

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Comprehensive Annual Financial Report

For the Year Ended June 30, 2005



**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, 2005

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INTRODUCTORY SECTION



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

August 1, 2005

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, 2005, 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 Town management's narrative on the financial activities of the Town for the fiscal year ended June 30, 2005, is in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the Report of Independent Auditors. The letter of transmittal is written to complement the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other sections of the CAFR.

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 or Rockingham County. These governmental units are independent of the Town and do not meet the criteria for inclusion in this CAFR.

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 U.S. 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.

PROFILE OF THE GOVERNMENT

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 2004 Population Estimate) and occupies 42.12 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. The funds approved at the Budgetary Town Meeting include General Fund Operations, Special Revenue Funds and Capital Projects Funds.

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.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC CONDITION

Local Economy

The economy has continued to be strong with a 2004 unemployment rate for Londonderry of 4.2%, which is under the overall 2004 U.S. unemployment rate of 5.5%.

Londonderry is one of the fastest growing communities in the state and southern NH. With I-93 running along the eastern segment, Rte. 128 through the middle, Rte. 28 the northern segment and Rte. 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. From May 2004 to May 2005, over 1,644 jobs have been created 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 800,000 square feet of new or expanded commercial space. 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 businesses:

Stonyfield Farm Yogurt (3rd Expansion), yogurt manufacturer
Harvey Industries (New), window manufacturer
Vibrometer (Expanded), Aeronautical
Delta Business Center (New), Multi-Tenant Office/Distribution
Manchester Motor Freight (New), Distribution
Highwood Cold Storage (2nd Expansion)

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.

Long-Term Financial Planning

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 the Town's 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 2005.

The Town's Planning and Economic Development Department is leading efforts to plan for the development of an industrial area south of Manchester Airport, and a multi-use area located between NH Rte. 28 and I-93. . The Department is planning infrastructure improvements to the area adjacent to the Airport, and is actively working with a private developer to master plan the area adjacent to I-93. Tax Increment Financing Districts are being considered for both locations. Both areas were included as part of a 2003 Design Charette (the largest ever sponsored in the State), to help the Town create a vision of its non-residential development opportunities. Both areas at full build out have the potential of creating approximately six million square feet of new commercial and industrial development. A third area was also included in the study, comprising a grand total of over 1,100 acres for all three areas. The Town's goal is to position itself for appropriate development, which will follow the completion of the Airport Access Road, and the impending widening of I-93.

Relevant Financial Policies

The Town of Londonderry developed and adopted into the Town's Administrative Code, a comprehensive Financial Policy in June 2003. During the fiscal year, in accordance with the policy, excess funds over the prescribed level established for budgeting purposes, were used as a one-time revenue source towards various capital projects. The total amount allocated was \$ 647,000 for General Fund projects and \$ 261,000 for Special Revenue Fund projects.

Major Initiatives

Throughout the FY2005, 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, which is reviewed and updated annually. 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 \$ 65-70 Million. 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 2005, 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.

In the late 90's, 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 the following major sections; Living in Londonderry; Economic Development; Government and Services; Sustainable Londonderry and the Eco-Park; Education; News; and the Londonderry Chamber of Commerce. Londonderry's website is presently undergoing an update. Much of the information contained in the original site has been retained. The new web site is <http://www.londonderrynh.org>.

In addition to the above, the Town of Londonderry was chosen, along with nine other 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.

In 2003, the Town engaged the services of Behan Planning Associates, Saratoga Springs, NY, to assist Londonderry in the update of its Master Plan. The Master Plan, which was last updated in 1997, is now subject to a comprehensive update. The update established new goals and objectives that work towards the new vision Londonderry has set for itself. The Planning Board adopted the new Master Plan on November 10, 2004. This process was managed by the Planning and Economic Development Department, with the assistance of a citizen committee. Additional citizen input was 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. Another bond in the amount of \$ 1,000,000 was approved by the voters in 2005 for the purpose of purchasing open space or development rights with the intent of preservation. The Town has now raised

over \$ 11,035,000 for Open Space Preservation and managed growth strategies over the past six years. In addition to open space preservation, the Town raised funds to continue the development of the West Road Athletic Complex. The complex has six regulation sized soccer fields and comprises 41 acres. In addition to raising funds locally, the Town received \$ 200,000 in Land and Water Conservation Fund grants towards the development of the complex. 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 \$ 10 Million bond for the construction of a new Police Facility and Town Hall Facility, with \$ 4 Million being directed towards the Town's expanding Open Space Preservation Program. This bond will make a great advancement towards updating our infrastructure. In FY06, voters approved \$ 200,000 to design replacement fire substations in North and South Londonderry.

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.

AWARDS AND ACKNOWLEDGEMENTS

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 years ended June 30, 2003 and June 30, 2004.

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.

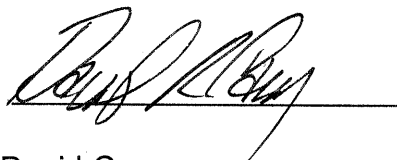
Acknowledgements

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.

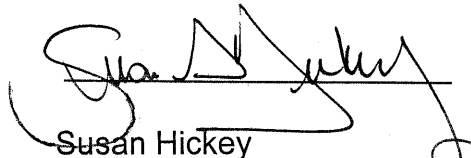
The Town invites you to visit our web site at www.LondonderryNH.org where summary financial information is prominently displayed.

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,



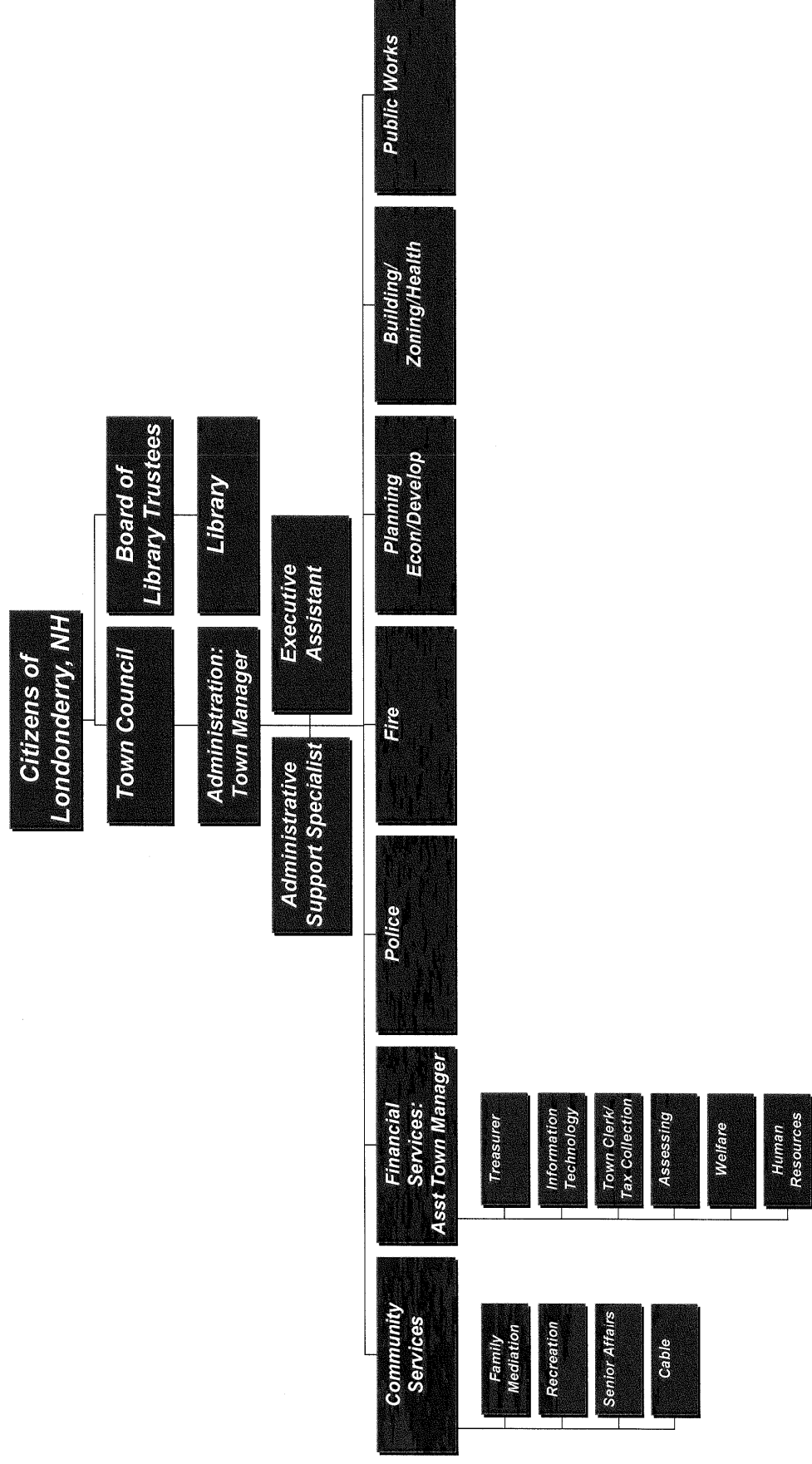
David Caron
Town Manager



Susan Hickey
Assistant Town Manager –
Finance & Administration

Town of Londonderry

Organizational Chart



TOWN OF LONDONDERRY

DIRECTORY OF OFFICIALS

June 30, 2005

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, 2004

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.



