

***TOWN OF
LONDONDERRY, NEW HAMPSHIRE***



***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

For the Fiscal Year Ended
June 30, 2008

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Comprehensive Annual Financial Report

For the Year Ended June 30, 2008



**Prepared by:
The Finance and Administration Department**

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

Town of Londonderry, New Hampshire
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

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Town of Londonderry

***268 B Mammoth Road
Londonderry, NH 03053
(603) 432-1100***

July 30, 2008

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, 2008, 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, 2008, 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.

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

PROFILE OF THE GOVERNMENT

Geography. 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 24,879 (according to the Office of Energy & Planning 2005 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.

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.

Governing Boards. 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. 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.

Services. 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.

Administration. Administrative functions of the Town are carried out by the Town Manager. The Town Manager is responsible for the administrative and financial

affairs of the Town overseeing the day-to-day operations, and implements policies established by the Town Council. The Town Manager is responsible for appointing the heads of the various departments, for negotiating with the various bargaining units of the Town and making recommendation to the Town Council on various issues.

Fiscal Year and Budget. The Town's fiscal year begins on July 1st of each year and ends the following June 30th. The Town's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$ 300,000 or more with useful lives of 3 years or longer is included in this budget. The Capital Improvement Committee reviews all projects and determines the priority based on defined parameters. The plan is submitted to the Planning Board for approval. The approved plan is then presented to the Town Council. Based on the Town administrative financing policy, items are identified for length of bonding or other type of financing by the Town Council.

Items identified for the annual operating budget are included in the Town Manager's recommended annual budget. Departments are responsible for submitting their annual budget requests to the Town Manager. After reviews with the departments, the Town Manager makes any final adjustments to his recommended budget. The Department Heads and Town Manager's recommended budget is presented to the Town Council beginning in October of each year.

The Town Council may adjust the Manager's recommended annual budget by majority vote. The Council is required to hold two public hearings on the budget, and all budget adjustments and petition warrant articles are presented to the public at a hearing in February. The budget is then presented for voting by the taxpayers at the annual town meeting in March.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC CONDITION

Local Economy

The economy has continued to be strong with a 2008 unemployment rate for Londonderry of 3.5%, which is under the overall 2008 U.S. unemployment rate of 4.6%.

Londonderry is one of the fastest growing communities in the state and southern NH. With I-93 running along the eastern segment, Rt. 128 through the middle, Rt. 28 the northern segment and Rt. 102 the southern segment, Londonderry has ample access to the major highway systems. With construction beginning on the Airport Access Road, Londonderry will enjoy direct access to the Everett Turnpike/Route 3 by 2013. The total workforce of the Londonderry/Manchester area was greater than

previous years with overall earnings increasing over the prior year. From July 2005 to July 2006, over 2,700 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 significantly greater compared to the previous year, with approximately 185,000 square feet of new or expanded commercial and industrial value. This has led to a number of new jobs and further commercial expansion of the local tax base.

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

- Stonyfield Yogurt (Expanded)
- Insight Technology (Expanded)
- Tower Hill Office Park (Expanded)
- Market Basket Supermarket (Expanded)
- Captain Shoppes Strip Mall (New)
- Penske Truck Rental (New)

The significance of having existing businesses within Londonderry expand in town means that these businesses are pleased with the service, location and workforce that Londonderry and the region provides. The Town's Community 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 revise 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, Ambulance 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. In FY2008, Town voters appropriated \$ 217,410 for the purchase of public safety/highway equipment or contributions to Capital Reserve Funds.

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 an annual appropriation of \$ 205,000.

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 (Jack's Bridge Development). 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 Jack's Bridge Development. This development will benefit from a 330,000 square foot anchor tenant, Harvey Industries.

Tax Increment Financing Districts are being considered for both locations. Both areas were included as part of a 2003 Design Charette (the largest ever held 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 to accommodate 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 \$738,410 for General Fund projects and \$ 339,500 for Special Revenue Fund projects.

Major Initiatives

Throughout FY2008, many notable projects and initiatives took place in the Town including the following:

Londonderry has taken a strong position managing its growth with the adoption of a 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 annually and updated every two to four years. 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. Currently, impact fees are assessed to defray costs of growth which impacts our school, police, fire, library and recreational facilities as well as a number of major thoroughfares.

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-Boston Regional Airport had another successful year in fiscal year 2008, 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-Boston Regional 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 Town received \$ 551,828 in FY2008.

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 New Hampshire Department of Transportation has begun construction of 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 six major sections; Living in Londonderry; Economic Development; Government and Services; Sustainable Londonderry and the Eco-Park; Education; News; and the Londonderry Chamber of Commerce. Londonderry's website is continuously being updated to provide additional information and services. The web site is <http://www.londonderrynh.org/>.

In addition to the above, the Town of Londonderry was chosen, along with 9 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 to assist Londonderry in the update of its Master Plan. 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. Recognizing the importance of updating its Master Plan, voters in 2008 appropriated \$ 100,000 to a non capital reserve fund to pay for future revisions.

Another tool being implemented to assist with the orderly development of the community and preservation of its natural and aesthetic resources is continued community support of Open Space Preservation Bonds. The Town has raised over \$ 12,035,000 for Open Space Preservation and managed growth strategies over the past seven 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. The Town also 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, which conducted an inventory of current recreation facilities, and identifying additional facilities necessary to meet residents' demands. The Committee's Findings and Recommendations are 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 is 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 FY 06, voters approved \$ 200,000 to design replacement fire substations in North and South Londonderry and in FY 07 approved a \$ 2,375,000 bond to construct a new substation in south Londonderry. Voters in 2007 and 2008 voted to bond a total of \$ 2,700,000 to reconstruct roads within the community.

The Town continued its efforts to enhance its Geographical Information System (GIS). This system enables all departments and committees to better plan for the future needs of the Town and assists in making more informed land use and infrastructure improvement decisions. The GIS system was used to complete the 2006 update to the open space preservation program.

ACKNOWLEDGEMENTS

This report continues to refine the financial reporting of the Town. It is the fifth year the Town has produced a comprehensive annual financial report (CAFR). The Town received the Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Years ended 2003, 2004, 2005, 2006 and 2007. This recognized the Town's Finance Department's efforts for full disclosure of the financial information of the Town. A CAFR is a much more detailed reporting of the Town's finances, as well as providing historical information in the statistical section of this report.

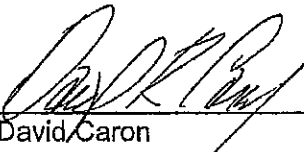
The Certificate of Achievement is valid for a period of one year only. The Town believes that the current CAFR continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the Government Finance Officer's Association to determine its eligibility for another certificate.

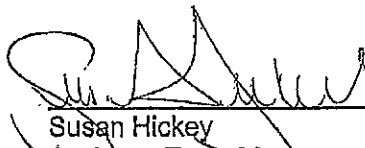
The Town invites you to visit our web site at www.Londonderrynh.org where summary financial information is prominently displayed.

The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department.

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.

Respectfully submitted,



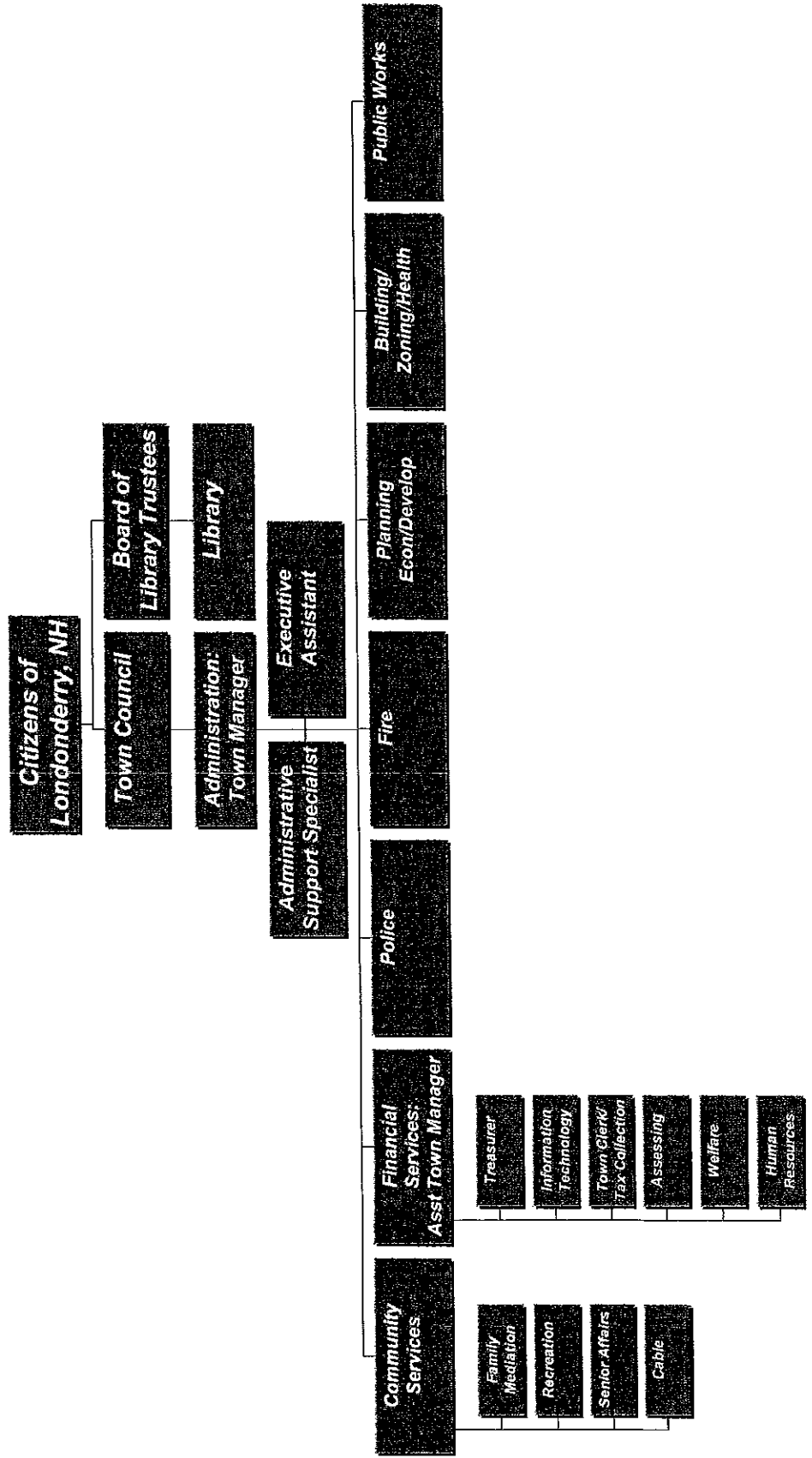
David Caron
Town Manager

Susan Hickey
Assistant Town Manager -
Finance & Administration

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Town of Londonderry

Organizational Chart



TOWN OF LONDONDERRY

DIRECTORY OF OFFICIALS
June 30, 2008

TOWN COUNCIL

Martin Bove
Brian Farmer
Kathy Wagner
Mike Brown
Paul DiMarco

OTHER ELECTED OFFICIALS

Cindi Rice-Conley, 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, 2007

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

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INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Londonderry, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Londonderry, New Hampshire, as of and for the year ended June 30, 2008, 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, 2008, 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
September 25, 2008

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, 2008. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Londonderry's basic financial statements. The basic financial statements 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 non-major 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 \$ 78,701,725 (i.e., net assets), a change of \$ 554,321 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 13,609,131, a change of \$ (996,435) in comparison with the prior year.
- Total bonds payable at the close of the current fiscal year was \$ 22,205,000, a change of \$ (875,000) 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 (in thousands).

	<u>2008</u>	<u>2007</u>	<u>Amount</u> <u>Change</u>	<u>%</u> <u>Change</u>
Current and other assets	\$ 42,639	\$ 39,770	\$ 2,869	7%
Capital assets	<u>88,080</u>	<u>87,883</u>	<u>197</u>	0%
Total assets	<u>130,719</u>	<u>127,653</u>	<u>3,066</u>	<u>2%</u>
Long-term liabilities outstanding	24,006	25,129	(1,123)	(4)%
Other liabilities	<u>28,011</u>	<u>24,377</u>	<u>3,634</u>	<u>15%</u>
Total liabilities	<u>52,017</u>	<u>49,506</u>	<u>2,511</u>	<u>5%</u>
Net assets:				
Invested in capital assets, net	66,323	64,993	1,330	2%
Restricted	645	663	(18)	(3)%
Unrestricted	<u>11,734</u>	<u>12,491</u>	<u>(757)</u>	<u>(6)%</u>
Total net assets	\$ <u>78,702</u>	\$ <u>78,147</u>	\$ <u>555</u>	<u>1%</u>

The largest portion of net assets \$ 66,322,703 (84 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 \$ 645,183 are restricted by constraints imposed from outside the Town.

The balance of unrestricted net assets \$ 11,733,839 may be used to meet the government's ongoing obligations to citizens and creditors.

The Town's overall financial position has improved during fiscal year 2008.

The following is a summary of changes in government-wide net assets for the current and prior fiscal years (in thousands).

