

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Comprehensive Annual Financial Report

For the Year Ended June 30, 2004



**Prepared by:
The Finance Department**

**Susan A. Hickey
Assistant Town Manager
for Finance and Administration**

**Lynne M. Wagner
Town Accountant**

Town of Londonderry, New Hampshire
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004

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INTRODUCTORY SECTION



Town of Londonderry
50 Nashua Road, Ste 100
Londonderry, NH 03053
(603) 432-1100

August 1, 2004

To the Citizens and Members of the Town Council:

The Comprehensive Annual Financial Report (CAFR) of the Town of Londonderry for the fiscal year ended June 30, 2004, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rest with the Town. To the best of our knowledge and belief, the following data, including the financial statements, supporting schedules and statistical tables, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Town. We also believe that the Town's existing internal control systems are adequate. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Town's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as, the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds and account groups of the Town. The Town provides a full range of services including police and fire protection, public works operations, planning, zoning and code enforcement, health and welfare, library and recreation. The Town has sewer utilities and accounts for it as a special revenue fund. This report does not report on the funds of the Londonderry School District of Rockingham County. These governmental units are independent of the Town and do not meet the criteria for inclusion in this CAFR.

GOVERNMENT STRUCTURE

The Town of Londonderry is located in Rockingham County in southern New Hampshire, approximately 40 minutes northwest of Boston via Route 93, and is situated between Salem and Derry, New Hampshire's two largest towns. The Town has a population of 24,161 (according to the Office of Energy & Planning) and occupies 44 square miles of land.

Londonderry was incorporated in 1722 and since 1996 has operated under a charter with a Council-Manager form of local government. The Town Council consists of five members elected to staggered three-year terms. The Council acts as the legislative body of the Town (except for the adoption of the annual budget) and appoints a Town Manager to serve an indefinite term as the Town's chief executive. The Manager is responsible for the administrative and financial affairs of the Town, and implements policies established by the Town Council. A Budgetary Town Meeting approves long-term debt, in addition to the annual budget.

Londonderry has a diverse character, combining residential, commercial, industrial and recreational activities. The Town has experienced significant tax base growth with an increasing amount of the growth occurring in commercial and industrial property. This is due to Londonderry's proximity to one of New Hampshire's major north/south highways, as well as the presence of Manchester Airport (MHT) within the community. MHT offers direct flights to many major cities around the nation.

The Town provides a full-range of services to residents including waste water treatment, refuse collection and disposal, highway construction and maintenance, including snow plowing, storm sewer system and related infrastructure maintenance and construction; police and fire protective services; library and recreational facilities and services; human services; and planning, economic and community development, and code enforcement services.

ECONOMIC CONDITION AND OUTLOOK

The economy has continued to be strong with an unemployment rate for Londonderry of 3.9%, which is under the overall U.S. unemployment rate of 5.8%.

Londonderry is one of the fastest growing communities in the state and southern NH. With I-93 running along the eastern segment, Rt. 128 through the middle, Rt. 28 the northern segment and Rt. 102 the southern segment, Londonderry has ample access to the major highway systems. With the pending construction of the Airport Access Road, Londonderry will enjoy direct access to the Everett Turnpike/Route 3. The total workforce of the Londonderry/Manchester area was greater than previous years with overall earnings increasing over the prior year. Over 3,500 jobs have been created over the year in the Londonderry/Manchester area according to the New Hampshire Employment Security Bureau.

The development that occurred within the Town over the past year has been moderate compared to the previous year, with approximately 406,350 square feet of new or expanded commercial value. This has led to a number of new jobs and further commercial expansion of the local tax base.

Throughout the year Londonderry has increased its commercial and industrial growth significantly. Many businesses have been approved to build new facilities or expand existing facilities in Town. Londonderry welcomes the following new or expanded business:

Vista Ridge Apartments (New Rental Units), multi-family housing
Kamco Supply (New), building supply business
Stonyfield Farm Yogurt (Expansion), yogurt manufacturer
Home Depot (New), retail store
Insight Technology (Expanded), optical instrument and lens manufacturer
Wallboard Supplies (Expanded), brickstone and related construction supplies
Shop –N-Save (New, Under Construction), supermarket
Fairwind Office/Warehouse (New), distributor
Cracker Barrel Restaurant (Expanded), restaurant
BSP Trucking (Expanded), general freight trucking and long hauling distributor

The Town's Planning and Economic Development Department, along with the dedicated service of the individuals from the various land use and development boards, continue to promote economic development to make Londonderry an even better place to live and do business.

MAJOR INITIATIVES FOR THE YEAR

Throughout the FY2004, many notable projects and initiatives took place in the Town including the following:

Londonderry has taken a strong stance in managing its growth with the adoption of growth management ordinance and impact fee system. In 1988, Londonderry was one of the first communities to adopt a growth management ordinance. In 2002, the Town Council revised its growth ordinances in response to continuing growth pressures. In 1994, it was one of the first communities to adopt an impact fee ordinance. In 2002, the Town Council was able to appropriate approximately \$ 1.0 Million received in impact fees for debt service payments associated with a \$ 12 Million addition to Londonderry High School.

The Manchester Airport Authority completed a major expansion, which included the lengthening of MHT's main runway to over 9,000 feet, and construction of a new

terminal building located in Londonderry. The terminal and expansion costs were between 65 and 70 million dollars. This airport expansion includes a new state-of-the-art terminal facility, increased cargo and commercial flights and the designation of the airport and surrounding 939 acres as a U. S. Customs foreign trade zone. Value added within the zone is not taxed upon entry into the U. S. market, and no duty is paid on foreign products entering the zone. The majority of this area is in Londonderry. Manchester Airport had another successful year in fiscal year 2003, enjoying its best financial performance to date despite the devastating impact of September 11 on the aviation industry in general. MHT also continued its efforts to improve airline services and modernize airport facilities and infrastructure. Year-end passenger activity totals surpassed the three million mark, with nearly 3.5 million passengers using Manchester Airport. Air travelers from throughout Northern New England and Massachusetts continue to discover Manchester's easy access, competitive airfares, convenient jet service and inexpensive parking.

The Town and the City of Manchester renegotiated the Intermunicipal Agreement governing the operation of the airport; changes include a Payment-in-Lieu of Taxes to the Town in the amount of \$ 500,000 annually, adjusted each year by 2%.

The industrial area south of the airport holds significant opportunities for job creation and commercial and industrial development. The area consists of approximately 800 acres of industrial land. It is one of the largest contiguous pieces of industrial land in the state. The Department of Transportation proposes to construct an airport access road from Everett Turnpike/Route 3 in Bedford across the Merrimack River and into the Manchester Airport. A portion of the access road will encompass the northwest section of Londonderry. Supported by a \$ 260,000 appropriation at the 2002 Town Meeting, the Planning & Economic Development and Public Works and Engineering Departments are actively working on the planning issues involved with constructing a roadway designed to connect to the state access road and facilitate the ultimate development of this area.

The Londonderry Economic Development Committee set up one of the most comprehensive town sites on the web. The site consists of 200-plus pages including dozens of photographs, extensive text information, hundreds of links to online resources and numerous interaction features. It is divided into six major sections; Living in Londonderry; Economic Development; Government and Services; Sustainable Londonderry and the Eco-Park; Education; News; and the Londonderry Chamber of Commerce (a separate site linked to the town site). The web site is <http://www.londonderry.org>.

In addition to the above, the Town of Londonderry was chosen, along with nine municipalities in the United States, to participate in a new pilot project sponsored by the U. S. Environmental Protection Agency for small and medium sized government organizations to implement ISO 14001 Environmental Management Systems at a facility/organization of its choice. The Public Works Department, which includes the

divisions of Sewer, Solid Waste, Highway and Engineering, was chosen for the project. Londonderry will also be able to encourage businesses located or hoping to locate in Town to become ISO 14000 certified and will be in the position to help them accomplish that goal.

The Town engaged Behan Planning Associates to assist in the update of its Master Plan. The Master Plan, which was last updated in 1997, is now subject to a comprehensive rewrite relative to its current relevance and determination of future strategies. This process is being managed by the Planning and Economic Development Department, with the assistance of a citizen committee. Additional citizen input is being encouraged through the Best Towns Process, a comprehensive community engagement process designed to insure that the Town's development and preservation proceeds in accordance with the direction established by its citizenry.

Another tool being implemented to assist with the orderly development of the community and preservation of its natural and aesthetic resources is continued voter support of Open Space Preservation Bonds. A bond in the amount of \$ 1,000,000 was passed for the purpose of purchasing open space or development rights with the intent of preservation. The Town has now raised over \$ 10,035,000 for Open Space Preservation and managed growth strategies over the past five years. In addition to open space preservation, the Town raised funds to continue the development of the West Road Athletic Complex. The complex has three regulation sized soccer fields and comprises 41 acres. In addition to raising funds, the Town received a \$ 100,000 Land and Water Conservation Fund grant towards the development of the complex. Currently there are plans to construct an additional four regulation sized soccer fields within the site. Finally, in response to demands by all segments of the community seeking passive and active recreation opportunities, the Town has formed a Recreation Facilities Planning Committee. The Committee is conducting an inventory of current recreation facilities, and identifying additional facilities necessary to meet residents' demands. The Committee's Findings and Recommendations will be included in the town-wide Master Plan.

A significant initiative which gained universal community support in FY 03 was the passage of a \$ 2.9 Million Limited Development Rights Bond. Proceeds of the bond were used to purchase partial development rights on a significant parcel of property in South Londonderry. The proposed development has now been transformed from its planned 361 units of multi-family housing to 125 single-family units. Occupancy of these units will be limited to one occupant of at least 55 years of age, with no occupants under the age of 21. This program guarantees affordable housing opportunities for the Town's elder population; limits impact upon town services resulting from the construction of several other multi-family projects in the community, and further addresses current and anticipated traffic impacts on NH Rte. 102.

In fiscal year 2004 the Town issued a ten million dollar bond for the construction of a new Police Facility and Town Hall Facility, with four million being directed towards the Town's expanding Open Space Preservation Program. This bond will make a great advancement towards updating our infrastructure.

The Town continued its efforts to implement a Geographical Information System (GIS). This software system will enable all departments and committees to better plan for the future needs of the Town and will assist in making more informed land use and infrastructure improvement decisions.

FOR THE FUTURE

The Town continues to make changes to its budget review process to insure the efficient use of government resources, the application of non-recurring revenues for one-time capital items, and the presentation of revenue estimates consistent with anticipated performance levels in light of current economic conditions and operational policies. These and other financial policies are summarized in a comprehensive Financial Management Policy adopted by the Town Council.

The Town is completing a Revenue Study to determine appropriate levels for its fee-for-service programs, including Emergency Medical Services; Building Inspection Programs; wastewater facilities; and other revenue programs. It is anticipated that the revised program will reflect actual costs and market rates for its services, thereby further solidifying its financial position.

In FY 03, the adequacy of its Fire and Highway Equipment Capital Reserve Programs were reviewed and adjusted to insure that sufficient funds will be available in the future to purchase equipment at appropriate intervals, without reliance upon long-term bonding mechanisms. The Town is in the process of evaluating the Ambulance Capital Reserve Program. Completion of the evaluation will result in all reserve projects properly funded for the future.

In FY 04, the Town Council and Town Meeting established an Expendable Maintenance Trust Fund for Buildings and Grounds. This program is designed to systematically plan for the repair and improvements of town facilities over a multi-year period, resulting in safe, efficient town facilities funded by a constant level of taxpayer investment. Town meeting continues to support this initiative with a \$ 205,000 appropriation in 2004.

The Town is embarking on an ambitious program to replace two of its Fire Stations in the north and south sections of the community. Funds for architectural and engineering design are to be requested in FY06, with a bond issue for construction anticipated in FY07.

RESULTS OF OPERATIONS - General Fund

Fund Balance

The audited general fund undesignated fund balance of \$ 3,833,991 for the year ending June 30, 2004, which is an increase of \$ 196,993. The increase was primarily due to unanticipated revenues such as sales of tax-acquired properties, a renegotiated payment-in-lieu of taxes from Manchester Airport Authority, motor vehicle permits and several other smaller unanticipated revenue sources. The table below shows the results of the Town's sound fiscal condition through its cooperative program of fiscal management and tax rate target setting.

<u>Year</u>	<u>Total Fund Balance</u>	<u>Undesignated Fund Balance</u>
1996	\$ 3,690,776	\$ 2,655,233
1997	4,229,577	2,424,313
1998	4,368,876	2,733,444
1999	4,504,748	3,764,933
2000	6,168,846	3,040,936
2001	3,723,943	2,918,126
2002	3,424,923	2,622,771
2003	5,665,603	3,636,998
2004	7,182,689	3,833,991

Maintenance of a strong fund balance and increased contribution to reserves comes primarily from revenues received in excess of budget, a reduction in reserves of fund balance for encumbrances and expenditures below budgeted appropriations.