Nancy L. Zelle

President

Jeffrey R. Enen

Executive Director

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**FINANCIAL
SECTION**

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, 2005, 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. 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, 2005, 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.

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 1, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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, 2005. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

Please note that all numbers in this MD&A are presented in thousands.

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 are comprised 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 \$ 22,843 (i.e., net assets), an increase of \$ 726 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 13,240 a decrease of \$ (4,413) in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 22,673, a decrease of \$ (989) 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.

	<u>2005</u>	<u>2004</u>	<u>Amount Change</u>	<u>% Change</u>
Current and other assets	\$ 35,911	\$ 38,176	\$ (2,265)	(6)%
Capital assets	<u>33,592</u>	<u>29,499</u>	<u>4,093</u>	14%
Total assets	69,503	67,675	1,828	3%
Long-term liabilities outstanding	24,370	25,206	(836)	(3)%
Other liabilities	<u>22,290</u>	<u>20,352</u>	<u>1,938</u>	10%
Total liabilities	46,660	45,558	1,102	2%
Net assets:				
Invested in capital assets, net	12,283	12,217	66	1%
Restricted	590	568	22	4%
Unrestricted	<u>9,970</u>	<u>9,332</u>	<u>638</u>	7%
Total net assets	\$ <u>22,843</u>	\$ <u>22,117</u>	\$ <u>726</u>	3%

The largest portion of net assets \$ 12,283 (54 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 \$ 590 are restricted by constraints imposed from outside the Town.

The balance of unrestricted net assets \$ 9,970 may be used to meet the government's ongoing obligations to citizens and creditors.

The Town's overall financial position improved during fiscal year 2005 by \$ 726.

CHANGES IN NET ASSETS

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 8,848	\$ 9,217	\$ (369)	(4)%
Operating grants and contributions	316	638	(322)	(50)%
Capital grants and contributions	678	646	32	5%

(continued)

(continued)

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
General revenues:				
Taxes	12,321	11,576	745	6%
Interest, penalties and other taxes	863	861	2	0%
Grants and contributions not restricted to specific programs	1,094	1,012	82	8%
Investment income	428	321	107	33%
Other	<u>425</u>	<u>531</u> *	<u>(106)</u>	(20)%
Total revenues	<u>24,973</u>	<u>24,802</u>	<u>171</u>	1%
Expenses:				
General government	3,022	4,611 **	(1,589)	(34)%
Public safety	10,965	9,476	1,489	16%
Highway and streets	4,055	2,870	1,185	41%
Sanitation	2,776	2,236	540	24%
Health and welfare	282	279	3	1%
Culture and recreation	1,734	1,564	170	11%
Economic development	383	409	(26)	(6)%
Interest	<u>1,051</u>	<u>723</u>	<u>328</u>	45%
Total expenses	<u>24,268</u>	<u>22,168</u>	<u>2,100</u>	9%
Excess (deficiency) before permanent fund contributions	705	2,634	(1,929)	(73)%
Permanent fund contributions	<u>21</u>	<u>23</u>	<u>(2)</u>	(9)%
Change in net assets	726	2,657	\$ <u>(1,931)</u>	(73)%
Net assets - beginning of year	<u>22,117</u>	<u>19,460</u>		
Net assets - end of year	\$ <u>22,843</u>	\$ <u>22,117</u>		

* F/Y 04 other revenues were reduced by \$ 850, related to the sale of the Town hall, and instead recorded in the year the building was disposed - fiscal year 2005.

** F/Y 04 general government expenses was increased by \$ 1,703 to capitalize conservation land that was purchased on a multi-year contract basis.

Governmental activities. Governmental activities for the year resulted in an increase in net assets of \$ 726. Key elements of this increase are as follows:

General fund operating results (as explained further in Section D)	\$ (1,376)
Capital assets purchased through tax rate	2,007
Excess of bond principal payments (a budgeted expense) over depreciation expense (a non-budgeted expense)	889
Increase in employee compensated absence liability	(459)
Other	<u>(335)</u>
Total	\$ <u>726</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, 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 \$ (4,413) decrease in governmental funds fund balances was primarily attributable to the following:

General fund operating results, as explained further below	\$ (1,376)
Timing of capital project fund expenditures, which were bonded in prior years.	(3,035)
Other	(<u>2</u>)
Total	\$ (<u>4,413</u>)

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 16 percent of total general fund expenditures, while total fund balance represents 24 percent of that same amount.

The fund balance of the general fund decreased by \$ (1,376) during the current fiscal year. Key factors in this change are as follows:

Excess of revenues over budget estimates	\$ 759
Excess appropriations not spent or encumbered by departments	104
Use of fund balance as a funding source	(648)
Timing differences related to expenses made in the current year from appropriations raised in prior years:	
Highway street maintenance	(878)
Fire station land	(415)
Planning GIS program	(119)
Other	(<u>179</u>)
Total	\$ (<u>1,376</u>)

There were no significant fluctuations in other governmental funds, other than current year expenditures of prior year bonded capital projects, resulting in reduced fund balances.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Final budget did not change from original budget. Actual results for revenues resulted in a surplus of \$ 759, primarily from the Town's practice of conservative estimating of motor vehicle permits. There were no significant budget to actual variances for general fund expenditures.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets at year end amounted to \$ 33,592, net of accumulated depreciation, an increase of \$ 4,094 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 \$ 976 was incurred for the police facility construction which was completed by June 30, 2005.
- Open Space fund's expenditures included acquisition of agricultural and conservation land of \$ 1,399. The Conservation Commission continues to implement the recommendations of the Open Space Task Force Report in an effort to preserve the community's rural character.
- Additional construction in progress of \$ 2,554 was incurred for the Town hall facility project, for which \$ 2,354 expended from the capital project fund and \$ 200 from general fund. The project is 86% complete as of June 30, 2005 and is expected to be completed and ready for occupancy in September 2005. Once completed, citizens will be able to conduct most municipal business at this general area by visiting Town Hall, Police Facility, Leach Library, Central Fire Station, and Londonderry Access Center.

For additional information on capital assets, please refer to footnote 10 in the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$ 22,673, all of which was backed by the full faith and credit of the government. During fiscal year 2005, \$ 1,000 was issued for conservation.

Additional information on long-term debt can be found in footnote 17 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 4.2% unemployment rate for the Manchester/Londonderry area, according to the

New Hampshire Employment Security Bureau, is under the overall U.S. unemployment rate of 5.5%. The development that occurred within the Town over the past year has been moderate compared to the previous year, with approximately 800,000 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 \$28,186 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 06, 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; waste-water 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, 2005

	Governmental <u>Activities</u>
ASSETS	
Current:	
Cash and short-term investments	\$ 33,358,516
Investments	469,546
Receivables, net of allowance for uncollectibles:	
Taxes	643,267
User fees	121,089
Intergovernmental	345,379
Other	874,168
Other current assets	6,500
Noncurrent:	
Deferred debt expense	92,500
Capital assets:	
Land and construction in progress	12,108,280
Other capital assets, net of accumulated depreciation	<u>21,483,967</u>
TOTAL ASSETS	69,503,212
LIABILITIES	
Current:	
Accounts payable	959,406
Accrued liabilities	465,004
Taxes collected in advance	20,086,151
Tax refunds payable	255,000
Due to other governments	2,598
Retainage payable	216,525
Other liabilities	304,994
Current portion of long-term liabilities:	
Bonds payable	2,103,479
Compensated absences	468,151
Other liabilities	311,349
Noncurrent:	
Bonds payable, net of current portion	20,570,000
Compensated absences, net of current portion	717,102
Other liabilities, net of current portion	<u>200,000</u>
TOTAL LIABILITIES	46,659,759
NET ASSETS	
Invested in capital assets, net of related debt	12,282,946
Restricted for:	
Permanent funds:	
Expendable	108,691
Nonexpendable	480,931
Unrestricted	<u>9,970,885</u>
TOTAL NET ASSETS	<u><u>\$ 22,843,453</u></u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	<u>Expenses</u>				
Governmental Activities:					
General government	\$ 3,021,855	\$ 6,509,630	\$ 109,476	\$ -	\$ 3,597,251
Public safety	10,965,243	665,031	86,714	-	(10,213,498)
Highways and streets	4,055,649	273,573	-	677,759	(3,104,317)
Sanitation	2,775,629	1,045,003	-	-	(1,730,626)
Health and welfare	281,960	-	-	-	(281,960)
Culture and recreation	1,733,731	355,492	119,574	-	(1,258,665)
Economic development	383,894	-	-	-	(383,894)
Interest	1,050,508	-	-	-	(1,050,508)
Total Governmental Activities	\$ <u>24,268,469</u>	\$ <u>8,848,729</u>	\$ <u>315,764</u>	\$ <u>677,759</u>	(14,426,217)
General Revenues:					
					12,321,459
Taxes					862,921
Interest, penalties, and other taxes					1,094,177
Grants and contributions not restricted to specific programs					427,774
Investment income					425,370
Other					
Total general revenues					<u>15,131,701</u>
Excess before permanent fund contributions					705,484
Permanent fund contributions					<u>21,200</u>
Change in Net Assets					726,684
Net Assets:					
Beginning of year, as restated					<u>22,116,769</u>
End of year					\$ <u>22,843,453</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2005

