3,401,507
Enterprise Funds:		
Sanitary Sewer	-	467,139
Total Enterprise Funds	-	467,139
Internal Service Funds	-	1,051,943
Private Purpose Funds	-	6,033
Agency	-	222
Total	\$ 4,926,844	\$ 4,926,844

Transfers

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

Governmental Funds:	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 3,000	\$ 61,797
Nonmajor Funds:		
Special Revenue Funds:		
Huot Tech Center	5,354	-
Impact Fee Fund	-	3,000
School Lunch Fund	<u>56,443</u>	<u>-</u>
Total	<u>\$ 64,797</u>	<u>\$ 64,797</u>

9. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, being depreciated:				
Land improvements	\$ 38,242,099	\$ 754,434	\$ -	\$ 38,996,533
Buildings and improvements	80,501,262	48,575	-	80,549,837
Furniture, equipment, and vehicles	16,359,657	1,053,905	(367,412)	17,046,150
Infrastructure	<u>35,924,979</u>	<u>4,571,768</u>	<u>-</u>	<u>40,496,747</u>
Total capital assets, being depreciated	171,027,997	6,428,682	(367,412)	177,089,267
Less accumulated depreciation for:				
Land improvements	(18,360,126)	(1,601,090)	-	(19,961,216)
Buildings and improvements	(34,696,928)	(2,193,980)	-	(36,890,908)
Furniture, equipment, and vehicles	(10,654,276)	(883,643)	348,075	(11,189,844)
Infrastructure	<u>(18,981,762)</u>	<u>(1,641,570)</u>	<u>-</u>	<u>(20,623,332)</u>
Total accumulated depreciation	<u>(82,693,092)</u>	<u>(6,320,283)</u>	<u>348,075</u>	<u>(88,665,300)</u>
Total capital assets, being depreciated, net	88,334,905	108,399	(19,337)	88,423,967
Capital assets, not being depreciated:				
Land	8,251,021	345,551	-	8,596,572
Construction in progress	<u>6,562,870</u>	<u>5,659,358</u>	<u>(4,220,441)</u>	<u>8,001,787</u>
Total capital assets, not being depreciated	<u>14,813,891</u>	<u>6,004,909</u>	<u>(4,220,441)</u>	<u>16,598,359</u>
Governmental activities capital assets, net	<u>\$ 103,148,796</u>	<u>\$ 6,113,308</u>	<u>\$ (4,239,778)</u>	<u>\$ 105,022,326</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 10,434,737	\$ 105,660	\$ -	\$ 10,540,397
Furniture, equipment, and vehicles	3,777,487	90,479	-	3,867,966
Infrastructure	<u>36,720,756</u>	<u>1,235,344</u>	<u>-</u>	<u>37,956,100</u>
Total capital assets, being depreciated	50,932,980	1,431,483	-	52,364,463
Less accumulated depreciation for:				
Buildings and improvements	(5,281,155)	(308,430)		(5,589,585)
Furniture, equipment, and vehicles	(2,570,888)	(137,410)		(2,708,298)
Infrastructure	<u>(22,952,419)</u>	<u>(705,003)</u>	<u>-</u>	<u>(23,657,422)</u>
Total accumulated depreciation	<u>(30,804,462)</u>	<u>(1,150,843)</u>	<u>-</u>	<u>(31,955,305)</u>
Total capital assets, being depreciated, net	20,128,518	280,640	-	20,409,158
Capital assets, not being depreciated:				
Land	38,503	-	-	38,503
Construction in progress	<u>1,704,934</u>	<u>970,660</u>	<u>(671,722)</u>	<u>2,003,872</u>
Total capital assets, not being depreciated	<u>1,743,437</u>	<u>970,660</u>	<u>(671,722)</u>	<u>2,042,375</u>
Business-type activities capital assets, net	<u>\$ 21,871,955</u>	<u>\$ 1,251,300</u>	<u>\$ (671,722)</u>	<u>\$ 22,451,533</u>

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

Governmental Activities	
General government	\$ 80,700
Fire and ambulance	349,220
Police	205,878
Education	2,140,236
Highway and streets	2,173,083
Solid waste	97,574
Parks and recreation	427,375
Library	132,723
Airport	<u>713,494</u>
Total governmental activities	<u>\$ 6,320,283</u>
Business-Type Activities	
Water	\$ 850,962
Sanitary Sewer	<u>299,881</u>
Total business-type activities	<u>\$ 1,150,843</u>

10. Deferred Outflows of Resources

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

11. Accrued Liabilities

Accrued liabilities expenses represent 2020 expenditures paid in 2021.

12. Notes Payable

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

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

13. Capital Lease Obligations

The City is the lessee of certain equipment under a capital lease expiring in year 2022. Future minimum lease payments under the capital lease consisted of the following as of June 30, 2020:

	<u>Fiscal Year</u>	<u>Capital Leases</u>
	2021	\$ 37,833
	2022	<u>37,831</u>
Total minimum lease payments		75,664
Less amounts representing interest		<u>(4,584)</u>
Present Value of Minimum Lease Payments		<u>\$ 71,080</u>

14. Long-Term Debt

Long-Term Debt Supporting Activities

The City issues general obligation bonds, including direct placements and direct borrowings, to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds and direct borrowings currently outstanding are as follows:

<u>Governmental Activities</u>				Amount Outstanding as of
	Original Issue	Serial Maturities Through	Interest Rate(s) %	6/30/20
<u>General Obligation Bonds</u>				
Public offerings:				
Capital Improvement	\$ 3,565,000	08/15/21	4.71%	\$ 350,000
School Bonds - Elm/Pleasant	6,223,000	08/15/21	4.71%	620,000
Capital Improvement	2,783,375	08/15/22	4.34%	300,000
School Bonds - Woodland Heights	4,123,000	01/15/23	4.52%	615,000
Library Bond	2,244,000	01/15/24	4.08%	440,000
School - Memorial Middle Bond	22,644,000	08/15/36	4.76%	9,225,281
Weirs Boardwalk	760,000	01/15/30	3.56%	360,000
Huot Center - Qzab Bond	1,828,000	07/15/35	0.00%	1,453,000
Total public offerings				13,363,281
Direct placements:				
Weirs Boardwalk engineering/const & Endicott water line	565,000	09/28/30	3.63%	310,750
Huot Center - Qzab Bond	2,103,000	12/15/30	0.00%	1,217,400
ARRA - Anthony Drive Stormwater Improvements Project	217,649	11/01/30	2.86%	119,708
Fire Truck - DPW Bond	1,100,000	07/15/22	2.39%	330,000
Huot Center - Qzab Bond	4,397,000	11/06/35	0.00%	3,367,000
Hout Career Center	1,000,000	07/11/33	3.04%	700,000
Weirs Community Park/ Smith Track	850,000	10/01/23	2.44%	340,000
General Obligation bonds	8,105,000	02/01/35	3.25%	6,077,094
LED Bond	300,000	03/15/22	2.15%	120,000
Bond A	1,600,000	12/15/36	3.23%	1,360,000
Bond B	1,600,000	12/15/36	3.23%	1,387,184
Road Bond	2,500,000	02/02/28	2.30%	2,000,000
GOB - PD Radio Tower	700,000	09/24/28	2.75%	630,000
GOB - Streets/Sidewalks/Drainage	2,500,000	09/24/28	3.09%	2,250,000
2020 GOB - Series A	2,025,000	10/10/29	2.05%	2,025,000
2020 GOB - Series B	2,250,000	10/10/39	2.75%	2,250,000
Total direct placements				24,484,136
Total governmental activities				\$ <u>37,847,417</u>

<u>Business-Type Activities</u>				Amount
	Original	Serial	Interest	Outstanding
<u>General Obligation Bonds</u>	<u>Issue</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>as of</u>
		<u>Through</u>		<u>6/30/20</u>
Public offerings:				
Water Treatment Plant	\$ 1,457,450	08/15/29	3.97%	\$ 710,000
Total public offerings				<u>710,000</u>
Total business-type activities				<u>\$ 710,000</u>

Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2020 are as follows:

<u>Governmental</u>	<u>Bonds - Public Offerings</u>		<u>Bonds - Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,819,927	\$ 785,464	\$ 2,072,165	\$ 567,273
2022	1,783,732	780,238	2,087,285	516,811
2023	1,254,382	797,726	2,039,474	467,004
2024	897,144	831,949	1,936,632	420,090
2025	757,816	861,128	1,854,066	375,354
2026-2030	3,376,691	4,699,959	8,513,036	1,229,746
2031-2035	2,645,466	5,284,534	4,885,258	462,679
2036-2040	<u>828,123</u>	<u>2,248,127</u>	<u>1,096,220</u>	<u>51,570</u>
Total	<u>\$ 13,363,281</u>	<u>\$ 16,289,125</u>	<u>\$ 24,484,136</u>	<u>\$ 4,090,527</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, 2020.

<u>Bonds - Public Offerings</u>		
<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 75,000	\$ 27,181
2022	75,000	23,704
2023	70,000	20,064
2024	70,000	16,550
2025	70,000	13,036
2026-2030	<u>350,000</u>	<u>23,743</u>
Total	<u>\$ 710,000</u>	<u>\$ 124,278</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds payable						
Public offerings	\$ 15,220,927	\$ -	\$ (1,857,646)	\$ 13,363,281	\$ (1,819,927)	\$ 11,543,354
Direct placements	21,952,125	4,275,000	(1,742,989)	24,484,136	(2,072,165)	22,411,971
Unamortized premiums	267,453	-	(25,088)	242,365	(23,450)	218,915
Total bonds payable	37,440,505	4,275,000	(3,625,723)	38,089,782	(3,915,542)	34,174,240
Net pension liability	48,519,314	707,625	-	49,226,939	-	49,226,939
Net OPEB liability	12,811,752	685,102	-	13,496,854	-	13,496,854
Compensated absences	1,583,751	46,372	-	1,630,123	(163,127)	1,466,996
Capital leases	130,984	-	(59,904)	71,080	(34,798)	36,282
Landfill liability	174,000	-	(15,000)	159,000	(15,000)	144,000
Total	\$ 100,660,306	\$ 5,714,099	\$ (3,700,627)	\$ 102,673,778	\$ (4,128,467)	\$ 98,545,311
Business-Type Activities						
Bonds payable						
Public offerings	\$ 785,000	\$ -	\$ (75,000)	\$ 710,000	\$ (75,000)	\$ 635,000
Unamortized premiums	20,689	-	(6,022)	14,667	(2,128)	12,539
Total bonds payable	805,689	-	(81,022)	724,667	(77,128)	647,539
Net pension liability	1,416,029	50,419	-	1,466,448	-	1,466,448
Net OPEB liability	398,096	-	(36,381)	361,715	-	361,715
Compensated absences	121,743	-	(17,896)	103,847	(10,388)	93,459
Total	\$ 2,741,557	\$ 50,419	\$ (135,299)	\$ 2,656,677	\$ (87,516)	\$ 2,569,161

Long-Term Debt Supporting Governmental and Business-Type Activities

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

15. Landfill Closure and Postclosure Care Costs

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

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

16. Deferred Inflows of Resources

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

17. Governmental Funds - Balances

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

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

The following types of fund balances are reported at June 30, 2020:

Nonspendable

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

Restricted

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

Committed

Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing special article appropriations approved at City Council resolution, capital reserve funds, special purpose, and various special revenue funds.