Debt Administration

On June 30, 2004, the Town had a number of debt issues outstanding. These general obligation issues totaled \$ 23,662,784. The Town's bond rating through Moody's Investment Service for general obligation debt remains consistent at a AA3. Under current state statutes, the Town's general obligation bonded debt issuances are subject to legal limitations based on various percentages of total assessed property value. As of June 30, 2004, the Town's net general obligation bonded debt was well below the legal limits.

OTHER INFORMATION

Independent Audit

State Statutes require an annual audit by independent public accountants. The Town's accounting firm is Melanson, Heath and Company. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet any requirements of the Federal Single Audit Act amendments of 1996 and the US Office

of Management Budget Circular A-133. The financial statements, combining and individual fund statements and schedules are included in the financial section of this report.

Cash Management

Cash temporarily idle during the year was invested in US Treasury Bills, certificates of deposit, a cash-sweep investment account at Citizens Bank, with collateral held in a joint custody account at the Federal Reserve Bank by repurchase agreements. All accounts are extremely liquid in nature and are developed and designed to meet the needs of municipal accounts and cash flows. The Town's investment policy is to minimize credit and market risks while maintaining a competitive yield, as well as, adhering to State of New Hampshire Investment Statutes.

Risk Management

The Town's property and liability insurance coverage is provided by the Local Government Center. Workers Compensation insurance services are obtained through Primex Insurance Services. Health, Dental and Life Insurance benefits are also obtained through the Health Trust Division of the Local Government Center.

Retirement Obligations

The Town participates in the New Hampshire Retirement System, which is a cost sharing, multi-employer public employee retirement system (PERS). By law, all full time employees, excluding the Town Manager, are members of the State of New Hampshire Retirement System.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement in Financial Reporting to various communities that meet specific requirements. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The Town of Londonderry received this award for its comprehensive annual financial report for the fiscal year ended June 30, 2003.

In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally acceptable accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for a certificate.

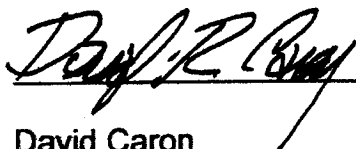
Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated staff of the Finance Department. Their efforts throughout the year are greatly appreciated. Special thanks to the Town Department Heads for their contribution made in the preparation of this report.

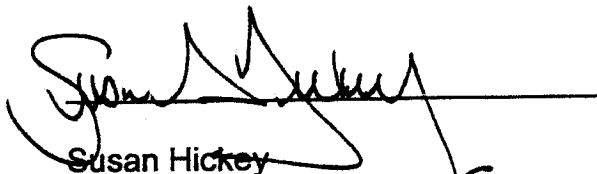
The Town invites you to visit our web site at www.Londonderry.org where summary financial information is expected to be prominently displayed by the end of December 2004.

In closing, the preparation of this report and the strong financial position of the Town would not have been possible without the guidance and direction of the Town Council through its fiscal policies; the professional and diligent efforts of the entire staff of the Town; and the funding support provided by the Londonderry community through actions at the Annual Budgetary Town Meeting, all to whom we owe our sincere appreciation.

Sincerely,



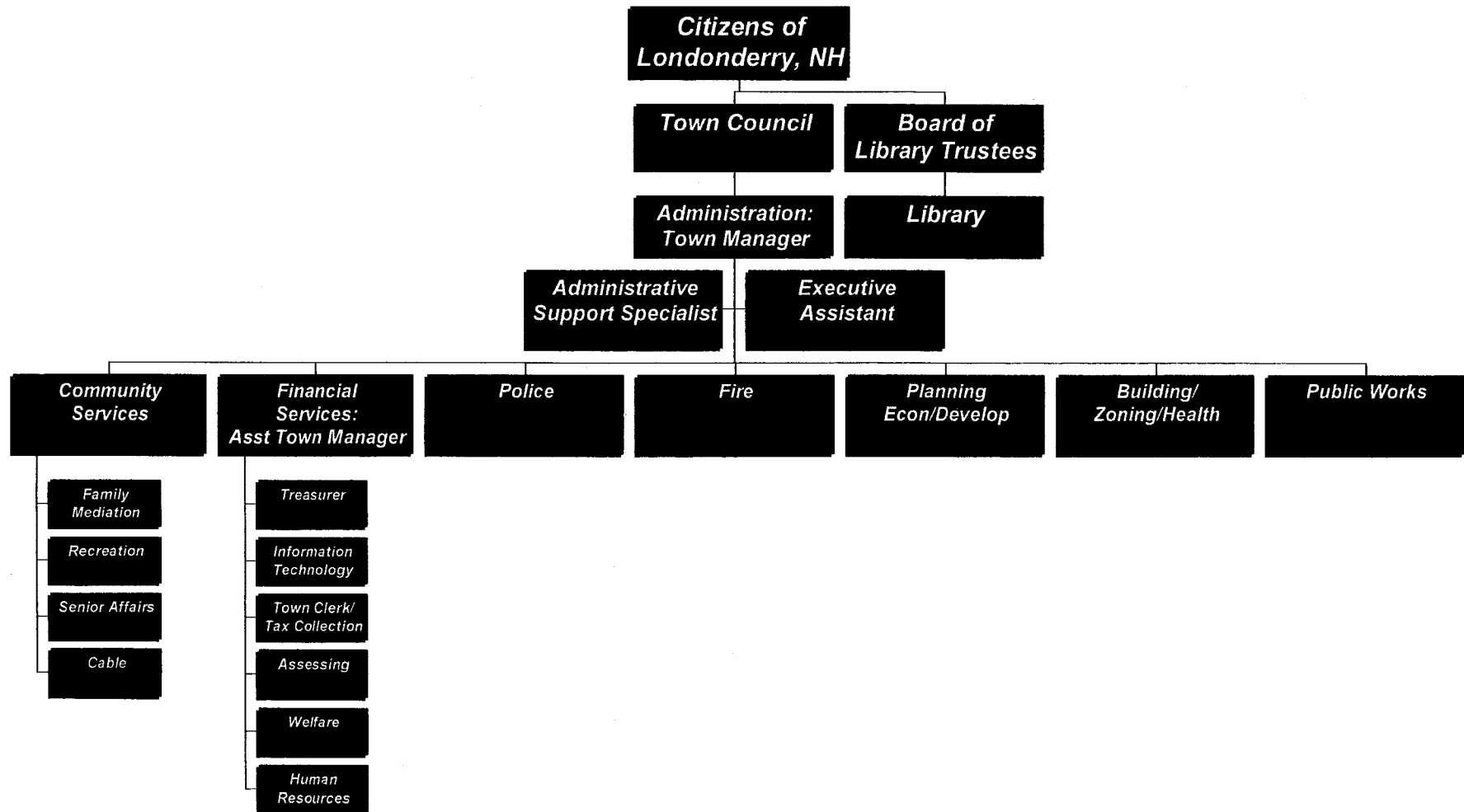
David Caron
Town Manager



Susan Hickey
Assistant Town Manager -
Finance & Administration

Town of Londonderry

Organizational Chart



TOWN OF LONDONDERRY
DIRECTORY OF OFFICIALS
June 30, 2004

TOWN COUNCIL

Martin Bove
Mike Brown
Brian Farmer
Thomas Dolan
Mark Oswald

OTHER ELECTED OFFICIALS

John Michels, Moderator
Marguerite Seymour, Town Clerk/Tax Collector
Robert Lincoln, Treasurer

OTHER OFFICIALS

David Caron, Town Manager
Susan Hickey, Assistant Town Manager - Finance & Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Londonderry,
New Hampshire

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Edward Hargrove".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enner".

Executive Director

FINANCIAL SECTION



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

11 Trafalgar Square • Suite 150
Nashua, NH 03063-1074
Tel (603) 882-1111 • Fax (603) 882-9486
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INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Londonderry, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Londonderry, New Hampshire, as of and for the year ended June 30, 2004, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Londonderry's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Londonderry, as of June 30, 2004, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2004 on our consideration of the Town of Londonderry's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The

purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Town of Londonderry, New Hampshire's basic financial statements. The introductory section, supplementary statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Melanson, Heath + Company P. C.

Nashua, New Hampshire
August 10, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Londonderry, we offer readers this narrative overview and analysis of the financial activities of the Town of Londonderry for the fiscal year ended June 30, 2004. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Londonderry's basic financial statements. The basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the 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 assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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).

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 two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available

at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

An annual appropriated budget is adopted for the general fund and certain nonmajor special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with the budget.

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 Town's own programs.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board*. Additional combining statements and schedules are presented immediately following the notes to the financial statements.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 21,264,169 (i.e., net assets), an increase of \$ 1,804,416 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 17,653,640, an increase of \$ 7,254,603 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 23,662,784, an increase of \$ 12,472,687 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years. All amounts are presented in thousands.

	<u>2004</u>	<u>2003</u>	<u>Amount Change</u>	<u>% Change</u>
Current and other assets	\$ 39,026	\$ 26,961	\$ 12,065	45%
Capital assets	<u>27,796</u>	<u>20,246</u>	<u>7,550</u>	37
Total assets	66,822	47,207	19,615	35
Long-term liabilities outstanding	25,206	12,384	12,822	104
Other liabilities	<u>20,352</u>	<u>15,363</u>	<u>4,989</u>	32
Total liabilities	45,558	27,747	17,811	64
Net assets:				
Invested in capital assets, net	12,217	12,941	(724)	(6)
Restricted	568	524	44	8
Unrestricted	<u>8,479</u>	<u>5,995</u>	<u>2,484</u>	41
Total net assets	\$ <u>21,264</u>	\$ <u>19,460</u>	\$ <u>1,804</u>	9

By far the largest portion of net assets \$ 12,216,680 (57 percent) reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), 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.

Net assets of \$ 568,649 are restricted by constraints imposed from outside the Town.

The balance of unrestricted net assets \$ 8,478,840 may be used to meet the government's ongoing obligations to citizens and creditors.

The Town's overall financial position improved during fiscal year 2004 by \$ 1,804,416.

CHANGES IN NET ASSETS

	<u>2004</u>	<u>2003</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 9,217	\$ 7,911	\$ 1,306	17%
Operating grants and contributions	638	238	400	168
Capital grants and contributions	646	745	(99)	(13)
General revenues:				
Taxes	11,576	10,429	1,147	11
Interest, penalties and other taxes	861	824	37	4
Grants and contributions not restricted to specific programs	1,012	1,000	12	1
Investment income	321	364	(43)	(12)
Other	<u>1,381</u>	<u>288</u>	<u>1,093</u>	380
Total revenues	<u>25,652</u>	<u>21,799</u>	<u>3,853</u>	18
Expenses:				
General government	6,314	4,243	2,071	49
Public safety	9,476	9,151	325	4
Highway and streets	2,870	2,912	(42)	(1)
Sanitation	2,236	2,212	24	1
Health and welfare	279	210	69	33
Culture and recreation	1,564	1,316	248	19
Economic development	409	260	149	57
Interest	<u>723</u>	<u>595</u>	<u>128</u>	22
Total expenses	<u>23,871</u>	<u>20,899</u>	<u>2,972</u>	14
Excess (deficiency) before permanent fund contributions	1,781	900	881	98
Permanent fund contributions	<u>23</u>	<u>328</u>	<u>(305)</u>	(93)
Change in net assets	1,804	1,228	576	47
Net assets - beginning of year	<u>19,460</u>	<u>18,232</u>	<u>1,228</u>	7
Net assets - end of year	<u>\$ 21,264</u>	<u>\$ 19,460</u>	<u>\$ 1,804</u>	9

The increase in local revenues is a result of higher number of vehicle registrations (charges for services), higher property values (property taxes), and the sale of Town hall building of \$ 800 thousand (other revenues). The increased local revenues were used to offset the resulting increase in local expenses.

Governmental activities. Governmental activities for the year resulted in an increase in net assets of \$ 1,804,416. Key elements of this increase are as follows:

- Property tax revenue exceeded budget by approximately \$ 760 thousand, primarily resulting from fewer abatements than anticipated.
- Actual motor vehicle actual permit fees exceeded anticipated revenue by approximately \$ 732 thousand.
- Sewer fund received a one-time hook-up fee for \$ 432,800, which was not budgeted for.

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The \$ 7,254,603 increase in governmental funds fund balances was primarily attributable to positive general fund operating results of approximately \$ 1.5 million, and unspent bond proceeds for various capital projects and conservation.

The general fund is the chief operating fund. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 17 percent of total general fund expenditures, while total fund balance represents 31 percent of that same amount.

The fund balance of the general fund increased by \$ 1,517,086 during the current fiscal year. Key factors in this change are as follows:

- Property tax revenue exceeded budget by approximately \$ 760 thousand, primarily resulting from fewer abatements than anticipated.
- Actual motor vehicle actual permit fees exceeded anticipated revenue by approximately \$ 732 thousand.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Final budget reflects one change from original budget. The Fire Department received a grant for \$ 25,642 which was appropriated for the use specified in the grant.

