

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Comprehensive Annual Financial Report

For the Year Ended June 30, 2012



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

**Susan A. Hickey
Director of Finance and Administration**

**Doug Smith
Controller**

Town of Londonderry, New Hampshire
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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INTRODUCTORY SECTION



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

November 2, 2012

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, 2012, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests 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.

Town management's narrative on the financial activities of the Town for the fiscal year ended June 30, 2012, is in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the Independent Auditors' Report. This letter of transmittal is written to complement the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other sections of the CAFR.

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

This report includes all funds and account groups of the Town. The Town provides a full range of services including police and fire protection, public works operations, planning, zoning and code enforcement, health and welfare, library and recreation. The Town has a sewer utility that is accounted for as a special revenue fund. This report does not include the funds of the Londonderry School District or Rockingham County. Those 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, PC. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet any requirements of the Federal Single Audit Act amendments of 1996 and the U.S. Office of Management and 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 24,129 (according to the 2010 Census) 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-Budgetary Town Meeting form of local government.

Londonderry has a diverse character, combining residential, commercial, industrial and recreational activities. Over the past decade, 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 two of New Hampshire's major north/south highways, as well as the presence of Manchester-Boston Regional 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 implementing policies established by the Town Council. The Town Manager is responsible for appointing the heads of the various departments, negotiating with the Town's various bargaining units, and making recommendations 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's 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 November of each year.

The Town Council may adjust the Town 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 the Deliberative Session in February. The budget is then presented for voting by the taxpayers at the annual town meeting in March. The legal spending limit is at the department level, as voted by town meeting.

INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC CONDITION

Local Economy

Local economic conditions are favorable when compared to other regions. The 2012 unemployment rate for Londonderry is 4.8%, which is well below the overall 2012 U.S. unemployment rate of 7.9%.

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. The NH Department of Transportation's Manchester Airport Access Road project is now complete and open for business as of November 13, 2011. Londonderry now enjoys direct access to the Everett Turnpike/Route 3.

Although the Town was not unaffected by the current recession, due to its fiscal policies and land use/economic development planning efforts, the Town remains well positioned to maintain its strong financial position and capitalize on future economic growth. Several economic development projects have either been approved or expanded over the last year. The Londonderry Freezer Warehouse added 82,000 square feet to its existing 94,000 SF facility. Londonderry also welcomed American Tire Distributors to Town. The North Carolina based company will be constructing a 125,000 square foot facility off of Jack's Bridge Road in Londonderry, the second facility constructed in New England. Londonderry Land Development, LLC was recently approved to construct a 110,000 square foot retail center in the Exit 5 area of I-93. These projects represent a strong indication that the local economy and development activity are beginning to return to pre-recessionary levels.

This activity joins a number of major business expansions/new construction in Londonderry which occurred over the past few years, including:

- Stonyfield Yogurt (Expanded)
- Insight Technology (Expanded)
- Freezer Warehouse (Expanded)
- Bosch (Formerly Buderus) (Expanded)
- Falling Water Office Park (New)
- Captain Shoppes Strip Mall (New)
- Penske Truck Rental (New)
- Alamo Fireworks (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 Development Department, along with the dedicated service of the individuals from the various land use and development boards, continues to make economic development its top

priority. The intent behind this community effort is to create more job opportunities, expand the tax base and help make Londonderry an even better place to live and do business. As Londonderry's new brand states, "Business is good. Life is better!"

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 development 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 has completed 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. The revised program reflects actual costs and market rates for its services, thereby further solidifying the Town's financial position.

In FY2003, 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 FY2010, Town voters appropriated \$225,000 for the purchase of public safety/highway equipment or contributions to Capital Reserve Funds, and increased that investment to \$325,000 in FY2011 and FY2012. For FY2013, voters approved \$510,000 for Fire, Ambulance and Highway Equipment programs, as well as \$150,000 designated for replacing various fire and emergency equipment such as medical needs and protective clothing.

In FY2004, 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. For FY2013, Town meeting discontinued support of this annual \$200,000 program. Instead voters approved a Roadway Maintenance Trust Fund to assist in lowering the amount of bonded debt issued each year for this purpose in the amount of \$250,000.

The Town's Community Development Department is leading efforts to plan for the development of an industrial area south of Manchester-Boston Regional 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 promote development of the Jack's Bridge Development area. This development benefits from a 330,000 square foot anchor tenant, Harvey Industries.

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 approximately 2,000 acres. The Town's goal is to position itself to accommodate appropriate development, which will build upon the recently opened Manchester Airport Access Road, and the ongoing widening of I-93.