Assigned

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

Unassigned

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

Following is a breakdown of the City's fund balances at June 30, 2020:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Internal service fund cash deficit	\$ 1,051,943	\$ -	\$ 1,051,943
Prepays	150,088	-	150,088
Nonexpendable permanent funds	-	903,899	903,899
Total Nonspendable	1,202,031	903,899	2,105,930
Restricted			
TIF	-	936,823	936,823
Airport	-	828,716	828,716
Ambulance	-	382,888	382,888
Road Improvement	-	315,665	315,665
Municipal Transportation	-	291,819	291,819
Messer Street Drainage	-	266,925	266,925
City Grants	-	226,356	226,356
Impact Fee	-	108,388	108,388
Community Development	-	103,657	103,657
Parking & Beach Stickers	-	81,582	81,582
Huot Center/Athletic Officials	-	36,231	36,231
Main Street Bridge	-	32,548	32,548
Weirs Community Park	-	18,457	18,457
Current Use	-	14,880	14,880
2020 Bond - 10 year maturity	-	120,278	120,278
2020 Bond - 20 year maturity	-	1,782,021	1,782,021
Parking Garage & Davis Place	-	41,880	41,880
LED Street Light Conversion	-	4,442	4,442
Total Restricted	-	5,593,556	5,593,556
Committed			
Capital reserve funds	3,504,762	-	3,504,762
Park houses	-	37,918	37,918
Revolving	-	111,927	111,927
Expendable permanent funds	-	1,529,821	1,529,821
Total Committed	3,504,762	1,679,666	5,184,428
Assigned			
Street Repairs	300,000	-	300,000
Fire/Police Radio Tower & Upgrades	108,671	-	108,671
City Wide Drainage Improvements	74,373	-	74,373
Fence Rails & Guardrails	67,164	-	67,164
Transfer Station Scale	50,000	-	50,000
Endicott Rock Beach Engineering	40,000	-	40,000
City Relief	37,000	-	37,000
Planning Department Outstanding Contracts	29,901	-	29,901
Weirs Boardwalk Retaining Wall	23,648	-	23,648
IT Projects	21,818	-	21,818
Guard Rails and Railings	20,000	-	20,000
Langley Brook Bridge Repair	20,000	-	20,000
Opechee Park Pedestrian Walkway	19,907	-	19,907
Assessing Outstanding Revaluation	18,118	-	18,118
Street Repairs	15,854	-	15,854
Other	123,500	-	123,500
Total Assigned	969,954	-	969,954
Unassigned			
General fund	3,342,861	-	3,342,861
Capital projects	-	(25,768)	(25,768)
Total Unassigned	3,342,861	(25,768)	3,317,093
Total Fund Balance	<u>\$ 9,019,608</u>	<u>\$ 8,151,353</u>	<u>\$ 17,170,961</u>

18. Retirement System

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

Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

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

Benefits Provided

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

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

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

Contributions

Plan members are required to contribute a percentage of their Earnable Compensation to the pension plan, which the contribution rates are 7% for employees and teachers 11.55% for police and 11.80% for fire. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 10.88% to 26.43% of covered compensation. The City's contributions to NHRS for the year ended June 30, 2020 was \$4,708,220, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

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

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

At June 30, 2020, the City reported a liability of \$50,693,387 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. 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 1.05355415% which was an increase of 0.01651898% from its previous year proportion.

For the year ended June 30, 2020, the City recognized pension expense of \$6,218,565. The City reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 280,290	\$ (1,090,052)
Changes of assumptions	1,818,859	-
Differences between projected and actual earnings on pension plan investments	-	(414,092)
Changes in proportion and differences between contributions and proportionate share of contributions	1,097,345	(1,680,374)
Contributions subsequent to the measurement date	<u>4,708,220</u>	<u>-</u>
Total	<u>\$ 7,904,714</u>	<u>\$ (3,184,518)</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 2021. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 1,432,187
2022	(1,449,197)
2023	(211,405)
2024	<u>240,391</u>
Total	<u>\$ 11,976</u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.50% per year
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 plan investment expense, including inflation

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

Certain actuarial assumptions used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience study, most recently performed in 2016.

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

<u>Asset Class</u>	<u>Target Allocation Percentage</u>	<u>Weighted Average Average Long- Term Expected Real Rate of Return</u>
Large cap equities	22.50 %	4.25%
Small/mid cap equities	<u>7.50</u>	4.50%
Total domestic equities	30.00	
Int'l equities (unhedged)	13.00	4.50%
Emerging int'l equities	<u>7.00</u>	6.00%
Total international equities	20.00	
Core bonds	9.00	1.12%
Global multi-sector fixed income	10.00	2.46%
Absolute return fixed income	<u>6.00</u>	1.50%
Total fixed income	25.00	
Private equity	10.00	7.90%
Private debt	5.00	4.86%
Total alternative investments	<u>15.00</u>	
Real estate	<u>10.00</u>	3.00%
Total	<u>100.00</u> %	

Discount Rate

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

position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

1% Decrease	Current	1% Increase
<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
\$ 67,880,534	\$ 50,693,387	\$ 36,488,345

Pension Plan Fiduciary Net Position

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

19. Other Post-Employment Benefits (GASB 75)

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

City OPEB Plan

All the following OPEB disclosures for the City OPEB Plan are based on a measurement date of June 30, 2020. 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, 2020, the following employees were covered by the benefit terms:

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

Funding Policy

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

Actuarial Assumptions and Other Inputs

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

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

The discount rate was based on the long-term municipal bond rate at June 30, 2020.

The mortality rate is based on the following:

- General: Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020
- Public Safety: Pub-2010 Public Safety Headcount Weighted Mortality Table fully

generational using Scale MP-2020

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

Discount Rate

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

Total OPEB Liability

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

Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balances, beginning of year	\$ 8,505,557
Changes for the year:	
Service cost	346,120
Interest	302,660
Differences between expected and actual experience	35,377
Changes in assumptions or other inputs	574,466
Benefit payments	<u>(461,764)</u>
Net Changes	<u>796,859</u>
Balances, end of year	\$ <u>9,302,416</u>

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

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

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

1% Decrease <u>(1.66%)</u>	Current Discount Rate <u>(2.66%)</u>	1% Increase <u>(3.66%)</u>
\$ 10,215,547	\$ 9,302,416	\$ 8,486,909

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 <u>(7.00%)</u>	Current Healthcare Cost Trend Rates <u>(8.00%)</u>	1% Increase <u>(9.00%)</u>
\$ 8,345,384	\$ 9,302,416	\$ 10,424,047

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

For the year ended June 30, 2020, the City recognized an OPEB expense of \$408,623. At June 30, 2020, 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	\$ 289,321	\$ (798,292)
Change in assumptions	<u>681,067</u>	<u>(837)</u>
Total	<u>\$ 970,388</u>	<u>\$ (799,129)</u>

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

2021	\$ (14,327)
2022	(14,326)
2023	52,805
2024	129,199
2025	6,443
Thereafter	<u>11,465</u>
Total	\$ <u>171,259</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, 2019 was \$4,556,153, representing 1.03924208%.

For the year ended June 30, 2020, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$408,623. At June 30, 2020, 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	\$ -	\$ (7,927)
Net difference between projected and actual earnings on OPEB investments	-	(5,119)
Changes in proportion	5,723	-
Contributions subsequent to the measurement date	<u>482,494</u>	<u>-</u>
Total	<u>\$ 488,217</u>	<u>\$ (13,046)</u>

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

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

Fiscal Year Ended:

2021	\$ (5,599)
2022	(3,396)
2023	352
2024	<u>1,320</u>
Total	\$ <u>(7,323)</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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 4,941,841	\$ 4,556,153	\$ 4,556,153

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, 2020:

	Total OPEB Liability	Total Deferred Outflows of Resources	Total Deferred (Inflows) of Resources	Total OPEB Expense
Town OPEB Plan	\$ 9,302,416	\$ 970,388	\$ (799,129)	\$ 633,873
Proportionate share of NHRS Medical Subsidy Plan	<u>4,556,153</u>	<u>488,217</u>	<u>(13,046)</u>	<u>365,370</u>
Total	\$ <u>13,858,569</u>	\$ <u>1,458,605</u>	\$ <u>(812,175)</u>	\$ <u>999,243</u>

20. Commitments and Contingencies

COVID-19

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

Outstanding Legal Issues

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

Grants

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

Abatements

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

Pollution Remediation Obligation

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

Encumbrances

At year-end the City's general fund has \$969,954 in encumbrances that will be honored in the next fiscal year.