The most significant final budget to actual variance is \$ 759,670 in property taxes, which represents reserve for abatements that was budgeted for, but not needed in fiscal year 2004. In addition, motor vehicle permit revenues exceeded the budget estimate by \$ 732,485.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets at year end amounted to \$ 27,796,142, net of accumulated depreciation, an increase of \$ 7,550,614 from the prior year. This investment in capital assets includes land and improvements, buildings, machinery, vehicles, and equipment, intangibles, construction in progress, and improvements other than buildings.

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

- Additional construction in progress of \$ 3,868,947 for the police facility construction.
- Additional construction in progress of \$ 256,010 for the West Road fields project.
- Construction in progress of \$ 192,655 for the Town hall facility project.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$ 23,662,784, all of which was backed by the full faith and credit of the government. During fiscal year 2004, \$ 2,900,000 was issued for partial development rights, \$ 4,000,000 for conservation, \$ 4,901,400 for police facility construction, and \$ 1,851,274 for Town hall construction.

Additional information on capital assets and long-term debt can be found in the footnotes to the financial statements.

G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The general outlook for the Town of Londonderry is positive. The 3.9% unemployment rate for the Manchester/Londonderry area, according to the New Hampshire Employment Security Bureau, has dropped at the end of FY 2004. The development that occurred within the Town over the past year has been moderate compared to the previous year, with approximately 406,350 square feet of new or expanded commercial value. This has led to a number of new jobs and further commercial expansion of the local tax base.

For the upcoming fiscal year, the taxpayers approved at the Annual Budgetary Town Meeting a \$ 26,166,140 operating and capital improvement budget. During the year the Town will be issuing a one million dollar bond for the Town's

expanding Open Space Preservation Program. In FY 2005, the Town will be completing a Revenue Study to determine appropriate levels for its fee-for-service programs, including emergency medical services; building inspection programs; wastewater facilities; and other revenue programs. It is anticipated that the revised program will reflect actual costs and market rates for its services, thereby further solidifying its financial position.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Londonderry'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:

Office of Assistant Town Manager
for Finance and Administration
Town of Londonderry
50 Nashua Road – Suite 105
Londonderry, New Hampshire 03053

Basic Financial Statements

TOWN OF LONDONDERRY, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2004

	Governmental <u>Activities</u>
ASSETS	
Current:	
Cash and short-term investments	\$ 35,997,517
Investments	512,140
Receivables, net of allowance for uncollectibles:	
Taxes	223,454
User fees	428,208
Intergovernmental	182,338
Other	865,575
Due from fiduciary funds	50,000
Noncurrent:	
Receivables, net of allowance for uncollectibles:	
Property taxes	628,348
Deferred debt expense	138,752
Capital assets:	
Land and construction in progress	14,121,792
Other capital assets, net of accumulated depreciation	<u>13,674,350</u>
TOTAL ASSETS	66,822,474
LIABILITIES	
Current:	
Accounts payable	1,134,294
Accrued liabilities	283,244
Taxes collected in advance	18,606,663
Tax refunds payable	42,254
Due to other governments	2,751
Other liabilities	283,319
Current portion of long-term liabilities:	
Bonds payable	1,989,305
Compensated absences	404,323
Other liabilities	365,363
Noncurrent:	
Bonds payable, net of current portion	21,673,479
Compensated absences, net of current portion	322,232
Other liabilities, net of current portion	<u>451,078</u>
TOTAL LIABILITIES	45,558,305
NET ASSETS	
Invested in capital assets, net of related debt	12,216,680
Restricted for:	
Permanent funds:	
Expendable	109,550
Nonexpendable	459,099
Unrestricted	<u>8,478,840</u>
TOTAL NET ASSETS	<u><u>\$ 21,264,169</u></u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes in Net Assets</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental Activities:					
General government	\$ 6,314,035	\$ 6,425,238	\$ 335,808	\$ -	\$ 447,011
Public safety	9,476,231	691,028	184,022	-	(8,601,181)
Highways and streets	2,869,982	340,528	-	646,392	(1,883,062)
Sanitation	2,235,465	1,460,833	-	-	(774,632)
Health and welfare	278,411	-	-	-	(278,411)
Culture and recreation	1,564,275	299,008	118,763	-	(1,146,504)
Economic development	409,449	-	-	-	(409,449)
Interest	723,029	-	-	-	(723,029)
Total Governmental Activities	<u>\$ 23,870,877</u>	<u>\$ 9,216,635</u>	<u>\$ 638,593</u>	<u>\$ 646,392</u>	(13,369,257)
General Revenues:					
					11,576,174
					860,732
					1,011,663
					321,210
					1,380,794
Total general revenues					<u>15,150,573</u>
Excess before permanent fund contributions					1,781,316
Permanent fund contributions					<u>23,100</u>
Change in Net Assets					1,804,416
Net Assets:					
Beginning of year					<u>19,459,753</u>
End of year					<u>\$ 21,264,169</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2004

	<u>General</u>	<u>Conservation Commission</u>	<u>Police Facility</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and short-term investments	\$ 32,450,544	\$ 2,369,297	\$ -	\$ 1,177,676	\$ 35,997,517
Investments	-	-	-	512,140	512,140
Receivables, net of allowance for uncollectibles:					
Taxes	851,802	-	-	-	851,802
User fees	161,721	-	-	266,487	428,208
Intergovernmental	182,338	-	-	-	182,338
Other	865,575	-	-	-	865,575
Due from other funds	<u>1,369,295</u>	<u>548,121</u>	<u>1,998,794</u>	<u>5,277,662</u>	<u>9,193,872</u>
TOTAL ASSETS	\$ <u>35,881,275</u>	\$ <u>2,917,418</u>	\$ <u>1,998,794</u>	\$ <u>7,233,965</u>	\$ <u>48,031,452</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 140,134	\$ 33	\$ 985,627	\$ 8,500	\$ 1,134,294
Accrued liabilities	137,875	-	-	1,495	139,370
Deferred revenues	758,802	-	-	266,487	1,025,289
Taxes collected in advance	18,606,663	-	-	-	18,606,663
Tax refunds payable	42,254	-	-	-	42,254
Due to other funds	8,805,789	-	-	338,083	9,143,872
Due to other governments	2,751	-	-	-	2,751
Other liabilities	<u>204,318</u>	<u>-</u>	<u>-</u>	<u>79,001</u>	<u>283,319</u>
TOTAL LIABILITIES	28,698,586	33	985,627	693,566	30,377,812
Fund Balances:					
Reserved for:					
Encumbrances and continuing appropriations	3,348,698	-	-	197,463	3,546,161
Perpetual permanent funds	-	-	-	459,099	459,099
Unreserved:					
Undesignated, reported in:					
General fund	3,833,991	-	-	-	3,833,991
Special revenue funds	-	2,917,385	-	2,886,848	5,804,233
Capital project funds	-	-	1,013,167	2,887,339	3,900,506
Permanent funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,650</u>	<u>109,650</u>
TOTAL FUND BALANCES	<u>7,182,689</u>	<u>2,917,385</u>	<u>1,013,167</u>	<u>6,540,399</u>	<u>17,653,640</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>35,881,275</u>	\$ <u>2,917,418</u>	\$ <u>1,998,794</u>	\$ <u>7,233,965</u>	\$ <u>48,031,452</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET ASSETS

JUNE 30, 2004

Total governmental fund balances	\$ 17,653,640
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	27,796,142
<ul style="list-style-type: none">• Deferred debt expense for refunding is net of amortization on the statement of net assets, whereas all debt expense is reported when paid in the governmental funds.	138,752
<ul style="list-style-type: none">• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,025,289
<ul style="list-style-type: none">• In the statement of net assets, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(143,874)
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, compensated absences, leases payable, and landfill liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(25,205,780)</u>
Net assets of governmental activities	<u>\$ 21,264,169</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Conservation Commission</u>	<u>Police Facility</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 11,910,212	\$ -	\$ -	\$ -	\$ 11,910,212
Interest, penalties, and other taxes	845,099	15,633	-	-	860,732
Licenses and permits	6,648,688	-	-	-	6,648,688
Intergovernmental	1,826,676	-	-	351,208	2,177,884
Charges for services	553,210	-	-	2,000,651	2,553,861
Investment income	244,972	22,311	-	53,876	321,159
Contributions	-	-	-	149,456	149,456
Other revenues	1,100,592	377,638	-	-	1,478,230
Total Revenues	<u>23,129,449</u>	<u>415,582</u>	<u>-</u>	<u>2,555,191</u>	<u>26,100,222</u>
Expenditures:					
Current:					
General government	2,666,080	3,156,173	-	549,008	6,371,261
Public safety	9,113,259	-	3,868,947	247,164	13,229,370
Highways and streets	2,765,923	-	-	256,010	3,021,933
Sanitation	1,223,130	-	-	773,425	1,996,555
Health and welfare	264,470	-	-	-	264,470
Culture and recreation	1,063,461	-	-	422,206	1,485,667
Economic development	300,719	-	-	-	300,719
Capital outlay	3,675,161	-	-	-	3,675,161
Debt service	2,152,898	-	-	-	2,152,898
Total Expenditures	<u>23,225,101</u>	<u>3,156,173</u>	<u>3,868,947</u>	<u>2,247,813</u>	<u>32,498,034</u>
Excess (deficiency) of revenues over expenditures	(95,652)	(2,740,591)	(3,868,947)	307,378	(6,397,812)
Other Financing Sources (Uses):					
Proceeds of bonds	2,900,000	4,000,000	4,901,400	1,851,274	13,652,674
Proceeds of refunding bonds	4,545,000	-	-	-	4,545,000
Transfers in	256,250	-	361,000	1,182,253	1,799,503
Payment to refunded bond escrow agent	(4,545,259)	-	-	-	(4,545,259)
Transfers out	(1,543,253)	-	-	(256,250)	(1,799,503)
Total Other Financing Sources (Uses)	<u>1,612,738</u>	<u>4,000,000</u>	<u>5,262,400</u>	<u>2,777,277</u>	<u>13,652,415</u>
Net change in fund balances	1,517,086	1,259,409	1,393,453	3,084,655	7,254,603
Fund Balances, at Beginning of Year, as restated	<u>5,665,603</u>	<u>1,657,976</u>	<u>(380,286)</u>	<u>3,455,744</u>	<u>10,399,037</u>
Fund Balances, at End of Year	<u>\$ 7,182,689</u>	<u>\$ 2,917,385</u>	<u>\$ 1,013,167</u>	<u>\$ 6,540,399</u>	<u>\$ 17,653,640</u>

See notes to financial statements.

TOWN OF LONDONDERRY, 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, 2004

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 7,254,603

<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: 	
Capital outlay purchases	7,985,457
Loss on disposal of fixed assets	(42,433)
Depreciation	(984,717)
<ul style="list-style-type: none"> Governmental funds report debt expense for refunding when paid. On the Statement of Activities, it is amortized over the life of refunded debt. 	
	(46,250)
<ul style="list-style-type: none"> 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 (e.g., property taxes) differ between the two statements. This amount represents the net change in deferred revenue. 	
	(319,953)
<ul style="list-style-type: none"> The issuance of long-term debt (e.g., bonds) 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 assets: 	
Issuance of debt, net of refunding debt	(13,652,674)
Repayments of debt	1,364,988
<ul style="list-style-type: none"> In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 	
	2,597
<ul style="list-style-type: none"> Some expenses reported in the Statement of Activities, such as compensated absences, leases payable, and landfill liability do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. 	
	<u>242,798</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>1,804,416</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES,
AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts (Budgetary <u>Basis</u>)	Variance with Final Budget Positive (Negative)
Revenues and other sources:				
Taxes	\$ 10,906,443	\$ 10,906,443	\$ 11,666,113	\$ 759,670
Interest, penalties, and other taxes	765,000	765,000	845,099	80,099
Licenses and permits	5,858,943	5,858,943	6,646,453	787,510
Intergovernmental	1,758,833	1,784,475	1,826,676	42,201
Charges for services	511,792	511,792	561,219	49,427
Investment income	520,677	520,677	244,972	(275,705)
Other revenues	1,141,139	1,141,139	1,032,275	(108,864)
Other financing sources:				
Transfers in	218,052	218,052	256,250	38,198
Use of fund balance	<u>1,532,936</u>	<u>1,532,936</u>	<u>1,532,936</u>	<u>-</u>
Total Revenues	23,213,815	23,239,457	24,611,993	1,372,536
Expenditures and other uses:				
Current:				
General government	2,672,950	2,672,950	2,752,590	(79,640)
Public safety	9,110,319	9,135,961	9,109,210	26,751
Highways and streets	3,487,484	3,487,484	3,474,408	13,076
Sanitation	1,354,836	1,354,836	1,347,915	6,921
Health and welfare	275,571	275,571	263,470	12,101
Culture and recreation	1,074,588	1,074,588	1,064,762	9,826
Economic development	308,430	308,430	307,987	443
Capital outlay	1,067,500	1,067,500	1,026,483	41,017
Debt service	2,253,744	2,253,744	2,190,614	63,130
Other financing uses:				
Transfers out	<u>1,608,393</u>	<u>1,608,393</u>	<u>1,643,253</u>	<u>(34,860)</u>
Total Expenditures	<u>23,213,815</u>	<u>23,239,457</u>	<u>23,180,692</u>	<u>58,765</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,431,301</u>	\$ <u>1,431,301</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2004

	Agency Funds
<u>ASSETS</u>	
Cash and short term investments	\$ <u>3,163,523</u>
Total Assets	\$ <u><u>3,163,523</u></u>
<u>LIABILITIES</u>	
Due to other funds	50,000
Escrow deposits held	2,653,559
School funds held	<u>459,964</u>
Total Liabilities	\$ <u><u>3,163,523</u></u>

See notes to financial statements.