CHANGES IN NET ASSETS

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 12,259	\$ 11,975	\$ 284	2%
Operating grants and contributions	735	379	356	94%
Capital grants and contributions	583	716	(133)	(19)%
General revenues:				
Taxes	13,662	13,685	(23)	0%
Interest, penalties and other taxes	848	1,634	(786)	(48)%
Grants and contributions not restricted to specific programs	1,333	1,251	82	7%
Investment income	605	867	(262)	(30)%
Other	489	387	102	26%
Total revenues	<u>30,514</u>	<u>30,894</u>	<u>(380)</u>	<u>(1)%</u>
Expenses:				
General government	3,935	2,923	1,012	35%
Public safety	13,763	13,763	-	0%
Highway and streets	5,074	5,570	(496)	(9)%
Sanitation	3,702	3,109	593	19%
Health and welfare	179	307	(128)	(42)%
Culture and recreation	2,001	2,281	(280)	(12)%
Economic development	420	419	1	0%
Interest	896	769	127	17%
Total expenses	<u>29,970</u>	<u>29,141</u>	<u>829</u>	<u>3%</u>
Increase in net assets before permanent fund contributions	544	1,753	(1,209)	(69)%
Permanent fund contributions	<u>11</u>	<u>6</u>	<u>5</u>	<u>83%</u>
Change in net assets	555	1,759	(1,204)	(68)%
Net assets - beginning of year	<u>78,147</u>	<u>76,388</u>	<u>1,759</u>	<u>2%</u>
Net assets - end of year	<u>\$ 78,702</u>	<u>\$ 78,147</u>	<u>\$ 555</u>	<u>1%</u>

Governmental activities. Governmental activities for the year resulted in a change in net assets of \$ 554,321. Key elements of this change are as follows:

- Although the overall tax rate continued to decreased (\$ 18.22 in comparison to \$ 18.28 in the previous year), most taxpayers saw an increase in their actual tax bills. In a continuing effort to comply with the assessing standards enforced by the State of New Hampshire, the Assessing Department is adjusting values to more closely approximate fair market value. Accordingly, more property assessments were increased to reflect market activity.

- The Town raised over \$ 369,000 in unanticipated donations and grants. A majority of these donations, \$ 340,438 were for the Town's public safety programs of police and fire.
- The Town continues to purchase land for the open space conservation program, which is reported in the Conservation Commission Special Revenue Fund. In fiscal year 2008, \$ 1,017,752 of land was purchased and capitalized.
- There was a reduction in waste collections expenditures, due to a community-wide drop in recycling.

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 governmental fund balances have changed by \$ (996,435) in fiscal year 2008.

The Town did not have any other major funds in fiscal year 2008. The non-major governmental fund balances changed by \$ (968,062), causing an overall decrease in governmental fund balances. Most of the decrease was attributable to the Conservation Commission special revenue fund. The Conservation Commission special revenue fund had a change in fund balance of \$ (1,049,982) because of a timing issue, whereby revenue sources including bond proceeds of \$ 2 million, were recorded in FY07, while the cost of land purchases of \$ 1 million were recorded in FY08.

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 26 percent of that same amount.

The fund balance of the general fund decreased by \$ (28,373) during the current fiscal year. Key factors in this change are as follows:

Excess of revenues over budget estimates (pages 68-69)	\$ 584,333
Excess appropriations not spent or encumbered by Departments (pages 70-71)	251,693
Use of fund balance as a funding source	(738,410)
Property tax collections exceeding (less than) net tax levy	(109,705)
Other timing differences	(16,284)
Total	\$ (28,373)

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Significant budget to actual variances for general fund revenues and expenditures included the following:

- Motor vehicle did not meet budget by \$ (555,384) due to general decline of motor vehicle revenues throughout State.
- The Town raised over \$ 400,000 of donations and grants in excess of budget estimates, of which \$ 340,000 was for fire and police equipment purchases.
- The Fire Department overexpended its salary line by close to \$ 50,000 due to staff turnover and retirement benefits pay-out.
- The Highway Department overexpended its appropriation by \$ (127,630) due to increased overtime needs for snow and ice emergencies.
- Solid waste underexpended the budget by \$ 141,576 due to a drop in recycling collections.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets at year end amounted to \$ 88,079,981, net of accumulated depreciation, a change of \$ (196,911) 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.

Capital asset additions during the current fiscal year included the following:

Land and improvements additions (conservation easements):

- Conservation Commission fund's expenditures included acquisition of agricultural and conservation land of \$ 1,017,752. 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.

Construction in progress additions:

- Exit 4A capitalized costs were \$ 176,152.
- In 2008, the Town capitalized \$ 104,850 towards the construction of a replacement fire substation in south Londonderry.
- The Town began construction on a multi-year street improvement project for Mammoth Road and Litchfield Road. Current year expenditures were \$ 999,603.

Other capital additions of \$ 678,359 consisted primarily of equipment purchases.

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 \$ 22,205,000, all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in footnote 16 to the financial statements.

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

The general outlook for the Town of Londonderry is positive. The 3.5% unemployment rate for the Manchester/Londonderry area, according to the New Hampshire Employment Security Bureau, is under the overall U.S. unemployment rate of 4.6%. The development that occurred within the Town over the past year has significantly increased in comparison to the previous year, with approximately 185,000 square feet of new or expanded commercial value; over 400,000 square feet previously approved projects nearing completion and placed on the tax rolls for FY09, and approximately 160,000 square feet under plan review. 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 \$ 30,947,285 operating and capital improvement budget. During the year the Town will be issuing a \$ 1,500,000 bond for the Town's Roadway Management Program.

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
268 B Mammoth Rd
Londonderry, New Hampshire 03053

Basic Financial Statements

TOWN OF LONDONDERRY, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2008

	Governmental <u>Activities</u>
ASSETS	
Current:	
Cash and short-term investments	\$ 39,303,942
Investments	596,228
Receivables, net of allowance for uncollectibles:	
Property taxes	731,945
User fees	917,896
Intergovernmental	698,994
Other	390,184
Total current assets	<u>42,639,189</u>
Noncurrent:	
Capital assets:	
Land and construction in progress	17,997,021
Other capital assets, net of accumulated depreciation	70,082,960
Total noncurrent assets	<u>88,079,981</u>
TOTAL ASSETS	130,719,170
LIABILITIES	
Current:	
Accounts payable	1,196,462
Accrued liabilities	339,733
Taxes collected in advance	25,606,413
Tax refunds payable	616,007
Due to other governments	2,475
Other liabilities	249,873
Current portion of long-term liabilities:	
Bonds payable	2,055,000
Compensated absences	597,376
Other liabilities	123,060
Total current liabilities	<u>30,786,399</u>
Noncurrent:	
Bonds payable, net of current portion	20,150,000
Compensated absences, net of current portion	911,046
Other liabilities, net of current portion	170,000
Total noncurrent liabilities	<u>21,231,046</u>
TOTAL LIABILITIES	52,017,445
NET ASSETS	
Invested in capital assets, net of related debt	66,322,703
Restricted externally or constitutionally for:	
Permanent funds:	
Nonexpendable	545,217
Expendable	99,966
Unrestricted	<u>11,733,839</u>
TOTAL NET ASSETS	\$ <u>78,701,725</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

		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	\$ 3,934,902	\$ 6,122,041	\$ 72,633	\$ -	\$ 2,259,772
Public safety	13,762,995	3,159,224	124,188	-	(10,479,583)
Highways and streets	5,074,427	293,526	425,703	501,380	(3,853,818)
Sanitation	3,702,251	2,273,247	-	81,529	(1,347,475)
Health and welfare	178,496	10,070	-	-	(168,426)
Culture and recreation	2,001,143	401,348	112,133	-	(1,487,662)
Economic development	420,413	-	-	-	(420,413)
Interest	<u>896,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(896,326)</u>
Total Governmental Activities	\$ <u>29,970,953</u>	\$ <u>12,259,456</u>	\$ <u>734,657</u>	\$ <u>582,909</u>	(16,393,931)
General Revenues:					
					13,661,626
Property taxes					
Interest, penalties and payments in lieu of taxes					848,179
Grants and contributions not restricted to specific programs					1,333,129
Investment income					605,702
Other					<u>488,916</u>
Total general revenues					<u>16,937,552</u>
Excess before permanent fund contributions					543,621
Permanent fund contributions					<u>10,700</u>
Change in Net Assets					554,321
Net Assets:					
Beginning of year					<u>78,147,404</u>
End of year					\$ <u>78,701,725</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2008

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and short-term investments	\$ 36,494,414	\$ 2,809,528	\$ 39,303,942
Investments	-	596,228	596,228
Receivables, net of allowance for uncollectibles:			
Property taxes	731,945	-	731,945
User fees	234,423	683,473	917,896
Intergovernmental	698,994	-	698,994
Other	4,462	385,722	390,184
Due from other funds	<u>1,133</u>	<u>4,394,922</u>	<u>4,396,055</u>
TOTAL ASSETS	\$ <u>38,165,371</u>	\$ <u>8,869,873</u>	\$ <u>47,035,244</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,009,445	\$ 172,552	\$ 1,181,997
Retainage payable	-	14,465	14,465
Accrued liabilities	5,700	-	5,700
Deferred revenues	667,777	685,351	1,353,128
Taxes collected in advance	25,606,413	-	25,606,413
Tax refunds payable	616,007	-	616,007
Due to other funds	3,134,907	1,261,148	4,396,055
Due to other governments	2,475	-	2,475
Other liabilities	<u>249,873</u>	<u>-</u>	<u>249,873</u>
TOTAL LIABILITIES	31,292,597	2,133,516	33,426,113
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	2,509,562	794,856	3,304,418
Perpetual permanent funds	-	545,217	545,217
Unreserved:			
Undesignated, reported in:			
General fund	4,363,212	-	4,363,212
Special revenue funds	-	5,580,561	5,580,561
Capital project funds	-	(284,243)	(284,243)
Permanent funds	<u>-</u>	<u>99,966</u>	<u>99,966</u>
TOTAL FUND BALANCES	<u>6,872,774</u>	<u>6,736,357</u>	<u>13,609,131</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>38,165,371</u>	\$ <u>8,869,873</u>	\$ <u>47,035,244</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, 2008

Total governmental fund balances	\$ 13,609,131
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	88,079,981
<ul style="list-style-type: none">• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,353,128
<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.	(334,033)
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, compensated absences, and landfill liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(24,006,482)</u>
Net assets of governmental activities	\$ <u>78,701,725</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, 2008

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 13,569,699	\$ -	\$ 13,569,699
Interest, penalties, and payments in lieu of taxes	840,286	7,893	848,179
Licenses and permits	6,294,434	-	6,294,434
Intergovernmental	2,538,562	-	2,538,562
Charges for services	802,420	4,955,496	5,757,916
Investment income	599,574	6,128	605,702
Contributions	-	122,833	122,833
Other revenues	168,950	319,965	488,915
Total Revenues	<u>24,813,925</u>	<u>5,412,315</u>	<u>30,226,240</u>
Expenditures:			
Current:			
General government	3,204,130	1,446,694	4,650,824
Public safety	11,169,578	2,331,175	13,500,753
Highways and streets	3,518,334	233,708	3,752,042
Sanitation	1,896,988	1,215,452	3,112,440
Health and welfare	177,474	-	177,474
Culture and recreation	1,385,091	482,284	1,867,375
Economic development	414,561	-	414,561
Capital outlay	2,043,955	-	2,043,955
Debt service	2,903,251	-	2,903,251
Total Expenditures	<u>26,713,362</u>	<u>5,709,313</u>	<u>32,422,675</u>
Excess (deficiency) of revenues over (under) expenditures	(1,899,437)	(296,998)	(2,196,435)
Other Financing Sources (Uses):			
Bond proceeds	1,200,000	-	1,200,000
Transfers in	801,064	130,000	931,064
Transfers out	(130,000)	(801,064)	(931,064)
Total Other Financing Sources (Uses)	<u>1,871,064</u>	<u>(671,064)</u>	<u>1,200,000</u>
Net changes in fund balances	(28,373)	(968,062)	(996,435)
Fund Balances, beginning of year	<u>6,901,147</u>	<u>7,704,419</u>	<u>14,605,566</u>
Fund Balances, end of year	<u>\$ 6,872,774</u>	<u>\$ 6,736,357</u>	<u>\$ 13,609,131</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, 2008

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (996,435)
<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	3,010,838
Loss on disposal of fixed assets	(56,975)
Depreciation	(2,756,952)
<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. 	299,033
<ul style="list-style-type: none"> The issuance of long-term debt (e.g., bonds and leases) 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: 	
Repayments of bonded debt	2,075,000
Issuance of bond debt	(1,200,000)
Repayments of leased debt	312,998
<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. 	(68,074)
<ul style="list-style-type: none"> Some expenses reported in the Statement of Activities, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. 	
Compensated absences	(75,112)
Landfill liability	10,000
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>554,321</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, 2008

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues and other sources:				
Property taxes	\$ 13,679,404	\$ 13,679,404	\$ 13,679,404	\$ -
Interest, penalties, and other taxes	824,556	824,556	840,286	15,730
Licenses and permits	6,862,601	6,862,601	6,294,434	(568,167)
Intergovernmental	2,036,691	2,036,691	2,538,562	501,871
Charges for services	548,380	548,380	802,420	254,040
Investment income	475,000	475,000	599,574	124,574
Other revenues	100,000	100,000	168,950	68,950
Other financing sources:				
Bond proceeds	1,200,000	1,200,000	1,200,000	-
Transfers in	613,729	613,729	801,064	187,335
Use of fund balance	738,410	738,410	738,410	-
Total Revenues	27,078,771	27,078,771	27,663,104	584,333
Expenditures and other uses:				
Current:				
General government	3,272,956	3,272,956	3,249,871	23,085
Public safety	11,408,725	11,408,725	11,467,850	(59,125)
Highways and streets	3,402,553	3,402,553	3,441,417	(38,864)
Sanitation	2,042,796	2,042,796	1,901,220	141,576
Health and welfare	223,396	223,396	174,026	49,370
Culture and recreation	1,412,405	1,412,405	1,385,091	27,314
Economic development	426,227	426,227	412,995	13,232
Capital outlay	1,858,410	1,858,410	1,761,357	97,053
Debt service	2,901,303	2,901,303	2,903,251	(1,948)
Other financing uses:				
Transfers out	130,000	130,000	130,000	-
Total Expenditures	27,078,771	27,078,771	26,827,078	251,693
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 836,026	\$ 836,026

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2008

	Agency Funds
<u>ASSETS</u>	
Cash and short term investments	\$ 3,967,149
Total Assets	\$ 3,967,149
<u>LIABILITIES</u>	
Escrow deposits held	\$ 3,764,011
School funds held	203,138
Total Liabilities	\$ 3,967,149

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 2008, 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.