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and short-term investments	\$ 30,222,362	\$ 3,136,154	\$ 33,358,516
Investments	-	469,546	469,546
Receivables, net of allowance for uncollectibles:			
Taxes	643,267	-	643,267
User fees	109,709	11,380	121,089
Intergovernmental	235,903	109,476	345,379
Other	867,569	6,599	874,168
Due from other funds	-	4,429,543	4,429,543
Other assets	<u>6,500</u>	<u>-</u>	<u>6,500</u>
TOTAL ASSETS	\$ <u>32,085,310</u>	\$ <u>8,162,698</u>	\$ <u>40,248,008</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 608,605	\$ 350,801	\$ 959,406
Retainage payable	-	216,525	216,525
Accrued liabilities	153,591	-	153,591
Deferred revenues	588,335	11,380	599,715
Taxes collected in advance	20,086,151	-	20,086,151
Tax refunds payable	255,000	-	255,000
Due to other funds	4,429,543	-	4,429,543
Due to other governments	2,599	-	2,599
Other liabilities	<u>154,873</u>	<u>150,121</u>	<u>304,994</u>
TOTAL LIABILITIES	26,278,697	728,827	27,007,524
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	1,980,498	45,339	2,025,837
Perpetual permanent funds	-	480,931	480,931
Unreserved:			
Undesignated, reported in:			
General fund	3,826,115	-	3,826,115
Special revenue funds	-	5,933,244	5,933,244
Capital project funds	-	865,666	865,666
Permanent funds	<u>-</u>	<u>108,691</u>	<u>108,691</u>
TOTAL FUND BALANCES	<u>5,806,613</u>	<u>7,433,871</u>	<u>13,240,484</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>32,085,310</u>	\$ <u>8,162,698</u>	\$ <u>40,248,008</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, 2005

Total governmental fund balances	\$ 13,240,484
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	33,592,247
<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.	92,500
<ul style="list-style-type: none">• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	599,715
<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.	(311,412)
<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>(24,370,081)</u>
Net assets of governmental activities	\$ <u>22,843,453</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, 2005

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 12,491,926	\$ -	\$ 12,491,926
Interest, penalties, and other taxes	862,921	-	862,921
Licenses and permits	6,682,683	-	6,682,683
Intergovernmental	1,830,461	137,665	1,968,126
Charges for services	433,508	1,987,643	2,421,151
Investment income	384,339	43,437	427,776
Contributions	-	421,454	421,454
Other revenues	378,644	-	378,644
Total Revenues	<u>23,064,482</u>	<u>2,590,199</u>	<u>25,654,681</u>
Expenditures:			
Current:			
General government	2,842,400	3,763,275	6,605,675
Public safety	9,785,664	1,277,306	11,062,970
Highways and streets	3,942,857	254,588	4,197,445
Sanitation	1,471,600	1,098,467	2,570,067
Health and welfare	277,614	-	277,614
Culture and recreation	1,176,759	422,659	1,599,418
Economic development	371,907	-	371,907
Capital outlay	1,531,153	-	1,531,153
Debt service	2,851,588	-	2,851,588
Total Expenditures	<u>24,251,542</u>	<u>6,816,295</u>	<u>31,067,837</u>
Excess (deficiency) of revenues over expenditures	(1,187,060)	(4,226,096)	(5,413,156)
Other Financing Sources (Uses):			
Proceeds of bonds	-	1,000,000	1,000,000
Transfers in	470,576	659,592	1,130,168
Transfers out	(659,592)	(470,576)	(1,130,168)
Total Other Financing Sources (Uses)	<u>(189,016)</u>	<u>1,189,016</u>	<u>1,000,000</u>
Net change in fund balances	(1,376,076)	(3,037,080)	(4,413,156)
Fund Balances, at Beginning of Year, as restated	<u>7,182,689</u>	<u>10,470,951</u>	<u>17,653,640</u>
Fund Balances, at End of Year	<u>\$ 5,806,613</u>	<u>\$ 7,433,871</u>	<u>\$ 13,240,484</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, 2005

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (4,413,156)

<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	6,299,299
Loss on disposal of fixed assets	(255,603)
Depreciation	(1,100,190)
<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. 	
	(425,575)
<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	(1,000,000)
Repayments of debt	1,989,305
<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. 	
	(167,540)
<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. 	
	(153,606)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>726,684</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, 2005

	Final* <u>Budget</u>	Actual Amounts (Budgetary <u>Basis</u>)	Variance with Final Budget Positive (<u>Negative</u>)
Revenues and other sources:			
Taxes	\$ 12,579,754	\$ 12,580,255	\$ 501
Interest, penalties, and other taxes	767,000	862,921	95,921
Licenses and permits	6,182,055	6,682,683	500,628
Intergovernmental	1,761,713	1,830,461	68,748
Charges for services	544,475	433,508	(110,967)
Investment income	375,000	384,339	9,339
Other revenues	188,191	378,654	190,463
Other financing sources:			
Transfers in	466,073	470,576	4,503
Use of fund balance	<u>647,500</u>	<u>647,500</u>	<u>-</u>
Total Revenues	23,511,761	24,270,897	759,136
Expenditures and other uses:			
Current:			
General government	2,821,109	2,861,470	(40,361)
Public safety	9,619,078	9,767,191	(148,113)
Highways and streets	3,575,214	3,396,792	178,422
Sanitation	1,454,058	1,352,713	101,345
Health and welfare	310,316	277,615	32,701
Culture and recreation	1,199,113	1,185,708	13,405
Economic development	380,108	362,204	17,904
Capital outlay	767,050	817,050	(50,000)
Debt service	2,858,322	2,851,588	6,734
Other financing uses:			
Transfers out	<u>527,393</u>	<u>535,164</u>	<u>(7,771)</u>
Total Expenditures	<u>23,511,761</u>	<u>23,407,495</u>	<u>104,266</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>863,402</u>	\$ <u>863,402</u>

* Final budget did not change from original budget.

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2005

	Agency Funds
<u>ASSETS</u>	
Cash and short term investments	\$ <u>3,969,078</u>
Total Assets	\$ <u><u>3,969,078</u></u>
<u>LIABILITIES</u>	
Escrow deposits held	\$ 3,446,776
School funds held	<u>522,302</u>
Total Liabilities	\$ <u><u>3,969,078</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 2005, it was determined that no entities met the required GASB-39 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.

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
Infrastructure	50
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)	\$ 23,064,482	\$ 24,251,542
Other financing sources/uses (GAAP basis)	<u>470,576</u>	<u>659,592</u>
Subtotal (GAAP Basis)	23,535,058	24,911,134
Adjust tax revenue to accrual basis	88,339	-
Reverse expenditures related to beginning of year appropriation carryforwards	-	(2,301,785)
Add end of year appropriation carryforwards to expenditures	-	798,146
Recognize use of fund balance as funding source	<u>647,500</u>	<u>-</u>
Budgetary basis	\$ <u>24,270,897</u>	\$ <u>23,407,495</u>
<u>Nonmajor Governmental Funds:</u>		
Revenues/Expenditures (GAAP basis)	\$ 2,590,199	\$ 6,816,295
Other financing sources/uses (GAAP basis)	<u>1,659,592</u>	<u>470,576</u>
Subtotal (GAAP Basis)	4,249,791	7,286,871
Less non-budgeted nonmajor funds	(2,645,277)	(5,764,017)
Reverse expenditures related to beginning of year appropriation carryforwards	-	(192,963)
Add end of year appropriation carryforwards to expenditures	-	10,805
Recognize use of fund balance as funding source	<u>221,631</u>	<u>-</u>
Budgetary basis	\$ <u>1,826,145</u>	\$ <u>1,340,696</u>

D. Excess of Expenditures Over Appropriations

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

General Fund:	
Town Council	\$ 471
Finance	1,913
General services	78,487
Cemeteries	7,392
Municipal insurances	20,505
Police	118,655
Fire	29,458
Family mediation	1,016
Capital outlay	50,000
Operating transfers out:	
Special revenue funds	7,771
Nonmajor Governmental Funds:	
Cable Fund	17,687

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

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. RSA 48:16 states that "deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus, exception that a city with a population in excess of 50,000 is authorized to deposit funds in a solvent bank in excess of the paid-up capital surplus of said bank." The Town's deposit policy for custodial credit risk requires a comprehensive review of the credit worthiness of the institutions along with the capital ratios of the institutions. Assets of the funds of the Town may be invested in U.S Treasury Securities maturing in less than one year, fully insured or collateralized certificates of deposits at commercial banks of the State of New Hampshire, New England Region and the State of New York, repurchase agreements fully collateralized by the U.S. Treasury Securities or agencies, and any state approved pool or instrument. The assets of the Town shall be secured through third-party custody and safekeeping procedures.