Town of Londonderry, New Hampshire

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Londonderry (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The government is a municipal corporation governed by an elected Town 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 2004, it was determined that no entities met the required GASB-14 criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported primarily by taxes and intergovernmental revenues.

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

Fund Financial Statements

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are 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. 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 government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government 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 *Conservation Commission* accounts for monies received through donations and bonds and expended for the conservation of local land and resources.
- The *Police Facility* accounts for the architectural, engineering and construction of a new police facility.

D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue and fiduciary funds segregate cash, and investment earnings become a part of those funds. Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type is included in other income.

E. Investments

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

F. 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) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

G. Inventories

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

H. Capital Assets

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$ 1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Machinery, vehicles, and equipment	3-10
Intangibles	3
Improvements other than buildings	20-40

I. Compensated Absences

It is the government'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 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.

J. Long-Term Obligations, Deferred Debt Expense, and Bond Premium

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Bond issuance costs, bond premium, and the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized over the remaining life of the old debt, which is shorter than the new debt.

The governmental fund financial statements recognize the proceeds of debt as other financing sources in the current period. Issuance costs are reported as expenditures.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

L. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates

and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

At the annual town meeting, the Town Council presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by town meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special town meetings as required by changing conditions.

The legal spending limit is at the department level, as voted by town meeting.

Formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue Funds.

At year end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

B. Budgetary Basis

The General and Special Revenue Funds final appropriations appearing on the "Budget and Actual" pages of the fund financial statements and supplementary information represents the final budget after all transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds are 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 and special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with 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.

	Revenues and Other <u>Financing Sources</u>	Expenditures and Other <u>Financing Uses</u>
<u>General Fund:</u>		
Revenues/Expenditures (GAAP basis)	\$ 23,129,449	\$ 23,225,101
Other financing sources/uses (GAAP basis)	<u>7,701,250</u>	<u>6,088,512</u>
Subtotal (GAAP Basis)	30,830,699	29,313,613
Adjust tax revenue to accrual basis	(244,099)	-
Reverse beginning of year appro- priation carryforwards from expenditures	-	(799,340)
Add end of year appropriation carryforwards to expenditures	-	2,173,962
Recognize use of fund balance as funding source	1,532,936	-
Reverse bond refinancing activity	(4,545,000)	(4,545,259)
Reverse amounts budgeted for in the prior year	(<u>2,962,543</u>)	(<u>2,962,284</u>)
Budgetary basis	\$ <u>24,611,993</u>	\$ <u>23,180,692</u>
<u>Nonmajor Governmental Funds:</u>		
Revenues/Expenditures (GAAP basis)	\$ 2,555,191	\$ 2,247,813
Other financing sources/uses (GAAP basis)	<u>3,033,527</u>	<u>256,250</u>
Subtotal (GAAP Basis)	5,588,718	2,504,063
Reverse beginning of year appro- priation carryforwards from expenditures	-	(71,097)
Add end of year appropriation carryforwards to expenditures	-	192,963
Less funds not subject to annual budget	(<u>3,889,161</u>)	(<u>1,498,596</u>)
Budgetary basis	\$ <u>1,699,557</u>	\$ <u>1,127,333</u>

D. Excess of Expenditures Over Appropriations

Expenditures exceeding appropriations during the current fiscal year were as follows:

General Fund:	
Finance	\$ 69,409
Assessing	1,182
General services	31,032
Cemeteries	5,092
Municipal insurances	13,255
Operating transfers out:	
Special revenue funds	26,984
Capital project funds	7,876
Nonmajor Governmental Funds:	
Sewer Fund	17,038

3. Cash and Short-Term Investments

The Town Treasurer is authorized by State statutes to invest excess funds "in obligations of the U.S. Government, in savings bank deposits of banks incorporated under laws of the State of New Hampshire, or in certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in national banks located within the State or the State of Massachusetts".

Cash and short-term investments as reported on the balance sheet and statement of cash flows, consists of highly liquid investments with original maturities of 90 days or less.

The carrying amount of the Town's deposits with financial institutions at June 30, 2004 was \$ 39,161,040. The bank balances, which do not include reconciling items such as deposits in transit and outstanding checks, are categorized as follows:

	<u>Town Deposits</u> <u>June 30, 2004</u>
Amount insured by the FDIC and DIF, or collateralized with securities held by the Town in its name	\$ 33,179,983
Amount collateralized with securities held by the pledging financial institution's trust department in the Town's name	73,994
Uncollateralized	-
State investment pool	<u>4,749,949</u>
Total Bank Balance	\$ <u><u>38,003,926</u></u>

4. Investments

Investments are stated at fair value.

Under New Hampshire law, the trustees of trust funds may invest:

"Only by deposit in some savings bank or in the savings department of a national bank or trust company in this state, or in shares of any building and loan association or co-operative bank, incorporated and doing business under the laws of this state, or in the shares of any federal savings and loan association, located and doing business in this state, or in bonds, notes or other obligations of the United States government, or in state, county, town, city, school district, water and sewer district bonds and the notes of towns or cities in this state; and such stocks and bonds as are legal for investment by New Hampshire savings banks and when so invested, the trustees shall not be liable for the loss thereof; and in any common trust fund established by the New Hampshire Charitable Fund in accordance with RSA 292:23."

The trustees are also required to report annually to the State attorney general any securities retained under the provisions of the statute.

The Town's investments are categorized as either (1) insured or registered or for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the government's name, or (3) uninsured and unregistered for which the securities are held by the counterparty, or by the counterparty's trust department or agent but not in the government's name.

The following summarizes the categorization of the Town's investment balances at June 30, 2004:

	<u>Category</u>			<u>Carrying</u>	<u>Fair</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>	<u>Value</u>
U.S. gov't securities	\$ -	\$ 143,236	\$ -	\$ 143,236	\$ 143,236
Corporate Bonds	-	104,037	-	104,037	104,037
Equities	-	<u>264,867</u>	-	<u>264,867</u>	<u>264,867</u>
Total	\$ <u>-</u>	\$ <u>512,140</u>	\$ <u>-</u>	\$ <u>512,140</u>	\$ <u>512,140</u>

5. Property Taxes

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

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

Delinquent taxes are typically liened at the Registrar of Deeds on February 28 of the next year. If the property taxes (redemptions) are not paid within two years of the tax lien date, the property is conveyed to the Town by deed and could subsequently be sold at public sale.

The Town annually budgets an amount (overlay for abatements) for resident and property tax abatements and refunds. All abatements and refunds are charged to overlay and are classified as a contra-tax revenue in the General Fund.

Taxes receivable, at June 30, 2004, consists of the following:

Tax Liens:	
2004	\$ 338,545
2003	185,232
2002	4,449
Prior years	563
Acquired property	316,303
Yield tax	6,290
Gravel pit tax	<u>420</u>
Total	\$ <u>851,802</u>

6. User Fees and Allowance for Doubtful Accounts

User fees receivable include amounts due from customers primarily for sewer and ambulance services. Ambulance accounts receivable are reported net of an allowance for doubtful accounts and revenues net of uncollectibles. The allowance amount is estimated using accounts receivable past due more than 120 days. Sewer delinquent receivables are liened in a similar manner as property taxes described in Note 5. Other user fees receivable are for police detail and stump dump services and the amount uncollectible is estimated to be immaterial to the financial statements.

User fees receivable and related allowance for doubtful accounts at June 30, 2004 consist of the following:

	<u>Ambulance</u>	<u>Sewer</u>	<u>Total</u>
Gross	\$ 175,519	\$ 266,487	\$ 442,006
Less: Allowance for doubtful accounts	(<u>13,798</u>)	<u>-</u>	(<u>13,798</u>)
Total	\$ <u>161,721</u>	\$ <u>266,487</u>	\$ <u>28,208</u>

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2004.

8. Other Receivables

Other receivables consist primarily of amounts due from the sale of the current Town Hall building.

9. Interfund Fund Receivables/Payables and Transfers

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of the June 30, 2004 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,369,295	\$ 8,805,789
Conservation commission	548,121	-
Police facility	1,998,794	-
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Sewer fund	2,047,481	-
Cable TV	258,917	-
Capital reserve trust	-	144,558
Other	111,960	-
Capital Project Funds:		
West road fields	45,259	-
Town hall	2,458,619	-
Sanborn road	655	-
South Londonderry Phase II	354,771	-
Exit 4A	-	193,525
Agency Funds:		
Construction escrows	-	50,000
Total	\$ <u>9,193,872</u>	\$ <u>9,193,872</u>

The following is an analysis of transfers in and out during fiscal year 2004.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 256,250	\$ 1,543,253
Police facility	361,000	-

(continued)

(continued)

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Sewer fund	-	20,552
Capital reserve trust	97,393	180,000
Other	26,984	38,198
Capital Project Fund:		
West road fields	250,000	-
Town hall	800,000	-
Mammoth road sewer	7,876	-
Permanent Fund	-	17,500
Total	<u>\$ 1,799,503</u>	<u>\$ 1,799,503</u>

10. Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings	\$ 5,149	\$ -	\$ -	\$ 5,149
Machinery, vehicles, and equipment	5,353	1,274	(391)	6,236
Intangibles	1,302	7	-	1,309
Improvements other than buildings	<u>8,780</u>	<u>70</u>	<u>-</u>	<u>8,850</u>
Total capital assets, being depreciated	20,584	1,351	(391)	21,544
Less accumulated depreciation for:				
Buildings	(1,164)	(125)	-	(1,289)
Machinery, vehicles, and equipment	(2,807)	(621)	349	(3,079)
Intangibles	(1,267)	(17)	-	(1,284)
Improvements other than buildings	<u>(1,996)</u>	<u>(222)</u>	<u>-</u>	<u>(2,218)</u>
Total accumulated depreciation	<u>(7,234)</u>	<u>(985)</u>	<u>349</u>	<u>(7,870)</u>
Total capital assets, being depreciated, net	13,350	366	(42)	13,674
Capital assets, not being depreciated:				
Land and improvements	1,020	2,900	-	3,920
Construction in progress	<u>5,876</u>	<u>4,326</u>	<u>-</u>	<u>10,202</u>
Total capital assets, not being depreciated	<u>6,896</u>	<u>7,226</u>	<u>-</u>	<u>14,122</u>
Governmental activities capital assets, net	<u>\$ 20,246</u>	<u>\$ 7,592</u>	<u>\$ (42)</u>	<u>\$ 27,796</u>

Note: The Town has not yet capitalized infrastructure assets for governmental activities prior to July 1, 2002. There has been no infrastructure improvements in fiscal year 2003 and 2004.

Depreciation expense was charged to functions of the Town as follows (in thousands):

Governmental Activities:	
General government	\$ 148
Public safety	351
Highways and streets	147
Sanitation	248
Culture and recreation	<u>91</u>
Total depreciation expense - governmental activities	\$ <u>985</u>

11. Accounts Payable

Accounts payable represent additional 2004 expenditures paid after July 1, 2004.

12. Accrued Liabilities

Accrued liabilities represent accrued payroll at June 30, 2004.

13. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The balance of the General Fund deferred revenues account is equal to the total of all June 30, 2004 receivable balances, except property taxes that are accrued for subsequent 60 day collections.

14. Taxes Collected in Advance

Taxes collected in advance represent taxes collected before June 30, 2004 for levy year 2005.

15. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements.

16. Capital Lease Obligations

The Town's outstanding lease agreements include the acquisition of computers, fire trucks, highway trucks, police vehicles and a communication system. These leases qualify as capital leases. Future minimum lease

payments under the capital leases consisted of the following as of June 30, 2004:

2005	\$ 366,996
2006	<u>314,768</u>
Total minimum lease payments	681,764
Less amount representing interest	<u>(85,323)</u>
Present Value of Minimum Lease Payments	\$ <u>596,441</u>

The following is an analysis of the leased assets included in capital assets at June 30, 2004:

Machinery, vehicles and equipment	\$ 1,869,484
Less: accumulated depreciation	<u>(821,200)</u>
Equipment under capital leases, net	\$ <u>1,048,284</u>

17. Long-Term Debt

A. Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the Town of Londonderry for various municipal projects, are approved by voters and repaid with property taxes recorded in the General Fund. Other debt issued to support governmental activities such as compensated absences and lease obligations are primarily paid from the General Fund as well.

B. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds currently outstanding are as follows:

	Serial	Interest	Amount
<u>Governmental Activities:</u>	<u>Maturities</u>	<u>Rate(s)%</u>	<u>Outstanding</u>
	<u>Through</u>		<u>as of</u>
			<u>June 30, 2004</u>
Water, sewer and public improvements	05/15/11	6.30-6.40	\$ 1,370,000
Sewer	06/01/06	3.09	450,110
Sewer	11/01/21	3.50-5.0	2,160,000
Multi-purpose bond	10/15/12	3.71	1,485,000
Multi-purpose bond	10/01/23	3.45-4.25	13,652,674
Refunding	10/15/15	2.25-3.75	<u>4,545,000</u>
Total Governmental Activities:			\$ <u>23,662,784</u>

C. Future Debt Service

The annual principal payments to retire all general obligation long-term debt outstanding as of June 30, 2004 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,989,305	\$ 803,624	\$ 2,792,929
2006	2,003,479	738,259	2,741,738
2007	1,765,000	674,991	2,439,991
2008	1,750,000	621,357	2,371,357
2009	1,610,000	567,612	2,177,612
2010 - 2014	6,555,000	2,109,585	8,664,585
2015 - 2019	4,230,000	1,189,996	5,419,996
2020 - 2024	<u>3,760,000</u>	<u>375,500</u>	<u>4,135,500</u>
Total	\$ <u>23,662,784</u>	\$ <u>7,080,924</u>	\$ <u>30,743,708</u>

D. Changes in General Long-Term Liabilities

During the year ended June 30, 2004, the following changes occurred in long-term liabilities (in thousands):

	<u>Total Balance 7/1/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Refunding</u>	<u>Total Balance 6/30/04</u>	<u>Current Portion</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 11,190	\$ 18,198	\$ (1,365)	\$ (4,360)	\$ 23,663	\$ 1,989
Accrued emp. benefits	660	94	(27)	-	727	404
Other:						
Capital leases	419	592	(415)	-	596	355
Landfill postclosure	<u>230</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>220</u>	<u>10</u>
Totals	\$ <u>12,499</u>	\$ <u>18,884</u>	\$ <u>(1,817)</u>	\$ <u>(4,360)</u>	\$ <u>25,206</u>	\$ <u>2,758</u>

The general fund has been designated as the primary source to repay all governmental-type general long-term liabilities.

E. Advance and Current Refunding

On February 10, 2004, the Town issued general obligation bonds in the amount of \$ 4,545,000 with a variable interest rate ranging from 2.25% to 3.75% to refund \$ 400,000, \$ 2,580,000 and \$ 1,380,000 of outstanding 1993, 1994, and 1996 series bonds (refunded bonds), respectively, with average interest rates of 5.30%, 4.93%, and 5.20%, respectively. Underwriting and other issuance costs were \$62,284. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds mature between 2004 and 2016. The advance refunding of 1993 and 1996 series bonds met the requirements of an in-substance

debt defeasance and the term bonds were removed from the Town's financial statements. These defeased bonds reflected outstanding balances of \$ 400,000 and \$ 1,380,000 at June 30, 2004. The Town used a portion of the bond proceeds to effect a current refunding of the 1994 series bond maturing from February 15, 2005 through February 15, 2014, therefore, this amount is not part of the escrow agreement.

As a result of the advance refunding, the Town reduced its total debt service cash flow requirements by \$ 349,730, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$ 279,663.

18. Landfill Postclosure Care Costs

State and Federal laws and regulations require the Town to perform certain postclosure maintenance and monitoring functions at its closed and capped landfill site. The \$ 220,000 reported as landfill postclosure care liability at June 30, 2004 represents the estimated costs to maintain and monitor the site for thirty years. These amounts are based on what it would cost to perform all postclosure care in 2004. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

19. Restricted Net Assets

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

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

20. Reserves of Fund Equity

"Reserves" of fund equity are established to segregate fund balances which are either not available for expenditure in the future or are legally set aside for a specific future use.

The following types of reserves are reported at June 30, 2004:

Reserved for Encumbrances and Continuing Appropriations - An account used to segregate that portion of fund balance committed for expenditure of financial resources upon vendor performance.

Reserved for Perpetual Permanent Funds - Represents the principal of the nonexpendable trust fund investments. The balance cannot be spent for any purpose; however, it may be invested and the earnings may be spent.

21. Commitments and Contingencies

Outstanding Lawsuits - There are several pending lawsuits in which the Town is involved. The Town'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 Town expects such amounts, if any, to be immaterial.

22. Pension Plan

The Town follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, with respect to the employees' retirement funds.

A. Plan Description

The Town contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the retirement board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A:41-a of New Hampshire Law assigns the System the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report that can be obtained through the New Hampshire Retirement System at 4 Chenell Drive, Concord, New Hampshire 03301-8509.

B. Funding Policy

Plan members are required to contribute between 5% and 9.30% of annual covered compensation to the pension plan. The Town makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 4.14% - 6.61% of covered compensation. The Town's contributions to the System for the years ended June 30, 2004, 2003 and 2002 were \$ 791,179, \$ 467,921 and \$ 415,340, respectively, which were equal to its annual required contributions for each of these years.

23. Risk Management

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

24. Beginning Fund Balance Reclassification

The Town has two major governmental funds for fiscal year 2004, as defined by GASB Statement 34, however, had none in the previous fiscal year. Accordingly, the following reconciliation is provided:

	Fund Equity June 30, 2003 (as previously reported)	<u>Reclassification</u>	Fund Equity June 30, 2003 (as restated)
Nonmajor funds	\$ 4,733,434	\$ (1,277,690)	\$ 3,455,744
Conservative commission	-	1,657,976	1,657,976
Police facility	-	(380,286)	(380,286)
Total	\$ <u>4,733,434</u>	\$ <u>-</u>	\$ <u>4,733,434</u>

25. Major Taxpayers

The following are the five major taxpayers as they relate to the 2004 net assessed property valuation of \$ 2,251,695,371:

<u>Taxpayer</u>	<u>2004 Property Valuation</u>	<u>Percentage of Total Valuation</u>
AES Londonderry, LLC	\$ 240,159,578	10.67%
Public Service of New Hampshire	32,713,500	1.45%
Coca-Cola Bottling Co. of Northern New England	18,850,400	0.84%
Home Depot	12,818,500	0.57%
Appletree Mall Associates, LLC	12,238,200	0.54%

The Town's largest taxpayer, AES, Londonderry, LLC ("AES") owns and operates a large natural gas fired power plant in Town. AES, like the owners of other gas-fired power plants in the Northeast, has experienced financial difficulties in part due to an oversupply of energy and high natural gas prices. Additionally, AES is experiencing certain operational problems at the plant.

As a result of these difficulties, AES is in the process of transferring ownership of AES, Londonderry, LLC to a consortium of banks which have financed the plant. In connection with the transfer of ownership, the consortium of banks has contracted operations with a firm that specializes in operating financially challenged power plants.

The Town has responded by adjusting the plant's value to reflect what its consultants believe is the reduced market value of the plant. Any lost revenues appear to be replaced by other new developments in Londonderry. AES and the Town have agreed upon a plan to keep AES' 2003 property taxes current by structuring a monthly payment plan, which includes the statutorily-established interest charge of 12% on the unpaid balance. AES has filed a Petition for the abatement of its 2003 taxes with the Rockingham County Superior Court.

Combining Financial Statements

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- Leach Library Fund: To account for fines and fees collected by the library for the purchase of books and periodicals.
- Sewer Fund: To account for the operation of sewer pumping stations and sewer lines.
- Cable TV Fund: To account for the activities of the local cable television studio.
- Capital Reserve Trust: To account for amounts set aside by the Town to fund future capital additions.
- Other Funds: To account for other miscellaneous monies received through donations and related expenditures.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment.

The current funds were established for the following purposes:

- West Road Fields: To account for the development of a Town-owned and maintained athletic field complex.
- Town Hall: To account for the architectural, engineering and construction of a new town hall facility.
- Sanborn Road: To account for the study of a potential athletic field to be constructed at a Sanborn Road location.
- South Londonderry Phase II: To account for the extension of the interceptor system that expands service in South Londonderry along Route 102.

- Exit 4A: To account for the architectural and engineering costs associated with the development of a new on/off ramp from Route 93.
- Mammoth Road Sewer: To account for the construction and installation of sewer lines on Mammoth Road.

PERMANENT FUNDS

Permanent Funds are established to account for certain assets held by the Town in a fiduciary capacity as a trustee for cemetery, library, welfare and other purposes.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2004

	Special Revenue Funds		
	Leach Library Fund	Sewer Fund	Cable TV Fund
<u>ASSETS</u>			
Cash and short-term investments	\$ 13,034	\$ -	\$ -
Investments	-	-	-
User fees receivables	-	266,487	-
Due from other funds	-	2,047,481	258,917
Total Assets	\$ <u>13,034</u>	\$ <u>2,313,968</u>	\$ <u>258,917</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ -	\$ 6,483	\$ 2,017
Accrued liabilities	-	640	855
Deferred revenues	-	266,487	-
Due to other funds	-	-	-
Other liabilities	-	-	-
Total Liabilities	-	273,610	2,872
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	-	192,963	-
Perpetual permanent funds	-	-	-
Unreserved:			
Undesignated, reported in:			
Special revenue funds	13,034	1,847,395	256,045
Capital project funds	-	-	-
Permanent funds	-	-	-
Total Fund Equity	<u>13,034</u>	<u>2,040,358</u>	<u>256,045</u>
Total Liabilities and Fund Equity	\$ <u>13,034</u>	\$ <u>2,313,968</u>	\$ <u>258,917</u>

Special Revenue Funds		
Capital Reserve Trust	Other Funds	Subtotals
\$ 811,037	\$ 71,232	\$ 895,303
-	-	-
-	-	266,487
-	111,960	2,418,358
<u>\$ 811,037</u>	<u>\$ 183,192</u>	<u>\$ 3,580,148</u>
\$ -	\$ -	\$ 8,500
-	-	1,495
-	-	266,487
144,558	-	144,558
-	74,797	74,797
<u>144,558</u>	<u>74,797</u>	<u>495,837</u>
-	4,500	197,463
-	-	-
666,479	103,895	2,886,848
-	-	-
-	-	-
<u>666,479</u>	<u>108,395</u>	<u>3,084,311</u>
<u>\$ 811,037</u>	<u>\$ 183,192</u>	<u>\$ 3,580,148</u>

(continued)

(continued)

	<u>Capital Project Funds</u>		
	<u>West Road Fields</u>	<u>Town Hall</u>	<u>Sanborn Road</u>
<u>ASSETS</u>			
Cash and short-term investments	\$ -	\$ -	\$ -
Investments	-	-	-
User fees receivable	-	-	-
Due from other funds	<u>45,259</u>	<u>2,458,619</u>	<u>655</u>
Total Assets	<u>\$ 45,259</u>	<u>\$ 2,458,619</u>	<u>\$ 655</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Deferred revenues	-	-	-
Due to other funds	-	-	-
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	-
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	-	-	-
Perpetual permanent funds	-	-	-
Unreserved:			
Undesignated, reported in:			
Special revenue funds	-	-	-
Capital project funds	<u>45,259</u>	<u>2,458,619</u>	<u>655</u>
Permanent funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>45,259</u>	<u>2,458,619</u>	<u>655</u>
Total Liabilities and Fund Equity	<u>\$ 45,259</u>	<u>\$ 2,458,619</u>	<u>\$ 655</u>

Capital Project Funds			
South Londonderry Phase II	Exit 4A	Mammoth Road Sewer	Subtotals
\$ -	\$ 221,560	\$ 4,204	\$ 225,764
-	-	-	-
-	-	-	-
354,771	-	-	2,859,304
<u>\$ 354,771</u>	<u>\$ 221,560</u>	<u>\$ 4,204</u>	<u>\$ 3,085,068</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	193,525	-	193,525
-	-	4,204	4,204
-	193,525	4,204	197,729
-	-	-	-
-	-	-	-
-	-	-	-
354,771	28,035	-	2,887,339
-	-	-	-
<u>354,771</u>	<u>28,035</u>	<u>-</u>	<u>2,887,339</u>
<u>\$ 354,771</u>	<u>\$ 221,560</u>	<u>\$ 4,204</u>	<u>\$ 3,085,068</u>

(continued)

(continued)

	Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
<u>ASSETS</u>		
Cash and short-term investments	\$ 56,609	\$ 1,177,676
Investments	512,140	512,140
User fees receivables	-	266,487
Due from other funds	-	5,277,662
	<hr/>	<hr/>
Total Assets	<u>568,749</u>	<u>7,233,965</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ -	\$ 8,500
Accrued liabilities	-	1,495
Deferred revenues	-	266,487
Due to other funds	-	338,083
Other liabilities	-	79,001
	<hr/>	<hr/>
Total Liabilities	-	693,566
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations	-	197,463
Perpetual permanent funds	459,099	459,099
Unreserved:		
Undesignated, reported in:		
Special revenue funds	-	2,886,848
Capital project funds	-	2,887,339
Permanent funds	109,650	109,650
	<hr/>	<hr/>
Total Fund Equity	<u>568,749</u>	<u>6,540,399</u>
	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ 568,749</u>	<u>\$ 7,233,965</u>