Additionally, the Town reports the following fund type:

- The *Agency Funds* account for construction escrows and school capital reserves. Agency funds, unlike other funds, have no measurement focus, reporting only assets and liabilities.

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 (Sewer Fund and Cable Fund).

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)	\$ 24,813,925	\$ 26,713,362
Other financing sources/uses (GAAP basis)	<u>2,001,064</u>	<u>130,000</u>
Subtotal (GAAP Basis)	26,814,989	28,843,362
Adjust tax revenue to accrual basis	109,705	-
Reverse expenditures related to beginning of year appropriation carryforwards	-	(2,525,846)
Add end of year appropriation carryforwards to expenditures	-	2,509,562
Recognize use of fund balance as funding source	<u>738,410</u>	<u>-</u>
Budgetary basis	\$ <u>27,663,104</u>	\$ <u>26,827,078</u>
<u>Nonmajor Governmental Funds:</u>		
Revenues/Expenditures (GAAP basis)	\$ 5,412,315	\$ 5,709,313
Other financing sources/uses (GAAP basis)	<u>130,000</u>	<u>801,064</u>
Subtotal (GAAP Basis)	5,542,315	6,510,377
Less non-budgeted nonmajor funds	(3,036,730)	(4,653,148)
Reverse expenditures related to beginning of year appropriation carryforwards	-	(527,034)
Add end of year appropriation carryforwards to expenditures	<u>-</u>	<u>778,540</u>
Budgetary basis	\$ <u>2,505,585</u>	\$ <u>2,108,735</u>

D. Excess of Expenditures Over Appropriations

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

General Fund:	
Town Manager	\$ (2,243)
Supervisor Checklist	(4,418)
Finance	(52,494)
Information Technology	(19,480)
Municipal Insurances	(8,154)
Police Department	(16,409)
Fire Department	(42,716)
Highway Department	(127,630)
Recreation Department	(10,920)
Debt Service	(1,948)
Nonmajor Governmental Fund:	
Sewer Fund	(41,773)

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, 2008, of the Town's bank balance of \$ 39,390,389, \$ 10,336,352 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. The Town does not have a policy for credit risk.

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

Investment Type	Fair Value	Rating as of Year End			Weighted Average Duration (Years)
		AAA	AA-	BBB+	
Debt related securities:					
U.S. Treasury notes	\$ 51,517	\$ 51,517	\$ -	\$ -	.90
Corporate bonds	45,120	-	20,361	24,759	4.67
Federal agency securities	<u>161,405</u>	<u>161,405</u>	<u>-</u>	<u>-</u>	4.95
Subtotal	258,042	<u>\$ 212,922</u>	<u>\$ 20,361</u>	<u>\$ 24,759</u>	
Hedge fund	4,825				
Corporate equities	<u>333,361</u>				
Total	<u>\$ 596,228</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 does not have a policy for custodial credit risk. None of the investments held by the Town's trustees are exposed to custodial credit risk.

C. Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer. The Town does not have an investment in one issuer greater than 5% of total investments.

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. For weighted average duration, please see the table in Section A of this footnote.

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, 2008, consists of the following:

Property taxes	\$ 2,217
Tax liens:	
2007	510,299
2006	185,838
2005	15,236
Prior	16,374
Yield tax	<u>1,981</u>
Total	\$ <u>731,945</u>

6. User Fees and Allowance for Doubtful Accounts

User fees receivable include amounts due from customers primarily for sewer and ambulance services. Ambulance accounts receivable are reported net of an allowance for doubtful accounts, and revenues net of uncollectibles. The allowance amount is estimated using accounts receivable past due more than 120 days. Sewer delinquent receivables are liened in a similar manner as property taxes described in Note 5.

User fees receivable and related allowance for doubtful accounts at June 30, 2008 consist of the following:

	<u>Ambulance</u>	<u>Sewer</u>	<u>Cable</u>	<u>Total</u>
Gross	\$ 507,245	\$ 602,511	\$ 80,962	\$ 1,190,718
Less: Allowance for doubtful accounts	(272,822)	-	-	(272,822)
Total	\$ <u>234,423</u>	\$ <u>602,511</u>	\$ <u>80,962</u>	\$ <u>917,896</u>

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal year 2008.

8. Other Receivables

Other receivables consist of:

Police special outside detail	\$ 51,003
Police airport division	332,841
Cable TV - Other	1,878
Other	<u>4,462</u>
Total	\$ <u>390,184</u>

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, 2008 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,133	\$ 3,134,907
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Conservation commission	-	50,115
Sewer fund	3,393,145	22,419
Cable TV	409,947	-
Police airport division	20,513	353,354
Other	29,397	7,000

(continued)

(continued)

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Capital Project Funds:		
West road fields	27,388	-
South Londonderry Phase II	354,771	-
Exit 4A	-	594,552
Fire facility	159,761	-
Mammoth Rd/Litchfield Rd	<u>-</u>	<u>233,708</u>
Subtotal nonmajor funds	<u>4,394,922</u>	<u>1,261,148</u>
Total	<u>\$ 4,396,055</u>	<u>\$ 4,396,055</u>

The following is an analysis of transfers in and out during fiscal year 2008. The primary purpose of these transfers is to ensure budget compliance. Most of these transfers are budgeted in general fund, and transferred to appropriate funds. Sewer and cable fund transfers to general fund cover their share of general fund costs. Annual transfers are made between general and capital reserve fund per annual town meeting appropriations.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 801,064	\$ 130,000
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Sewer fund	-	341,171
Cable	-	678
Police airport division	-	193,636
Capital reserve trust	130,000	248,079
Permanent Fund	<u>-</u>	<u>17,500</u>
Subtotal nonmajor funds	<u>130,000</u>	<u>801,064</u>
Total	<u>\$ 931,064</u>	<u>\$ 931,064</u>

10. Capital Assets

Capital asset activity for the year ended June 30, 2008 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	\$ 11,947	\$ 4	\$ -	\$ 11,951
Machinery, vehicles, and equipment	7,344	615	(5)	7,954
Intangibles	1,354	4	-	1,358
Infrastructure	84,233	55	-	84,288
Improvements other than buildings	<u>290</u>	<u>-</u>	<u>-</u>	<u>290</u>
Total capital assets, being depreciated	105,168	678	(5)	105,841
Less accumulated depreciation for:				
Buildings	(1,349)	(325)	-	(1,674)
Machinery, vehicles, and equipment	(4,227)	(676)	2	(4,901)
Intangibles	(1,343)	(9)	-	(1,352)
Infrastructure	(26,023)	(1,724)	-	(27,747)
Improvements other than buildings	<u>(61)</u>	<u>(23)</u>	<u>-</u>	<u>(84)</u>
Total accumulated depreciation	(33,003)	(2,757)	2	(35,758)
Total capital assets, being depreciated, net	72,165	(2,079)	(3)	70,083
Capital assets, not being depreciated:				
Land and improvements	10,453	1,018	-	11,471
Construction in progress	<u>5,265</u>	<u>1,315</u>	<u>(54)</u>	<u>6,526</u>
Total capital assets, not being depreciated	<u>15,718</u>	<u>2,333</u>	<u>(54)</u>	<u>17,997</u>
Governmental activities capital assets, net	\$ <u>87,883</u>	\$ <u>254</u>	\$ <u>(57)</u>	\$ <u>88,080</u>

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

Governmental Activities:

General government	\$ 184
Public safety	558
Public works	1,297
Culture and recreation	121
Sanitation	<u>597</u>

Total depreciation expense - governmental activities \$ 2,757

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

<u>Project:</u>	<u>Spent to June 30, 2008</u>	<u>Remaining Commitment</u>
Exit 4A	\$ 860	\$ 3,906
West Road Fields	1,893	-
Mammoth Road	234	-
South Londonderry Phase II	-	355
Fire Facility	<u>2,701</u>	<u>-</u>
Total Projects:	\$ <u>5,688</u>	\$ <u>4,261</u>

11. Accounts Payable

Accounts payable represent additional 2008 expenditures paid after June 30, 2008.

12. Accrued Liabilities

Accrued liabilities on the statement of net assets primarily consist of accrued payroll and accrued interest at June 30, 2008.

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, 2008 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, 2008 for levy year 2009.

15. Tax Refunds Payable

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

16. 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, 2008</u>
Water, sewer and public improvements	\$ 4,575,000	05/15/11	6.30 - 6.40	\$ 320,000
Mammoth Rd. sewer	2,400,000	11/01/21	3.50 - 5.00	1,680,000
Multi-purpose bond	1,650,000	10/15/12	3.71	825,000
Multi-purpose bond	13,652,674	10/01/23	3.45 - 4.25	10,910,000
Refunding	4,545,000	10/15/15	2.25 - 3.75	2,420,000
Open space conservation	1,000,000	12/01/14	3.31	700,000
Open space & fire station	4,375,000	08/15/26	3.50 - 4.15	4,150,000
Roadway Improvements	1,200,000	01/15/18	3.00 - 3.25	<u>1,200,000</u>
Total Governmental Activities:				\$ <u>22,205,000</u>

C. Future Debt Service

The annual principal payments to retire all general obligation long-term debt outstanding as of June 30, 2008 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 2,055,000	\$ 789,512	\$ 2,844,512
2010	1,915,000	720,011	2,635,011
2011	1,815,000	655,362	2,470,362
2012	1,800,000	593,925	2,393,925
2013	1,795,000	533,415	2,328,415
2014 - 2018	6,365,000	1,917,029	8,282,029
2019 - 2023	4,980,000	805,710	5,785,710
2024 - 2028	<u>1,480,000</u>	<u>80,180</u>	<u>1,560,180</u>
Total	\$ <u>22,205,000</u>	\$ <u>6,095,144</u>	\$ <u>28,300,144</u>

D. Bond Authorizations/Unissued

Long term debt authorizations which have not been issued or rescinded as of June 30, 2008 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, 2008, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/07</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/08</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 23,080	\$ 1,200	\$ (2,075)	\$ 22,205	\$ (2,055)	\$ 20,150
Accrued emp. benefits	1,433	75	-	1,508	(597)	911
Other:						
Capital leases	426	-	(313)	113	(113)	-
Landfill postclosure	<u>190</u>	<u>-</u>	<u>(10)</u>	<u>180</u>	<u>(10)</u>	<u>170</u>
Totals	\$ <u>25,129</u>	\$ <u>1,275</u>	\$ <u>(2,398)</u>	\$ <u>24,006</u>	\$ <u>(2,775)</u>	\$ <u>21,231</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>
Landfill cap, Boston		
North, fire truck	1994	\$ 380
Library	1996	575

17. 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 \$ 180,000 reported as landfill postclosure care liability at June 30, 2008 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 2008. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

18. 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.

19. 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, 2008:

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.

20. 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.

21. Retirement System

The Town follows the provisions of GASB Statement No. 27, Accounting for Pensions for State and Local Government Employees, (as amended by GASB 50) with respect to the employees' retirement funds.

A. Plan Description

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

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to Group I. Police officers and firefighters belong to Group II. All assets are held in a single trust and are available to each group, funding policies, vesting requirements, contribution requirements and plan assets available to pay benefits are disclosed in the System's annual report available from the New Hampshire Retirement System located at 4 Chenell Drive, Concord, New Hampshire 03301-8509.

B. Funding Policy

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 5% for employees and teachers and 9.3% for police and fire. The Town makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and is 3.7% for teachers and 6.81% for all other covered employees. The Town's contributions to the System for the years ended June 30, 2008, 2007, and 2006 were \$ 1,507,205, \$ 1,037,715, and \$ 840,245, respectively, which were equal to its annual required contributions for each of these years.

22. 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.

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.
- Police Airport Division: To account for charges to City of Manchester Department of Aviation for security at the Manchester-Boston Regional Airport provided by the Londonderry Police Department and the related expenditures by the law enforcement personnel.
- 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 retainage for police facility project completed in fiscal year 2007.

- West Road Fields: To account for the development of a Town-owned and maintained athletic field complex.
- 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.
- Fire Facility: To account for the architectural, engineering and construction costs of a new fire facility.
- Mammoth Road/Litchfield Road: To account for the improvements and reconstruction of Mammoth Road and Litchfield Road intersections.