Town staff has also been leading the local review of an ambitious plan by private property owners who propose to convert over 600 acres of mainly farmland into a mixed-use village concept consisting of office, commercial, retail, and medical facilities, along with approximately 1,300 residential units. The Woodmont Commons project is anticipated to be constructed over a 20-year period during which the owner/developer estimates the total economic impact to be approximately \$1.0 Billion. The Town anticipates receipt of a formal Master Plan application in Fall, 2013.

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 \$523,000 for General Fund projects and \$320,000 for Special Revenue Fund projects.

Major Initiatives

Throughout FY2012, 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/Boston Regional Airport 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 2009, 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 \$597,316 in FY2012.

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 opening of a new airport access road from Everett Turnpike/Route 3 in Bedford across the Merrimack River and into the Manchester Airport, which was completed in November 2011, will also provide access to the industrial land mentioned previously. The Town needs to reconstruct Pettengill Road in order to provide complete access to the industrial land; supported by a \$260,000 appropriation at the 2002 Town Meeting, the Community Development and Public Works and Engineering Departments have completed the design of the main thoroughfare and utilities, and have secured the necessary permits for construction to facilitate the ultimate development of this area. The Town will continue to work with regional, state and federal officials to secure the necessary funding for the Pettengill Road project.

The Town's web site is <http://www.londonderrynh.org/>. On March 9, 2010, the Community Development Department and the Londonderry Economic Development Taskforce unveiled its new economic development marketing website (www.thriveinlondonderry.com). This effort started back in March 2009. The Town hired marketing consultant Gary O'Neil, O2-Generations of Creative Energy to help Londonderry establish a new brand and logo. The brand and logo was developed after many workshops with stakeholders in town, meeting with groups and individuals that interact and are major contributors to the region's economic development landscape. The effort included meetings with state leaders in order to receive a comprehensive perspective on Londonderry's direction and contribution towards the region's economy. The culmination of all of this effort resulted in Londonderry's new brand and logo, **"Business is good. Life is better!"** SilverTech, Inc. was hired to create a new economic development website and incorporated. SilverTech pulled into the new site the marketing material created through the efforts of Gary O'Neil and the Community Development Department. Also, local and regional data will be

included targeting the type of information site selectors need to put Londonderry at the top of their site selection list.

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 Community 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 2011 completed funding for the update, which the new master plan process began in Fall, 2011.

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. Recreation impact fee revenues are allocated to improve and expand recreation facilities for the benefit of all Londonderry residents.

The Town Council recently passed zoning ordinance amendments to encourage workforce housing opportunities, which will further strengthen the Town's economic development effort.

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 invested in the Town's Open Space Preservation Program. This bond has made great advancements towards updating our infrastructure. In FY2006, voters approved \$200,000 to design replacement fire substations in North and South Londonderry and in FY2007 approved a \$2,375,000 bond to construct a new substation in south Londonderry. Voters in 2007, 2008, 2009, 2010 and 2011 voted to bond a total of \$5,200,000 to reconstruct roads within the community. In 2010, the Town received a \$1,650,000 ARRA grant to

construct a replacement North/West Fire Station. The Town and State have partnered to rebuild a major intersection on Route 28, which is key to broadening economic development efforts.

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 tenth 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 beginning in 2003 through 2011. This recognized the Town 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.

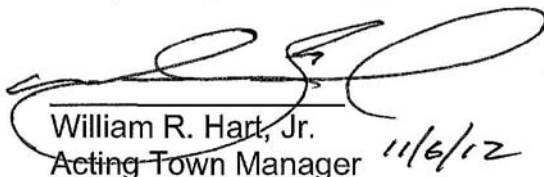
The Certificate of Achievement is valid for a period of one year only. The Town believes that the current CAFR continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the Government Finance Officers Association to determine its eligibility for another certificate.