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TOWN OF LONDONDERRY, NEW HAMPSHIRE

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2004

	Special Revenue Funds		
	Leach Library Fund	Sewer Fund	Cable TV Fund
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	20,395	1,446,747	249,318
Investment income	95	3,492	-
Contributions	<u>118,762</u>	<u>-</u>	<u>-</u>
Total Revenues	139,252	1,450,239	249,318
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	765,549	-
Culture and recreation	<u>157,719</u>	<u>-</u>	<u>219,366</u>
Total Expenditures	<u>157,719</u>	<u>765,549</u>	<u>219,366</u>
Excess of revenues over (under) expenditures	(18,467)	684,690	29,952
Other Financing Sources (Uses):			
Proceeds of bonds	-	-	-
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>(20,552)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(20,552)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(18,467)	664,138	29,952
Fund Balances (deficit), beginning of year	<u>31,501</u>	<u>1,376,220</u>	<u>226,093</u>
Fund Balances, end of year	<u>\$ 13,034</u>	<u>\$ 2,040,358</u>	<u>\$ 256,045</u>

Special Revenue Funds		
Capital Reserve Trust	Other Funds	Subtotals
\$ -	\$ 335,808	\$ 335,808
-	284,191	2,000,651
7,564	-	11,151
-	7,594	126,356
<u>7,564</u>	<u>627,593</u>	<u>2,473,966</u>
-	356,353	356,353
-	247,164	247,164
-	-	-
-	-	765,549
<u>25,000</u>	<u>16,791</u>	<u>418,876</u>
<u>25,000</u>	<u>620,308</u>	<u>1,787,942</u>
(17,436)	7,285	686,024
-	-	-
97,393	26,984	124,377
<u>(180,000)</u>	<u>(38,198)</u>	<u>(238,750)</u>
<u>(82,607)</u>	<u>(11,214)</u>	<u>(114,373)</u>
(100,043)	(3,929)	571,651
<u>766,522</u>	<u>112,324</u>	<u>2,512,660</u>
\$ <u><u>666,479</u></u>	\$ <u><u>108,395</u></u>	\$ <u><u>3,084,311</u></u>

(continued)

(continued)

	Capital Project Funds		
	West Road Fields	Town Hall	Sanborn Road
Revenues:			
Intergovernmental	\$ 15,400	\$ -	\$ -
Charges for services	-	-	-
Investment income	-	-	-
Contributions	-	-	-
Total Revenues	15,400	-	-
Expenditures:			
Current:			
General government	-	192,655	-
Public safety	-	-	-
Highways and streets	256,010	-	-
Sanitation	-	-	-
Culture and recreation	-	-	-
Total Expenditures	256,010	192,655	-
Excess of revenues over (under) expenditures	(240,610)	(192,655)	-
Other Financing Sources (Uses):			
Proceeds of bonds	-	1,851,274	-
Transfers in	250,000	800,000	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	250,000	2,651,274	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	9,390	2,458,619	-
Fund Balances (deficit), beginning of year	35,869	-	655
Fund Balances, end of year	\$ 45,259	\$ 2,458,619	\$ 655

Capital Project Funds			
South Londonderry Phase II	Exit 4A	Mammoth Road Sewer	Subtotals
\$ -	\$ -	\$ -	15,400
-	-	-	-
-	333	-	333
-	-	-	-
-	-	-	-
-	333	-	15,733
-	-	-	192,655
-	-	-	-
-	-	-	256,010
-	-	7,876	7,876
-	-	-	-
-	-	7,876	456,541
-	333	(7,876)	(440,808)
-	-	-	1,851,274
-	-	7,876	1,057,876
-	-	-	-
-	-	7,876	2,909,150
-	333	-	2,468,342
354,771	27,702	-	418,997
\$ 354,771	\$ 28,035	\$ -	\$ 2,887,339

(continued)

(continued)

	Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:		
Intergovernmental	\$ -	\$ 351,208
Charges for services	-	2,000,651
Investment income	42,392	53,876
Contributions	<u>23,100</u>	<u>149,456</u>
Total Revenues	65,492	2,555,191
Expenditures:		
Current:		
General government	-	549,008
Public safety	-	247,164
Highways and streets	-	256,010
Sanitation	-	773,425
Culture and recreation	<u>3,330</u>	<u>422,206</u>
Total Expenditures	<u>3,330</u>	<u>2,247,813</u>
Excess of revenues over (under) expenditures	62,162	307,378
Other Financing Sources (Uses):		
Proceeds of bonds	-	1,851,274
Transfers in	-	1,182,253
Transfers out	<u>(17,500)</u>	<u>(256,250)</u>
Total Other Financing Sources (Uses)	<u>(17,500)</u>	<u>2,777,277</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	44,662	3,084,655
Fund Balances (deficit), beginning of year	<u>524,087</u>	<u>3,455,744</u>
Fund Balances, end of year	<u>\$ 568,749</u>	<u>\$ 6,540,399</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Combining Balance Sheet

Fiduciary Funds

June 30, 2004

	Agency Funds		
	Construction	School	
	<u>Escrows</u>	<u>Capital Reserve</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and short-term investments	\$ <u>2,703,559</u>	\$ <u>459,964</u>	\$ <u>3,163,523</u>
Total Assets	\$ <u><u>2,703,559</u></u>	\$ <u><u>459,964</u></u>	\$ <u><u>3,163,523</u></u>
<u>LIABILITIES</u>			
Liabilities:			
Due to other funds	\$ 50,000	\$ -	\$ 50,000
Escrow deposits held	2,653,559	-	2,653,559
School funds held	<u>-</u>	<u>459,964</u>	<u>459,964</u>
Total Liabilities	\$ <u><u>2,703,559</u></u>	\$ <u><u>459,964</u></u>	\$ <u><u>3,163,523</u></u>

**Detail and Combining Budget
and Actual Statements**

GENERAL FUND

The General Fund is established to account for all resources obtained and used for those services commonly provided by the Town which are not accounted for in any other fund. These services include among other items: General Government, Public Safety, Highways and Streets, Sanitation, Health and Welfare, Culture and Recreation, and Economic Development. The primary sources of revenue of the General Fund are: property taxes, unrestricted state revenue sharing grants, certain restricted grants and fees for services rendered.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Detail Schedule of Revenues and Other Financing Sources -
Budget and Actual - General Fund

For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
<u>Taxes</u>				
Property taxes	\$ 10,906,443	\$ 10,906,443	\$ 11,666,113	\$ 759,670
Total Taxes	10,906,443	10,906,443	11,666,113	759,670
<u>Interest, penalties, and other taxes</u>				
Payment in lieu of taxes	500,000	500,000	510,000	10,000
Yield taxes	10,000	10,000	21,504	11,504
Excavation taxes	30,000	30,000	13,117	(16,883)
Interest and penalties on taxes	225,000	225,000	300,478	75,478
Total Interest, penalties, and other taxes	765,000	765,000	845,099	80,099
<u>Licenses and Permits</u>				
Motor vehicle permits	5,550,135	5,550,135	6,282,620	732,485
Business licenses and permits	17,556	17,556	17,823	267
Building permits	246,762	246,762	265,916	19,154
Other licenses, permits and fees	44,490	44,490	80,094	35,604
Total Licenses and Permits	5,858,943	5,858,943	6,646,453	787,510
<u>Intergovernmental</u>				
State shared revenues	295,785	295,785	295,785	-
Meals and room distribution	712,140	712,140	712,140	-
Highway block grant	460,664	460,664	459,649	(1,015)
Water pollution grants	71,802	71,802	71,802	-
Landfill closure grant	103,442	103,442	99,541	(3,901)
COPS grant	115,000	115,000	122,406	7,406
Other State revenue	-	25,642	65,353	39,711
Total Intergovernmental Revenues	1,758,833	1,784,475	1,826,676	42,201
<u>Charges for Services</u>				
Income from departments	511,792	511,792	561,219	49,427
Total Charges for Services	511,792	511,792	561,219	49,427
<u>Investment income</u>				
Interest on deposits	520,677	520,677	244,972	(275,705)
Total Investment Income	520,677	520,677	244,972	(275,705)
<u>Other Revenues</u>				
Sale of Town property	800,000	800,000	820,845	20,845
Insurance dividends and reimbursements	20,000	20,000	78,738	58,738
Contributions and donations	100,000	100,000	17,438	(82,562)
Municipal designs review and impact fees	185,755	185,755	59,227	(126,528)
Other miscellaneous revenue	35,384	35,384	56,027	20,643
Total Miscellaneous Revenues	1,141,139	1,141,139	1,032,275	(108,864)
Total Revenues	21,462,827	21,488,469	22,822,807	1,334,338

(continued)

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Detail Schedule of Revenues and Other Financing Sources -
Budget and Actual - General Fund

For the Year Ended June 30, 2004

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Other Financing Sources</u>				
Operating Transfers In:				
Sewer fund	20,552	20,552	20,552	-
Capital reserve trust	180,000	180,000	180,000	-
Other special revenue funds	-	-	38,198	38,198
Permanent fund	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Total Transfers In	<u>218,052</u>	<u>218,052</u>	<u>256,250</u>	<u>38,198</u>
Use of Fund Balance	<u>1,532,936</u>	<u>1,532,936</u>	<u>1,532,936</u>	<u>-</u>
Total Other Financing Sources	<u>1,750,988</u>	<u>1,750,988</u>	<u>1,789,186</u>	<u>38,198</u>
Total Revenues and Other Financing Sources	<u>\$ 23,213,815</u>	<u>\$ 23,239,457</u>	<u>\$ 24,611,993</u>	<u>\$ 1,372,536</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Detail Schedule of Expenditures and Other Financing Uses
Budget and Actual - General Fund

For the Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Expenditures</u>				
<u>General Government</u>				
Town council	\$ 14,909	\$ 14,909	\$ 12,664	\$ 2,245
Town manager	372,941	372,941	371,787	1,154
Town clerk / tax collector	360,437	360,437	351,432	9,005
Suprv. checklist / voter administration	21,067	21,067	13,273	7,794
Finance	319,469	319,469	388,878	(69,409)
Assessing	363,157	363,157	364,339	(1,182)
Information technology	423,454	423,454	414,477	8,977
Legal	175,000	175,000	164,533	10,467
Zoning board	34,614	34,614	33,926	688
General services	422,777	422,777	453,809	(31,032)
Cemeteries	23,000	23,000	28,092	(5,092)
Municipal insurances	142,125	142,125	155,380	(13,255)
Total General Government	<u>2,672,950</u>	<u>2,672,950</u>	<u>2,752,590</u>	<u>(79,640)</u>
<u>Public Safety</u>				
Police department	4,894,621	4,894,621	4,871,300	23,321
Fire department	4,215,698	4,241,340	4,237,910	3,430
Total Public Safety	<u>9,110,319</u>	<u>9,135,961</u>	<u>9,109,210</u>	<u>26,751</u>
<u>Highways and Streets</u>				
Building department	285,845	285,845	284,162	1,683
Highway department	3,201,639	3,201,639	3,190,246	11,393
Total Highways and Streets	<u>3,487,484</u>	<u>3,487,484</u>	<u>3,474,408</u>	<u>13,076</u>
<u>Sanitation</u>				
Solid waste	1,354,836	1,354,836	1,347,915	6,921
Total Sanitation	<u>1,354,836</u>	<u>1,354,836</u>	<u>1,347,915</u>	<u>6,921</u>
<u>Health and Welfare</u>				
Welfare department	189,818	189,818	186,262	3,556
Family mediation	21,755	21,755	19,084	2,671
Animal control	63,998	63,998	58,124	5,874
Total Health and Welfare	<u>275,571</u>	<u>275,571</u>	<u>263,470</u>	<u>12,101</u>
<u>Culture and Recreation</u>				
Recreation department	151,717	151,717	146,806	4,911
Library	922,871	922,871	917,956	4,915
Total Culture and Recreation	<u>1,074,588</u>	<u>1,074,588</u>	<u>1,064,762</u>	<u>9,826</u>

(continued)

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Detail Schedule of Expenditures and Other Financing Uses
Budget and Actual - General Fund