As of June 30, 2005, out of the Town's bank balance of \$ 36,927,514, \$ 9,955,644 was held in repurchase agreements, which are securities held by the investment's counterparty, not in the name of the Town.

4. **Investments**

A. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below is the actual rating as of year end for each investment type of the Town.

Investment Type	Fair Value	Exempt From Disclosure	Rating as of Year End			
			AAA	A	A+	BBB+
U.S. Treasury notes	\$ 19,838	\$ 19,838	\$ -	\$ -	\$ -	\$ -
Certificates of deposits	11,379	11,379	-	-	-	-
Corporate bonds	92,861	-	10,449	19,929	35,657	26,826
Corporate equities	256,115	256,115	-	-	-	-
Federal agency securities	<u>89,353</u>	<u>-</u>	<u>89,353</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	\$ <u>469,546</u>	\$ <u>287,332</u>	\$ <u>99,802</u>	\$ <u>19,929</u>	\$ <u>35,657</u>	\$ <u>26,826</u>

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's Trust Department does not have a policy for custodial credit risk.

C. Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer. Investments in any one issuer (other than U.S. Treasury securities and mutual funds) that represent 5% or more of total investments are as follows:

AT&T Broadband Corporate Note	\$ 27,368
Federal Farm CR BKS Cons	24,973
Federal Home Loan BKS	24,322

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>			
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
Debt Related Securities:				
U.S. Treasury notes	\$ 19,838	\$ -	\$ 19,838	\$ -
Certificates of deposit	11,379	-	11,379	-
Corporate bonds	92,861	35,657	10,449	46,755
Federal agency securities	<u>89,353</u>	<u>44,764</u>	<u>24,164</u>	<u>20,425</u>
Subtotal	213,431	\$ <u>80,421</u>	\$ <u>65,830</u>	\$ <u>67,180</u>
Corporate equities	<u>256,115</u>			
Total Investments	\$ <u>469,546</u>			

E. Foreign Currency Risk

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

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 for residential and business property tax abatements and refunds. All abatements and refunds are charged to the account and are classified as a contra-tax revenue in the General Fund. The account also includes the probable abatements accrued to be paid.

Taxes receivable, at June 30, 2005, consists of the following:

Property taxes 2004	\$ 11,750
Tax Liens:	
2004	438,094
2003	172,254
2002	12,102
Prior years	334
Yield tax	2,751
Gravel pit tax	<u>5,982</u>
Total	\$ <u>643,267</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 lienied in a similar manner as property taxes described in Note 5.

User fees receivable and related allowance for doubtful accounts at June 30, 2005 consist of the following:

	<u>Ambulance</u>	<u>Sewer</u>	<u>Total</u>
Gross	\$ 174,534	\$ 11,380	\$ 185,914
Less: Allowance for doubtful accounts	(<u>64,825</u>)	<u>-</u>	(<u>64,825</u>)
Total	\$ <u>109,709</u>	\$ <u>11,380</u>	\$ <u>121,089</u>

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2005.

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, 2005 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 4,429,543
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Conservation commission	548,122	-
Sewer fund	2,103,713	-
Cable TV	347,858	-
Other	116,852	-
Capital Project Funds:		
Police facility	155,601	-
Town hall	802,626	-
South Londonderry Phase II	<u>354,771</u>	<u>-</u>
Subtotal nonmajor funds	<u>4,429,543</u>	<u>-</u>
Total	\$ <u>4,429,543</u>	\$ <u>4,429,543</u>

The following is an analysis of transfers in and out during fiscal year 2005.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 470,576	\$ 659,592
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Conservation Commission	50,000	-
Sewer fund	-	221,631
Capital reserve trust	97,393	231,445
Other	10,000	-
Capital Project Fund:		
Town hall	300,903	-
Exit 4A	193,525	-
Mammoth road sewer	7,771	-
Permanent Fund	<u>-</u>	<u>17,500</u>
Subtotal nonmajor funds	<u>659,592</u>	<u>470,576</u>
Total	\$ <u>1,130,168</u>	\$ <u>1,130,168</u>

10. Capital Assets

Capital asset activity for the year ended June 30, 2005 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	\$ 5,696	\$ (933)	\$ 9,912
Machinery, vehicles, and equipment	6,236	492	(191)	6,537
Intangibles	1,309	36	-	1,345
Infrastructure	-	3,689	-	3,689
Improvements other than buildings	<u>8,850</u>	<u>96</u>	<u>-</u>	<u>8,946</u>
Total capital assets, being depreciated	21,544	10,009	(1,124)	30,429
Less accumulated depreciation for:				
Buildings	(1,289)	(213)	12	(1,490)
Machinery, vehicles, and equipment	(3,079)	(635)	13	(3,701)
Intangibles	(1,284)	(23)	-	(1,307)
Infrastructure	-	(1)	-	(1)
Improvements other than buildings	<u>(2,218)</u>	<u>(228)</u>	<u>-</u>	<u>(2,446)</u>
Total accumulated depreciation	<u>(7,870)</u>	<u>(1,100)</u>	<u>25</u>	<u>(8,945)</u>
Total capital assets, being depreciated, net	13,674	8,909	(1,099)	21,484
Capital assets, not being depreciated:				
Land and improvements	5,623	1,814	(6)	7,431
Construction in progress	<u>10,202</u>	<u>2,808</u>	<u>(8,333)</u>	<u>4,677</u>
Total capital assets, not being depreciated	<u>15,825</u>	<u>4,622</u>	<u>(8,339)</u>	<u>12,108</u>
Governmental activities capital assets, net	<u>\$ 29,499</u>	<u>\$ 13,531</u>	<u>\$ (9,438)</u>	<u>\$ 33,592</u>

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

Active construction in progress is comprised of the following (in thousands):

<u>Project:</u>	<u>Spent to June 30, 2005</u>	<u>Remaining Commitment</u>
Exit 4A	\$ 225	\$ 4,541
West Road Fields	1,666	-
Sanborn Road	40	-
South Londonderry Phase II	-	355
Town Hall Facility	<u>2,746</u>	<u>355</u>
Total Projects:	<u>\$ 4,677</u>	<u>\$ 5,251</u>

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

Governmental Activities:	
General government	\$ 138
Public safety	453
Highways and streets	159
Sanitation	248
Culture and recreation	97
Economic development	<u>5</u>
Total depreciation expense - governmental activities	<u>\$ 1,100</u>

11. Accounts Payable

Accounts payable represent additional 2005 expenditures paid after July 1, 2005.

12. Accrued Liabilities

Accrued liabilities represent accrued payroll at June 30, 2005.

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, 2005 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, 2005 for levy year 2006.

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, 2005:

Fiscal Year 2006	\$ 312,395
Less amount representing interest	(<u>11,046</u>)
Present Value of Minimum Lease Payments	\$ <u>301,349</u>

The following is an analysis of the leased assets included in capital assets at June 30, 2005:

Machinery, vehicles and equipment	\$ 1,869,484
Less: accumulated depreciation	(<u>992,179</u>)
Equipment under capital leases, net	\$ <u>877,305</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:

<u>Governmental Activities:</u>	<u>Original Amount</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s)%</u>	<u>Amount Outstanding as of June 30, 2005</u>
Water, sewer and public improvements	\$ 4,575,000	05/15/11	6.30-6.40	\$ 1,100,000
Sewer	2,000,000	06/01/06	3.09	228,479
Mammoth Rd. sewer	2,400,000	11/01/21	3.50-5.0	2,040,000
Multi-purpose bond	1,650,000	10/15/12	3.71	1,320,000
Multi-purpose bond	13,652,674	10/01/23	3.45-4.25	12,965,000
Refunding	4,545,000	10/15/15	2.25-3.75	4,020,000
Open space agricultural land	1,000,000	12/01/14	3.31	<u>1,000,000</u>
Total Governmental Activities:				\$ <u>22,673,479</u>

C. Future Debt Service

The annual principal payments to retire all general obligation long-term debt outstanding as of June 30, 2005 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 2,103,479	\$ 768,759	\$ 2,872,238
2007	1,865,000	702,491	2,567,491
2008	1,850,000	645,857	2,495,857
2009	1,710,000	589,112	2,299,112
2010	1,570,000	480,162	2,050,162
2011 - 2015	6,500,000	1,943,470	8,443,470
2016 - 2020	4,115,000	1,025,690	5,140,690
2020 - 2025	<u>2,960,000</u>	<u>236,060</u>	<u>3,196,060</u>
Total	\$ <u>22,673,479</u>	\$ <u>6,391,601</u>	\$ <u>29,065,080</u>