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,

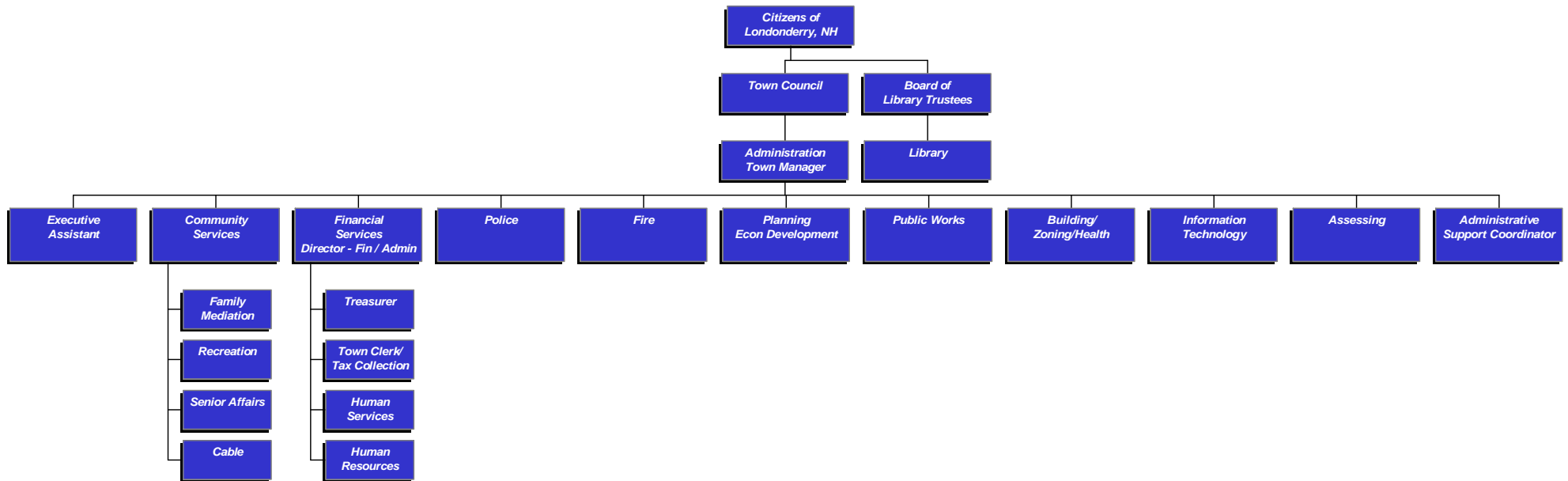

William R. Hart, Jr.
Acting Town Manager 11/6/12


Susan Hickey
Director of Finance and
Administration

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Town of Londonderry

Organizational Chart



TOWN OF LONDONDERRY

DIRECTORY OF OFFICIALS

June 30, 2012

TOWN COUNCIL

John Farrell
Joe Green
Tom Dolan
Tom Freda
Jim Butler

OTHER ELECTED OFFICIALS

Cindi Rice-Conley, Moderator
Marguerite Seymour, Town Clerk/Tax Collector
Kathy Wagner, Treasurer

OTHER OFFICIALS

William R. Hart, Jr., Acting Town Manager
Susan Hickey, Director of Finance and 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, 2011

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.



Linda C. Davidson

President

Jeffrey R. Egan

Executive Director

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FINANCIAL SECTION



MELANSON HEATH & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

102 Perimeter Road
Nashua, NH 03063-1301
Tel (603) 882-1111 • Fax (603) 882-9456
www.melansonheath.com

INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Londonderry, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Londonderry, New Hampshire, as of June 30, 2012, and for the year then ended, which collectively comprise the Town of Londonderry, New Hampshire's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Londonderry, New Hampshire's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, the major fund, and the aggregate remaining fund information of the Town of Londonderry, New Hampshire, as of June 30, 2012, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, appearing on pages 17 - 24, and the required supplementary information appearing on page 60, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting

Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Londonderry, New Hampshire's basic financial statements. The additional information included in the Supplementary Statements and Schedules section of this report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted 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 and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
November 2, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Londonderry, we offer readers of the Town of Londonderry's financial statements this narrative overview and analysis of the financial activities of the Town of Londonderry for the fiscal year ended June 30, 2012. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-9 of this report.

A. FINANCIAL HIGHLIGHTS

As of the close of the current fiscal year, total assets exceeded liabilities by \$ 77,528,858 (*net assets*), a change of \$ (306,378) in comparison with the prior year. Of this amount, \$ 6,847,135 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 15,395,818, a change of \$ 1,185,709 in comparison with the prior year. Approximately 19.1% of this amount, \$ 2,939,228, is available for spending at the government's discretion (*unassigned fund balance*).

At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 4,084,022, a change of \$ 238,952 in comparison to the prior year.

Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 18,370,000 a change of \$ (1,150,000) in comparison to the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the Town's 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 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).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues. The governmental activities include general government, public safety, highways and streets, sanitation, health and welfare, culture and recreation, conservation, and economic development. The government-wide financial statements can be found on pages 26-27 of this report.

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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's 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.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-32 of this report.

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.

The basic fiduciary fund financial statement can be found on page 33 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Financial Statements can be found on pages 34-59 of this report.

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 accounting principles generally accepted in the United States of America. Required supplementary information can be found on page 60 of this report.