For the Year Ended June 30, 2004

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Economic Development</u>				
Planning / economic development \$	<u>308,430</u>	<u>\$ 308,430</u>	<u>\$ 307,987</u>	<u>\$ 443</u>
	308,430	308,430	307,987	443
<u>Capital Outlay</u>				
Capital outlay	<u>1,067,500</u>	<u>1,067,500</u>	<u>1,026,483</u>	<u>41,017</u>
Total Capital Outlay	<u>1,067,500</u>	<u>1,067,500</u>	<u>1,026,483</u>	<u>41,017</u>
<u>Debt Service</u>				
Debt service	<u>2,253,744</u>	<u>2,253,744</u>	<u>2,190,614</u>	<u>63,130</u>
Total Debt Service	<u>2,253,744</u>	<u>2,253,744</u>	<u>2,190,614</u>	<u>63,130</u>
 Total Expenditures	 <u>21,605,422</u>	 <u>21,631,064</u>	 <u>21,537,439</u>	 <u>93,625</u>
 <u>Other Financing Uses</u>				
Operating Transfers Out:				
Capital reserve trust	97,393	97,393	97,393	-
Other special revenue funds	-	-	26,984	(26,984)
West Road fields	350,000	350,000	350,000	-
Police facility	361,000	361,000	361,000	-
Town hall	800,000	800,000	800,000	-
Other capital project funds	<u>-</u>	<u>-</u>	<u>7,876</u>	<u>(7,876)</u>
Total Other Financing Uses	<u>1,608,393</u>	<u>1,608,393</u>	<u>1,643,253</u>	<u>(34,860)</u>
 Total Expenditures and Other Financing Uses	 <u>\$ 23,213,815</u>	 <u>\$ 23,239,457</u>	 <u>\$ 23,180,692</u>	 <u>\$ 58,765</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Special Revenue Funds

For the Year Ended June 30, 2004

	Sewer Fund		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for services	\$ 890,729	\$ 1,446,747	\$ 556,018
Investment income	<u>3,300</u>	<u>3,492</u>	<u>192</u>
Total Revenues	894,029	1,450,239	556,210
Expenditures:			
Sanitation	873,477	890,515	(17,038)
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>873,477</u>	<u>890,515</u>	<u>(17,038)</u>
Other Financing Uses:			
Transfers out	<u>(20,552)</u>	<u>(20,552)</u>	<u>-</u>
Total Other Financing Uses	<u>(20,552)</u>	<u>(20,552)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>539,172</u>	\$ <u>539,172</u>

Cable Fund			Totals		
<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 228,355	\$ 249,318	\$ 20,963	\$ 1,119,084	\$ 1,696,065	\$ 576,981
-	-	-	3,300	3,492	192
228,355	249,318	20,963	1,122,384	1,699,557	577,173
-	-	-	873,477	890,515	(17,038)
228,355	216,266	12,089	228,355	216,266	12,089
228,355	216,266	12,089	1,101,832	1,106,781	(4,949)
-	-	-	(20,552)	(20,552)	-
-	-	-	(20,552)	(20,552)	-
\$ -	\$ 33,052	\$ 33,052	\$ -	\$ 572,224	\$ 572,224

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**Capital Assets Used in the Operation
of Governmental Funds**

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of General Fixed Assets By Source

June 30, 2004

GENERAL FIXED ASSETS

Land and improvements	\$ 3,919,946
Buildings	3,859,483
Machinery, vehicles, and equipment	3,156,434
Intangibles	26,340
Construction in progress	10,201,846
Improvements other than buildings	<u>6,632,093</u>
Total General Fixed Assets	<u>\$ 27,796,142</u>

INVESTMENTS IN GENERAL FIXED ASSETS

General fund revenues	\$ 17,236,840
Special revenue fund revenues	364,898
Capital project funds	<u>10,194,404</u>
Total Investments in General Fixed Assets	<u>\$ 27,796,142</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Changes in General Fixed Assets
By Function and Activity

For the Year Ended June 30, 2004

	General Fixed Assets <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	General Fixed Assets <u>June 30, 2004</u>
General Government:				
Town manager	\$ 2,162	\$ -	\$ 405	\$ 1,757
Town clerk	1,875	-	1,500	375
Finance	6,735	-	1,284	5,451
Information technology	297,724	41,422	126,663	212,483
Planning and zoning	-	3,150	175	2,975
General services	<u>1,131,073</u>	<u>3,371,798</u>	<u>18,252</u>	<u>4,484,619</u>
Total General Government	<u>1,439,569</u>	<u>3,416,370</u>	<u>148,279</u>	<u>4,707,660</u>
Public Safety:				
Police department	2,011,994	4,234,955	153,296	6,093,653
Fire department	<u>1,295,419</u>	<u>571,518</u>	<u>219,767</u>	<u>1,647,170</u>
Total Public Safety	<u>3,307,413</u>	<u>4,806,473</u>	<u>373,063</u>	<u>7,740,823</u>
Highways and Streets:	<u>892,664</u>	<u>302,624</u>	<u>166,981</u>	<u>1,028,307</u>
Culture and Recreation:				
Recreation department	1,377,784	1,479	3,534	1,375,729
Library	1,647,611	6,834	52,437	1,602,008
Cable	<u>320,480</u>	<u>33,700</u>	<u>34,638</u>	<u>319,542</u>
Total Culture and Recreation	<u>3,345,875</u>	<u>42,013</u>	<u>90,609</u>	<u>3,297,279</u>
Sanitation:	<u>11,260,007</u>	<u>10,286</u>	<u>248,220</u>	<u>11,022,073</u>
Total General Fixed Assets	<u>\$ 20,245,528</u>	<u>\$ 8,577,766</u>	<u>\$ 1,027,152</u>	<u>\$ 27,796,142</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of General Fixed Assets
By Function and Category

June 30, 2004

	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Machinery, Vehicles, and Equipment</u>
General Government:			
Town manager	\$ -	\$ -	\$ 1,757
Town clerk	-	-	375
Finance	-	-	5,451
Information technology	-	-	197,328
Planning and zoning	-	-	2,975
General services	<u>3,667,986</u>	<u>297,949</u>	<u>22,348</u>
Total General Government	3,667,986	297,949	230,234
Public Safety:			
Police department	-	720,906	644,965
Fire department	<u>-</u>	<u>164,253</u>	<u>1,482,004</u>
Total Public Safety	-	885,159	2,126,969
Highways and Streets:	<u>251,960</u>	<u>12,701</u>	<u>694,813</u>
Culture and Recreation:			
Recreation department	-	-	7,214
Library	-	1,578,824	23,185
Cable	<u>-</u>	<u>248,494</u>	<u>71,048</u>
Total Culture and Recreation	-	1,827,318	101,447
Sanitation:	<u>-</u>	<u>836,356</u>	<u>2,971</u>
Total General Fixed Assets	<u>\$ 3,919,946</u>	<u>\$ 3,859,483</u>	<u>\$ 3,156,434</u>

<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Improvements other than Buildings</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 1,757
-	-	-	375
-	-	-	5,451
15,155	-	-	212,483
-	-	-	2,975
<u>2,975</u>	<u>493,361</u>	<u>-</u>	<u>4,484,619</u>
18,130	493,361	-	4,707,660
7,298	4,720,483	-	6,093,652
<u>912</u>	<u>-</u>	<u>-</u>	<u>1,647,169</u>
8,210	4,720,483	-	7,740,821
-	-	68,833	1,028,307
-	1,344,505	24,010	1,375,729
-	-	-	1,602,009
<u>-</u>	<u>-</u>	<u>-</u>	<u>319,542</u>
-	1,344,505	24,010	3,297,280
-	3,643,497	6,539,250	11,022,074
<u>\$ 26,340</u>	<u>\$ 10,201,846</u>	<u>\$ 6,632,093</u>	<u>\$ 27,796,142</u>

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STATISTICAL SECTION

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GOVERNMENT-WIDE REVENUES
(in thousands)

Fiscal Year	Program Revenues			General Revenues					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Interest, Penalties, and Other Taxes	Grants and Contributions Not Restricted to Specific Programs	Investment Income	Other Revenues	Total
2003	\$ 7,911	\$ 238	\$ 745	\$ 10,429	\$ 824	\$ 1,000	\$ 364	\$ 288	\$ 21,799
2004	9,217	638	646	11,576	861	1,012	321	1,381	25,652

Note: In fiscal year 2003, the Town has implemented the reporting requirements of GASB 34. In future years, the Town intends on reporting additional year comparative information on this table so that after fiscal year 2012 there will be ten year presented.

TOWN OF LONDONDERRY, NEW HAMPSHIRE
GOVERNMENT-WIDE EXPENSES BY FUNCTION
(in thousands)

<u>Fiscal Year</u>	<u>Governmental Activities</u>								<u>Total</u>
	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>	<u>Sanitation</u>	<u>Health and Welfare</u>	<u>Culture and Recreation</u>	<u>Economic Development</u>	<u>Interest</u>	
2003	\$ 4,243	\$ 9,151	\$ 2,912	\$ 2,212	\$ 210	\$ 1,316	\$ 260	\$ 595	\$ 20,899
2004	6,314	9,476	2,870	2,236	279	1,564	409	723	23,871

Note: In fiscal year 2003, the Town has implemented the reporting requirements of GASB 34. In future years, the Town intends on reporting additional year comparative information on this table so that after fiscal year 2012 there will be ten years presented.

TOWN OF LONDONDERRY, NEW HAMPSHIRE
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year Ended	General Government	Public Safety	Highways and Streets	Sanitation	Health and Welfare	Culture and Recreation	Economic Development	Capital Outlay	Debt Service	Total
June 30, 1995	\$ 1,319,461	\$ 4,593,150	\$ 1,389,454	\$ 1,637,155	\$ 94,389	\$ 361,829	\$ 109,445	\$ 959,543	\$ 1,803,624	\$ 12,268,050
June 30, 1996	1,399,674	5,068,276	1,597,337	1,439,167	126,196	399,690	109,806	392,742	1,843,848	12,376,736
June 30, 1997	1,459,503	5,150,608	2,047,497	1,347,769	112,373	583,033	176,941	772,120	2,265,349	13,915,193
June 30, 1998	1,674,520	5,508,948	2,049,416	1,290,196	98,087	754,965	208,262	1,306,996	2,156,583	15,047,973
June 30, 1999	1,873,523	5,680,947	2,381,041	1,395,848	168,618	1,865,653	133,818	559,370	1,716,098	15,774,916
June 30, 2000	2,104,635	6,581,222	2,538,737	1,582,243	94,234	819,989	172,473	482,529	2,033,696	16,409,758
June 30, 2001	2,542,798	7,054,049	2,736,829	1,727,025	152,589	1,067,012	216,108	931,532	1,951,653	18,379,595
June 30, 2002	2,321,345	8,163,737	2,368,862	1,622,631	181,719	1,149,831	203,953	3,658,743	1,679,664	21,350,485
June 30, 2003	3,857,551	9,645,099	3,595,722	2,582,099	199,789	1,227,397	259,381	736,810	1,818,884	23,922,732
June 30, 2004	6,371,261	13,229,370	3,021,933	1,996,555	264,470	1,485,667	300,719	3,675,161	2,152,898	32,498,034

Source:
Audited Financial Statements

(1) Includes General Fund, Special Revenue Funds, Capital Project Funds, and Permanent Funds.

TOWN OF LONDONDERRY, NEW HAMPSHIRE
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year Ended	Taxes	Interest, Penalties, and Other Taxes (2)	Licenses and Permits	Intergovernmental	Charges for Services	Investment Income (3)	Contributions (4)	Miscellaneous	Total
June 30, 1995	\$ 8,671,001	\$ -	\$ 2,470,133	\$ 774,770	\$ 653,165	\$ -	\$ -	\$ 1,697,730	\$ 14,266,799
June 30, 1996	7,894,900	-	2,736,226	1,231,349	944,818	-	-	1,442,508	14,249,801
June 30, 1997	8,178,027	-	3,102,367	1,397,586	1,083,020	-	-	1,099,026	14,860,026
June 30, 1998	7,346,618	-	3,644,591	1,228,709	1,290,645	-	-	1,979,177	15,489,740
June 30, 1999	7,509,984	-	4,701,055	1,654,202	1,336,964	-	-	1,847,450	17,049,655
June 30, 2000	6,843,550	-	5,476,004	1,522,850	1,506,207	-	-	3,218,290	18,566,901
June 30, 2001	8,335,820	-	5,627,584	1,582,376	1,509,044	-	-	1,386,208	18,441,032
June 30, 2002	9,609,844	-	5,873,392	1,528,525	2,024,584	-	-	611,861	19,648,206
June 30, 2003	10,374,680	762,227	6,041,086	1,858,801	1,783,783	359,460	126,999	680,152	21,987,188
June 30, 2004	11,910,212	860,732	6,648,688	2,177,884	2,553,861	321,159	149,456	1,478,230	26,100,222

Source:
Audited Financial Statements

- (1) Includes General Fund, Special Revenue Funds, Capital Project Funds, and Permanent Funds
(2) Interest, penalties, and other taxes were classified with taxes prior to fiscal year 2003
(3) Investment income was classified with other revenues prior to fiscal year 2003
(4) Private donations were made to the Town in fiscal year 2003 mostly for the Leach Library