21. Tax Increment Financing District

The following represents the Tax Increment Financing Districts fiscal year 2020 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	\$ 248,014	\$ 8,129	\$ 102,825	\$ 358,968
Expenditures				
General Government	85,053	-	-	85,053
Debt Service	130,256	-	108,838	239,094
Total Expenditures	215,309	-	108,838	324,147
Excess (deficiency) of revenues over expenditures	32,705	8,129	(6,013)	34,821
Fund Equity, at Beginning of Year	982,822	21,502	(102,322)	902,002
Fund Equity, at End of Year	\$ 1,015,527	\$ 29,631	\$ (108,335)	\$ 936,823
Assessment Information				
Base Value	\$ 70,676,650	\$ 39,054,200	\$ 81,482,633	\$ 191,213,483
Captured Value*	\$ 106,167,864	\$ 34,101,200	\$ 111,455,733	\$ 251,724,797

* = As of December 1, 2018

22. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities*, effective for the City beginning with its fiscal year ending June 30, 2021. This statement establishes guidance on how to address the categorization of fiduciary activities for financial reporting and how fiduciary activities are to be reported, and may require reclassification of certain funds.

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

CITY OF LACONIA, NEW HAMPSHIRE

Required Supplemental Information

General Fund

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

Budget and Actual

For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>Amounts</u>	
Revenues				
Property Taxes	\$ 46,378,977	\$ 45,608,977	\$ 45,961,741	\$ 352,764
Penalties, interest, and other taxes	607,629	607,629	729,716	122,087
Charges for services	2,160,203	2,160,203	2,139,460	(20,743)
Intergovernmental	10,658,360	10,658,360	10,971,078	312,718
Licenses and permits	3,669,000	3,669,000	3,630,168	(38,832)
Fines and forfeitures	35,000	35,000	28,222	(6,778)
Investment income	190,000	190,000	638,941	448,941
Miscellaneous	<u>936,915</u>	<u>936,915</u>	<u>620,709</u>	<u>(316,206)</u>
Total Revenues	64,636,084	63,866,084	64,720,035	853,951
Expenditures				
General government	7,814,519	7,814,519	7,456,502	358,017
Fire and ambulance	4,526,472	4,526,472	4,529,394	(2,922)
Police	6,386,408	6,386,408	6,551,153	(164,745)
Education	32,571,839	32,571,839	32,225,609	346,230
Highways and streets	2,624,187	2,624,187	2,590,252	33,935
Solid waste	2,119,246	2,119,246	2,129,589	(10,343)
Health and welfare	151,706	151,706	112,914	38,792
Parks and recreation	806,569	806,569	744,913	61,656
Library	856,841	856,841	789,219	67,622
Conservation	4,500	4,500	2,856	1,644
Capital outlay	2,084,377	2,084,377	1,805,301	279,076
Debt service	<u>4,867,559</u>	<u>4,867,559</u>	<u>4,619,515</u>	<u>248,044</u>
Total Expenditures	<u>64,814,223</u>	<u>64,814,223</u>	<u>63,557,217</u>	<u>1,257,006</u>
Excess (deficiency) of revenues over expenditures	(178,139)	(948,139)	1,162,818	2,110,957
Other Financing Sources (Uses)				
Transfers in	179,142	179,142	3,000	(176,142)
Transfers out - to capital reserve funds	(1,003)	(1,003)	(206,443)	(205,440)
Budgetary use of fund balance:				-
To reduce the tax rate	<u>-</u>	<u>770,000</u>	<u>770,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>178,139</u>	<u>948,139</u>	<u>566,557</u>	<u>(381,582)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,729,375</u>	\$ <u>1,729,375</u>

See Independent Auditors' Report.

**Notes to the Required Supplemental Information
for General Fund Budget**

Budgetary Basis

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

Budget/GAAP Reconciliation

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

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

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
Revenues/expenditures/transfers (GAAP Basis)	\$ 65,007,502	\$ 64,347,429	\$ (58,797)
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,760,166)	-
Add end of year appropriation carryforwards from expenditures	-	969,954	-
To eliminate capital reserve activity	(287,467)	-	(144,646)
Recognize use of fund balance as funding source	<u>-</u>	<u>-</u>	<u>770,000</u>
Budgetary basis	<u>\$ 64,720,035</u>	<u>\$ 63,557,217</u>	<u>\$ 566,557</u>

See Independent Auditors' Report.

CITY OF LACONIA, NEW HAMPSHIRE

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

(Unaudited)

New Hampshire Retirement System						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 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 Year	Measurement Date	Contributions in Relation to the			Covered Payroll	Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Actuarially Determined Contribution	Contribution Deficiency (Excess)		
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, 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, 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>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 346,120	\$ 322,913	\$ 351,408
Interest	302,660	338,040	327,237
Differences between expected and actual experience	35,377	(548,965)	(402,770)
Changes of assumptions	574,466	277,901	8,747
Benefit payments, including refunds of member contributions	<u>(461,764)</u>	<u>(587,038)</u>	<u>(735,894)</u>
Net change in total OPEB liability	796,859	(197,149)	(451,272)
Total OPEB liability - beginning	<u>8,505,557</u>	<u>8,702,706</u>	<u>9,153,978</u>
Total OPEB liability - ending	\$ <u>9,302,416</u>	\$ <u>8,505,557</u>	\$ <u>8,702,706</u>
 Covered employee payroll	 \$ 24,430,143	 \$ 24,577,310	 \$ 23,803,689
Total OPEB liability as a percentage of covered employee payroll	38.08%	34.61%	36.56%

Does not include New Hampshire Retirement System Medical Subsidy.

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

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

See Independent Auditors' Report.

**CITY OF LACONIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020**

STATISTICAL SECTION

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities										
Invested in capital assets, net of related debt	69,418	68,899	68,784	68,984	68,559	67,680	67,962	66,162	57,995	58,604
Restricted for:										
Grants	6,089	6,178	3,372	2,875	3,216	3,753	1,946	1,664	1,656	1,379
Permanent funds:										
Nonexpendable	904	791	755	685	273	272	259	220	192	278
Expendable	1,062	1,057	924	1,018	1,625	1,469	1,404	1,139	1,148	906
Unrestricted	<u>(55,071)</u>	<u>(51,972)</u>	<u>(49,183)</u>	<u>(36,523)</u>	<u>(34,022)</u>	<u>(35,269)</u>	<u>622</u>	<u>2,596</u>	<u>3,689</u>	<u>4,088</u>
Total governmental activities net assets	<u>\$22,402</u>	<u>\$24,953</u>	<u>\$24,652</u>	<u>\$37,039</u>	<u>\$39,651</u>	<u>\$37,905</u>	<u>\$72,193</u>	<u>\$71,781</u>	<u>\$64,680</u>	<u>\$65,255</u>
Business-type activities										
Invested in capital assets, net of related debt	21,727	21,066	19,998	18,965	18,016	17,945	18,105	18,600	18,141	17,971
Restricted		0	0	-	-	-	-	-	-	-
Unrestricted	5192	5247	5,513	6,604	4,542	3,969	6,567	5,904	5,594	6,166
Total business-type activities net assets	<u>\$26,919</u>	<u>\$26,313</u>	<u>\$25,511</u>	<u>\$25,569</u>	<u>\$22,558</u>	<u>\$21,914</u>	<u>\$24,672</u>	<u>\$24,504</u>	<u>\$23,735</u>	<u>\$24,137</u>
Primary government										
Invested in capital assets, net of related debt	\$91,145	\$89,965	\$88,782	\$87,949	\$86,575	\$85,625	\$86,067	\$84,762	\$76,136	\$76,575
Restricted for:										
Grants	6,089	6,178	3,372	2,875	3,216	3,753	1,946	1,664	1,656	1,379
Permanent funds:										
Nonexpendable	904	791	755	685	273	272	259	220	192	278
Expendable	1,062	1,057	924	1,018	1,625	1,469	1,404	1,139	1,148	906
Unrestricted	<u>(49,879)</u>	<u>(46,725)</u>	<u>(43,670)</u>	<u>(29,919)</u>	<u>(29,480)</u>	<u>(31,300)</u>	<u>7,189</u>	<u>8,500</u>	<u>9,283</u>	<u>10,254</u>
Total primary governmental net assets	<u>\$49,321</u>	<u>\$51,266</u>	<u>\$50,163</u>	<u>\$62,608</u>	<u>\$62,209</u>	<u>\$59,819</u>	<u>\$96,865</u>	<u>\$96,285</u>	<u>\$88,415</u>	<u>\$89,392</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>Fiscal Year</u> <u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses										
Governmental activities:										
General government*	\$13,220	\$9,247	\$10,377	\$8,652	\$8,105	\$7,773	\$8,109	\$8,356	\$8,480	\$8,325
Public safety	14,150	13,908	11,724	11,736	11,386	10,630	10,354	9,517	9,504	9,483
Highways and streets	4,980	6,233	4,355	3,895	3,428	3,948	4,247	4,715	3,579	3,924
Solid Waste	2,321	2,060	2,027	1,735	1,752	2,080	1,959	1,652	1,825	1,794
Education	39,901	35,931	37,786	36,573	38,093	34,649	33,945	33,525	33,776	34,152
Culture and recreation	1,692	2,277	2,259	2,310	2,243	3,169	1,850	1,969	1,781	1,599
Interest on long-term debt	1,375	1,361	1,325	1,179	1,111	901	916	883	875	951
Total governmental activities expenses	<u>77,639</u>	<u>71,017</u>	<u>69,853</u>	<u>66,080</u>	<u>66,118</u>	<u>63,150</u>	<u>61,380</u>	<u>60,617</u>	<u>59,820</u>	<u>60,228</u>
Business-type activities:										
Water	2,829	2,687	2,917	2,651	2,474	2,495	2,455	2,455	2,408	2,361
Sewer	4,071	3,691	3,665	3,597	3,724	3,306	3,420	3,450	3,313	3,158
Total business-type activities expenses	<u>6,900</u>	<u>6,378</u>	<u>6,582</u>	<u>6,248</u>	<u>6,198</u>	<u>5,801</u>	<u>5,875</u>	<u>5,905</u>	<u>5,721</u>	<u>5,519</u>
Total primary government expenses	<u>\$84,539</u>	<u>\$77,395</u>	<u>\$76,435</u>	<u>\$72,328</u>	<u>\$72,316</u>	<u>\$68,951</u>	<u>\$67,255</u>	<u>\$66,522</u>	<u>\$65,541</u>	<u>\$65,747</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$3,601	\$3,977	\$3,846	\$3,711	\$3,563	\$3,353	\$3,172	\$2,928	\$2,818	\$2,841
Culture and recreation	82	75	77	92	172	134	160	86	95	91
Other activities	\$3,875	\$3,885	2,746	3,499	3,933	3,596	4,068	2,912	2,840	2,832
Operating grants and contributions	\$14,026	\$14,113	14,874	12,886	14,628	13,593	12,423	13,440	13,506	13,846
Capital grants and contributions	\$3,020	\$479	1,902	715	1,928	3,017	757	8,015	545	506
Total governmental activities program revenue	<u>\$24,604</u>	<u>\$22,529</u>	<u>23,445</u>	<u>20,903</u>	<u>24,224</u>	<u>23,693</u>	<u>20,580</u>	<u>27,381</u>	<u>19,804</u>	<u>20,116</u>
Business-type activities:										
Charges for services:										
Water	\$2,899	\$2,746	2,694	2,650	2,480	2,400	2,418	2,709	2,215	2,155
Sewer	\$4,591	\$4,300	4,150	4,351	4,296	3,891	3,611	3,348	3,073	2,700
Operating grants and contributions	-	-	-	-	-	-	-	599	-	-
Capital grants and contributions	-	-	-	428	53	-	-	-	-	-
Total business-type activities program revenue	<u>\$7,490</u>	<u>\$7,046</u>	<u>6,844</u>	<u>7,429</u>	<u>6,829</u>	<u>6,291</u>	<u>6,029</u>	<u>6,656</u>	<u>5,288</u>	<u>4,855</u>
Total primary government program revenues	<u>\$32,094</u>	<u>\$29,575</u>	<u>\$30,289</u>	<u>\$28,332</u>	<u>\$31,053</u>	<u>\$29,984</u>	<u>\$26,609</u>	<u>\$34,037</u>	<u>\$25,092</u>	<u>\$24,971</u>
Net (expense)/revenues										
Governmental activities	(\$53,035)	(\$48,489)	(\$46,408)	(\$45,177)	(\$41,894)	(\$39,457)	(\$40,800)	(\$33,236)	(\$40,016)	(\$40,112)
Business-type activities	589	778	261	1,181	631	490	154	751	(433)	(664)
Total primary government net expense	<u>(\$52,446)</u>	<u>(\$47,711)</u>	<u>(\$46,147)</u>	<u>(\$43,996)</u>	<u>(\$41,263)</u>	<u>(\$38,967)</u>	<u>(\$40,646)</u>	<u>(\$32,485)</u>	<u>(\$40,449)</u>	<u>(\$40,776)</u>