Additional combining statements and schedules are presented immediately following the required supplementary information. Combining statements and schedules can be found on pages 66-89 of this report.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	<u>NET ASSETS</u>			
	<u>Governmental Activities</u>			
	<u>2012</u>	<u>2011</u>	<u>Amount Change</u>	<u>% Change</u>
Current and other assets	\$ 47,010	\$ 45,399	\$ 1,611	3.5%
Capital assets	<u>83,848</u>	<u>85,986</u>	<u>(2,138)</u>	<u>-2.5%</u>
Total assets	130,858	131,385	(527)	-0.4%
Long-term liabilities outstanding	19,615	20,294	(679)	-3.3%
Other liabilities	<u>33,714</u>	<u>33,256</u>	<u>458</u>	<u>1.4%</u>
Total liabilities	53,329	53,550	(221)	-0.4%
Net assets:				
Invested in capital assets, net	69,947	70,406	(459)	-0.7%
Restricted	735	744	(9)	-1.2%
Unrestricted	<u>6,847</u>	<u>6,685</u>	<u>162</u>	<u>2.4%</u>
Total net assets	<u>\$ 77,529</u>	<u>\$ 77,835</u>	<u>\$ (306)</u>	<u>-0.4%</u>

CHANGES IN NET ASSETS

	<u>2012</u>	<u>2011</u>	<u>Amount</u> <u>Change</u>	<u>%</u> <u>Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 6,180	\$ 6,259	\$ (79)	\$ -1.3%
Operating grants and contributions	778	1,060	(282)	-26.6%
Capital grants and contributions	65	1,490	(1,425)	-95.6%
General revenues:				
Property taxes	15,440	15,257	183	1.2%
Interest, penalties and other taxes	909	895	14	1.6%
Motor vehicle permits	6,392	5,712	680	11.9%
Grants and contributions not restricted to specific programs	1,295	1,247	48	3.8%
Investment income	38	37	1	2.7%
Other	<u>266</u>	<u>356</u>	<u>(90)</u>	<u>-25.3%</u>
Total revenues	<u>31,363</u>	<u>32,313</u>	<u>(950)</u>	<u>-2.9%</u>
Expenses:				
General government	3,963	3,731	232	6.2%
Public safety	16,560	16,350	210	1.3%
Highways and streets	4,405	6,279	(1,874)	-29.8%
Sanitation	3,600	4,492	(892)	-19.9%
Health and welfare	126	150	(24)	-16.0%
Culture and recreation	1,911	1,913	(2)	-0.1%
Conservation	3	3	-	0.0%
Economic development	431	426	5	1.2%
Interest	<u>683</u>	<u>705</u>	<u>(22)</u>	<u>-3.1%</u>
Total expenses	<u>31,682</u>	<u>34,049</u>	<u>(2,367)</u>	<u>-7.0%</u>
Change in net assets before permanent fund contributions	(319)	(1,736)	1,417	-81.6%
Permanent fund contributions	<u>13</u>	<u>13</u>	<u>-</u>	<u>0.0%</u>
Change in net assets	(306)	(1,723)	1,417	-82.2%
Net assets - beginning of year	<u>77,835</u>	<u>79,558</u>	<u>(1,723)</u>	<u>-2.2%</u>
Net assets - end of year	<u>\$ 77,529</u>	<u>\$ 77,835</u>	<u>\$ (306)</u>	<u>\$ -0.4%</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$ 77,528,858, a change of \$ (306,378) from the prior year.

The largest portion of net assets, \$ 69,947,258 (90.2%), reflects the Town's investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be

noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets, \$ 734,465 (0.95%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$ 6,847,135, may be used to meet the Town's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities for the year resulted in a change in net assets of \$ (306,378). Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ 335,896
Special revenue fund revenues and transfers in over expenditures and transfers out	755,467
Capital project fund revenues and transfers in over expenditures	103,405
Trust fund expenditures and transfers out over revenues	(9,059)
Depreciation expense in excess of principal debt service	(825,247)
Change in OPEB liability	(602,135)
Other GAAP accruals	<u>(64,705)</u>
Total	<u>\$ (306,378)</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town uses fund accounting 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 the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$ 15,395,818, a change of \$ 1,185,709 in comparison to the prior year. Key elements of this change are as follows:

General fund operations, as discussed further below	\$ 335,896
Nonmajor fund revenues and transfers in over expenditures and transfers out	<u>849,813</u>
Total	<u>\$ 1,185,709</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$ 4,084,022, while total fund balance was \$ 9,265,452. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. The results of this comparison are summarized in the table below.

<u>General Fund</u>	<u>6/30/12</u>	<u>6/30/11</u>	<u>Change</u>	% of Total General Fund Expenditures
Unassigned fund balance	\$ 4,084,022	\$ 3,845,070	\$ 238,952	15.1%
Total fund balance ¹	\$ 9,265,452	\$ 8,929,556	\$ 335,896	34.3%

¹Includes capital reserve funds.