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, 2008

	Special Revenue Funds		
	Conservation <u>Commission</u>	Leach Library <u>Fund</u>	Sewer <u>Fund</u>
<u>ASSETS</u>			
Cash and short-term investments	\$ 1,691,561	\$ 33,876	\$ -
Investments	-	-	-
User fees receivable	-	-	602,511
Other receivable	-	-	-
Due from other funds	-	-	3,393,145
	<u>-</u>	<u>-</u>	<u>3,393,145</u>
Total Assets	\$ <u>1,691,561</u>	\$ <u>33,876</u>	\$ <u>3,995,656</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 122,368
Retainage payable	-	-	-
Deferred revenues	-	-	602,511
Due to other funds	50,115	-	22,419
	<u>50,115</u>	<u>-</u>	<u>22,419</u>
Total Liabilities	50,115	-	747,298
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	-	-	776,749
Perpetual permanent funds	-	-	-
Unreserved:			
Undesignated, reported in:			
Special revenue funds	1,641,446	33,876	2,471,609
Capital project funds	-	-	-
Permanent funds	-	-	-
	<u>1,641,446</u>	<u>33,876</u>	<u>3,248,358</u>
Total Fund Equity	<u>1,641,446</u>	<u>33,876</u>	<u>3,248,358</u>
Total Liabilities and Fund Equity	\$ <u>1,691,561</u>	\$ <u>33,876</u>	\$ <u>3,995,656</u>

Special Revenue Funds

<u>Cable TV Fund</u>	<u>Police Airport Division</u>	<u>Capital Reserve Trust</u>	<u>Other Funds</u>	<u>Subtotals</u>
\$ -	\$ -	\$ 660,162	\$ 358,412	\$ 2,744,011
-	-	-	-	-
80,962	-	-	-	683,473
1,878	332,841	-	51,003	385,722
<u>409,947</u>	<u>20,513</u>	<u>-</u>	<u>29,397</u>	<u>3,853,002</u>
\$ <u>492,787</u>	\$ <u>353,354</u>	\$ <u>660,162</u>	\$ <u>438,812</u>	\$ <u>7,666,208</u>
\$ 49,490	\$ -	\$ -	\$ 694	\$ 172,552
-	-	-	-	-
82,840	-	-	-	685,351
<u>-</u>	<u>353,354</u>	<u>-</u>	<u>7,000</u>	<u>432,888</u>
132,330	353,354	-	7,694	1,290,791
1,790	-	-	16,317	794,856
-	-	-	-	-
-	-	-	-	-
358,667	-	660,162	414,801	5,580,561
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>360,457</u>	<u>-</u>	<u>660,162</u>	<u>431,118</u>	<u>6,375,417</u>
\$ <u>492,787</u>	\$ <u>353,354</u>	\$ <u>660,162</u>	\$ <u>438,812</u>	\$ <u>7,666,208</u>

(continued)

(continued)

	Capital Project Funds		
	Police Facility	West Road Fields	South Londonderry Phase II
<u>ASSETS</u>			
Cash and short-term investments	\$ 14,465	\$ -	\$ -
Investments	-	-	-
User fees receivable	-	-	-
Other receivable	-	-	-
Due from other funds	-	27,388	354,771
Total Assets	\$ <u>14,465</u>	\$ <u>27,388</u>	\$ <u>354,771</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Retainage payable	14,465	-	-
Deferred revenues	-	-	-
Due to other funds	-	-	-
Total Liabilities	14,465	-	-
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	-	-	-
Perpetual permanent funds	-	-	-
Unreserved:			
Undesignated, reported in:			
Special revenue funds	-	-	-
Capital project funds	-	27,388	354,771
Permanent funds	-	-	-
Total Fund Equity	-	27,388	354,771
Total Liabilities and Fund Equity	\$ <u>14,465</u>	\$ <u>27,388</u>	\$ <u>354,771</u>

Capital Project Funds

<u>Exit 4A</u>	<u>Fire Facility</u>	<u>Mammoth Rd Litchfield Rd</u>	<u>Subtotals</u>
\$ 2,097	\$ -	\$ -	\$ 16,562
-	-	-	-
-	-	-	-
-	-	-	-
-	159,761	-	541,920
<u>\$ 2,097</u>	<u>\$ 159,761</u>	<u>\$ -</u>	<u>\$ 558,482</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	14,465
-	-	-	-
594,552	-	233,708	828,260
<u>594,552</u>	<u>-</u>	<u>233,708</u>	<u>842,725</u>
-	-	-	-
-	-	-	-
-	-	-	-
(592,455)	159,761	(233,708)	(284,243)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(592,455)</u>	<u>159,761</u>	<u>(233,708)</u>	<u>(284,243)</u>
<u>\$ 2,097</u>	<u>\$ 159,761</u>	<u>\$ -</u>	<u>\$ 558,482</u>

(continued)

(continued)

	Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
<u>ASSETS</u>		
Cash and short-term investments	\$ 48,955	\$ 2,809,528
Investments	596,228	596,228
User fees receivable	-	683,473
Other receivable	-	385,722
Due from other funds	-	4,394,922
	<hr/>	<hr/>
Total Assets	\$ <u>645,183</u>	\$ <u>8,869,873</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ -	\$ 172,552
Retainage payable	-	14,465
Deferred revenues	-	685,351
Due to other funds	-	1,261,148
	<hr/>	<hr/>
Total Liabilities	-	2,133,516
Fund Balances:		
Reserved for:		
Encumbrances and continuing appropriations	-	794,856
Perpetual permanent funds	545,217	545,217
Unreserved:		
Undesignated, reported in:		
Special revenue funds	-	5,580,561
Capital project funds	-	(284,243)
Permanent funds	99,966	99,966
	<hr/>	<hr/>
Total Fund Equity	<u>645,183</u>	<u>6,736,357</u>
	<hr/>	<hr/>
Total Liabilities and Fund Equity	\$ <u>645,183</u>	\$ <u>8,869,873</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, 2008

	Special Revenue Funds		
	Conservation Commission	Leach Library Fund	Sewer Fund
Revenues:			
Interest, penalties and land use taxes	\$ 1,763	\$ -	\$ 6,130
Intergovernmental	-	-	-
Charges for services	-	29,133	2,069,468
Investment income(loss)	5,103	1,368	-
Contributions	-	112,133	-
Other	45,017	14,249	64,873
Total Revenues	51,883	156,883	2,140,471
Expenditures:			
Current:			
General government	1,101,865	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	-	1,215,452
Culture and recreation	-	163,745	-
Total Expenditures	1,101,865	163,745	1,215,452
Excess (deficiency) of revenues over (under) expenditures	(1,049,982)	(6,862)	925,019
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	(341,171)
Total Other Financing Sources (Uses)	-	-	(341,171)
Net changes in fund balances	(1,049,982)	(6,862)	583,848
Fund Balances, beginning of year	2,691,428	40,738	2,664,510
Fund Balances, end of year	\$ 1,641,446	\$ 33,876	\$ 3,248,358

Special Revenue Funds

<u>Cable TV Fund</u>	<u>Police Airport Division</u>	<u>Capital Reserve Trust</u>	<u>Other Funds</u>	<u>Subtotals</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,893
-	-	-	-	-
365,114	2,117,277	-	374,504	4,955,496
-	-	8,428	640	15,539
-	-	-	-	112,133
-	-	-	145,826	269,965
<u>365,114</u>	<u>2,117,277</u>	<u>8,428</u>	<u>520,970</u>	<u>5,361,026</u>
-	-	-	57,101	1,158,966
-	1,923,641	-	407,534	2,331,175
-	-	-	-	-
-	-	-	-	1,215,452
<u>299,928</u>	<u>-</u>	<u>-</u>	<u>16,970</u>	<u>480,643</u>
<u>299,928</u>	<u>1,923,641</u>	<u>-</u>	<u>481,605</u>	<u>5,186,236</u>
65,186	193,636	8,428	39,365	174,790
-	-	130,000	-	130,000
<u>(678)</u>	<u>(193,636)</u>	<u>(248,079)</u>	<u>-</u>	<u>(783,564)</u>
<u>(678)</u>	<u>(193,636)</u>	<u>(118,079)</u>	<u>-</u>	<u>(653,564)</u>
64,508	-	(109,651)	39,365	(478,774)
<u>295,949</u>	<u>-</u>	<u>769,813</u>	<u>391,753</u>	<u>6,854,191</u>
<u>\$ 360,457</u>	<u>\$ -</u>	<u>\$ 660,162</u>	<u>\$ 431,118</u>	<u>\$ 6,375,417</u>

(continued)

(continued)

	Capital Project Funds		
	Police Facility	West Road Fields	South Londonderry Phase II
Revenues:			
Interest and penalties	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income(loss)	-	-	-
Contributions	-	-	-
Other	-	-	-
Total Revenues	-	-	-
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Culture and recreation	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net changes in fund balances	-	-	-
Fund Balances, beginning of year	-	27,388	354,771
Fund Balances, end of year	\$ -	\$ 27,388	\$ 354,771

Capital Project Funds

<u>Exit 4A</u>	<u>Fire Facility</u>	<u>Mammoth Rd Litchfield Rd</u>	<u>Subtotals</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
4	-	-	4
-	-	-	-
-	50,000	-	50,000
<u>4</u>	<u>50,000</u>	<u>-</u>	<u>50,004</u>
182,878	104,850	-	287,728
-	-	-	-
-	-	233,708	233,708
-	-	-	-
-	-	-	-
<u>182,878</u>	<u>104,850</u>	<u>233,708</u>	<u>521,436</u>
(182,874)	(54,850)	(233,708)	(471,432)
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
(182,874)	(54,850)	(233,708)	(471,432)
(409,581)	214,611	-	187,189
<u>\$ (592,455)</u>	<u>\$ 159,761</u>	<u>\$ (233,708)</u>	<u>\$ (284,243)</u>

(continued)

(continued)

	Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:		
Interest and penalties	\$ -	\$ 7,893
Intergovernmental	-	-
Charges for services	-	4,955,496
Investment income(loss)	(9,415)	6,128
Contributions	10,700	122,833
Other	-	319,965
	<u>-</u>	<u>319,965</u>
Total Revenues	1,285	5,412,315
Expenditures:		
Current:		
General government	-	1,446,694
Public safety	-	2,331,175
Highways and streets	-	233,708
Sanitation	-	1,215,452
Culture and recreation	1,641	482,284
	<u>1,641</u>	<u>482,284</u>
Total Expenditures	<u>1,641</u>	<u>5,709,313</u>
Excess (deficiency) of revenues over (under) expenditures	(356)	(296,998)
Other Financing Sources (Uses):		
Transfers in	-	130,000
Transfers out	(17,500)	(801,064)
	<u>(17,500)</u>	<u>(801,064)</u>
Total Other Financing Sources (Uses)	<u>(17,500)</u>	<u>(671,064)</u>
Net changes in fund balances	(17,856)	(968,062)
Fund Balances, beginning of year	<u>663,039</u>	<u>7,704,419</u>
Fund Balances, end of year	<u>\$ 645,183</u>	<u>\$ 6,736,357</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Construction Escrows:</u>				
Assets - cash and short-term investments	\$ <u>4,052,471</u>	\$ <u>1,595,363</u>	\$ <u>(1,883,823)</u>	\$ <u>3,764,011</u>
Liabilities - other liabilities	\$ <u>4,052,471</u>	\$ <u>1,595,363</u>	\$ <u>(1,883,823)</u>	\$ <u>3,764,011</u>
<u>School Capital Reserve:</u>				
Assets - cash and short-term investments	\$ <u>433,521</u>	\$ <u>401,307</u>	\$ <u>(631,690)</u>	\$ <u>203,138</u>
Liabilities - other liabilities	\$ <u>433,521</u>	\$ <u>401,307</u>	\$ <u>(631,690)</u>	\$ <u>203,138</u>
<u>Totals:</u>				
Assets - cash and short-term investments	\$ <u>4,485,992</u>	\$ <u>1,996,670</u>	\$ <u>(2,515,513)</u>	\$ <u>3,967,149</u>
Liabilities - other liabilities	\$ <u>4,485,992</u>	\$ <u>1,996,670</u>	\$ <u>(2,515,513)</u>	\$ <u>3,967,149</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, 2008

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
<u>Taxes</u>				
Property taxes	\$ 13,679,404	\$ 13,679,404	\$ 13,679,404	\$ -
Total Taxes	13,679,404	13,679,404	13,679,404	-
<u>Interest, Penalties, and Other Taxes</u>				
Payment in lieu of taxes	551,828	551,828	551,828	-
Yield taxes	2,122	2,122	11,466	9,344
Excavation taxes	15,606	15,606	9,264	(6,342)
Interest and penalties on taxes	255,000	255,000	267,728	12,728
Total Interest, Penalties, and Other Taxes	824,556	824,556	840,286	15,730
<u>Licenses and Permits</u>				
Motor vehicle permits	6,579,000	6,579,000	6,023,616	(555,384)
Business licenses and permits	17,989	17,989	10,966	(7,023)
Building permits	220,000	220,000	224,023	4,023
Other licenses, permits and fees	45,612	45,612	35,829	(9,783)
Total Licenses and Permits	6,862,601	6,862,601	6,294,434	(568,167)
<u>Intergovernmental</u>				
State shared revenues	295,785	295,785	295,785	-
Meals and room distribution	1,037,345	1,037,345	1,037,344	(1)
Highway block grant	477,561	477,561	501,380	23,819
Water pollution grants	71,795	71,795	81,529	9,734
COPS grant	60,000	60,000	37,387	(22,613)
Police grant	12,000	12,000	86,801	74,801
Other grants	82,205	82,205	498,336	416,131
Total Intergovernmental Revenues	2,036,691	2,036,691	2,538,562	501,871
<u>Charges for Services</u>				
Income from departments	548,380	548,380	802,420	254,040
Total Charges for Services	548,380	548,380	802,420	254,040
<u>Investment Income</u>				
Interest on deposits	475,000	475,000	599,574	124,574
Total Investment Income	475,000	475,000	599,574	124,574
<u>Other Revenues</u>				
Insurance dividends and reimbursements	30,000	30,000	61,536	31,536
Other miscellaneous revenue	70,000	70,000	107,414	37,414
Total Miscellaneous Revenues	100,000	100,000	168,950	68,950
Total Revenues	24,526,632	24,526,632	24,923,630	396,998