TOWN OF LONDONDERRY, NEW HAMPSHIRE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Total Current Tax Levy (1)	Current Tax Collections	Percent of Current Taxes Collected	Delinquents Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes To Total Tax Levy
June 30, 1995	\$ 33,735,770	\$ 33,685,955	99.9%	\$ -	\$ 33,685,955	99.9%	\$ 2,341,295	6.9%
June 30, 1996	36,202,850	34,943,780	96.5%	-	34,943,780	96.5%	361,404	1.0%
June 30, 1997	36,708,591	35,915,699	97.8%	-	35,915,699	100.0%	1,226,513	3.3%
June 30, 1998	38,256,609	37,626,462	98.4%	20,000	37,646,462	99.9%	971,525	2.5%
June 30, 1999	31,299,644	30,890,637	98.7%	-	30,890,637	100.0%	846,095	2.7%
June 30, 2000	36,073,724	35,662,102	98.9%	-	35,662,102	100.0%	636,210	1.8%
June 30, 2001	39,145,435	37,620,073	96.1%	207,681	37,827,754	99.5%	660,311	1.7%
June 30, 2002	44,182,718	42,748,357	96.8%	746,255	43,494,612	98.3%	676,973	1.5%
June 30, 2003	44,069,941	42,855,222	97.2%	634,360	43,489,582	98.7%	918,684	2.1%
June 30, 2004	47,056,462	46,717,917	99.3%	622,336	47,340,253	100.6%	528,789	1.1%

Source:

Town of Londonderry Annual Town Report
Audited Financial Statements
Town of Londonderry Tax Collector

(1) Includes taxes collected for the Londonderry School District and Rockingham County

TOWN OF LONDONDERRY, NEW HAMPSHIRE
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal Year Ended	Assessed Value	Exemptions	Net Assessed Value	Estimated Actual Value	Ratio of Net Assessed Value To Estimated Actual Value
June 30, 1995	\$ 964,748,139	\$ 5,695,000	\$ 959,053,139	\$ 930,281,545	103%
June 30, 1996	982,912,151	6,070,000	976,842,151	947,536,886	103%
June 30, 1997	1,008,593,380	4,970,000	1,003,623,380	953,442,211	105%
June 30, 1998	1,093,721,948	5,230,000	1,088,491,948	1,001,412,592	109%
June 30, 1999	1,171,006,212	3,704,206	1,167,302,006	1,050,571,805	111%
June 30, 2000	1,347,574,386	4,935,000	1,342,639,386	1,154,669,872	116%
June 30, 2001	1,561,803,864	6,907,500	1,554,896,364	1,290,563,982	120%
June 30, 2002	2,083,643,974	8,559,709	2,075,084,265	1,770,046,878	117%
June 30, 2003	1,883,130,774	16,233,000	1,866,897,774	2,127,025,865	88%
June 30, 2004	2,268,925,421	17,230,050	2,251,695,371	2,496,933,232	90%

Source:
Town of Londonderry Assessors Office

TOWN OF LONDONDERRY, NEW HAMPSHIRE
Property Tax Rates Per \$1,000 Assessed Valuation
All Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended	Municipal	Londonderry School District Local Education	Londonderry School District State Education	Rockingham County	Total
June 30, 1995	\$ 8.20	\$ 26.45	\$ N/A	\$ 1.28	\$ 35.93
June 30, 1996	8.20	28.18	N/A	1.37	37.75
June 30, 1997	7.67	28.60	N/A	1.38	37.65
June 30, 1998	6.98	29.90	N/A	1.30	38.18
June 30, 1999	6.60	28.63	N/A	1.15	36.38
June 30, 2000 (1)	5.12	13.51	6.60	1.04	26.27
June 30, 2001	5.83	13.60	5.74	1.10	26.27
June 30, 2002	5.76	11.95	5.59	1.37	24.67
June 30, 2003	5.25	10.13	4.42	1.08	20.88
June 30, 2004	5.38	10.48	4.91	1.21	21.98

Source:

Town of Londonderry, Annual Town Reports

(1) Beginning in fiscal year 2000 the State of New Hampshire instituted a statewide property tax to provide relief to local governments for education costs.

TOWN OF LONDONDERRY, NEW HAMPSHIRE
Principal Taxpayers
June 30, 2004

Taxpayer	Type of Business	Assessed Value	Percentage of net Assessed Value
AES LONDONDERRY	Utility	\$ 240,159,578	10.67%
PUBLIC SERVICE CO. NH TAX ACCOUNTING	Electric Utility	32,713,500	1.45%
COCA-COLA OF NORTHERN NE	Bottling Plant	18,850,400	0.84%
HOME DEPOT	Retail	12,818,500	0.57%
APPLETREE MALL ASSOCIATES	Retail Mall Plaza	12,238,200	0.54%
TENNECO INCORPORATED	Gas Utility	10,127,000	0.45%
LIEVENS ROBERT	Orchard	9,376,230	0.42%
GLENBERVIE INC.	Manufacturing	7,214,900	0.32%
VISTA RIDGE, LLC	Residential Development	8,106,800	0.36%
GILCREAST REALTY HOLDINGS II, LLC	Residential Development	<u>6,695,900</u>	<u>0.30%</u>
Total		<u>\$ 358,301,008</u>	<u>15.91%</u>

Source:
Town of Londonderry Assessors Office

TOWN OF LONDONDERRY
Computation of Legal Debt Margin
June 30, 2004

Modified Local Assessed Valuation (1)			\$ 1,605,597,964
Department of Revenue Administration Inventory Adjustment (1)			<u>313,922,170</u>
Equalized Assessed Valuation (1)			1,919,520,134
Adjustment: RSA 31-A:2 (1)			<u>14,445,378</u>
Base Valuation for Debt Limits (1)			\$ <u><u>1,933,965,512</u></u>
Bonded Debt Limit - 3% of Base (2)			\$ 58,018,965
Gross Bonded Debt June 30, 2004	23,662,784		
Less:			
Sewer Bonds (3)	<u>(2,610,110)</u>	21,052,674	
Authorized / Unissued	5,674,600		
Less:			
Sewer Bonds (3)	<u>(225,000)</u>	<u>5,449,600</u>	
Total Debt Applicable to Limitation			<u>26,502,274</u>
Legal Debt Margin			\$ <u><u>31,516,691</u></u>

Source:

- (1) The 2002 Equalization Survey from the New Hampshire Department of Revenue Administration.
- (2) Per RSA 33:4-a
- (3) Exempt per RSA 33:5-b

TOWN OF LONDONDERRY, NEW HAMPSHIRE
Ratio of Net General Obligation Bonded Debt
To Net Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year Ended	Population	Net Assessed Value	Gross Bonded Debt All Funds	Ratio of Net Bonded Debt To Net Assessed Value	Net Bonded Debt Per Capita
June 30, 1995	21,529	\$ 959,053,139	\$ 17,990,850	1.88%	\$ 836
June 30, 1996	22,600	976,842,151	23,745,473	2.43%	1,051
June 30, 1997	23,500	1,003,623,380	19,854,109	1.98%	845
June 30, 1998	24,480	1,088,491,948	17,705,930	1.63%	723
June 30, 1999	24,969	1,167,302,006	13,908,818	1.19%	557
June 30, 2000	24,036	1,342,639,386	13,672,204	1.02%	569
June 30, 2001	23,236	1,554,896,364	12,298,834	0.79%	529
June 30, 2002	23,236	2,075,084,265	14,414,155	0.69%	620
June 30, 2003	23,236	1,866,897,774	11,190,097	0.60%	482
June 30, 2004	24,161	2,251,695,371	23,662,784	1.05%	979

Source:

Town of Londonderry Annual Town Report

TOWN OF LONDONDERRY, NEW HAMPSHIRE
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
to Total General Government Expenditures (1)
Last Ten Fiscal Years

Fiscal Year Ended	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service To General Government Expenditures
June 30, 1995	\$1,043,904	\$ 759,720	\$ 1,803,624	\$12,268,050	14.70%
June 30, 1996	1,118,232	725,616	1,843,848	12,376,736	14.90%
June 30, 1997	1,409,588	878,779	2,288,367	13,915,193	16.45%
June 30, 1998	1,402,511	754,072	2,156,583	15,047,973	14.33%
June 30, 1999	1,392,534	576,564	1,969,098	15,774,916	12.48%
June 30, 2000	1,451,981	581,715	2,033,696	16,409,758	12.39%
June 30, 2001	1,433,315	518,338	1,951,653	18,379,595	10.62%
June 30, 2002	1,183,938	495,726	1,679,664	21,350,485	7.87%
June 30, 2003	1,198,544	620,340	1,818,884	23,922,732	7.60%
June 30, 2004	1,364,988	787,910	2,152,898	32,498,034	6.62%

Source:
Audited Financial Statements

(1) Includes General Fund, Special Revenue Funds, Capital Project Funds, and Permanent Funds

TOWN OF LONDONDERRY
 Computation of Direct and Overlapping Bonded Debt
 General Obligation Bonds
 June 30, 2004

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable To Town of Londonderry	Amount Applicable To Town of Londonderry
Direct:			
Town of Londonderry	\$ 23,662,784	100.00 %	\$ 23,662,784
Overlapping:			
Rockingham County (6/15/2004)	5,935,000	6.86 %	407,272
Londonderry School District (6/15/2004)	<u>18,530,000</u>	100.00 %	<u>18,530,000</u>
Total	<u>\$ 48,127,784</u>		<u>\$ 42,600,056</u>

TOWN OF LONDONDERRY
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ended	Population	Per Capita Personal Income (Estimate)	Londonderry School District Total Enrollment	Annual Average Unemployment Rate**
June 30, 1995	21,529	*	4,430	4.0 %
June 30, 1996	22,600	*	4,680	3.7 %
June 30, 1997	23,500	*	4,829	2.7 %
June 30, 1998	24,480	*	4,911	2.6 %
June 30, 1999	24,969	*	5,138	2.4 %
June 30, 2000	24,036	\$ 26,491	5,199	2.5 %
June 30, 2001	23,236	*	5,338	3.4 %
June 30, 2002	23,236	*	5,654	4.6 %
June 30, 2003	23,236	*	5,622	4.6 %
June 30, 2004	24,161	*	5,585	3.9 %

Source:

Town of Londonderry Annual Town Report

* = Information not available.

** = N.H. Employment Bureau

TOWN OF LONDONDERRY
Property Value Construction
Last Ten Fiscal Years

Fiscal Year Ended	Estimated Actual Value	No.	Non-Residential <u>Commercial</u> Value	No.	<u>Residential</u> Value
June 30, 1995	\$ 930,281,545	100	\$ 2,664,746	463	\$ 12,559,548
June 30, 1996	947,536,886	43	53,924,534	271	11,795,206
June 30, 1997	953,442,211	90	29,559,899	559	24,666,356
June 30, 1998	1,001,412,592	88	27,741,062	609	29,082,929
June 30, 1999	1,050,571,805	88	57,931,297	573	21,173,762
June 30, 2000	1,154,669,872	104	19,318,180	636	27,667,254
June 30, 2001	1,290,563,982	87	12,408,469	603	20,671,492
June 30, 2002	1,770,046,878	69	16,697,310	636	13,138,990
June 30, 2003	2,127,025,865	29	23,988,375	312	13,151,630
June 30, 2004	2,496,933,232	70	31,306,054	111	16,327,598

Source:
Town of Londonderry Building Department

TOWN OF LONDONDERRY

Miscellaneous Statistics June 30, 2004

Date of Incorporation:	1722
Date of Present Charter Adopted:	1996
Form of Government:	Council/Manager
Number of full-time budgeted employees (excluding police and fire)	107
Area in square miles	44

Town of Londonderry facilities and services:

Miles of streets	175.5
Paved	175
Unpaved	0.5
Number of Street Lights	134
Number of Traffic Lights	1

Fire Protection/Emergency Medical Service:

Number of stations	3
Number of rescue/ambulances:	1 rescue / 2 Amb.
Number of employees:	
Chief	1
Deputy Chief	1
Fire Captains	5
Paramedic Lieutenants	3
Fire Lieutenants	4
Paramedics	7
Firefighters/EMTs	20
Dispatchers	6
Call Firefighters	12
Number of calls for service:	2,530
EMS Transports	1,013

Police Protection:

Number of stations	1
Number of vehicles:	27
Patrol units	21
Unmarked	6
Motorcycle	1
Number of employees:	
Sworn personnel - budgeted	44
Civilian personnel - police	16
Civilian personnel - police (part-time)	5
Number of calls for service:	85,902
Part I offenses	505
Part II offenses	2,100
Number of arrests	836
Number of traffic violations:	
Summonses	7,371
Accidents	978

Sewerage System:

Miles of sanitary sewers (approx.)	32
Number of service connections - sewer	856
Daily average treatment in gallons:	900,000
Maximum daily capacity gallons:	
Manchester plant	3,000,000
Derry plant	329,000
Number of pump stations	4

Culture and Recreation:

Number of libraries	1
Number of communities centers	1
Skateboard park	1
Number of parks:	
Nelson Road:	
Tennis Courts (4)	
Ballfields (6)	
Basketball Courts (2)	
West Road - Continental Recreation Park	
Soccer Fields (3)	
Ballfields in Construction (4)	

Facilities and services not included in the reporting entity:**Education:**

Number of High Schools	1
Number of Middle Schools	1
Number of Elementary Schools	3
Number of Kindergartens	1

News Media:

Newspapers (Daily and Sunday):	
Derry News (Semi-weekly)	
Londonderry Times (Bi-weekly)	
Manchester Union Leader (State-wide)	