The total fund balance of the general fund changed by \$ 335,896 during the current fiscal year. The primary underlying reasons for this change in fund balance are as follows:

Revenues in excess of budget	\$ 338,068
Expenditures less than budget	124,836
Use of fund balance as a funding source	(523,000)
Excess of current year encumbrances over prior year	419,588
Capital reserve fund operations	163,046
Other	<u>(186,642)</u>
Total	<u>\$ 335,896</u>

The Town's capital reserve funds are included in total general fund balance as follows:

	<u>6/30/12</u>	<u>6/30/11</u>	<u>Change</u>
Capital reserve funds	\$ 760,083	\$ 597,037	\$ 163,046

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall increase in general fund appropriations of \$ 366,657. This increase was the result of the Town's mid-year reclassification of the Cable Franchise Fee Fund from a special revenue account to a general fund account. This reclassification resulted in an offsetting decrease in annually budgeted special revenue fund appropriations of (\$ 366,657).

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

- Motor vehicle registrations revenue was over budget by \$ 204,972 due to a general increase in motor vehicle revenues throughout the State.
- Income from departments was over budget by \$ 126,430, primarily due to an increase in ambulance revenue.
- Investment income was under budget by \$ (87,584) due to continued Federal Reserve policies to keep interest rates as low as possible in an attempt to stimulate the economy.
- Legal expenditures were over budget by \$ (359,918) due to legal issues regarding impact fees.
- Highway department expenditures were under budget by \$ 271,920, primarily due to a decrease in snow removal and winter road maintenance costs.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental activities at year end amounted to \$ 83,847,257 (net of accumulated depreciation), a change of \$ (2,139,186) from the prior year. This investment in capital assets includes land, construction in progress, buildings and improvements, machinery, vehicles and equipment, intangibles, improvements other than buildings, and infrastructure.

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

- \$ 497,506 of construction in progress for Exit 4A and Bartley Hill Road, as well as additional costs for North Fire Station.
- \$ 313,340 for machinery, vehicles, and equipment, including the planned replacement of three highway department vehicles.
- \$ 25,215 for buildings and improvements, including the Library roof replacement project.
- \$ (2,975,247) in current year depreciation expense.

Additional information on the Town's capital assets can be found in Note 10 on page 48-49 of this report.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$ 18,370,000, all of which was backed by the full faith and credit of the government.

Credit rating. As of June 30, 2012, the Town's credit rating on outstanding bonded debt was Aa2, which was unchanged from the prior year.

Additional information on the Town's long-term debt can be found in Note 15 on pages 50-51 of this report.

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

The general outlook for the Town of Londonderry is positive. The 4.8% unemployment rate for the Manchester/Londonderry area, according to the New Hampshire Employment Security Bureau, is under the overall U.S. unemployment rate of 7.9%. The Town, in partnership with the State of New Hampshire, continues to invest strongly in its public works infrastructure and is poised to benefit from continued improvements in the overall economy.

For the upcoming fiscal year, the taxpayers approved at the Annual Budgetary Town Meeting a \$ 31,764,191 operating and capital improvement budget. During the year the Town will be issuing a \$ 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:

Director of Finance & Administration
Town of Londonderry
268B Mammoth Road
Londonderry, New Hampshire 03053

Basic Financial Statements

TOWN OF LONDONDERRY, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2012

	Governmental <u>Activities</u>
ASSETS	
Current:	
Cash and short-term investments	\$ 44,305,940
Investments	664,363
Receivables, net of allowance for uncollectibles:	
Property taxes	1,036,556
User fees	450,536
Intergovernmental	109,285
Other	413,007
Other	14,179
Total current assets	<u>46,993,866</u>
Noncurrent:	
Receivables, net of allowance for uncollectibles:	
Property taxes	16,488
Capital assets:	
Land and construction in progress	20,053,250
Other capital assets, net of accumulated depreciation	63,794,007
Total noncurrent assets	<u>83,863,745</u>
TOTAL ASSETS	130,857,611
LIABILITIES	
Current:	
Accounts payable	991,214
Accrued liabilities	851,568
Taxes collected in advance	28,884,004
Other liabilities	89,856
Current portion of long-term liabilities:	
Bonds payable	2,245,000
Compensated absences	642,691
Landfill post-closure	10,000
Total current liabilities	<u>33,714,333</u>
Noncurrent:	
Bonds payable, net of current portion	16,125,000
Compensated absences, net of current portion	914,072
Landfill post-closure, net of current portion	130,000
OPEB liability	2,445,348
Total noncurrent liabilities	<u>19,614,420</u>
TOTAL LIABILITIES	53,328,753
NET ASSETS	
Invested in capital assets, net of related debt	69,947,258
Restricted externally or constitutionally for:	
Permanent funds:	
Nonexpendable	629,771
Expendable	104,694
Unrestricted	6,847,135
TOTAL NET ASSETS	<u><u>\$ 77,528,858</u></u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
General government	\$ 3,963,149	\$ 62,748	\$ 159	\$ -	\$ (3,900,242)
Public safety	16,560,271	3,642,174	20,650	65,205	(12,832,242)
Highways and streets	4,405,364	-	583,847	-	(3,821,517)
Sanitation	3,599,659	2,169,312	76,069	-	(1,354,278)
Health and welfare	126,106	-	-	-	(126,106)
Culture and recreation	1,910,707	306,152	66,363	-	(1,538,192)
Conservation	3,156	-	31,132	-	27,976
Economic development	430,689	-	-	-	(430,689)
Interest	683,447	-	-	-	(683,447)
Total Governmental Activities	<u>\$ 31,682,548</u>	<u>\$ 6,180,386</u>	<u>\$ 778,220</u>	<u>\$ 65,205</u>	(24,658,737)
General Revenues:					
					15,439,921
					908,627
					6,392,231
					1,295,153
					37,797
					265,480
Total general revenues					<u>24,339,209</u>
					(319,528)
Permanent fund contributions					<u>13,150</u>
					(306,378)
Net Assets:					
Beginning of year					<u>77,835,236</u>
End of year					<u>\$ 77,528,858</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2012