(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, 2008

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources</u>				
Bond Proceeds	1,200,000	1,200,000	1,200,000	-
Operating Transfers In:				
Sewer fund	341,171	341,171	341,171	-
Cable fund	678	678	678	-
Police airport detail fund	144,380	144,380	193,636	49,256
Capital reserve trust	110,000	110,000	248,079	138,079
Permanent fund	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Total Transfers In	613,729	613,729	801,064	187,335
Use of Fund Balance	<u>738,410</u>	<u>738,410</u>	<u>738,410</u>	<u>-</u>
Total Other Financing Sources	<u>2,552,139</u>	<u>2,552,139</u>	<u>2,739,474</u>	<u>187,335</u>
Total Revenues and Other Financing Sources	<u>\$ 27,078,771</u>	<u>\$ 27,078,771</u>	<u>\$ 27,663,104</u>	<u>\$ 584,333</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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Expenditures</u>				
<u>General Government</u>				
Town council	\$ 15,191	\$ 15,191	\$ 12,523	\$ 2,668
Town manager	394,123	394,123	396,366	(2,243)
Town clerk/tax collector	446,754	446,754	424,296	22,458
Suprv. checklist/voter administration	19,452	19,452	23,870	(4,418)
Finance	718,485	718,485	770,979	(52,494)
Assessing	383,728	383,728	377,181	6,547
Information technology	436,692	436,692	456,172	(19,480)
Legal	120,000	120,000	73,084	46,916
Zoning board	38,565	38,565	36,492	2,073
General services	498,191	498,191	471,299	26,892
Cemeteries	34,945	34,945	32,625	2,320
Municipal insurances	166,830	166,830	174,984	(8,154)
Total General Government	<u>3,272,956</u>	<u>3,272,956</u>	<u>3,249,871</u>	<u>23,085</u>
<u>Public Safety</u>				
Police department	6,351,661	6,351,661	6,368,070	(16,409)
Fire department	<u>5,057,064</u>	<u>5,057,064</u>	<u>5,099,780</u>	<u>(42,716)</u>
Total Public Safety	<u>11,408,725</u>	<u>11,408,725</u>	<u>11,467,850</u>	<u>(59,125)</u>
<u>Highways and Streets</u>				
Building department	348,671	348,671	259,905	88,766
Highway department	<u>3,053,882</u>	<u>3,053,882</u>	<u>3,181,512</u>	<u>(127,630)</u>
Total Highways and Streets	<u>3,402,553</u>	<u>3,402,553</u>	<u>3,441,417</u>	<u>(38,864)</u>
<u>Sanitation</u>				
Solid waste	<u>2,042,796</u>	<u>2,042,796</u>	<u>1,901,220</u>	<u>141,576</u>
Total Sanitation	<u>2,042,796</u>	<u>2,042,796</u>	<u>1,901,220</u>	<u>141,576</u>
<u>Health and Welfare</u>				
Welfare department	197,051	197,051	150,499	46,552
Family mediation	<u>26,345</u>	<u>26,345</u>	<u>23,527</u>	<u>2,818</u>
Total Health and Welfare	<u>223,396</u>	<u>223,396</u>	<u>174,026</u>	<u>49,370</u>
<u>Culture and Recreation</u>				
Recreation department	192,496	192,496	203,416	(10,920)
Conservation	8,000	8,000	1,737	6,263
Library	<u>1,211,909</u>	<u>1,211,909</u>	<u>1,179,938</u>	<u>31,971</u>
Total Culture and Recreation	<u>1,412,405</u>	<u>1,412,405</u>	<u>1,385,091</u>	<u>27,314</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, 2008

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Economic Development</u>				
Planning/economic development	<u>426,227</u>	<u>426,227</u>	<u>412,995</u>	<u>13,232</u>
	<u>426,227</u>	<u>426,227</u>	<u>412,995</u>	<u>13,232</u>
<u>Capital Outlay</u>				
Capital outlay	<u>1,858,410</u>	<u>1,858,410</u>	<u>1,761,357</u>	<u>97,053</u>
Total Capital Outlay	<u>1,858,410</u>	<u>1,858,410</u>	<u>1,761,357</u>	<u>97,053</u>
<u>Debt Service</u>				
Debt service	<u>2,901,303</u>	<u>2,901,303</u>	<u>2,903,251</u>	<u>(1,948)</u>
Total Debt Service	<u>2,901,303</u>	<u>2,901,303</u>	<u>2,903,251</u>	<u>(1,948)</u>
 Total Expenditures	 <u>26,948,771</u>	 <u>26,948,771</u>	 <u>26,697,078</u>	 <u>251,693</u>
 <u>Other Financing Uses</u>				
Operating Transfers Out:				
Capital reserve trust	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Total Other Financing Uses	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 \$ <u>27,078,771</u>	 \$ <u>27,078,771</u>	 \$ <u>26,827,078</u>	 \$ <u>251,693</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, 2008

	Sewer Fund			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 1,781,117	\$ 1,781,117	\$ 2,134,341	\$ 353,224
Interest and penalties	<u>-</u>	<u>-</u>	<u>6,130</u>	<u>6,130</u>
Total Revenues	1,781,117	1,781,117	2,140,471	359,354
Other Financing Sources:				
Use of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>1,781,117</u>	<u>1,781,117</u>	<u>2,140,471</u>	<u>359,354</u>
Expenditures:				
Sanitation	1,439,946	1,439,946	1,481,719	(41,773)
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	1,439,946	1,439,946	1,481,719	(41,773)
Other Financing Uses:				
Transfers out	<u>341,171</u>	<u>341,171</u>	<u>341,171</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>1,781,117</u>	<u>1,781,117</u>	<u>1,822,890</u>	<u>(41,773)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>317,581</u>	\$ <u>317,581</u>

Cable Fund			
<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 305,411	\$ 305,411	\$ 365,114	\$ 59,703
-	-	-	-
305,411	305,411	365,114	59,703
-	-	-	-
305,411	305,411	365,114	59,703
-	-	-	-
304,733	304,733	285,167	19,566
304,733	304,733	285,167	19,566
678	678	678	-
305,411	305,411	285,845	19,566
\$ -	\$ -	\$ 79,269	\$ 79,269

(continued)

(continued)

	Totals			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 2,086,528	\$ 2,086,528	\$ 2,499,455	\$ 412,927
Interest and penalties	<u>-</u>	<u>-</u>	<u>6,130</u>	<u>6,130</u>
Total Revenues	2,086,528	2,086,528	2,505,585	419,057
Other Financing Sources:				
Use of surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>2,086,528</u>	<u>2,086,528</u>	<u>2,505,585</u>	<u>419,057</u>
Expenditures:				
Sanitation	1,439,946	1,439,946	1,481,719	(41,773)
Culture and recreation	<u>304,733</u>	<u>304,733</u>	<u>285,167</u>	<u>19,566</u>
Total Expenditures	1,744,679	1,744,679	1,766,886	(22,207)
Other Financing Uses:				
Transfers out	<u>341,849</u>	<u>341,849</u>	<u>341,849</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>2,086,528</u>	<u>2,086,528</u>	<u>2,108,735</u>	<u>(22,207)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>396,850</u>	\$ <u>396,850</u>

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

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Capital Assets By Source

June 30, 2008

CAPITAL ASSETS

Buildings	\$ 10,277,162
Machinery, vehicles, and equipment	3,052,154
Intangibles	6,081
Infrastructure	56,541,624
Improvements other than buildings	205,939
Land and improvements	11,470,527
Construction in progress	<u>6,526,494</u>
Total General Capital Assets	\$ <u>88,079,981</u>

INVESTMENTS IN CAPITAL ASSETS

General fund revenues	\$ 59,605,215
Special revenue fund revenues	24,863,281
Capital project funds	<u>3,611,485</u>
Total Investments in General Capital Assets	\$ <u>88,079,981</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Changes in Capital Assets
By Function and Activity

For the Year Ended June 30, 2008

	Capital Assets <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	Capital Assets <u>June 30, 2008</u>
General Government:				
Town manager	\$ 541	\$ -	\$ 382	\$ 159
Finance	94,564	101,790	1,202	195,152
Information technology	100,792	19,822	36,644	83,970
Planning and zoning	15,543	3,164	5,882	12,825
General services	<u>14,759,792</u>	<u>1,739,116</u>	<u>140,016</u>	<u>16,358,892</u>
Total General Government	14,971,232	1,863,892	184,126	16,650,998
Public Safety:				
Police department	5,823,447	40,000	273,631	5,589,816
Fire department	<u>4,357,828</u>	<u>532,543</u>	<u>287,634</u>	<u>4,602,737</u>
Total Public Safety	10,181,275	572,543	561,265	10,192,553
Highways and Streets:				
Public works	<u>37,618,958</u>	<u>473,511</u>	<u>1,152,072</u>	<u>36,940,397</u>
Total highways and streets	37,618,958	473,511	1,152,072	36,940,397
Culture and Recreation:				
Parks and recreation	1,781,001	-	11,921	1,769,080
Library	1,472,654	4,888	55,643	1,421,899
Cable	<u>409,303</u>	<u>42,212</u>	<u>53,567</u>	<u>397,948</u>
Total Culture and Recreation	3,662,958	47,100	121,131	3,588,927
Sanitation:	<u>21,448,647</u>	<u>-</u>	<u>741,541</u>	<u>20,707,106</u>
Total Sanitation	21,448,647	-	741,541	20,707,106
Total General Capital Assets	<u>\$ 87,883,070</u>	<u>\$ 2,957,046</u>	<u>\$ 2,760,135</u>	<u>\$ 88,079,981</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Capital Assets
By Function and Category

June 30, 2008

	<u>Buildings</u>	<u>Machinery, Vehicles, and Equipment</u>	<u>Intangibles</u>
General Government:			
Town manager	\$ -	\$ 159	\$ -
Finance	-	195,152	-
Information technology	-	77,895	1,284
Planning and zoning	-	12,825	-
General services	<u>3,358,896</u>	<u>34,783</u>	<u>4,797</u>
Total General Government	3,358,896	320,814	6,081
Public Safety:			
Police department	5,162,368	427,448	-
Fire department	<u>145,066</u>	<u>1,657,342</u>	<u>-</u>
Total Public Safety	5,307,434	2,084,790	-
Highways and Streets:			
Public Works	<u>4,876</u>	<u>391,824</u>	<u>-</u>
Total Highways and Streets	4,876	391,824	-
Culture and Recreation:			
Recreation department	-	33,489	-
Library	1,384,644	30,169	-
Cable	<u>221,312</u>	<u>176,636</u>	<u>-</u>
Total Culture and Recreation	1,605,956	240,294	-
Sanitation:	<u>-</u>	<u>14,432</u>	<u>-</u>
Total General Capital Assets	\$ <u>10,277,162</u>	\$ <u>3,052,154</u>	\$ <u>6,081</u>

<u>Infrastructure</u>	<u>Improvements other than Buildings</u>	<u>Land and Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 159
-	-	-	-	195,152
-	4,791	-	-	83,970
-	-	-	-	12,825
<u>87,972</u>	<u>29,030</u>	<u>11,218,566</u>	<u>1,624,848</u>	<u>16,358,892</u>
87,972	33,821	11,218,566	1,624,848	16,650,998
-	-	-	-	5,589,816
<u>980</u>	<u>69,595</u>	<u>-</u>	<u>2,729,754</u>	<u>4,602,737</u>
980	69,595	-	2,729,754	10,192,553
<u>35,763,044</u>	<u>62,797</u>	<u>251,961</u>	<u>465,895</u>	<u>36,940,397</u>
35,763,044	62,797	251,961	465,895	36,940,397
-	29,594	-	1,705,997	1,769,080
-	7,086	-	-	1,421,899
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,948</u>
-	36,680	-	1,705,997	3,588,927
<u>20,689,628</u>	<u>3,046</u>	<u>-</u>	<u>-</u>	<u>20,707,106</u>
\$ <u><u>56,541,624</u></u>	\$ <u><u>205,939</u></u>	\$ <u><u>11,470,527</u></u>	\$ <u><u>6,526,494</u></u>	\$ <u><u>88,079,981</u></u>

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TOWN OF LONDONDERRY, NEW HAMPSHIRE

STATISTICAL SECTION

The Town of Londonderry's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	82-89
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	90-93
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	94-97
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	98-99
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.</i>	100-102

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Net Assets by Component
Last Ten Fiscal Years (1)
(accrual basis of accounting)

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:						
Invested in capital assets, net of related debt	\$ 64,030,712	\$ 63,306,962	\$ 63,373,228	\$ 64,953,187	\$ 64,992,645	\$ 66,322,703
Restricted	524,087	568,649	589,622	598,187	663,039	645,183
Unrestricted	<u>5,995,236</u>	<u>8,478,840</u>	<u>9,970,885</u>	<u>10,836,397</u>	<u>12,491,720</u>	<u>11,733,839</u>
Total net assets	<u>\$ 70,550,035</u>	<u>\$ 72,354,451</u>	<u>\$ 73,933,735</u>	<u>\$ 76,387,771</u>	<u>\$ 78,147,404</u>	<u>\$ 78,701,725</u>

Notes:

(1) The Town will continue to annually report information until this schedules includes 10 fiscal years.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Changes in Net Assets
Last Ten Fiscal Years (1)
(accrual basis of accounting)