D. Bond Authorizations/Unissued

Long term debt authorizations which have not been issued or rescinded as of June 30, 2005 are as follows:

<u>Purpose</u>	<u>Amount</u>
Mammoth Road Sewer	\$ 225,000
Auburn Road Water Line	49,600
Exit 4A Construction	4,500,000
Auburn Road Landfill Site	<u>900,000</u>
Total Unissued Bond Authorizations	<u>\$ 5,674,600</u>

E. Changes in General Long-Term Liabilities

During the year ended June 30, 2005, the following changes occurred in long-term liabilities (in thousands):

	<u>Total Balance 7/1/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Total Balance 6/30/05</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 23,663	\$ 1,000	\$ (1,990)	\$ 22,673	\$ 2,103	\$ 20,570
Accrued emp. benefits	727	469	(11)	1,185	468	717
Other:						
Capital leases	596	-	(295)	301	301	-
Landfill postclosure	<u>220</u>	<u>-</u>	<u>(10)</u>	<u>210</u>	<u>10</u>	<u>200</u>
Totals	<u>\$ 25,206</u>	<u>\$ 1,469</u>	<u>\$ (2,306)</u>	<u>\$ 24,369</u>	<u>\$ 2,882</u>	<u>\$ 21,487</u>

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

F. Prior Year Defeasance of Debt

In prior years, certain outstanding bonds were defeased by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the financial statements. At fiscal year-end, the following bonds are considered defeased (in thousands):

<u>Purpose</u>	<u>Bond Series</u>	<u>Defeased Balance</u>
Auburn road landfill	1993	\$ 300
Landfill cap, Boston		
North, fire truck	1994	2,305
Library	1996	1,380

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 \$ 210,000 reported as landfill postclosure care liability at June 30, 2005 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 2005. 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, 2005:

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, 2005, 2004, and 2003 were \$ 840,245, \$ 791,179 and \$ 467,921, 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 had two major governmental funds in fiscal year 2004, as defined by GASB Statement 34, however, had none in 2005. Accordingly, the following reconciliation is provided:

	Fund Equity June 30, 2004 (as previously reported)	<u>Reclassification</u>	Fund Equity June 30, 2004 (as restated)
Nonmajor funds	\$ 6,540,399	\$ 3,930,552	\$ 10,470,951
Conservative commission	2,917,385	(2,917,385)	-
Police facility	<u>1,013,167</u>	<u>(1,013,167)</u>	<u>-</u>
Total	\$ <u>10,470,951</u>	\$ <u>-</u>	\$ <u>10,470,951</u>

25. Beginning Net Asset Restatement

Beginning net assets of the governmental activities have been restated as follows:

June 30, 2004, as previously reported	\$ 21,264,169
Adjustment to correct beginning capital assets	1,702,600
Timing adjustment related to recording proceeds on disposal of an asset	(850,000)
June 30, 2004, as restated	\$ <u>22,116,769</u>

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:

- Conservation Commission: To account for monies received through donations and bonds and expended for the conservation of local land and resources.
- 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:

- Police Facility: - To account for the architectural, engineering and construction of a new police facility.
- 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, 2005

	Special Revenue Funds		
	Conservation <u>Commission</u>	Leach Library <u>Fund</u>	Sewer <u>Fund</u>
<u>ASSETS</u>			
Cash and short-term investments	\$ 2,308,788	\$ 20,436	\$ -
Investments	-	-	-
User fees receivable	-	-	11,380
Intergovernmental receivable	109,476	-	-
Other receivable	-	-	-
Due from other funds	<u>548,122</u>	<u>-</u>	<u>2,103,713</u>
Total Assets	<u>\$ 2,966,386</u>	<u>\$ 20,436</u>	<u>\$ 2,115,093</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 72,203
Retainage payable	-	-	-
Deferred revenues	-	-	11,380
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	83,583
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	-	-	9,645
Perpetual permanent funds	-	-	-
Unreserved:			
Undesignated, reported in:			
Special revenue funds	2,966,386	20,436	2,021,865
Capital project funds	-	-	-
Permanent funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>2,966,386</u>	<u>20,436</u>	<u>2,031,510</u>
Total Liabilities and Fund Equity	<u>\$ 2,966,386</u>	<u>\$ 20,436</u>	<u>\$ 2,115,093</u>

Special Revenue Funds			
<u>Cable TV Fund</u>	<u>Capital Reserve Trust</u>	<u>Other Funds</u>	<u>Subtotals</u>
\$ -	\$ 497,715	\$ 143,108	\$ 2,970,047
-	-	-	-
-	-	-	11,380
-	-	-	109,476
-	-	6,599	6,599
<u>347,858</u>	<u>-</u>	<u>116,852</u>	<u>3,116,545</u>
\$ <u><u>347,858</u></u>	\$ <u><u>497,715</u></u>	\$ <u><u>266,559</u></u>	\$ <u><u>6,214,047</u></u>
\$ 1,305	\$ -	\$ 455	\$ 73,963
-	-	-	-
-	-	-	11,380
<u>-</u>	<u>-</u>	<u>150,121</u>	<u>150,121</u>
1,305	-	150,576	235,464
1,160	-	34,534	45,339
-	-	-	-
345,393	497,715	81,449	5,933,244
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>346,553</u>	<u>497,715</u>	<u>115,983</u>	<u>5,978,583</u>
\$ <u><u>347,858</u></u>	\$ <u><u>497,715</u></u>	\$ <u><u>266,559</u></u>	\$ <u><u>6,214,047</u></u>

(continued)

(continued)

	Capital Project Funds			
	<u>Police Facility</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	-	-	-	-
Intergovernmental receivable	-	-	-	-
Other receivable	-	-	-	-
Due from other funds	<u>155,601</u>	<u>-</u>	<u>802,626</u>	<u>-</u>
Total Assets	<u>\$ 155,601</u>	<u>\$ -</u>	<u>\$ 802,626</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 276,838	\$ -
Retainage payable	92,264	-	120,037	-
Deferred revenues	-	-	-	-
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	92,264	-	396,875	-
Fund Balances:				
Reserved for:				
Encumbrances and continuing appropriations	-	-	-	-
Perpetual permanent funds	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue funds	-	-	-	-
Capital project funds	63,337	-	405,751	-
Permanent funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>63,337</u>	<u>-</u>	<u>405,751</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 155,601</u>	<u>\$ -</u>	<u>\$ 802,626</u>	<u>\$ -</u>

Capital Project Funds			
South Londonderry Phase II	Exit 4A	Mammoth Road Sewer	Subtotals
\$ -	\$ 41,807	\$ 4,224	\$ 46,031
-	-	-	-
-	-	-	-
-	-	-	-
354,771	-	-	1,312,998
<u>\$ 354,771</u>	<u>\$ 41,807</u>	<u>\$ 4,224</u>	<u>\$ 1,359,029</u>
\$ -	\$ -	\$ -	\$ 276,838
-	-	4,224	216,525
-	-	-	-
-	-	-	-
-	-	4,224	493,363
-	-	-	-
-	-	-	-
354,771	41,807	-	865,666
-	-	-	-
<u>354,771</u>	<u>41,807</u>	<u>-</u>	<u>865,666</u>
<u>\$ 354,771</u>	<u>\$ 41,807</u>	<u>\$ 4,224</u>	<u>\$ 1,359,029</u>

(continued)

(continued)

	Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
<u>ASSETS</u>		
Cash and short-term investments	\$ 120,076	\$ 3,136,154
Investments	469,546	469,546
User fees receivable	-	11,380
Intergovernmental receivable	-	109,476
Other receivable	-	6,599
Due from other funds	-	4,429,543
	<hr/>	<hr/>
Total Assets	<u>589,622</u>	<u>8,162,698</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ -	\$ 350,801
Retainage payable	-	216,525
Deferred revenues	-	11,380
Other liabilities	-	150,121
	<hr/>	<hr/>
Total Liabilities	-	728,827
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations	-	45,339
Perpetual permanent funds	480,931	480,931
Unreserved:		
Undesignated, reported in:		
Special revenue funds	-	5,933,244
Capital project funds	-	865,666
Permanent funds	108,691	108,691
	<hr/>	<hr/>
Total Fund Equity	<u>589,622</u>	<u>7,433,871</u>
Total Liabilities and Fund Equity	<u>\$ 589,622</u>	<u>\$ 8,162,698</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, 2005