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and short-term investments	\$ 42,733,061	\$ 1,572,879	\$ 44,305,940
Investments	-	664,363	664,363
Receivables, net of allowance for uncollectibles:			
Property taxes	1,048,235	4,809	1,053,044
User fees	403,956	46,580	450,536
Intergovernmental	109,285	-	109,285
Other	29,434	383,573	413,007
Due from other funds	2,986,846	5,065,589	8,052,435
Other	14,179	-	14,179
TOTAL ASSETS	\$ 47,324,996	\$ 7,737,793	\$ 55,062,789
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 901,097	\$ 90,117	\$ 991,214
Accrued liabilities	597,629	-	597,629
Deferred revenues	1,000,444	51,389	1,051,833
Taxes collected in advance	28,884,004	-	28,884,004
Due to other funds	6,588,114	1,464,321	8,052,435
Other liabilities	88,256	1,600	89,856
TOTAL LIABILITIES	38,059,544	1,607,427	39,666,971
Fund Balances:			
Nonspendable	-	629,771	629,771
Restricted	2,474,373	6,609,773	9,084,146
Committed	1,138,645	35,616	1,174,261
Assigned	1,568,412	-	1,568,412
Unassigned	4,084,022	(1,144,794)	2,939,228
TOTAL FUND BALANCES	9,265,452	6,130,366	15,395,818
TOTAL LIABILITIES AND FUND BALANCES	\$ 47,324,996	\$ 7,737,793	\$ 55,062,789

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, 2012

Total governmental fund balances	\$ 15,395,818
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	83,847,257
<ul style="list-style-type: none">• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,051,833
<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.	(253,939)
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, compensated absences, landfill post-closure, and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(22,512,111)</u>
Net assets of governmental activities	<u><u>\$ 77,528,858</u></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, 2012

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 15,401,672	\$ -	\$ 15,401,672
Interest, penalties and other taxes	908,627	30,603	939,230
Licenses and permits	6,669,255	75,961	6,745,216
Intergovernmental	1,879,000	-	1,879,000
Charges for services	1,063,337	4,851,951	5,915,288
Investment income	37,797	(2,594)	35,203
Other revenues	265,480	148,252	413,732
Total Revenues	<u>26,225,168</u>	<u>5,104,173</u>	<u>31,329,341</u>
Expenditures:			
Current:			
General government	3,386,765	2,996	3,389,761
Public safety	12,814,322	2,587,167	15,401,489
Highways and streets	2,554,791	-	2,554,791
Sanitation	1,902,722	1,159,609	3,062,331
Health and welfare	125,816	290	126,106
Culture and recreation	1,653,577	154,118	1,807,695
Conservation	3,156	-	3,156
Economic development	408,499	-	408,499
Capital outlay	1,274,924	260,317	1,535,241
Debt service	2,854,563	-	2,854,563
Total Expenditures	<u>26,979,135</u>	<u>4,164,497</u>	<u>31,143,632</u>
Excess (deficiency) of revenues over (under) expenditures	(753,967)	939,676	185,709
Other Financing Sources (Uses):			
Bond issuance	1,000,000	-	1,000,000
Transfers in	457,709	367,846	825,555
Transfers out	(367,846)	(457,709)	(825,555)
Total Other Financing Sources (Uses)	<u>1,089,863</u>	<u>(89,863)</u>	<u>1,000,000</u>
Net changes in fund balances	335,896	849,813	1,185,709
Fund Balances, beginning of year, as restated	<u>8,929,556</u>	<u>5,280,553</u>	<u>14,210,109</u>
Fund Balances, end of year	<u>\$ 9,265,452</u>	<u>\$ 6,130,366</u>	<u>\$ 15,395,818</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, 2012