	Fiscal Year Ending					
	2003	2004	2005	2006	2007	2008
Governmental Activities:						
Expenses						
General government	\$ 4,242,392	\$ 6,314,035	\$ 3,021,855	\$ 2,776,708	\$ 2,922,857	\$ 3,934,902
Public safety	9,151,225	9,476,231	10,965,243	11,577,220	13,762,946	13,762,995
Highways and streets	2,911,730	2,869,982	4,055,649	5,311,941	5,570,348	5,074,427
Sanitation	2,211,939	2,235,465	2,775,629	3,334,611	3,109,377	3,702,251
Health and welfare	210,390	278,411	281,960	278,625	307,796	178,496
Culture and recreation	1,316,126	1,564,275	1,733,731	1,809,430	2,280,477	2,001,143
Economic development	260,360	409,449	383,894	382,881	418,691	420,413
Interest	594,862	723,029	1,050,508	769,362	768,978	896,326
Total expenses	20,899,024	23,870,877	24,268,469	26,240,778	29,141,470	29,970,953
Program Revenues						
Charges for services:						
General government	5,840,211	6,425,238	6,509,630	6,414,769	6,016,321	6,122,041
Public Safety	742,457	691,028	665,031	996,547	3,533,895	3,159,224
Highways and streets	257,790	340,528	273,573	314,170	291,177	293,526
Sanitation	862,987	1,460,833	1,045,003	1,894,540	1,630,125	2,273,247
Health and welfare	-	-	-	-	-	10,070
Culture and recreation	207,231	299,008	355,492	397,426	503,848	401,348
Total charges for services	7,910,676	9,216,635	8,848,729	10,017,452	11,975,366	12,259,456
Operating grants and contributions	237,798	638,593	315,764	416,026	378,830	734,657
Capital grants and contributions	745,525	646,392	677,759	1,687,078	716,096	582,909
Total program revenues	8,893,999	10,501,620	9,842,252	12,120,556	13,070,292	13,577,022
Net (Expenses) Revenues	(12,005,025)	(13,369,257)	(14,426,217)	(14,120,222)	(16,071,178)	(16,393,931)
General Revenues and Other Changes in Net Assets						
Property taxes	10,428,606	11,576,174	12,321,459	13,665,446	13,685,209	13,661,626
Interest, penalties and payments in lieu of taxes	824,305	860,732	862,921	769,467	1,634,295	848,179
Grants and contributions not restricted to specific programs	1,000,011	1,011,663	1,094,177	1,175,993	1,250,709	1,333,129
Investment income	363,602	321,210	427,774	675,545	867,176	605,702
Other	288,386	1,380,794	425,370	281,206	386,972	488,916
Total general revenues before permanent fund contributions	12,904,910	15,150,573	15,131,701	16,567,657	17,824,361	16,937,552
Permanent fund contributions	328,012	23,100	21,200	6,601	6,450	10,700
Change in Net Assets	\$ 1,227,897	\$ 1,804,416	\$ 726,684	\$ 2,454,036	\$ 1,759,633	\$ 554,321

Notes:

(1) The Town will continue to annually report information until this schedules includes 10 fiscal years.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
All governmental funds										
Reserved for encumbrances	\$ 176,846	\$ 282,321	\$ 352,070	\$ 491,100	\$ 2,102,373	\$ 3,546,161	\$ 2,025,837	\$ 3,209,825	\$ 3,077,071	\$ 3,304,418
Reserved for perpetual permanent funds	268,950	1,440,870	1,444,786	1,396,355	524,087	459,099	480,931	589,622	598,186	545,217
Unreserved	5,874,639	5,364,673	7,254,583	8,067,079	7,772,567	13,848,380	10,733,716	9,079,385	10,930,309	9,759,496
Total all governmental funds	\$ 6,320,435	\$ 7,087,864	\$ 9,051,439	\$ 9,954,534	\$ 10,399,027	\$ 17,653,640	\$ 13,240,484	\$ 12,878,832	\$ 14,605,566	\$ 13,609,131
General Fund										
Reserved for encumbrances	\$ 91,976	\$ 277,326	\$ 318,762	\$ 459,538	\$ 2,028,605	\$ 3,348,698	\$ 1,980,498	\$ 3,157,776	\$ 2,525,847	\$ 2,509,562
Unreserved	3,764,933	3,040,936	2,622,771	2,622,771	3,636,998	3,833,991	3,826,115	3,886,856	4,375,300	4,363,212
Total General Fund	\$ 3,856,909	\$ 3,318,262	\$ 2,941,533	\$ 3,082,309	\$ 5,665,603	\$ 7,182,689	\$ 5,806,613	\$ 7,044,632	\$ 6,901,147	\$ 6,872,774
Special Revenue Funds										
Reserved for encumbrances	\$ -	\$ 4,895	\$ 33,308	\$ 31,562	\$ 73,768	\$ 197,483	\$ 45,339	\$ 52,049	\$ 551,224	\$ 794,856
Unreserved	1,180,879	1,724,953	2,223,790	3,083,711	4,086,868	2,886,848	5,933,244	5,003,500	6,302,967	5,580,561
Total Special Revenue Funds	\$ 1,180,879	\$ 1,729,948	\$ 2,257,098	\$ 3,115,273	\$ 4,170,636	\$ 3,084,311	\$ 5,978,583	\$ 5,055,549	\$ 6,854,191	\$ 6,375,417
Capital Project Funds										
Reserved for encumbrances	\$ 84,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	814,450	485,302	1,997,175	2,246,567	38,711	2,887,339	885,666	180,464	187,189	(284,243)
Total Capital Project Funds	\$ 899,320	\$ 485,302	\$ 1,997,175	\$ 2,246,567	\$ 38,711	\$ 2,887,339	\$ 885,666	\$ 180,464	\$ 187,189	\$ (284,243)
Permanent Funds										
Reserved for perpetual permanent funds	\$ -	\$ 1,171,920	\$ 1,415,836	\$ 1,396,355	\$ 524,087	\$ 459,099	\$ 480,931	\$ 589,622	\$ 598,186	\$ 545,217
Unreserved	114,377	113,482	115,492	113,970	-	109,650	108,891	8,565	64,853	99,968
Total Permanent Funds	\$ 114,377	\$ 1,285,402	\$ 1,531,328	\$ 1,510,325	\$ 524,087	\$ 568,749	\$ 589,622	\$ 598,187	\$ 663,039	\$ 645,183

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Changes In Fund Balances, Total Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 7,509,984	\$ 8,843,550	\$ 8,335,820	\$ 9,608,844	\$10,374,680	\$11,910,212	\$12,491,926	\$13,737,247	\$13,625,893	\$13,569,699
Interest, penalties and payments in lieu of taxes	-	-	-	-	762,227	880,732	862,921	773,347	1,637,971	848,179
Licenses and permits	4,701,055	5,476,004	5,627,584	5,873,392	6,041,086	6,848,688	6,682,683	6,613,897	6,186,242	6,294,434
Intergovernmental	1,854,202	1,522,850	1,582,376	1,528,525	1,858,801	2,177,884	1,968,126	2,845,981	2,168,019	2,538,562
Charges for services	1,336,964	1,506,207	1,509,044	2,024,584	1,783,783	2,553,861	2,421,151	3,098,295	5,617,281	5,757,916
Investment income	-	-	-	-	359,460	321,159	427,776	675,546	867,177	605,702
Contributions	-	-	-	-	126,999	149,456	421,454	213,934	118,736	122,833
Other revenues	1,847,450	3,218,290	1,386,208	611,861	630,152	1,478,230	378,844	509,765	457,020	488,915
Total revenues	17,049,555	18,566,901	18,441,032	19,648,206	21,987,188	26,100,222	25,654,681	28,468,012	30,678,339	30,226,240
Expenditures										
Current										
General government	1,873,523	2,104,635	2,542,798	2,321,345	3,857,651	6,371,261	8,605,675	4,914,456	4,832,993	4,650,824
Public safety	5,680,947	6,581,222	7,054,049	8,163,737	9,645,099	13,229,370	11,062,970	11,323,017	15,583,706	13,500,753
Highways and streets	2,381,041	2,638,737	2,736,829	2,368,852	3,595,722	3,021,933	4,197,445	4,061,864	4,211,039	3,762,042
Sanitation	1,395,848	1,582,243	1,727,025	1,622,631	2,582,099	1,996,555	2,670,067	2,807,984	2,991,411	3,112,440
Health and welfare	168,618	94,234	152,589	181,719	199,789	284,470	277,614	292,607	307,333	177,474
Culture and recreation	1,865,853	819,989	1,067,012	1,149,831	1,227,397	1,485,667	1,599,418	1,888,868	1,808,476	1,867,375
Economic Development	133,818	172,473	216,108	203,953	259,361	300,719	371,907	373,737	414,538	414,561
Capital Outlay	1,025,768	808,248	1,517,395	3,668,743	736,810	3,675,161	1,531,153	512,657	607,788	2,043,955
Debt Service	1,969,098	2,033,696	1,951,653	1,679,664	1,818,884	2,152,898	2,851,588	2,654,474	2,669,321	2,903,251
Total expenditures	16,494,314	16,735,477	18,965,458	21,350,485	23,922,732	32,498,034	31,067,837	28,829,664	33,326,605	32,422,675
Excess (deficiency) of revenues over (under) expenditures	555,341	1,831,424	(524,426)	(1,702,279)	(1,935,544)	(6,397,812)	(5,413,156)	(361,652)	(2,648,266)	(2,196,435)
Other Financing Sources (Uses)										
Proceeds of refunding bonds	-	-	-	-	-	4,545,000	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(4,545,259)	-	-	-	-
Proceeds of bonds	976,362	179,724	344,962	2,400,000	1,650,000	13,652,674	1,000,000	-	4,375,000	1,200,000
Transfers in	1,602,765	368,446	2,432,056	1,690,889	1,770,570	1,789,503	1,130,168	938,223	5,059,702	931,064
Transfers out	(1,588,581)	(350,946)	(2,414,556)	(1,673,389)	(1,770,570)	(1,799,503)	(1,130,168)	(938,223)	(5,059,702)	(931,064)
Total other financing sources (uses)	990,546	197,224	362,462	2,417,500	1,650,000	13,652,415	1,000,000	-	4,375,000	1,200,000
Net changes in fund balances	\$ 1,545,887	\$ 2,028,648	\$ (161,964)	\$ 715,221	\$ (285,544)	\$ 7,254,603	\$ (4,413,156)	\$ (361,652)	\$ 1,726,734	\$ (996,435)
Debt Service as a percentage of non-capital outlay expenditures	12.73%	12.77%	11.19%	9.49%	7.84%	7.47%	11.51%	10.39%	9.61%	9.87%

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Changes in Fund Balances, General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Property taxes	\$ 7,192,826	\$ 8,582,601	\$ 8,208,276	\$ 9,114,827	\$10,374,880	\$ 11,910,212	\$12,491,926	\$13,737,247	\$ 13,625,893	\$ 13,569,699
Interest, penalties and payments in lieu of taxes	-	-	-	-	762,227	846,099	862,921	769,452	789,174	840,286
Licenses and permits	4,601,632	5,366,022	5,480,099	5,889,761	6,041,086	6,848,688	6,682,683	6,613,897	6,186,242	6,294,434
Intergovernmental	1,184,527	1,380,106	1,539,324	1,528,525	1,758,801	1,826,876	1,830,461	2,586,076	2,148,993	2,538,562
Charges for services	582,998	688,214	788,299	1,100,718	409,350	553,210	433,508	654,473	562,419	802,420
Investment income	-	-	-	-	308,862	244,972	384,339	619,149	789,844	599,574
Other revenues	1,642,649	3,093,209	1,051,202	493,687	292,971	1,100,592	378,644	203,725	378,683	168,950
Total revenues	15,204,832	17,100,152	17,045,200	17,927,518	19,947,977	23,129,449	23,064,482	25,084,019	24,761,248	24,813,925
Expenditures										
Current										
General government	1,873,523	2,075,331	2,328,527	2,194,135	2,542,594	2,666,080	2,842,400	2,940,412	2,948,169	3,204,130
Public Safety	5,568,880	6,462,022	6,971,809	8,162,694	8,549,081	9,113,259	9,785,664	10,430,161	10,478,279	11,169,578
Highways and streets	2,381,041	2,538,737	2,736,829	2,388,862	3,042,377	2,765,923	3,942,857	3,581,685	4,007,119	3,518,334
Sanitation	924,082	1,147,031	1,167,331	1,122,037	1,319,356	1,223,130	1,471,600	1,864,448	1,876,281	1,896,988
Health and welfare	88,036	91,332	150,211	178,040	199,789	284,470	277,614	292,607	307,333	177,474
Culture and recreation	610,117	635,281	694,009	807,836	966,809	1,063,481	1,176,759	1,261,314	1,345,309	1,385,091
Economic development	130,572	114,151	216,108	203,953	259,381	300,719	371,907	373,737	414,538	414,561
Capital outlay	559,370	392,529	931,532	197,249	736,810	3,675,161	1,531,153	512,657	507,788	2,043,955
Debt service	1,969,098	2,033,696	1,961,653	1,679,664	1,818,884	2,152,898	2,851,588	2,654,474	2,669,321	2,903,251
Total expenditures	14,104,719	15,490,110	17,138,009	16,914,470	19,435,081	23,225,101	24,251,542	23,911,495	24,553,137	26,713,362
Excess (deficiency) of revenues over (under) expenditures	1,100,113	1,610,042	(92,809)	1,013,048	512,896	(95,652)	(1,187,060)	1,172,524	208,111	(1,899,437)
Other Financing Sources (Uses)										
Issuance of refunding bonds	-	-	-	-	-	4,545,000	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(4,545,259)	-	-	-	-
Issuance of bonds	476,362	179,724	344,662	73,805	300,000	2,900,000	-	-	4,375,000	1,200,000
Transfers in	65,081	62,682	17,500	164,496	1,599,177	256,250	470,576	401,110	166,553	801,064
Transfers out	(1,480,684)	(305,754)	(2,414,558)	(1,526,393)	(171,393)	(1,543,253)	(659,592)	(335,615)	(4,893,149)	(130,000)
Total other financing sources (uses)	(939,241)	(63,338)	(2,062,094)	(1,287,992)	1,727,784	1,612,738	(189,016)	65,495	(351,586)	1,871,064
Net change in fund balances	\$ 160,872	\$ 1,546,704	\$ (2,144,903)	\$ (274,944)	\$ 2,240,680	\$ 1,517,089	\$ (1,376,076)	\$ 1,238,019	\$ (143,485)	\$ (28,373)
Debt service as a percentage of non-capital outlay expenditures	14.54%	13.47%	12.04%	10.05%	9.73%	11.01%	14.62%	12.36%	11.94%	11.88%