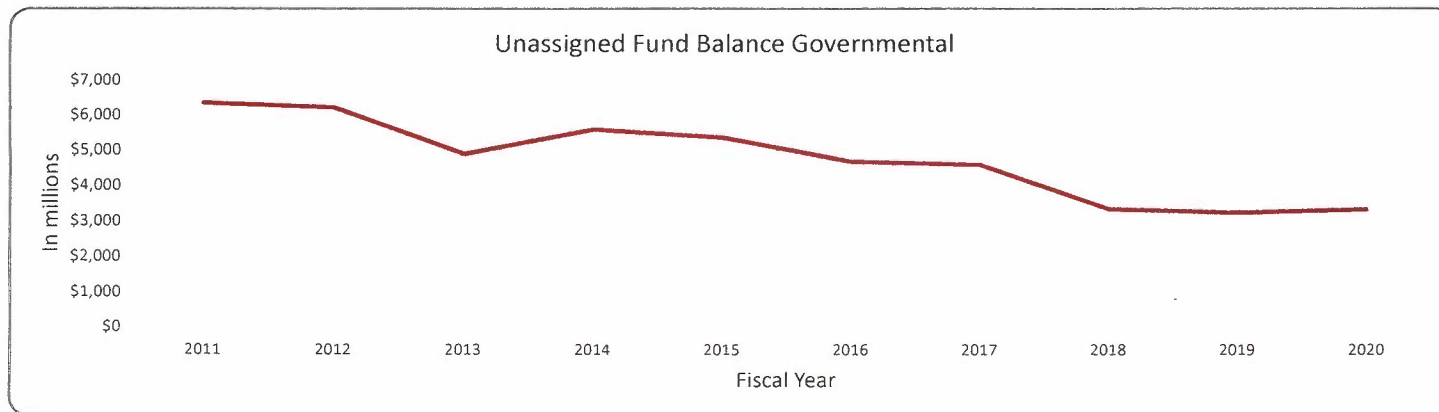
* Includes Welfare, conservation and airport expenses

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$46,283	\$45,071	\$43,103	\$42,239	\$41,167	\$39,996	\$38,973	\$38,394	\$37,537	\$37,415
Franchise taxes	305	320	323	322	309	298	285	285	273	269
Payment in lieu of taxes	557	235	524	349	339	395	387	398	409	431
Other taxes	173	250	292	243	311	213	186	223	247	251
Unrestricted grants and contributions	1490	851	851	841	777	780	717	717	713	775
Investment earnings	739	497	425	300	182	149	298	252	116	350
Miscellaneous	936	1565	1,037	86	495	1,671	366	68	146	242
Transfers	-	-	-	-	-	-	-	-	-	(291)
Total governmental activities	<u>50,483</u>	<u>48,789</u>	<u>46,555</u>	<u>44,380</u>	<u>43,580</u>	<u>43,502</u>	<u>41,212</u>	<u>40,337</u>	<u>39,441</u>	<u>39,442</u>
Business-type activities:										
Investment earnings	17	25	22	19	14	14	14	18	31	48
Miscellaneous	-	-	-	(4)	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	291
Total business-type activities	<u>17</u>	<u>25</u>	<u>22</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>18</u>	<u>31</u>	<u>339</u>
Total primary government	<u>\$50,500</u>	<u>\$48,814</u>	<u>\$46,577</u>	<u>\$44,395</u>	<u>\$43,594</u>	<u>\$43,516</u>	<u>\$41,226</u>	<u>\$40,355</u>	<u>\$39,472</u>	<u>\$39,781</u>
Changes in Net Assets										
Governmental activities	(\$2,552)	\$300	\$147	(\$797)	\$1,686	\$4,045	\$412	\$7,101	(\$575)	(\$670)
Business-type activities	606	803	283	1,196	645	504	168	769	(402)	(325)
Total primary government	<u>(\$1,946)</u>	<u>\$1,103</u>	<u>\$430</u>	<u>\$399</u>	<u>\$2,331</u>	<u>\$4,549</u>	<u>\$580</u>	<u>\$7,870</u>	<u>(\$977)</u>	<u>(\$995)</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund										
Nonspendable	1,202	199	197	\$395	\$183	\$71	\$71	\$167	\$146	\$53
Restricted		0	0	-	-	-	-	-	-	-
Committed	3,505	3,073	2,392	1,813	1,373	1,462	695	463	1,148	88
Assigned	970	1,889	1,907	1,223	977	1,126	623	591	510	570
Unassigned	<u>3343</u>	<u>3,257</u>	<u>3,359</u>	<u>4,587</u>	<u>4,682</u>	<u>5,358</u>	<u>5,575</u>	<u>4,890</u>	<u>5,209</u>	<u>6,341</u>
Total general fund	<u>\$9,020</u>	<u>\$8,418</u>	<u>\$7,855</u>	<u>\$8,018</u>	<u>\$7,215</u>	<u>\$8,017</u>	<u>\$6,964</u>	<u>\$6,111</u>	<u>\$7,013</u>	<u>\$7,052</u>
All other governmental funds										
Nonspendable	904	791	755	\$685	\$273	\$273	\$259	\$219	\$192	\$191
Unreserved, reported in:										
Restricted	5,593	6,035	5,507	3,090	3,201	3,130	1,314	2,792	2,644	2,456
Committed	1,680	1,780	1,768	1,587	2,174	5,005	3,115	1,298	1,379	286
Assigned	0	-	-	-	-	-	-	-	-	-
Unassigned	<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>	<u>-</u>	<u>-</u>
Total all other governmental fun	<u>\$8,151</u>	<u>\$8,606</u>	<u>\$7,988</u>	<u>\$4,838</u>	<u>\$5,442</u>	<u>\$7,315</u>	<u>\$3,098</u>	<u>\$4,182</u>	<u>\$4,215</u>	<u>\$2,933</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)