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,185,709
<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	836,061
Depreciation	(2,975,247)
<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. 	46,828
<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: 	
Issuance of bond debt	(1,000,000)
Repayments of bonded debt	2,150,000
<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. 	21,115
<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	21,291
Landfill post-closure liability	10,000
OPEB liability	(602,135)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ (306,378)

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, 2012

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts (Budgetary <u>Basis</u>)	Variance with Final Budget Positive (<u>Negative</u>)
Revenues and other sources:				
Property taxes	\$ 15,233,135	\$ 15,233,135	\$ 15,233,135	\$ -
Interest, penalties, and other taxes	882,607	882,607	915,053	32,446
Licenses and permits	6,438,759	6,438,759	6,669,255	230,496
Intergovernmental	1,804,419	1,804,419	1,879,000	74,581
Charges for services	570,250	936,907	1,063,337	126,430
Investment income	125,000	125,000	37,416	(87,584)
Other revenues	260,241	260,241	306,731	46,490
Other financing sources:				
Bond issuance	1,000,000	1,000,000	1,000,000	-
Transfers in	558,500	558,500	473,709	(84,791)
Use of fund balance	<u>523,000</u>	<u>523,000</u>	<u>523,000</u>	<u>-</u>
Total Revenues	27,395,911	27,762,568	28,100,636	338,068
Expenditures and other uses:				
Current:				
General government	2,968,183	2,968,183	3,357,882	(389,699)
Public safety	12,891,791	12,891,791	12,828,981	62,810
Highways and streets	3,051,023	3,051,023	2,779,103	271,920
Sanitation	1,899,790	1,899,790	1,844,646	55,144
Health and welfare	182,680	182,680	125,816	56,864
Culture and recreation	1,400,104	1,766,761	1,746,964	19,797
Conservation	3,300	3,300	3,156	144
Economic development	435,446	435,446	417,217	18,229
Capital outlay	1,248,000	1,248,000	1,227,208	20,792
Debt service	2,863,397	2,863,397	2,854,562	8,835
Other financing uses:				
Transfers out	<u>452,197</u>	<u>452,197</u>	<u>452,197</u>	<u>-</u>
Total Expenditures	<u>27,395,911</u>	<u>27,762,568</u>	<u>27,637,732</u>	<u>124,836</u>
Excess of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>462,904</u>	\$ <u>462,904</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2012

	Agency Funds
<u>ASSETS</u>	
Cash and short term investments	\$ 2,406,331
Investments	<u>12,075</u>
Total Assets	<u>\$ 2,418,406</u>
<u>LIABILITIES</u>	
Escrow deposits	\$ 2,097,258
School funds	<u>321,148</u>
Total Liabilities	<u>\$ 2,418,406</u>

See notes to financial statements.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Notes to Financial Statements June 30, 2012

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 a 5-member 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 2012, 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 Activities) 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; however, interfund services provided and used was not eliminated by the process of consolidation. 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 as 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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 funds:

- 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 fund* is used to account for resources legally held in trust for impact fees, construction escrows and school district 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 are included under investment 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 for the Trust Funds consist of marketable securities, bonds, mutual funds, and short-term money market investments. 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).

G. 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.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Infrastructure	30 - 75
Vehicles	5
Office equipment	5
Computer equipment	5

H. 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 and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

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

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

J. Fund Equity

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

Fund Balance – In general, fund balance represents the difference between current assets and current liabilities. The Town reserves those

portions of fund balance that are legally segregated for a specific use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The Town's fund balance classifications are as follows:

- 1) *Nonspendable funds* are either unspendable in the current form (i.e., prepaid items) or can never be spent (i.e., cemetery perpetual care principal).
- 2) *Restricted funds* are restricted to specific purposes by external constraints imposed by laws, creditors, or grantors, or others outside of the Town's organization. The Town reports restricted fund balance in the general fund for the encumbered, unspent proceeds of bond issuances, and in the special revenue funds for funds that have been created by statute or have other external constraints on how the monies held in these funds may be expended.
- 3) *Committed funds* can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest decision making authority, which is the annual Budgetary Town Meeting. These commitments can only be established, modified, or rescinded by majority Town Meeting vote. The Town reports committed fund balance in the general fund for the encumbered, unspent portion of non-lapsing capital appropriations, as well as for capital reserves set aside by Town Meeting vote for future capital acquisitions and improvements.
- 4) *Assigned funds* are intended to be used for specific purposes as established by the approved Town Council budget. The Town reports assigned fund balance in the general fund for year-end departmental encumbrances for goods and services that have been ordered but not yet received. The Town also reports assigned fund balance for general fund surplus fund balance that has been appropriated as a funding source for the subsequent fiscal period.
- 5) *Unassigned funds* are available to be spent in future periods.

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

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as *restricted*

when there are limitations imposed on their use either through enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as *unrestricted*.