	Special Revenue Funds		
	Conservation Commission	Leach Library Fund	Sewer Fund
Revenues:			
Intergovernmental	\$ 109,476	\$ -	\$ -
Charges for services	-	24,042	1,300,109
Investment income	14,456	258	3,370
Contributions	<u>280,679</u>	<u>119,575</u>	<u>-</u>
Total Revenues	404,611	143,875	1,303,479
Expenditures:			
Current:			
General government	1,405,610	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	-	1,090,696
Culture and recreation	<u>-</u>	<u>136,473</u>	<u>-</u>
Total Expenditures	<u>1,405,610</u>	<u>136,473</u>	<u>1,090,696</u>
Excess of revenues over (under) expenditures	(1,000,999)	7,402	212,783
Other Financing Sources (Uses):			
Proceeds of bonds	1,000,000	-	-
Transfers in	50,000	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(221,631)</u>
Total Other Financing Sources (Uses)	<u>1,050,000</u>	<u>-</u>	<u>(221,631)</u>
Change in fund balance	49,001	7,402	(8,848)
Fund Balances, beginning of year	<u>2,917,385</u>	<u>13,034</u>	<u>2,040,358</u>
Fund Balances, end of year	<u>\$ 2,966,386</u>	<u>\$ 20,436</u>	<u>\$ 2,031,510</u>

Special Revenue Funds

<u>Cable TV Fund</u>	<u>Capital Reserve Trust</u>	<u>Other Funds</u>	<u>Subtotals</u>
\$ -	\$ -	\$ -	\$ 109,476
301,035	-	336,364	1,961,550
-	5,296	446	23,826
<u>-</u>	<u>-</u>	<u>-</u>	<u>400,254</u>
301,035	5,296	336,810	2,495,106
-	-	3,894	1,409,504
-	-	301,383	301,383
-	-	-	-
-	-	-	1,090,696
<u>210,527</u>	<u>40,008</u>	<u>33,945</u>	<u>420,953</u>
<u>210,527</u>	<u>40,008</u>	<u>339,222</u>	<u>3,222,536</u>
90,508	(34,712)	(2,412)	(727,430)
-	-	-	1,000,000
-	97,393	10,000	157,393
<u>-</u>	<u>(231,445)</u>	<u>-</u>	<u>(453,076)</u>
<u>-</u>	<u>(134,052)</u>	<u>10,000</u>	<u>704,317</u>
90,508	(168,764)	7,588	(23,113)
<u>256,045</u>	<u>666,479</u>	<u>108,395</u>	<u>6,001,696</u>
<u>\$ 346,553</u>	<u>\$ 497,715</u>	<u>\$ 115,983</u>	<u>\$ 5,978,583</u>

(continued)

(continued)

	Capital Project Funds			
	<u>Police Facility</u>	<u>West Road Fields</u>	<u>Town Hall</u>	<u>Sanborn Road</u>
Revenues:				
Intergovernmental	\$ -	\$ 20,270	\$ -	\$ 7,919
Charges for services	26,093	-	-	-
Investment income	-	-	-	-
Contributions	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	26,093	20,270	-	7,919
Expenditures:				
Current:				
General government	-	-	2,353,771	-
Public safety	975,923	-	-	-
Highways and streets	-	65,529	-	8,574
Sanitation	-	-	-	-
Culture and recreation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>975,923</u>	<u>65,529</u>	<u>2,353,771</u>	<u>8,574</u>
Excess of revenues over (under) expenditures	(949,830)	(45,259)	(2,353,771)	(655)
Other Financing Sources (Uses):				
Proceeds of bonds	-	-	-	-
Transfers in	-	-	300,903	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>300,903</u>	<u>-</u>
Change in fund balance	(949,830)	(45,259)	(2,052,868)	(655)
Fund Balances, beginning of year	<u>1,013,167</u>	<u>45,259</u>	<u>2,458,619</u>	<u>655</u>
Fund Balances, end of year	<u>\$ 63,337</u>	<u>\$ -</u>	<u>\$ 405,751</u>	<u>\$ -</u>

Capital Project Funds			
South Londonderry Phase II	Exit 4A	Mammoth Road Sewer	Subtotals
\$ -	\$ -	\$ -	\$ 28,189
-	-	-	26,093
-	732	-	732
-	-	-	-
-	732	-	55,014
-	-	-	2,353,771
-	-	-	975,923
-	180,485	-	254,588
-	-	7,771	7,771
-	-	-	-
-	180,485	7,771	3,592,053
-	(179,753)	(7,771)	(3,537,039)
-	-	-	-
-	193,525	7,771	502,199
-	-	-	-
-	193,525	7,771	502,199
-	13,772	-	(3,034,840)
354,771	28,035	-	3,900,506
\$ 354,771	\$ 41,807	\$ -	\$ 865,666

(continued)

(continued)

	Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:		
Intergovernmental	\$ -	\$ 137,665
Charges for services	-	1,987,643
Investment income	18,879	43,437
Contributions	<u>21,200</u>	<u>421,454</u>
Total Revenues	40,079	2,590,199
Expenditures:		
Current:		
General government	-	3,763,275
Public safety	-	1,277,306
Highways and streets	-	254,588
Sanitation	-	1,098,467
Culture and recreation	<u>1,706</u>	<u>422,659</u>
Total Expenditures	<u>1,706</u>	<u>6,816,295</u>
Excess of revenues over (under) expenditures	38,373	(4,226,096)
Other Financing Sources (Uses):		
Proceeds of bonds	-	1,000,000
Transfers in	-	659,592
Transfers out	<u>(17,500)</u>	<u>(470,576)</u>
Total Other Financing Sources (Uses)	<u>(17,500)</u>	<u>1,189,016</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	20,873	(3,037,080)
Fund Balances, beginning of year	<u>568,749</u>	<u>10,470,951</u>
Fund Balances, end of year	<u>\$ 589,622</u>	<u>\$ 7,433,871</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2005

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
<u>Construction Escrows:</u>				
Assets - cash and short-term investments	\$ <u>2,703,559</u>	\$ <u>1,078,119</u>	\$ <u>(334,902)</u>	\$ <u>3,446,776</u>
Liabilities - due to other funds	50,000	-	(50,000)	-
Liabilities - other liabilities	<u>2,653,559</u>	<u>1,078,119</u>	<u>(284,902)</u>	<u>3,446,776</u>
Total liabilities	\$ <u>2,703,559</u>	\$ <u>1,078,119</u>	\$ <u>(334,902)</u>	\$ <u>3,446,776</u>
<u>School Capital Reserve:</u>				
Assets - cash and short-term investments	\$ <u>459,964</u>	\$ <u>405,613</u>	\$ <u>(343,275)</u>	\$ <u>522,302</u>
Liabilities - other liabilities	\$ <u>459,964</u>	\$ <u>405,613</u>	\$ <u>(343,275)</u>	\$ <u>522,302</u>
<u>Totals:</u>				
Assets - cash and short-term investments	\$ <u>3,163,523</u>	\$ <u>1,483,732</u>	\$ <u>(678,177)</u>	\$ <u>3,969,078</u>
Liabilities - due to other funds	50,000	-	(50,000)	-
Liabilities - other liabilities	<u>3,113,523</u>	<u>1,483,732</u>	<u>(628,177)</u>	<u>3,969,078</u>
Total liabilities	\$ <u>3,163,523</u>	\$ <u>1,483,732</u>	\$ <u>(678,177)</u>	\$ <u>3,969,078</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, 2005

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
<u>Taxes</u>			
Property taxes	\$ 12,579,754	\$ 12,580,255	\$ 501
Total Taxes	12,579,754	12,580,255	501
<u>Interest, penalties, and other taxes</u>			
Payment in lieu of taxes	510,000	520,200	10,200
Yield taxes	2,000	5,283	3,283
Excavation taxes	30,000	14,908	(15,092)
Interest and penalties on taxes	225,000	322,530	97,530
Total Interest, penalties, and other taxes	767,000	862,921	95,921
<u>Licenses and Permits</u>			
Motor vehicle permits	5,920,305	6,404,091	483,786
Business licenses and permits	17,800	15,866	(1,934)
Building permits	200,000	212,881	12,881
Other licenses, permits and fees	43,950	49,845	5,895
Total Licenses and Permits	6,182,055	6,682,683	500,628
<u>Intergovernmental</u>			
State shared revenues	295,785	295,785	-
Meals and room distribution	798,392	798,392	-
Highway block grant	471,847	496,677	24,830
Water pollution grants	70,689	70,689	-
Landfill closure grant	95,000	82,205	(12,795)
COPS grant	30,000	86,713	56,713
Total Intergovernmental Revenues	1,761,713	1,830,461	68,748
<u>Charges for Services</u>			
Income from departments	544,475	433,508	(110,967)
Total Charges for Services	544,475	433,508	(110,967)
<u>Investment income</u>			
Interest on deposits	375,000	384,339	9,339
Total Investment Income	375,000	384,339	9,339
<u>Other Revenues</u>			
Insurance dividends and reimbursements	20,000	47,596	27,596
Contributions and donations	80,000	165,394	85,394
Other miscellaneous revenue	88,191	165,664	77,473
Total Miscellaneous Revenues	188,191	378,654	190,463
Total Revenues	22,398,188	23,152,821	754,633

(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, 2005

(continued)