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Changes in Fund Balances, Special Revenue Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Property taxes	\$ 317,158	\$ 260,949	\$ 127,554	\$ 495,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest, penalties and payments in lieu of taxes	-	-	-	-	-	-	-	3,895	848,797	7,893
Licenses and permits	99,423	109,982	167,485	183,631	-	-	-	-	-	-
Intergovernmental	469,676	132,744	43,052	1,528,525	1,363,183	335,808	109,476	-	19,026	-
Charges for services	753,966	837,993	722,745	700,876	15,303	2,000,651	1,961,650	2,543,822	4,754,862	4,955,496
Investment income	-	-	-	-	119,949	11,151	23,826	24,116	19,979	15,539
Contributions	-	-	-	-	387,181	126,356	400,254	207,333	112,286	112,133
Other revenues	51,340	56,912	258,261	85,228	-	-	-	305,244	75,655	269,965
Total revenues	1,691,562	1,398,580	1,319,097	2,993,277	1,885,616	2,473,966	2,496,106	3,084,410	5,830,605	5,361,026
Expenditures										
Current:										
General government	-	13,336	207,785	127,210	1,314,957	356,353	1,409,504	1,377,793	1,882,308	1,158,966
Public safety	112,067	119,200	82,240	1,043	330,744	247,164	301,383	603,482	2,780,137	2,331,175
Sanitation	471,766	435,212	569,694	500,594	640,966	766,549	1,090,696	943,536	1,116,130	1,215,452
Health and welfare	80,582	2,902	2,378	3,679	-	-	-	-	-	-
Culture and recreation	1,253,957	184,708	373,003	341,995	259,170	418,876	420,953	622,953	461,728	480,643
Economic development	3,246	58,322	-	-	-	-	-	-	-	-
Capital outlay	-	90,000	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,921,618	903,680	1,235,100	974,521	2,545,837	1,787,942	3,222,536	3,547,764	6,240,303	5,186,236
Excess (deficiency) of revenues over (under) expenditures	(230,056)	494,900	83,997	2,018,756	(660,221)	686,024	(727,430)	(463,354)	(409,698)	174,790
Other Financing Sources (Uses)										
Issuance of bonds	-	-	-	-	1,000,000	-	1,000,000	-	-	-
Transfers in	645,637	124,361	443,163	395,000	171,393	124,377	157,393	107,393	2,357,393	130,000
Transfers out	(50,897)	(45,192)	-	(26,996)	(852,224)	(238,750)	(453,076)	(567,073)	(149,053)	(783,564)
Total other financing sources (uses)	594,740	79,169	443,163	368,004	319,169	(114,373)	704,317	(459,680)	2,208,340	(653,564)
Net change in fund balances	\$ 364,684	\$ 574,069	\$ 527,160	\$ 2,386,760	\$ (341,052)	\$ 571,651	\$ (23,113)	\$ (923,034)	\$ 1,798,642	\$ (478,774)

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Changes in Fund Balances, Capital Projects Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 15,400	\$ 28,189	\$ 259,905	\$ -	\$ -
Charges for services	-	-	-	222,990	11,250	-	26,093	-	-	-
Investment income	-	-	-	-	742	333	732	181	13	4
Other revenues	112,103	10,063	4,222	1,753	-	-	-	796	2,682	50,000
Total revenues	112,103	10,063	4,222	224,743	111,992	15,733	55,014	260,882	2,695	50,004
Expenditures										
Current:										
General government	-	15,968	6,486	-	-	192,655	2,353,771	596,251	2,516	287,728
Public safety	-	-	-	-	765,274	-	975,923	289,374	2,325,290	-
Highways and streets	-	-	-	-	553,345	256,010	254,588	480,179	203,920	233,708
Sanitation	-	-	-	-	621,777	7,876	7,771	-	-	-
Culture and recreation	1,579	-	-	-	-	-	-	-	-	-
Capital outlay	466,398	325,719	595,863	3,359,427	-	-	-	-	-	-
Total expenditures	467,977	341,687	592,349	3,359,427	1,940,396	456,541	3,592,053	1,365,804	2,531,726	521,436
Excess (deficiency) of revenues over (under) expenditures	(355,874)	(331,624)	(588,127)	(3,134,684)	(1,828,404)	(440,808)	(3,537,039)	(1,104,922)	(2,529,031)	(471,432)
Other Financing Sources (Uses)										
Issuance of bonds	500,000	-	-	2,400,000	350,000	1,851,274	-	-	-	-
Transfers in	500,000	10,000	1,800,000	960,000	-	1,057,876	502,199	429,720	2,535,756	-
Transfers out	-	-	-	-	(729,453)	-	-	(10,000)	-	-
Total other financing sources (uses)	1,000,000	10,000	1,800,000	3,360,000	(379,453)	2,909,150	502,199	419,720	2,535,756	-
Net change in fund balances	\$ 644,126	\$ (321,624)	\$ 1,211,873	\$ 225,316	\$ (2,207,857)	\$ 2,468,342	\$ (3,034,840)	\$ (685,202)	\$ 6,725	\$ (471,432)

TOWN OF LONDONDERRY, NEW HAMPSHIRE

General Fund Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Payment in Lieu of Taxes	Yield Taxes	Excavation Taxes	Taxes Interest & Penalties	Total
1999	\$ 15,627,091	\$ -	\$ -	\$ 68,780	\$ -	\$ 15,695,871
2000	12,141,035	-	3,603	53,874	371	12,198,881
2001	14,512,131	-	652	49,140	-	14,561,923
2002	15,674,144	-	1,814	-	-	15,675,957
2003	10,948,316	500,000	2,018	34,614	225,595	11,710,543
2004	11,666,113	510,000	21,504	13,117	300,478	12,511,212
2005	12,580,255	520,200	5,283	14,908	322,530	13,443,176
2006	13,737,247	530,604	18,888	10,090	209,870	14,506,699
2007	13,625,893	541,216	14,536	11,184	222,238	14,415,067
2008	13,569,699	551,828	11,466	9,264	267,728	14,409,985

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year(1)	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at end of Current Fiscal Year	Total Collections to Date		Number of Parcels		
		Amount	% of Levy				Amount	% of Levy	In Levy	Liened	% Liened
1998	\$ 38,256,609	\$ 37,626,462	98.4%	\$ 630,147	\$ 610,147	\$ 20,000	\$ 38,236,609	99.9%	8,750	256	2.93%
1999	31,299,644	30,890,637	98.7%	409,007	409,007	-	31,299,644	100.0%	8,860	193	2.18%
2000	36,073,724	35,662,102	98.9%	411,622	411,622	-	36,073,724	100.0%	8,973	163	1.82%
2001	39,145,435	37,620,073	96.1%	1,525,362	1,317,681	207,681	38,937,754	99.5%	8,970	183	2.04%
2002	44,182,718	42,748,357	96.8%	1,434,361	688,106	746,255	43,436,463	98.3%	9,083	223	2.46%
2003	44,069,941	42,855,222	97.2%	1,214,719	580,359	634,360	43,435,581	98.6%	9,095	187	2.06%
2004	47,056,462	46,717,917	99.3%	338,545	116,219	222,326	46,834,136	99.5%	9,382	220	2.34%
2005	55,130,236	53,168,196	96.4%	1,962,040	1,327,748	634,292	54,495,944	98.8%	9,506	223	2.35%
2006	57,067,122	56,326,597	98.7%	740,525	161,711	578,814	56,488,308	99.0%	9,610	227	2.36%
2007	59,122,596	58,572,792	99.1%	549,804	75,364	474,440	58,648,156	99.2%	9,609	324	3.37%
2008	59,029,250	58,244,149	98.7%	785,101	274,802	510,299	58,518,951	99.1%	9,606	278	2.89%

Source:

Town of Londonderry Annual Town Report
Town of Londonderry Tax Collector

Notes:

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

Tax liens are placed within 60 days after the end of the fiscal year. Taxpayers have two years to redeem liens prior to property being tax dedeed.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Assessed and Estimated Full Value of Real Property
Last Ten Fiscal Years

Fiscal Year	Local Assessed Value			Total Assessed Value	Less Exemptions to Assessed Value	Total Net Taxable Assessed Value	Total Direct Tax Rate per \$1,000 of Value	Estimated Full Value	Ratio of Total Net Taxable Assessed Value to Total Estimated Value
	Residential	Commercial/ Industrial	Utilities						
1999	\$ 1,099,678,540	\$ 163,009,766	\$ 38,460,600	\$ 1,301,148,906	\$ 95,386,306	\$ 1,205,762,600	\$ 38	\$ 1,335,605,746	90.3%
2000	1,252,234,720	193,881,666	39,093,400	1,485,009,786	103,277,000	1,381,732,786	28.27	1,601,727,796	86.3%
2001	1,443,216,288	225,097,976	41,202,400	1,709,516,664	113,417,900	1,596,098,764	28.27	1,919,520,134	83.2%
2002	1,768,304,053	489,617,721	51,941,600	2,309,863,374	182,837,509	2,127,025,865	24.67	2,486,036,535	85.6%
2003	1,878,365,836	263,313,473	331,532,000	2,473,211,309	253,052,809	2,220,158,500	20.88	2,738,112,442	81.1%
2004	2,165,070,811	288,983,575	305,383,300	2,759,417,686	273,204,550	2,486,213,136	21.88	3,050,888,586	81.5%
2005	2,479,609,162	336,023,677	344,743,200	3,160,376,039	296,295,600	2,864,080,439	21.56	3,291,493,812	87.0%
2006	2,896,242,641	349,576,134	344,743,200	3,590,561,975	339,916,000	3,250,645,975	19.85	3,274,163,075	99.3%
2007	2,899,570,144	350,861,934	355,557,000	3,605,989,078	338,204,200	3,267,784,878	18.28	3,346,869,655	97.6%
2008	2,616,156,685	369,102,678	349,557,000	3,334,816,363	346,682,050	2,988,134,313	18.22	3,323,826,044	89.9%

Source:

Town of Londonderry Annual Town Report
Town of Londonderry Tax Collector

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2008 Assessed Value	2008 Rank	Percentage of net Assessed Value	1999 Assessed Value	1999 Rank	Percentage of net Assessed Value
AES LONDONDERRY	Utility	\$ 272,092,456	1	8.16%	\$ -	-	0.00%
PUBLIC SERVICE CO. OF NH	Electric Utility	68,162,400	2	2.04%	25,446,200	1	1.96%
TENNECO INCORPORATED	Gas Utility	23,800,000	3	0.71%	-	-	0.00%
COCA-COLA OF NORTHERN NE	Bottling Plant	21,752,600	4	0.65%	9,854,300	2	0.76%
HARVEY INDUSTRIES	Trucking Company	18,179,400	5	0.55%	-	-	0.00%
HOME DEPOT	Retail	16,139,500	6	0.48%	-	-	0.00%
APPLETREE MALL ASSOCIATES, INC	Retail Mall Plaza	14,934,800	7	0.45%	8,238,300	4	0.63%
ELICO PROPERTIES II, LLC	Research and Development	14,821,800	8	0.44%	-	-	0.00%
LIEVENS ROBERT	Orchard	12,915,722	9	0.39%	9,047,046	3	0.70%
ANAGNOST LONDONDERRY LIMITED	Medical Facility	10,693,900	10	0.32%	-	-	0.00%
PENNICHUCK UTILITY	Water Utility	-	-	-	6,129,200	5	0.47%
JEAN GAGNON	Residential Property	-	-	-	4,475,825	9	0.34%
GLENBERVIE INC	Manufacturing	-	-	-	4,938,900	7	0.38%
DEMOULAS INC	Grocery Store	-	-	-	4,655,900	8	0.36%
CARGEX MANCHESTER	Electric Utility	-	-	-	4,257,600	10	0.33%
DEXTER CORP.	Industrial Property	-	-	-	5,414,300	6	0.42%
Total Principal Taxpayers		<u>\$ 473,492,578</u>		14.20%	<u>\$ 82,457,571</u>		6.34%
Total Net Assessed Taxable Value		<u>\$3,334,816,363</u>			<u>\$1,301,148,906</u>		

Source:
Town of Londonderry Assessors Office

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Property Tax Rates per \$1,000 of Assessed Value
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Town Direct Rates						Overlapping Rates		
	Town	Budgetary Use of Fund Balance	Total Town	Local School	State School	Total School	Total Direct	County	Total
1999	\$ 7.01	\$ (0.41)	\$ 6.60	\$ 28.63	\$ -	\$ 28.63	\$ 35.23	\$ 1.15	\$ 36.38
2000	6.63	(1.51)	5.12	13.51	6.60	20.11	25.23	1.04	26.27
2001	6.16	(0.33)	5.83	13.60	5.74	19.34	25.17	1.10	26.27
2002	6.08	(0.32)	5.76	11.95	5.59	17.54	23.30	1.37	24.67
2003	5.94	(0.69)	5.25	10.13	4.42	14.55	19.80	1.08	20.88
2004	5.66	(0.28)	5.38	10.48	4.91	15.39	20.77	1.21	21.98
2005	5.53	(0.26)	5.27	11.88	3.31	15.19	20.46	1.10	21.56
2006	5.23	(0.20)	5.03	11.06	2.78	13.84	18.87	0.98	19.85
2007	4.67	(0.23)	4.44	10.55	2.43	12.98	17.42	0.86	18.28
2008	4.38	(0.22)	4.16	10.67	2.31	12.98	17.14	0.86	18.00