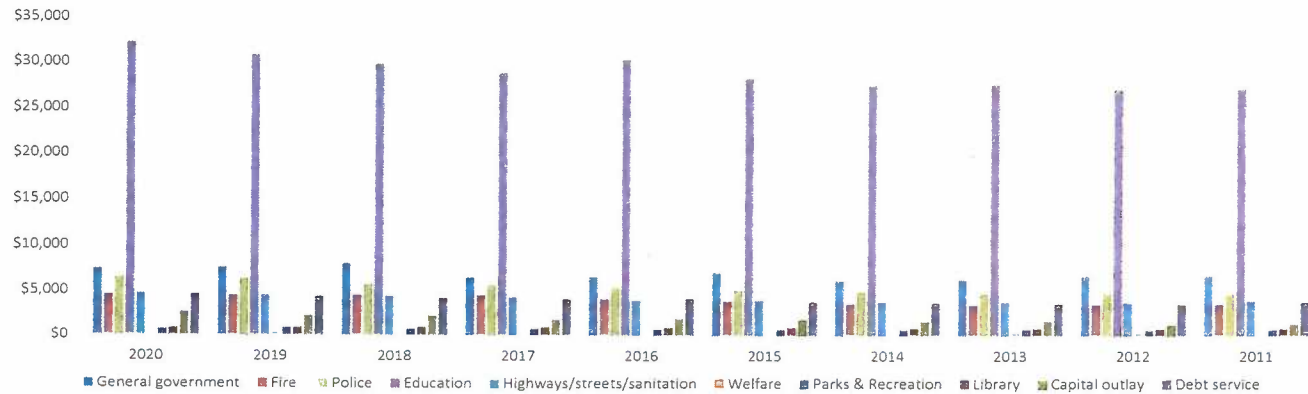
	Fiscal Year										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues											
Taxes	\$46,692	\$45,128	\$43,740	\$42,788	\$41,818	\$40,604	\$39,470	\$38,849	\$38,294	\$38,007	\$38,103
Licenses and permits	3,630	3,477	3,345	3,187	3,053	2,876	2,717	2,466	2,399	2,266	2,364
Intergovernmental	10,971	9,955	10,063	9,534	10,271	9,582	9,006	9,560	9,685	10,073	10,326
Charges for services	2,139	1,987	2,149	2,051	1,815	1,638	1,920	1,588	1,297	1,335	1,314
Fines	28	25	30	25	33	38	35	38	30	35	65
Investment earnings	656	372	212	109	95	43	49	56	77	152	306
Miscellaneous	891	1,835	1,023	242	404	1,639	610	344	381	485	335
Total revenues	<u>65,007</u>	<u>62,779</u>	<u>60,562</u>	<u>57,936</u>	<u>57,489</u>	<u>56,420</u>	<u>53,807</u>	<u>52,901</u>	<u>52,163</u>	<u>52,353</u>	<u>52,813</u>
Expenditures											
General government	7,558	7,761	8,207	6,648	6,739	7,168	6,409	6,440	6,853	6,821	6,558
Public safety	11,160	10,862	10,227	10,118	9,513	8,921	8,456	8,170	8,285	8,371	8,253
Education	32,226	30,827	29,793	28,765	30,280	28,212	27,513	27,541	27,059	27,110	26,986
Highways and streets	2,601	2,592	2,525	2,699	2,391	2,416	2,321	2,258	2,077	2,257	2,131
Solid Waste	2,129	1,970	1,937	1,644	1,610	1,618	1,534	1,605	1,759	1,722	1,671
Library	790	862	851	853	840	804	777	771	735	756	780
Parks & Recreation	694	832	753	743	688	686	668	731	617	645	572
Capital outlay	2,570	2,147	2,125	1,722	1,792	1,811	1,542	1,624	1,252	1,296	1,151
Debt service											
Principal	3,396	3,173	3,076	2,975	3,122	2,842	2,758	2,710	2,634	2,892	3,232
Interest	1,223	1,209	1,126	1,121	1,043	901	895	871	871	892	883
Other charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>64,347</u>	<u>62,235</u>	<u>60,620</u>	<u>57,288</u>	<u>58,018</u>	<u>55,379</u>	<u>52,873</u>	<u>52,721</u>	<u>52,142</u>	<u>52,762</u>	<u>52,217</u>
Excess of revenues over (under) expenditures	660	544	(58)	648	(529)	1,041	934	180	21	(409)	596
Other financing sources (uses)											
Transfers in	3	19	21	155	63	12	7	-	-	-	-
Transfers out	(62)	-	(126)	-	(336)	-	(88)	(1,082)	(60)	(120)	(100)
Capital leases	-	-	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(59)</u>	<u>19</u>	<u>(105)</u>	<u>155</u>	<u>(273)</u>	<u>12</u>	<u>(81)</u>	<u>(1,082)</u>	<u>(60)</u>	<u>(120)</u>	<u>(100)</u>
Net change in fund balances	<u>\$601</u>	<u>\$563</u>	<u>(\$163)</u>	<u>\$803</u>	<u>(\$802)</u>	<u>\$1,053</u>	<u>\$853</u>	<u>(\$902)</u>	<u>(\$39)</u>	<u>(\$529)</u>	<u>\$496</u>

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

	Fiscal Year									
Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	\$7,445	\$7,612	\$8,064	\$6,506	\$6,611	\$7,055	\$6,285	\$6,292	\$6,703	\$6,710
Fire	4,569	4,450	4,479	4,446	4,039	3,784	3,491	3,380	3,438	3,526
Police	6,591	6,411	5,747	5,670	5,474	5,137	4,965	4,791	4,847	4,845
Education	32,226	30,827	29,793	28,765	30,280	28,211	27,513	27,541	27,059	27,111
Highways/streets/sanitation	4,730	4,562	4,462	4,343	4,001	4,034	3,856	3,863	3,836	3,980
Welfare	113	149	143	144	128	112	123	148	151	111
Parks & Recreation	694	862	753	743	688	686	668	731	617	645
Library	790	832	852	853	840	804	778	770	735	756
Capital outlay	2,570	2,147	2,125	1,722	1,792	1,811	1,541	1,624	1,252	1,296
Debt service	4,619	4,383	4,202	4,096	4,165	3,743	3,653	3,581	3,504	3,783
TOTALS	64,347	62,235	60,620	57,288	58,018	55,377	52,873	52,721	52,142	52,763

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Percent of Total										
General government	11.6%	12.2%	13.3%	11.2%	11.4%	12.7%	11.9%	11.9%	12.9%	12.7%
Fire	7.1%	7.2%	7.4%	7.8%	7.0%	6.8%	6.6%	6.4%	6.6%	6.7%
Police	10.2%	10.3%	9.5%	9.8%	9.4%	8.9%	8.6%	8.3%	8.4%	8.4%
Education	50.1%	49.5%	49.1%	49.6%	52.2%	50.9%	52.0%	52.2%	51.9%	51.4%
Highways/streets/sanitation	7.4%	7.3%	7.4%	7.5%	6.9%	7.3%	7.3%	7.3%	7.4%	7.5%
Welfare	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.2%
Parks & Recreation	1.1%	1.4%	1.2%	1.3%	1.2%	1.2%	1.3%	1.4%	1.2%	1.2%
Library	1.2%	1.3%	1.4%	1.5%	1.4%	1.5%	1.5%	1.5%	1.4%	1.4%
Capital outlay	4.0%	3.4%	3.5%	3.0%	3.1%	3.3%	2.9%	3.1%	2.4%	2.5%
Debt service	7.2%	7.0%	6.9%	7.1%	7.2%	6.8%	6.9%	6.8%	6.7%	7.2%

GENERAL GOV. EXPENDITURES BY FUNCTION - GENERAL FUND

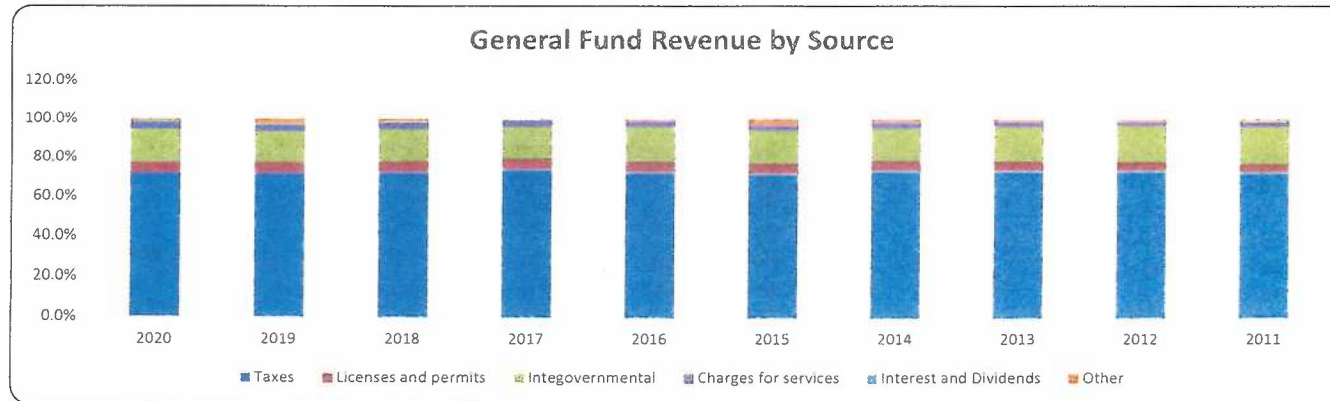


City of Laconia
General Revenues by Source-General Fund
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$46,692	\$45,128	\$43,741	\$42,788	\$41,817	\$40,604	\$39,470	\$38,849	\$38,295	\$38,007
Licenses and permits	3,630	3,477	3,345	3,187	3,053	2,876	2,717	2,465	2,399	2,266
Integovernmental	10,971	9,955	10,063	9,534	10,271	9,582	9,006	9,560	9,684	10,073
Charges for services	2,139	1,987	2,178	2,051	1,815	1,638	1,920	1,588	1,297	1,335
Interest and Dividends	656	372	212	109	95	43	49	56	77	152
Other	919	1,860	1,024	267	438	1,677	645	382	411	521
Total revenues	\$65,007	\$62,779	\$60,563	\$57,936	\$57,489	\$56,420	\$53,807	\$52,900	\$52,163	\$52,354

Percent of Total Revenue

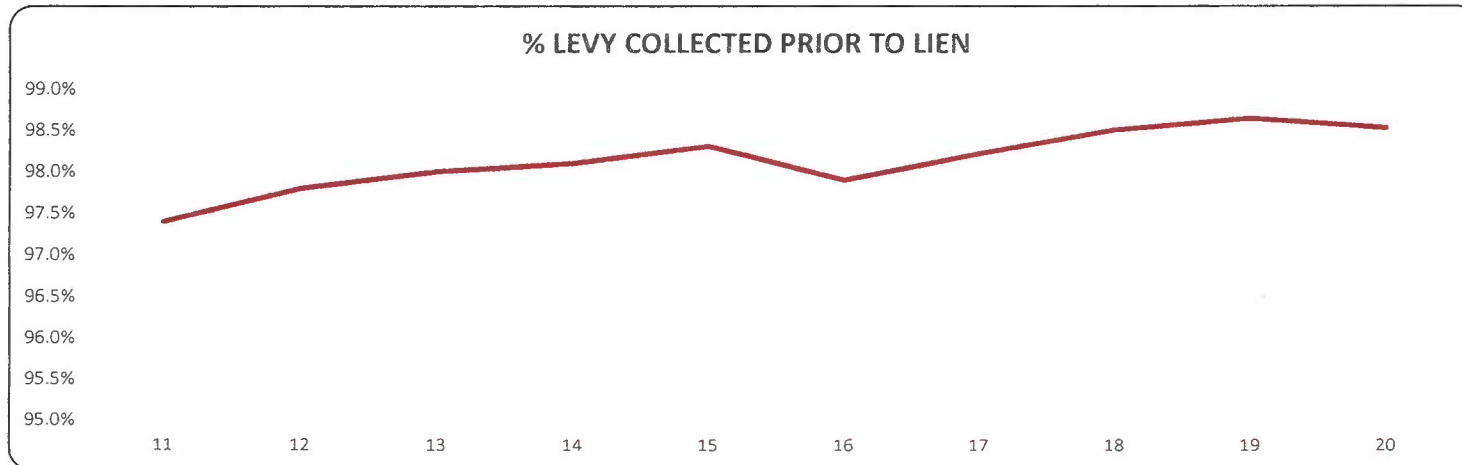
Taxes	71.8%	71.9%	72.2%	73.9%	72.7%	72.0%	73.4%	73.4%	73.4%	72.6%
Licenses and permits	5.6%	5.5%	5.5%	5.5%	5.3%	5.1%	5.0%	4.7%	4.6%	4.3%
Integovernmental	16.9%	15.9%	16.6%	16.5%	17.9%	17.0%	16.7%	18.1%	18.6%	19.2%
Charges for services	3.3%	3.2%	3.6%	3.5%	3.2%	2.9%	3.6%	3.0%	2.5%	2.5%
Interest and Dividends	1.0%	0.6%	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.3%
Other	1.4%	3.0%	1.7%	0.5%	0.8%	3.0%	1.2%	0.7%	0.8%	1.0%