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources</u>			
Operating Transfers In:			
Sewer fund	216,523	221,631	5,108
Capital reserve trust	232,050	231,445	(605)
Permanent fund	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Total Transfers In	466,073	470,576	4,503
Use of Fund Balance	<u>647,500</u>	<u>647,500</u>	<u>-</u>
Total Other Financing Sources	<u>1,113,573</u>	<u>1,118,076</u>	<u>4,503</u>
Total Revenues and Other Financing Sources	<u>\$ 23,511,761</u>	<u>\$ 24,270,897</u>	<u>\$ 759,136</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, 2005

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
<u>Expenditures</u>			
<u>General Government</u>			
Town council	\$ 14,909	\$ 15,380	\$ (471)
Town manager	359,667	333,953	25,714
Town clerk/tax collector	385,648	384,225	1,423
Suprv. checklist/voter administration	27,976	24,701	3,275
Finance	453,064	454,977	(1,913)
Assessing	377,964	368,280	9,684
Information technology	418,568	417,266	1,302
Legal	160,000	136,954	23,046
Zoning board	35,911	32,483	3,428
General services	415,402	493,889	(78,487)
Cemeteries	22,000	29,392	(7,392)
Municipal insurances	147,000	167,505	(20,505)
Conservation	3,000	2,465	535
Total General Government	<u>2,821,109</u>	<u>2,861,470</u>	<u>(40,361)</u>
<u>Public Safety</u>			
Police department	5,198,752	5,317,407	(118,655)
Fire department	4,420,326	4,449,784	(29,458)
Total Public Safety	<u>9,619,078</u>	<u>9,767,191</u>	<u>(148,113)</u>
<u>Highways and Streets</u>			
Building department	319,567	310,958	8,609
Highway department	3,255,647	3,085,834	169,813
Total Highways and Streets	<u>3,575,214</u>	<u>3,396,792</u>	<u>178,422</u>
<u>Sanitation</u>			
Solid waste	1,454,058	1,352,713	101,345
Total Sanitation	<u>1,454,058</u>	<u>1,352,713</u>	<u>101,345</u>
<u>Health and Welfare</u>			
Welfare department	221,670	190,835	30,835
Family mediation	23,051	24,067	(1,016)
Animal control	65,595	62,713	2,882
Total Health and Welfare	<u>310,316</u>	<u>277,615</u>	<u>32,701</u>
<u>Culture and Recreation</u>			
Recreation department	180,314	174,248	6,066
Library	1,018,799	1,011,460	7,339
Total Culture and Recreation	<u>1,199,113</u>	<u>1,185,708</u>	<u>13,405</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, 2005

(continued)

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Economic Development</u>			
Planning/economic development	\$ <u>380,108</u>	\$ <u>362,204</u>	\$ <u>17,904</u>
	380,108	362,204	17,904
<u>Capital Outlay</u>			
Capital outlay	<u>767,050</u>	<u>817,050</u>	<u>(50,000)</u>
Total Capital Outlay	<u>767,050</u>	<u>817,050</u>	<u>(50,000)</u>
<u>Debt Service</u>			
Debt service	<u>2,858,322</u>	<u>2,851,588</u>	<u>6,734</u>
Total Debt Service	<u>2,858,322</u>	<u>2,851,588</u>	<u>6,734</u>
Total Expenditures	<u>22,984,368</u>	<u>22,872,331</u>	<u>112,037</u>
<u>Other Financing Uses</u>			
Operating Transfers Out:			
Capital reserve trust	97,393	97,393	-
Other special revenue funds	-	7,771	(7,771)
Police facility	180,000	180,000	-
Town hall	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total Other Financing Uses	<u>527,393</u>	<u>535,164</u>	<u>(7,771)</u>
Total Expenditures and Other Financing Uses	\$ <u>23,511,761</u>	\$ <u>23,407,495</u>	\$ <u>104,266</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, 2005

	Sewer Fund		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Charges for services	\$ <u>1,039,414</u>	\$ <u>1,303,479</u>	\$ <u>264,065</u>
Total Revenues	1,039,414	1,303,479	264,065
Other Financing Sources:			
Use of surplus	<u>221,631</u>	<u>221,631</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>1,261,045</u>	<u>1,525,110</u>	<u>264,065</u>
Expenditures:			
Sanitation	1,039,414	907,378	132,036
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	1,039,414	907,378	132,036
Other Financing Uses:			
Transfers out	<u>221,631</u>	<u>221,631</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>1,261,045</u>	<u>1,129,009</u>	<u>132,036</u>
Excess of revenues and other financing sources over expenditures	\$ <u>-</u>	\$ <u>396,101</u>	\$ <u>396,101</u>

Cable Fund			Totals		
<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
\$ 194,000	\$ 301,035	\$ 107,035	\$ 1,233,414	\$ 1,604,514	\$ 371,100
194,000	301,035	107,035	1,233,414	1,604,514	371,100
-	-	-	221,631	221,631	-
194,000	301,035	107,035	1,455,045	1,826,145	371,100
-	-	-	1,039,414	907,378	132,036
194,000	211,687	(17,687)	194,000	211,687	(17,687)
194,000	211,687	(17,687)	1,233,414	1,119,065	114,349
-	-	-	221,631	221,631	-
194,000	211,687	(17,687)	1,455,045	1,340,696	114,349
\$ -	\$ 89,348	\$ 89,348	\$ -	\$ 485,449	\$ 485,449

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

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Capital Assets By Source

June 30, 2005

CAPITAL ASSETS

Land and improvements	\$ 7,430,675
Buildings	8,421,001
Machinery, vehicles, and equipment	2,835,695
Intangibles	39,285
Construction in progress	4,677,605
Improvements other than buildings	6,500,101
Infrastructure	<u>3,687,885</u>
Total General Capital Assets	\$ <u>33,592,247</u>

INVESTMENTS IN CAPITAL ASSETS

General fund revenues	\$ 21,826,596
Special revenue fund revenues	7,088,046
Capital project funds	<u>4,677,605</u>
Total Investments in General Capital Assets	\$ <u>33,592,247</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Changes in Capital Assets
By Function and Activity

For the Year Ended June 30, 2005

	Capital Assets <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	Capital Assets <u>June 30, 2005</u>
General Government:				
Town manager	\$ 1,756	\$ -	\$ 405	\$ 1,351
Town clerk	375	-	375	-
Finance	5,451	-	1,284	4,167
Information technology	212,483	53,248	115,720	150,011
Planning and zoning	2,975	24,144	5,182	21,937
General services	<u>5,931,209</u>	<u>4,665,571</u>	<u>233,461</u>	<u>10,363,319</u>
Total General Government	6,154,249	4,742,963	356,427	10,540,785
Public Safety:				
Police department	6,093,653	5,784,890	5,807,040	6,071,503
Fire department	<u>1,647,170</u>	<u>180,475</u>	<u>252,470</u>	<u>1,575,175</u>
Total Public Safety	7,740,823	5,965,365	6,059,510	7,646,678
Highways and Streets:	<u>1,028,307</u>	<u>149,877</u>	<u>164,748</u>	<u>1,013,436</u>
Culture and Recreation:				
Recreation department	1,663,119	103,428	4,900	1,761,647
Library	1,602,008	9,275	53,451	1,557,832
Cable	<u>319,542</u>	<u>12,623</u>	<u>39,075</u>	<u>293,090</u>
Total Culture and Recreation	3,584,669	125,326	97,426	3,612,569
Sanitation:	<u>10,990,694</u>	<u>3,648,368</u>	<u>3,860,283</u>	<u>10,778,779</u>
Total General Capital Assets	\$ <u>29,498,742</u>	\$ <u>14,631,899</u>	\$ <u>10,538,394</u>	\$ <u>33,592,247</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Capital Assets
By Function and Category

June 30, 2005

	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Machinery, Vehicles, and Equipment</u>
General Government:			
Town manager	\$ -	\$ -	\$ 1,351
Finance	-	-	4,167
Information technology	-	-	131,201
Planning and zoning	-	-	9,528
General services	<u>7,178,715</u>	<u>80,593</u>	<u>27,830</u>
Total General Government	<u>7,178,715</u>	<u>80,593</u>	<u>174,077</u>
Public Safety:			
Police department	-	5,589,599	476,649
Fire department	<u>-</u>	<u>157,844</u>	<u>1,377,902</u>
Total Public Safety	<u>-</u>	<u>5,747,443</u>	<u>1,854,551</u>
Highways and Streets:	<u>251,960</u>	<u>10,733</u>	<u>681,915</u>
Culture and Recreation:			
Recreation department	-	-	26,872
Library	-	1,530,245	18,804
Cable	<u>-</u>	<u>241,694</u>	<u>51,396</u>
Total Culture and Recreation	<u>-</u>	<u>1,771,939</u>	<u>97,072</u>
Sanitation:	<u>-</u>	<u>810,293</u>	<u>28,080</u>
Total General Capital Assets	<u>\$ 7,430,675</u>	<u>\$ 8,421,001</u>	<u>\$ 2,835,695</u>