Source:

Town of Londonderry Tax Collector

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Total Primary Government	Percentage of Median Family Income (1)	Per Capita (1)
1999	\$ 16,614,196	\$ -	\$ 807,294	\$ 17,421,490	0.41%	0.15%
2000	14,208,161	-	762,742	14,970,903	0.49%	0.18%
2001	12,298,834	-	919,683	13,218,517	0.57%	0.21%
2002	14,141,155	-	660,184	14,801,339	0.52%	0.19%
2003	11,190,097	-	303,560	11,493,657	0.69%	0.25%
2004	23,662,784	-	596,441	24,259,225	0.33%	0.12%
2005	22,445,000	-	301,349	22,746,349	0.36%	0.13%
2006	20,570,000	-	-	20,570,000	0.41%	0.15%
2007	23,080,000	-	426,058	23,506,058	0.31%	0.11%
2008	22,205,000	-	113,060	22,318,060	0.33%	0.11%

Notes:

See the Schedule of Demographic Statistics on page 99 for personal income and population data.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
1999	\$ 16,614,196	\$ -	\$ 16,614,196	1.24%	0.15%
2000	14,208,161	-	14,208,161	0.89%	0.19%
2001	12,298,834	-	12,298,834	0.64%	0.22%
2002	14,141,155	-	14,141,155	0.57%	0.20%
2003	11,190,097	-	11,190,097	0.41%	0.26%
2004	23,662,784	-	23,662,784	0.78%	0.12%
2005	22,445,000	-	22,445,000	0.68%	0.13%
2006	20,570,000	-	20,570,000	0.63%	0.15%
2007	23,080,000	-	23,080,000	0.69%	0.11%
2008	22,205,000	-	22,205,000	0.67%	0.11%

Notes:

- (1) See the Schedule of Assessed and Estimated Full Value of Real Property on page 91 for property value data.
- (2) See the Schedule of Demographic Statistics on page 99 for population data.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Computation of Direct and Overlapping Debt
Last Ten Fiscal Years

Jurisdiction		Net General Obligation Bonded Debt Outstanding	Percentage Applicable To Town of Londonderry	Amount Applicable To Town of Londonderry
Direct:	Town of Londonderry	\$ 22,205,000	100.00%	\$ 22,205,000
Overlapping:	Rockingham County (6/30/2008)	3,545,000	6.86%	243,265
	Londonderry School District (6/30/2008)	<u>19,615,000</u>	100.00%	<u>19,615,000</u>
Total		<u>\$ 45,365,000</u>		<u>\$ 42,063,265</u>

Source:
Town Finance Department

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 40,528,936	\$ 48,523,998	\$ 58,018,965	\$ 75,078,312	\$ 58,018,965	\$ 58,018,965	\$ 92,048,298	\$ 99,700,251	\$ 100,913,325	\$ 100,913,325
Total net debt applicable to limit	<u>12,902,511</u>	<u>11,142,163</u>	<u>9,715,934</u>	<u>10,938,841</u>	<u>13,119,800</u>	<u>26,502,274</u>	<u>24,754,600</u>	<u>23,264,600</u>	<u>26,154,600</u>	<u>25,654,600</u>
Legal debt margin	<u>\$ 27,626,425</u>	<u>\$ 37,381,835</u>	<u>\$ 48,303,031</u>	<u>\$ 64,140,671</u>	<u>\$ 44,899,365</u>	<u>\$ 31,516,691</u>	<u>\$ 67,293,698</u>	<u>\$ 76,435,651</u>	<u>\$ 74,758,725</u>	<u>\$ 75,258,725</u>
Total net debt applicable to the limit as a percentage of debt limit	31.84%	22.96%	16.75%	14.57%	22.61%	45.68%	26.89%	23.33%	25.92%	25.42%

Source:
Town Finance Department

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2008			1999		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Insight Technologies	Manufacturing	1,000	1	8.16%	-	-	-
Harvey Industry	Window Manufacturing	500	2	4.08%	450	1	3.53%
Londonderry School District	Education	493	3	4.03%	320	2	2.51%
Stonyfield Farms	Yogurt	375	4	3.06%	120	8	0.94%
United Parcel Service Inc.	Parcel Delivery	288	5	2.35%	288	3	2.26%
Vibro-meter	Manufacturer	188	6	1.53%	144	6	1.13%
Continental Paving	Road Construction	165	7	1.35%	-	-	-
Coca Cola	Beverage Manufacturer	160	8	1.31%	100	10	0.78%
Shaw's Supermarket	Supermarket	140	9	1.14%	200	4	1.57%
CTS, Corp.	Electronic Manufacturer	130	10	1.06%	128	7	1.00%
Federal Express	Parcel Delivery	-	-	-	100	9	0.78%
K Mart	Department Store	-	-	-	150	5	1.18%

Source:

NH Employment Security, Economic & Labor Market Information Bureau

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Median Family Income	Per Capita Income	Town		Unemployment Rates		
				Unemployed	Labor Force	Town	State of NH	United States
1999	24,969	\$ 71,721	\$ 25,731	594	13,152	4.6%	2.7%	4.2%
2000	24,036	73,513	26,491	593	13,355	4.5%	2.8%	4.0%
2001	23,236	75,305	27,251	592	13,559	4.4%	3.5%	4.8%
2002	23,544	77,097	28,012	591	13,763	4.3%	4.7%	5.8%
2003	23,853	78,889	28,772	590	13,966	4.3%	5.7%	6.7%
2004	24,161	80,681	29,532	589	14,170	4.2%	6.7%	7.6%
2005	24,469	82,473	30,293	588	14,374	4.1%	7.7%	8.5%
2006	24,777	84,264	31,053	587	14,577	3.3%	3.7%	4.9%
2007	24,837	73,513	26,491	555	14,446	3.5%	3.6%	4.8%
2008	24,879	73,513	26,491	428	12,248	3.5%	3.6%	4.6%

Source:
Bond Official Statements
NH Employment Security Division

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Full-time Equivalent Town Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Executive	3	3	4	3	3	3	3	3	3	3
Assessing	3	4	4	5	5	5	5	5	5	4
Building	3	3	4	4	4	4	4	4	4	4
Cable	1	1	1	1	2	2	3	3	3	3
Family Mediation	1	1	1	1	1	1	1	1	1	1
Finance	3	5	4	4	4	5	5	5	5	5
Information Technologies	-	1	1	1	1	-	-	-	-	-
Planning	2	3	3	3	3	3	4	4	4	4
Zoning	1	1	1	1	1	1	1	1	1	1
Town Clerk/Tax Collector	5	7	6	5	5	6	6	5	5	5
Total General Government	22	29	29	28	29	30	32	31	31	30
Human Services										
Welfare	2	2	2	2	2	2	1	1	1	-
Total Human Services	2	2	2	2	2	2	1	1	1	-
Public Safety										
Fire										
Administration	2	2	2	2	2	2	2	2	2	2
Captains	3	2	4	3	4	4	5	4	4	4
Lieutenants	7	7	7	7	7	7	9	9	9	9
Firefighters	23	27	28	29	28	28	27	27	27	27
Communication	5	6	4	5	5	4	4	4	4	4
Prevention	1	1	2	2	2	2	2	2	2	2
Total Fire	41	45	47	48	48	47	49	48	48	48
Police										
Administration	4	4	4	4	4	4	4	4	4	4
Captains	2	2	2	2	2	2	2	2	3	3
Lieutenants	3	3	5	5	5	5	5	5	4	4
Sergeants	6	6	6	8	6	6	8	8	11	11
Officers	20	19	21	20	19	21	22	23	39	39
Support Services	3	4	6	7	7	6	5	5	4	3
Detectives	3	2	4	3	4	4	4	4	4	4
Communications	5	5	7	7	8	7	7	7	7	7
Records	3	3	3	3	3	3	3	3	3	3
Animal Control Officer	1	1	1	1	1	1	1	1	1	1
Building Maintenance	1	1	1	1	1	1	1	1	1	1
Total Police	51	50	60	61	60	60	62	63	81	80
Total Public Safety	92	95	107	109	108	107	111	111	129	128
Public Works										
Administration	2	2	4	4	4	4	4	4	4	3
Highway	2	2	2	2	2	2	2	2	2	2
Equipment Operators	2	2	2	2	2	2	3	3	3	3
Truck Drivers/Laborers	4	4	7	5	6	7	5	5	5	5
Mechanic	2	2	1	2	2	1	1	1	1	1
Environmental Services	1	1	1	1	1	1	1	1	1	1
Total Public Works	13	13	17	16	17	17	16	16	16	15
Cultural and Recreation										
Library	18	18	18	21	21	18	17	17	17	16
Recreation	1	1	1	1	1	1	1	1	1	1
Total Culture and Recreation	19	19	19	22	22	19	18	18	18	17
Total All Functions	148	158	174	177	178	175	178	177	195	190
Percent of Total										
General Government	14.9%	18.4%	16.7%	15.8%	16.3%	17.1%	18.0%	17.5%	15.9%	15.8%
Human Services	1.4%	1.3%	1.1%	1.1%	1.1%	1.1%	0.6%	0.6%	0.5%	0.0%
Public Safety	62.2%	60.1%	61.5%	61.6%	60.7%	61.1%	62.4%	62.7%	66.2%	67.4%
Public Works	8.8%	8.2%	9.8%	9.0%	9.6%	9.7%	9.0%	9.0%	8.2%	7.9%
Cultural and Recreation	12.8%	12.0%	10.9%	12.4%	12.4%	10.9%	10.1%	10.2%	9.2%	8.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source:

Annual Town Reports

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	21	21	24	24	24	24	27	27	27	27
Fire										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of pumpers	4	4	4	4	4	4	4	4	4	4
Number of ladder trucks	1	1	1	1	1	1	1	1	1	1
Number of ambulances	2	2	2	2	2	2	2	2	2	2
Number of command vehicles	1	1	1	1	1	1	1	1	1	1
Public Works										
Miles of streets	170	172	174	174	176	176	180	180	180	180
Number of street lights	134	134	134	134	134	134	134	143	143	142
Number of traffic lights	1	1	1	1	1	1	1	1	1	1
Miles of sanitary sewers	23	23	26	32	32	32	34	40	40	40
Number of service connections	555	600	700	742	856	856	1,119	1,280	1,441	1,510
Daily average treatment in gallons	550,000	540,000	550,000	530,000	900,000	900,000	1,486,000	1,500,000	1,500,000	1,500,000
Number of pump stations	3	3	3	4	4	4	5	5	5	5
Maximum daily capacity in gallons	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Culture and Recreation										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of community centers	2	2	2	2	2	2	2	2	2	2
Number of parks										
Tennis	2	2	2	2	4	4	4	4	4	4
Ball fields	2	2	2	5	6	6	6	8	8	8
Basketball courts	2	2	2	2	2	2	2	2	2	2
Skateboard	-	-	1	1	1	1	1	1	1	1
Soccer fields	2	2	2	2	3	3	3	7*	7*	7*
Schools (not included in this reporting entity)										
High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	3	3	3	3	3	3	3	3	3	3
Kindergartens	-	-	-	1	1	1	1	1	1	1

*Includes multipurpose fields

Source:

Annual Town Reports

Various Town Departments

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Taxable property parcels assessed	8,860	8,973	8,970	9,083	9,095	9,382	9,506	9,610	9,609	9,606
Motor vehicles registered	29,487	33,340	33,498	34,053	34,679	36,276	38,861	36,287	35,645	37,978
Building permits issued	708	782	753	778	796	768	592	605	594	492
Human service contacts	145	176	164	364	321	458	419	318	398	271
Human service applications granted	73	86	87	141	125	173	161	168	163	103
Registered voters	14,274	16,146	11,562	12,423	12,385	15,092	14,863	14,867	15,007	15,772
Fire										
Fires extinguished	147	122	145	89	70	119	92	95	75	64
Non fire responses	1,024	1,086	835	762	969	766	1,160	1,062	1,261	1,164
Rescue EMS responses	1,219	1,251	1,463	1,577	1,491	1,444	1,500	1,598	1,585	1,724
Police										
Total incidents dispatched	7,594	13,774	13,765	18,868	22,677	20,779	19,654	19,919	25,222	28,613
Total traffic accidents and violations	6,901	6,077	8,215	8,311	8,108	8,349	6,863	8,168	10,157	12,818
Total physical arrests	521	470	465	655	864	975	618	593	801	820
Total crimes investigated	1,093	2,045	1,898	2,199	2,458	2,107	1,861	1,919	2,332	2,678
Total animal control contacts	6,809	6,989	-	1,864	1,609	1,742	1,922	1,350	1,495	471
Public Works										
Streets resurfaced (LF)	46,000	32,000	31,000	26,000	57,000	39,000	47,000	46,132	36,720	42,520
Refuse collected (tons)	9,058	8,707	9,770	10,253	10,412	10,535	10,290	10,404	9,951	9,631
Recycling (tons)	1,613	1,592	1,621	1,686	1,718	1,717	1,676	1,950	1,935	1,736
Library										
Total circulation	184,454	193,694	197,716	198,501	199,335	215,659	237,559	249,408	255,563	282,360
Total volumes in collection	52,775	63,165	68,518	71,732	77,587	81,203	85,277	82,921	88,251	90,118
Total registered borrowers	N/A	15,604	15,412	16,638	17,555	18,139	17,988	18,180	17,323	14,313
Total program attendance	4,370	5,274	7,441	8,840	4,629	4,587	4,934	5,188	6,611	6,820

Source:

Annual Town Reports

Various Town Departments