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

Fiscal Year Ended 30-Jun	Total Property Tax Levy	Current Fiscal Year Collections Adjustments	Percent of Levy Collected Prior to Tax Lien	Property Taxes Liened(1)	Current Fiscal Liened Collections	Total Tax Collections For Current Fiscal Year	Collections as Percent of Total Tax Levy	Outstanding Liened Taxes For Current at Fiscal Year End	Outstanding Liened Taxes as Percent of Tax Levy
2010	37,602	36,344	96.7%	1,258	960	37,304	99.2%	17	0.0%
2011	38,113	37,139	97.4%	974	328	37,467	98.3%	284	0.7%
2012	38,558	37,713	97.8%	845	197	37,910	98.3%	530	1.4%
2013	39,406	38,612	98.0%	794	240	38,852	98.6%	-	0.0%
2014	40,367	39,618	98.1%	749	209	39,827	98.7%	536	1.3%
2011	38,113	37,139	97.4%	974	221	37,360	98.0%	753	2.0%
2016	42,415	41,544	97.9%	871	247	41,791	98.5%	623	1.5%
2017	42,703	41,940	98.2%	762	175	42,115	98.6%	587	1.4%
2018	43,922	43,269	98.5%	652	182	43,451	98.9%	466	1.1%
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%

(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	<u>Local Assessed Value (1)</u>			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								
2011	1,560,739	320,342	22,424	\$1,903,505	6,655	\$1,896,850	\$19.81	2,006,065	94.9%	12.4	1.02
2012	1,521,087	314,155	20,705	\$1,855,947	6,595	\$1,849,352	\$20.56	1,856,403	100.0%	13.7	1.04
2013	1,495,744	288,361	25,530	\$1,809,635	5,755	\$1,803,880	\$21.00	1,883,388	96.1%	10.3	1.02
2014	1,504,976	287,230	29,300	\$1,821,506	5,860	\$1,815,646	\$22.08	1,843,806	98.8%	14.6	1.03
2015	1,568,526	291,464	29,168	\$1,889,158	5,110	\$1,884,048	\$22.40	1,932,169	97.8%	13.2	1.02
2016	1,605,415	282,976	31,837	\$1,920,228	5,350	\$1,914,878	\$22.20	1,989,355	96.5%	13.6	1.00
2017	1,745,845	290,578	35,838	\$2,072,261	5,320	\$2,066,941	\$21.03	2,086,317	99.3%	12.8	1.04
2018	1,875,439	286,547	33,697	\$2,195,683	5,130	\$2,190,553	\$20.85	2,209,429	99.4%	12.2	1.01
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

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.

	<u>Percentages</u>		
	Residential	Commercial	Utilities
2011	82.0%	16.8%	1.2%
2012	82.0%	16.9%	1.1%
2013	82.7%	15.9%	1.4%
** 2014	82.6%	15.8%	1.6%
** 2015	83.0%	15.4%	1.5%
** 2016	83.6%	14.7%	1.7%
** 2017	84.2%	14.0%	1.7%
2018	85.4%	13.1%	1.5%
2019	85.5%	12.8%	1.7%
2020	85.4%	12.4%	2.2%

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

**Corrected before publication January, 2019

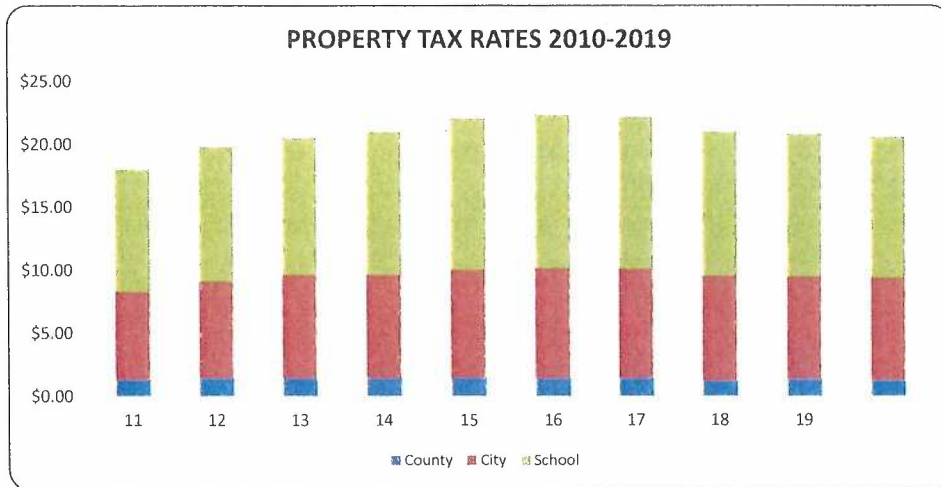


**CITY OF LACONIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING
Last Ten Fiscal Years**

City Direct Rates

Fiscal Year	City	School	State Education	Total School	Total Direct	Overlapping Rate County	Total Direct & Overlapping Rates
2011	\$7.69	\$8.20	\$2.49	\$10.69	\$18.38	\$1.43	\$19.81
2012	\$8.14	\$8.41	\$2.55	\$10.96	\$19.10	\$1.46	\$20.56
2013	\$8.14	\$8.81	\$2.59	\$11.40	\$19.54	\$1.46	\$21.00
2014	\$8.55	\$9.40	\$2.66	\$12.06	\$20.61	\$1.47	\$22.08
2015	\$8.73	\$9.67	\$2.58	\$12.25	\$20.98	\$1.42	\$22.40
2016	\$8.65	\$9.76	\$2.37	\$12.13	\$20.78	\$1.42	\$22.20
2017	\$8.30	\$9.33	\$2.18	\$11.51	\$19.81	\$1.22	\$21.03
2018	\$8.11	\$9.29	\$2.10	\$11.39	\$19.50	\$1.35	\$20.85
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

Source:
NH State Department of Revenue Administration

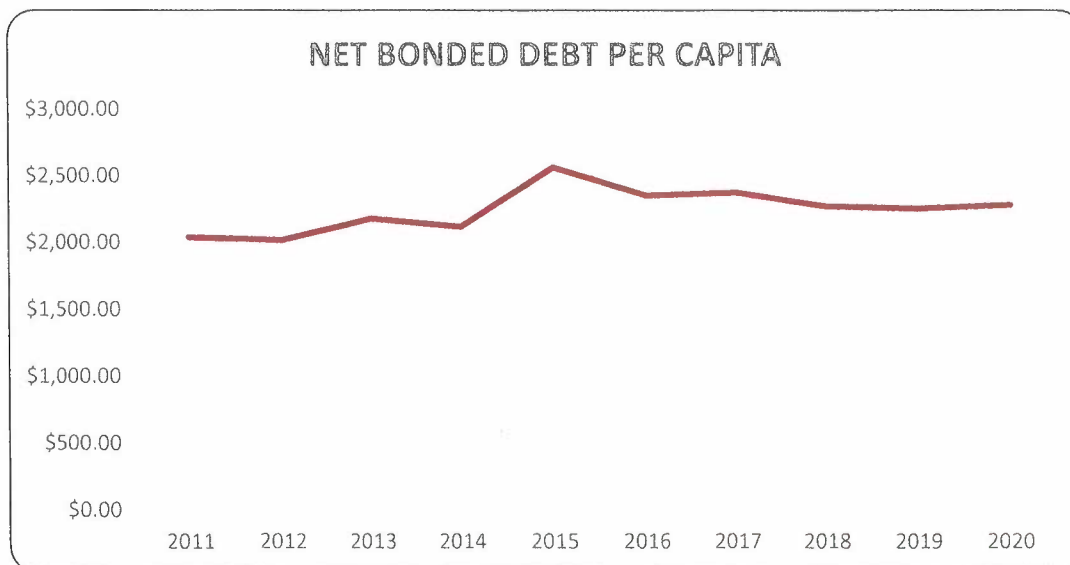


CITY OF LACONIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed thousands, except per capita amount)

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*
2011	\$32,533	\$1,385	\$33,918	\$2,039.56
2012	\$32,217	\$1,310	\$33,527	\$2,019.75
2013	\$35,004	\$1,235	\$36,239	\$2,180.26
2014	\$34,037	\$1,160	\$35,197	\$2,120.02
2015	\$41,071	\$1,085	\$42,156	\$2,565.33
2016	\$37,805	\$1,010	\$38,815	\$2,352.96
2017	\$38,156	\$935	\$39,091	\$2,374.81
2018	\$37,378	\$860	\$38,238	\$2,270.29
2019	\$37,173	\$785	\$37,958	\$2,254.00
2020	\$37,847	\$710	\$38,557	\$2,282.83

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, 2020**

Base Valuation for Debt Limit (1)	\$ 2,534,653,101
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Bonded Debt Limit - 3.00% of Base	\$ 76,040
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Gross Bonded Debt, June 30, 2020	\$	38,557
Less: Water Bonds	\$	(710)
School Bonds	\$	(17,419)

Net Bonded Debt, June 30, 2020	\$20,428
Debt Margin	<u>\$55,612</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):