<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Improvements other than Buildings</u>	<u>Infrastructure</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,351
-	-	-	-	4,167
18,810	-	-	-	150,011
12,409	-	-	-	21,937
-	2,971,608	36,575	67,998	10,363,319
<u>31,219</u>	<u>2,971,608</u>	<u>36,575</u>	<u>67,998</u>	<u>10,540,785</u>
5,255	-	-	-	6,071,503
2,811	-	36,618	-	1,575,175
<u>8,066</u>	<u>-</u>	<u>36,618</u>	<u>-</u>	<u>7,646,678</u>
-	-	68,828	-	1,013,436
-	1,705,997	28,778	-	1,761,647
-	-	8,783	-	1,557,832
-	-	-	-	293,090
<u>-</u>	<u>1,705,997</u>	<u>37,561</u>	<u>-</u>	<u>3,612,569</u>
-	-	6,320,519	3,619,887	10,778,779
<u>\$ 39,285</u>	<u>\$ 4,677,605</u>	<u>\$ 6,500,101</u>	<u>\$ 3,687,885</u>	<u>\$ 33,592,247</u>

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**STATISTICAL
SECTION**

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GOVERNMENT-WIDE REVENUES
(in thousands)

<u>Fiscal Year</u>	<u>Program Revenues</u>			<u>General Revenues</u>					<u>Total</u>
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Taxes</u>	<u>Interest, Penalties, and Other Taxes</u>	<u>Grants and Contributions Not Restricted to Specific Programs</u>	<u>Investment Income</u>	<u>Other Revenues</u>	
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
2005	8,848	316	678	12,321	863	1,094	428	425	24,973

Note: In fiscal year 2003, the Town implemented the reporting requirements of GASB 34. 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)

Fiscal Year	Governmental Activities								Total
	<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
2005	3,022	10,965	4,055	2,776	282	1,734	383	1,051	24,268

Note: In fiscal year 2003, the Town implemented the reporting requirements of GASB 34. 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 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 (3)	Contributions (3)	Other	Total
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
June 30, 2005	12,491,926	862,921	6,682,683	1,968,126	2,421,151	427,776	421,454	378,644	25,654,681

Source:

Audited Financial Statements

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

(2) Interest, penalties, and other taxes were classified with taxes prior to fiscal year 2003

(3) Investment and contributions revenues were classified with other revenues prior to fiscal year 2003

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	Cultural and Recreation	Economic Development	Capital Outlay	Debt Service	Total
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
June 30, 2005	6,605,675	11,062,970	4,197,445	2,570,067	277,614	1,599,418	371,907	1,531,153	2,851,588	31,067,837

Source:
Audited Financial Statements

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

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, 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	97.8%	1,226,513	3.3%
June 30, 1998	38,256,609	37,626,462	98.4%	20,000	37,646,462	98.4%	971,525	2.5%
June 30, 1999	31,299,644	30,890,637	98.7%	-	30,890,637	98.7%	846,095	2.7%
June 30, 2000	36,073,724	35,662,102	98.9%	-	35,662,102	98.9%	636,210	1.8%
June 30, 2001	39,145,435	37,620,073	96.1%	207,681	37,827,754	96.6%	660,311	1.7%
June 30, 2002	44,182,718	42,748,357	96.8%	746,255	43,494,612	98.4%	676,973	1.5%
June 30, 2003	44,069,941	42,855,222	97.2%	634,360	43,489,582	98.7%	918,681	2.1%
June 30, 2004	47,056,462	46,717,917	99.3%	622,336	47,340,253	100.6%	528,789	1.1%
June 30, 2005	55,130,236	53,168,196	96.4%	634,292	53,802,488	97.6%	622,784	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, 1996	\$ 982,912,151	\$ 6,070,000	\$ 976,842,151	\$ 947,536,886	97%
June 30, 1997	1,008,593,380	4,970,000	1,003,623,380	953,442,211	95%
June 30, 1998	1,093,721,948	5,230,000	1,088,491,948	1,001,412,592	92%
June 30, 1999	1,171,006,212	3,704,206	1,167,302,006	1,050,571,805	90%
June 30, 2000	1,347,574,386	4,935,000	1,342,639,386	1,154,669,872	86%
June 30, 2001	1,561,803,864	6,907,500	1,554,896,364	1,290,563,982	83%
June 30, 2002	2,083,643,974	8,559,709	2,075,084,265	1,770,046,878	85%
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%
June 30, 2005	2,551,913,251	18,914,000	2,532,999,251	2,630,967,051	96%

Source:

Town of Londonderry Annual Town Report
Town of Londonderry Assessors Office

TOWN OF LONDONDERRY, NEW HAMPSHIRE
 Properly 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, 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
June 30, 2005	5.27	11.88	3.31	1.10	21.56

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, 2005

Taxpayer	Type of Business	Assessed Value	Percentage of net Assessed Value
AES LONDONDERRY	Utility	\$ 240,769,253	9.51%
PUBLIC SERVICE CO. NH TAX ACCOUNTING	Electric Utility	35,399,700	1.40%
COCA-COLA OF NORTHERN NE	Bottling Plant	20,059,400	0.79%
ELLICO PROPERTIES II, LLC	Research & Development	13,559,500	0.54%
HOME DEPOT	Retail	13,481,300	0.53%
APPLETREE MALL ASSOCIATES	Retail Mall Plaza	12,111,200	0.48%
TENNECO INCORPORATED	Gas Utility	10,633,000	0.42%
GILCREAST REALTY HOLDINGS II, LLC	Residential Development	10,402,400	0.41%
LIEVENS ROBERT	Orchard	10,375,267	0.41%
GLENBERVIE INC.	Manufacturing	<u>7,214,900</u>	<u>0.28%</u>
Total		\$ <u>374,005,920</u>	<u>14.77%</u>

Source:
Town of Londonderry Assessors Office

TOWN OF LONDONDERRY
Computation of Legal Debt Margin
June 30, 2005

Modified Local Assessed Valuation (1)	\$2,501,474,186
Department of Revenue Administration Inventory Adjustment (1)	<u>549,414,400</u>
Equalized Assessed Valuation (1)	3,050,888,586
Adjustment: RSA 31-A:2 (1)	<u>17,388,030</u>
Base Valuation for Debt Limits (1)	<u><u>\$3,068,276,616</u></u>
 Bonded Debt Limit - 3% of Base (2)	 \$ 92,048,298

Gross Bonded Debt June 30, 2005	22,673,479	
Less:		
Sewer Bonds (3)	<u>(3,368,479)</u>	19,305,000
Authorized / Unissued	5,674,600	
Less:		
Sewer Bonds (3)	<u>(225,000)</u>	5,449,600
 Total Debt Applicable to Limitation		 <u>24,754,600</u>
 Legal Debt Margin		 <u><u>\$ 67,293,698</u></u>

Source:

- (1) The 2004 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, 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
June 30, 2005	24,161	2,532,999,251	22,673,479	0.90%	938

Source:
Audited Financial Statements
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, 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%
June 30, 2005	1,992,761	858,827	2,851,588	31,067,837	9.18%

Source:
Audited Financial Statements

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

TOWN OF LONDONDERRY
 Computation of Direct and Overlapping Bonded Debt
 General Obligation Bonds
 June 30, 2005

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable To Town of Londonderry	Amount Applicable To Town of Londonderry
Direct:			
Town of Londonderry	\$ 22,673,479	100.00 %	\$ 22,673,479
Overlapping:			
Rockingham County (6/15/2005)	5,721,000	6.86 %	392,461
Londonderry School District (6/30/2005)	<u>16,716,000</u>	100.00 %	<u>16,716,000</u>
Total	<u>\$ 45,110,479</u>		<u>\$ 39,781,940</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE
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, 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	5.9
June 30, 2004	24,161	*	5,585	4.1
June 30, 2005	24,161	*	5,569	4.2

Source:

Town of Londonderry Annual Town Report

* = Information not available.

TOWN OF LONDONDERRY, NEW HAMPSHIRE
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, 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
June 30, 2005	2,630,967,051	21	9,700,241	610	28,599,752

Source:
Town of Londonderry Building Department

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Miscellaneous Statistics June 30, 2005

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	42.12

Town of Londonderry facilities and services:

Miles of streets	180.9
Paved	180.4
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	6
Fire Lieutenants	3
Paramedics	6
Firefighters/EMTs	20
Dispatchers (4 FT, 2 PT)	6
Call Firefighters	12
Number of calls for service:	2,329
EMS Transports	1,444

Police Protection:

Number of stations	1
Number of vehicles:	27
Patrol units	21
Unmarked	6
Motorcycle	1
Number of employees:	
Sworn personnel - budgeted	47
Civilian personnel - police	16
Civilian personnel - police PT	5
Number of calls for service:	82,000
Part I offenses	361
Part II offenses	1,867
Number of arrests	666
Number of traffic violations:	
Summonses	5,726
Accidents	1,137

Sewerage System:

Miles of sanitary sewers (approx.)	34
Number of service connections - sewer	1,119
Daily average treatment in gallons:	1,486,000
Maximum daily capacity gallons:	
Manchester plant	3,000,000
Derry plant	200,000
Number of pump stations	5

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)	