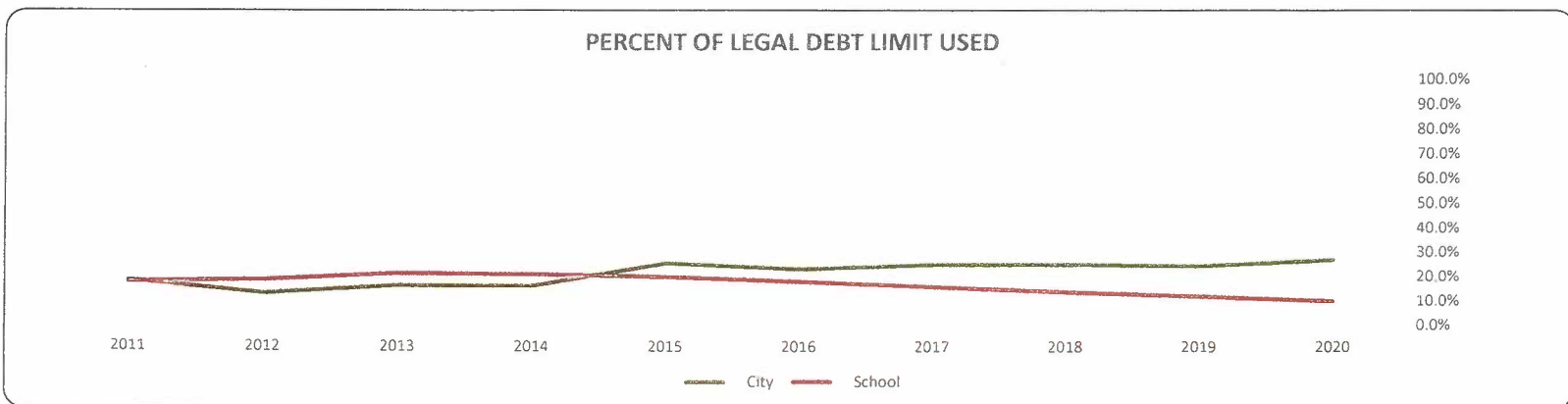
"Equalize annually the valuation of the property in the several towns, cities and unincorporated places in the state by adding or deducting from the aggregate valuation of the property as assessed in towns, cities and unincorporated places such sums as will bring such valuations to the true and market 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 *	\$2,286,284,164
Department of Revenue Administration Inventory Adjustment	\$248,368,937
Equalized Assessed Valuation	\$2,534,653,101
Adjustment: RSA 31-A	\$0
Base Valuation for Debt Limit	<u>\$2,534,653,101</u>

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Legal Debt Limits											
City 3%	\$ 76,040	\$ 70,123	\$ 66,283	\$62,589	\$57,990	\$57,965	\$55,314	\$55,917	\$58,215	\$59,643	\$60,899
School 7%	\$177,426	\$ 163,621	\$ 154,660	\$146,042	\$139,255	\$135,252	\$129,066	\$130,472	\$135,837	\$139,166	\$142,098
Debt Against Legal Debt Limits											
City	20,428	17,093	16,622	15,575	13,361	14,712	8,788	8,952	7,528	10,873	8,801
School	17,419	19,295	20,756	22,580	24,444	26,358	26,410	27,286	24,688	24,287	26,359
Total City & School Debt June 30	\$37,847	\$36,388	\$37,378	\$38,155	\$37,805	\$41,070	\$35,198	\$36,238	\$32,216	\$35,160	\$35,160
Unused Capacity of Legal Debt Limits											
City	\$55,612	\$53,030	\$49,661	\$47,014	44,629	\$43,253	\$46,526	\$46,965	\$50,687	\$48,770	\$52,098
School	160,007	144,326	133,904	123,462	114,811	108,894	102,656	103,186	111,149	114,879	115,739
% of Legal Debt Limits Used											
City	26.9%	24.4%	25.1%	24.9%	23.0%	25.4%	15.9%	16.0%	12.9%	18.2%	14.5%
School	9.8%	11.8%	13.4%	15.5%	17.6%	19.5%	20.5%	20.9%	18.2%	17.5%	18.5%

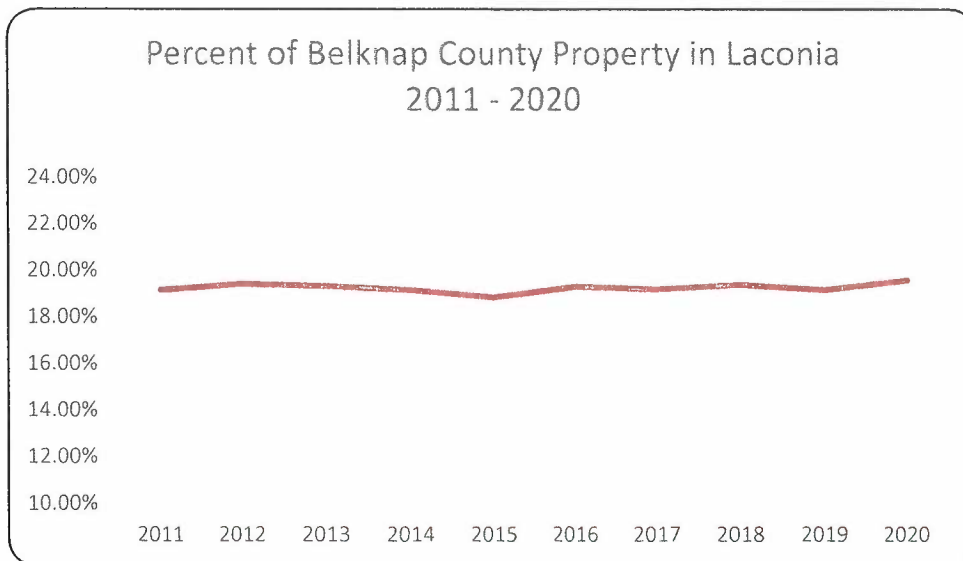
Data Source
 Annual Financial Statements



**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
2011	\$4,350,000	19.13%	\$ 832,342
2012	\$3,945,000	19.40%	\$ 765,330
2013	\$3,100,000	19.30%	\$ 598,300
2014	\$2,510,000	19.13%	\$ 480,163
2015	\$1,930,000	18.82%	\$ 363,226
2016	\$1,360,000	19.28%	\$ 262,208
2017	\$800,000	19.18%	\$ 153,440
2018	\$245,000	19.37%	\$ 47,457
2019	\$7,800,000	19.15%	\$ 1,493,700
2020	\$7,668,176	19.57%	\$ 1,500,662

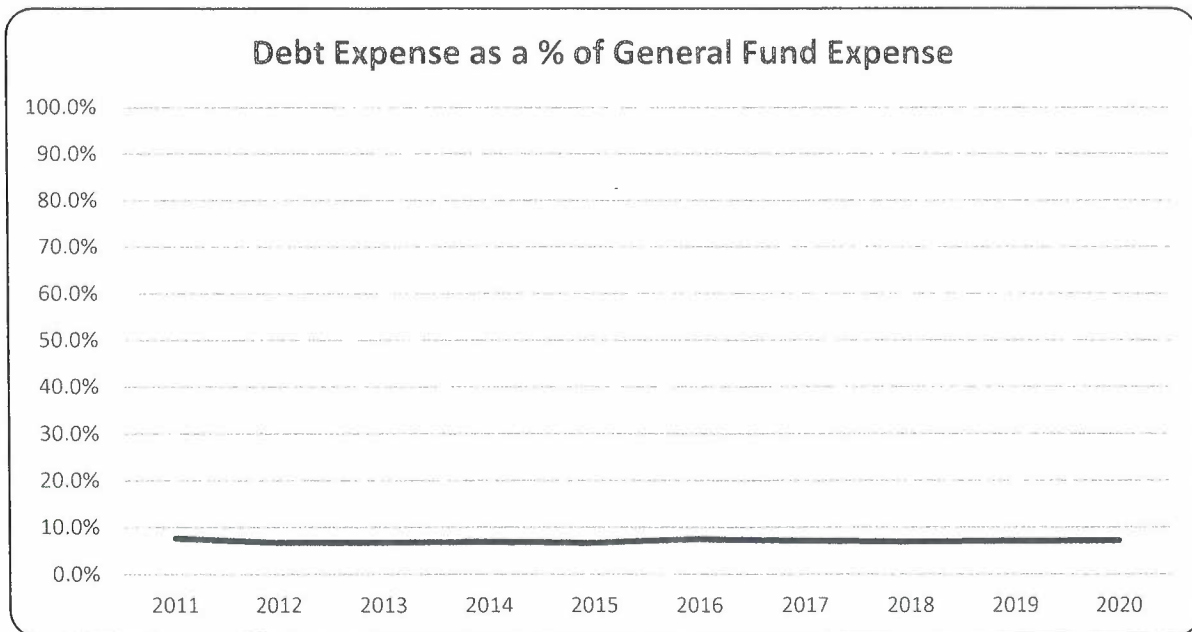
* Source: Belknap County Audit Reports



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	%
2011	\$3,167,717	\$892,102	\$4,059,819	\$52,763,415	7.7%
2012	\$2,663,053	\$870,361	\$3,533,414	\$52,141,823	6.8%
2013	\$2,709,361	\$871,974	\$3,581,335	\$52,721,651	6.8%
2014	\$2,758,364	\$894,620	\$3,652,984	\$52,970,545	6.9%
2015	\$2,842,008	\$901,448	\$3,743,456	\$55,378,890	6.8%
2016	\$3,122,206	\$1,043,298	\$4,165,504	\$55,378,890	7.5%
2017	\$2,975,228	\$1,121,180	\$4,096,408	\$57,288,619	7.2%
2018	\$3,075,909	\$1,126,419	\$4,202,328	\$60,619,820	6.9%
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%

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



CITY OF LACONIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

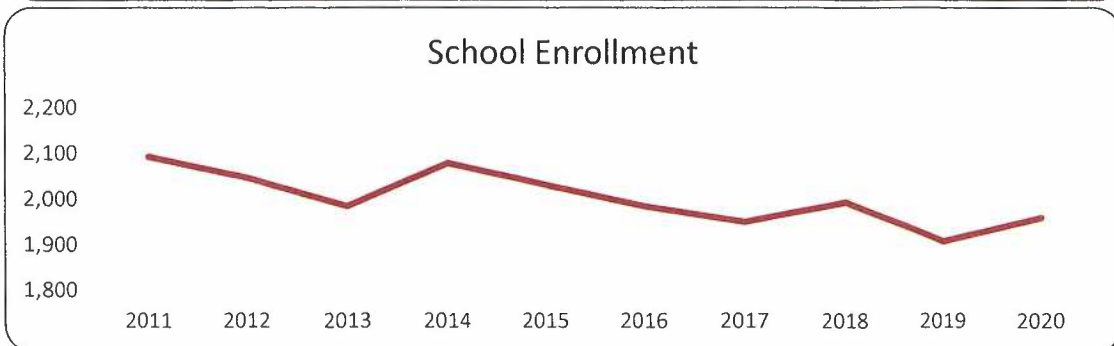
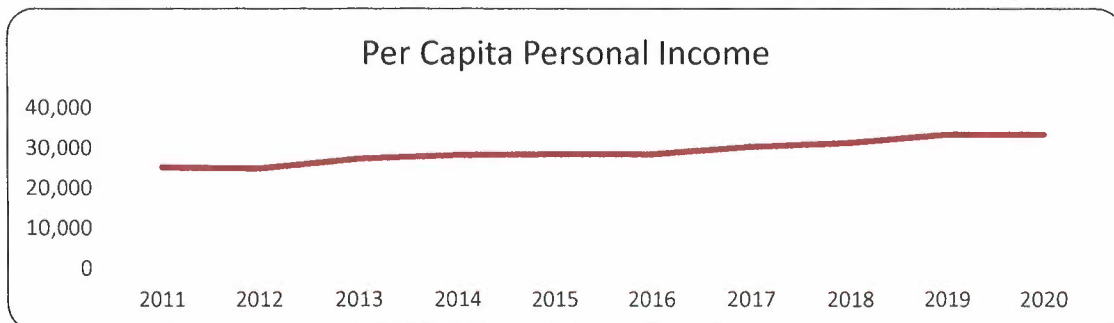
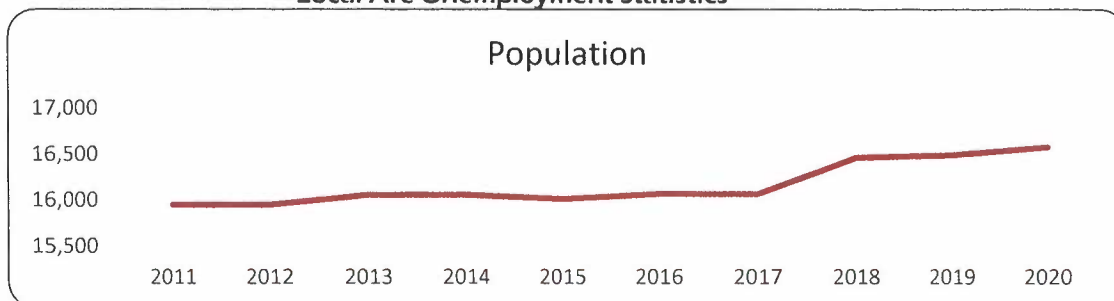
Fiscal Year	Population*	Median Household Income*	Per Capita Personal Income*	Median Age*	School Enrollment**	Unemploy. Rate***
2011	15,951	46,748	25,159	43.0	2,093	5.1%
2012	15,951	44,919	24,959	43.0	2,047	5.1%
2013	16,055	47,004	27,295	43.0	1,984	4.6%
2014	16,055	46,605	28,165	43.0	2,078	3.9%
2015	16,010	47,180	28,418	46.7	2,031	3.0%
2016	16,067	47,180	28,418	46.7	1,984	2.6%
2017	16,067	50,643	30,293	46.3	1,949	2.4%
2018	16,464	52,702	31,317	46.3	1,993	2.4%
2019	16,492	57,046	33,443	47.0	1,908	2.3%
2020	16,581	57,960	33,387	47.4	1,959	4.6%

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, 2020
(amounts expressed in thousands)

<u>Taxpayer</u>	2020			2011		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Public Service of NH	\$33,284	1	1.39%	\$12,955	1	0.69%
Energy North (Keyspan)	17,561	2	0.73%	7,075	2	0.38%
Double D Development	8,031	3	0.33%			
Lakemont Cooperative Inc	6,560	4	0.27%			
Irwin James R & Sons Inc	6,259	5	0.26%	6,189	4	0.33%
Estates Circle Apartments LLC	5,867	6	0.24%			
Gilford Route 11 Realty Trust	5,594	7	0.20%	5,744	5	0.31%
AKWA Vista LLC	5,093	8	0.21%			
Summit @ Four Seasons	4,871	9	0.20%	4,752	7	0.25%
Weirs Sports Center Inc.	4,728	10	0.23%			
Clearview Realty Ventures				6,235	3	0.33%
Remington John & Jacqueline				5,644	6	0.30%
Laconia Country Club				4,693	8	0.25%
Aavid Thermal Products				4,650	9	0.25%
Margate Motel Inc				4,335	10	0.23%
Totals	\$98		4.08%	62,272		3.33%
Total Net Assessed Taxable Value Line 21A of MS1	\$2,400,761			\$1,870,057		

Source:
City of Laconia, Assessing Records and Tax Records

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

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

Source: City Approved Budgets

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

Position	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Administrators	18	19	22	22	22	22	21	20	18	18
Guidance Counselors	11	11	11	10	10	10	9	10	10	10
Classroom Teachers	160	152	152	157	151	149	136	127	126	129
Special Education Teachers	31	32	32	32	30	31	28	30	28	27
Librarians	2	2	2	2	2	2	2	2	2	2
Vocational Education Teachers	12	12	12	12	12	12	12	12	11	14
Nurses	5	5	5	5	5	5	5	5	5	5
Itinerant Staff	<u>27</u>	<u>25</u>	<u>25</u>	<u>27</u>	<u>33</u>	<u>33</u>	<u>34</u>	<u>36</u>	<u>34</u>	<u>34</u>
Total	266	258	261	267	265	264	247	242	234	239

Full-Time Equivalent Employees as of June 30

Source: City Annual reports
School District

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

Function	Fiscal Year									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Police										
Calls for service	17,964	17,870	16,760	16,148	16,729	17,983	17,699	22,293	19,913	21,725
Criminal arrests	1,524	1,457	1,352	1,319	1,352	1,526	1,505	1,425	1,471	1,238
Parking violations	1,805	1,096	1,549	1,676	2,124	1,390	983	1,651	1,813	1,447
Traffic violations	464	596	448	399	329	378	309	457	342	298
Fire										
Number of calls answered	3,303	3,576	3,739	3,881	4,380	4,487	4,760	5,064	4,975	4,422
Inspections	2,468	2,214	2,286	2,322	2,412	3,265	1,931	1,655	1,857	1,664
Highways and streets										
Street resurfacing (miles)	3.17	3.80	3.13	1.03	5.79	3.20	0.00	3.70	3.10	3.10
Code										
Building permits issued	245	287	322	249	290	284	349	257	206	345
Estimated construction value** (in thousands)	\$14,312	\$22,431	\$19,911	\$27,607	\$34,654	\$32,732	\$23,136	\$17,496	\$16,956	\$19,373
Library										
Volumes	58,230	58,419	61,381	62,713	66,019	67,316	66,857	61,764	58,840	61,822
Circulation	127,711	131,402	125,440	120,127	117,695	111,183	104,170	104,370	101,451	87,939
Solid Waste										
Refuse collected (tons per year)	14,221	12,744	11,930	11,171	10,479	10,950	10,601	10850	10,828	12,391
Recyclables collected (tons per year)	1,090	1,209	1,432	1,922	1,913	1,856	1,737	1651	897	816
Parks & Recreation										
Field Use Requests	75	101	81	90	103	98	75	96	87	85
School Enrollment										
Laconia HS	660	614	598	589	585	552	526	555	539	538
Laconia Middle School	505	474	469	482	423	423	405	413	441	486
Woodland Heights	381	421	352	430	453	444	391	373	342	347
Pleasant Street	288	262	283	292	285	282	315	331	294	292
Elm Street	259	276	282	285	285	283	312	321	292	296
Area 8/Huot	443	364	420	473	421	441	394	411	409	399
Water										
New connections	55	42	30	62	50	39	50	43	24	38
Water main breaks	4	3	7	7	10	5	6	9	7	5
Average daily consumption-MGD	1.54	1.43	1.45	1.47	1.3	1.59	1.49	1.42	1.41	1.34

Sources: Various government departments

**2011 permits included \$743,279 for LW/W Maintenance Building

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

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

Function	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	4	4	4	4	4	4	4	4	4	4
Fire stations	3	3	3	2	2	2	2	2	2	2
Highways and streets										
Streets (miles)-paved ##	105.21	105.21	105.21	83.2	83.2	83.2	83.2	79.25	79.25	79.25
Streets (miles)-unpaved ##	7.24	7.24	7.24	2.18	2.18	2.18	2.18	0.85	0.85	0.85
Traffic intersections	7	7	7	7	7	7	7	8	8	8
Street lights	1,344	1,344	1,344	1,344	1,344	1,344	1,308	1,308	1310	1,310
Culture and recreation										
Parks acreage	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5	185.5
Parks **	47	47	47	47	47	47	47	47	48	48
Tennis courts	9	7	7	7	7	7	8	8	8	8
Basketball courts	7	7	7	7	7	7	7	6	7	7
Community centers	8	5	4	4	4	4	4	4	5	5
Cemeteries	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	102.39	102.72	104.35	104.35	104.35	104.35	105.43	105.43	105.76	105.76
Fire hydrants	523	527	527	530	542	542	547	547	547	547
Maximum daily capacity (MGD)	6	6	6	6	6	6	6	6	6	6
Service connections	6,434	6,476	6,506	6,568	6,617	6,656	6,685	6,728	6752	6790
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	10,741	10,785	10,850	10,865	10,877	10,885	10,930	10,950	10954	10,954
Maximum daily capacity -MGD	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Pump Stations	17	17	17	17	17	17	17	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