K. 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 revenue sources. The original budget can be amended during the fiscal year by special town meetings as required by changing conditions.

The Town's 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 (i.e., sewer division fund).

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

B. Budgetary Basis

The general fund and special revenue funds final appropriation appearing on the "Budget and Actual" pages of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

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

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

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 26,225,168	\$ 26,979,135
Other financing sources/uses (GAAP basis)	<u>1,457,709</u>	<u>367,846</u>
Subtotal (GAAP Basis)	27,682,877	27,346,981
Adjust tax revenue to accrual basis	(168,537)	-
Subtract beginning of year appropriation carryforwards from expenditures	-	(3,309,760)
Add end-of-year appropriation carryforwards to expenditures	-	3,729,348
Recognize use of fund balance as funding source	523,000	-
Reverse effect of combining general fund and capital reserve funds (GASB 54)	(380)	162,666
Reverse various timing differences	<u>63,676</u>	<u>(291,503)</u>
Budgetary basis	<u>\$ 28,100,636</u>	<u>\$ 27,637,732</u>

(continued)

(continued)

<u>Nonmajor Governmental Funds:</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 5,104,173	\$ 4,164,497
Other financing sources/uses (GAAP basis)	<u>367,846</u>	<u>457,709</u>
Subtotal (GAAP Basis)	5,472,019	4,622,206
Less non-budgeted funds	(2,845,681)	(2,662,263)
Subtract beginning of year appropriation carryforwards from expenditures	-	(1,878,106)
Add end-of-year appropriation carryforwards to expenditures	-	3,074,574
Remove deferred revenue	<u>8,581</u>	<u>-</u>
Budgetary basis	<u>\$ 2,634,919</u>	<u>\$ 3,156,411</u>

D. Excess of Expenditures Over Appropriations

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

General Fund:

Town manager	\$ (102,074)
Information technology	\$ (3,988)
Legal	\$ (359,918)
General services	\$ (41,663)
Cemetery	\$ (9,716)
Fire department	\$ (87,273)
Library	\$ (21,718)

Nonmajor Governmental Funds:

Police outside detail	\$ (16,365)
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E. Deficit Fund Equity

The following funds had deficits as of June 30, 2012:

Nonmajor Governmental Funds:

Capital project funds:

Exit 4A	\$ (1,144,794)
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This deficit will be eliminated through future bond proceeds, which have been authorized but are currently unissued.

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. New Hampshire RSA 41:29 stipulates that Town funds be deposited "in participation units in the public deposit investment pool established pursuant to RSA 383:22 or in federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, except that funds may be deposited in federally insured banks outside the state if such banks pledge and deliver to a third party custodial bank or the federal reserve bank collateral security of the following types:

- (a) United States governmental obligations
- (b) United States government agency obligations; or
- (c) Obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case."

In addition, RSA 41:29 allows excess funds "which are not immediately needed for the purpose of expenditure" to be invested in the "public deposit investment pool established pursuant to RSA 383:22, or in deposits, including money market accounts, or certificates of deposit, or repurchase agreements, and all other types on interest bearing accounts, of federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, or in obligations fully guaranteed as to principal and interest by the United States government."

The Town's deposit policy for custodial credit risk requires a comprehensive review of the credit worthiness and capital ratios of the institutions. The Town's deposit policy limits the investment of Town assets to 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 Town's policy further stipulates that all Town assets be secured through third-party custody and safekeeping procedures.

As of June 30, 2012, none of the Town's bank balance of \$ 44,632,981 was exposed to custodial credit risk as uninsured, uncollateralized, or collateral held by pledging bank's trust department not in the Town's name.

The Town also maintains various trust funds that are managed by the Trustees of Trust Funds (Trustees). As of June 30, 2012, none of the Trustees' short-term cash and investment balances of \$ 70,102 were exposed to custodial credit risk as uninsured, uncollateralized, or collateral held by pledging bank's trust department not in the Town's name.

4. Investments

A. 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. Both the Town's and Trustees' investment policies follow the guidelines of New Hampshire RSA 31.

As of June 30, 2012, none of the Town's investments of \$ 12,075 were exposed to custodial credit risk.

As of June 30, 2012, none of the Trustees' investments of \$ 664,363 were exposed to custodial credit risk.

B. 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 investor 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. Neither the Town's nor the Trustees' policies specifically address investment credit risk.

Presented below (in thousands) is the actual rating as of year end for each of the Town's and Trustees' investments (All federal agency securities have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating as of Year End</u>			
		<u>AAA</u>	<u>AA3</u>	<u>BAA1</u>	<u>Not Rated</u>
Debt-related Securities:					
Corporate bonds	\$ 31	\$ -	\$ 21	\$ 10	\$ -
Federal agency securities	<u>31</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	62	<u>\$ 31</u>	<u>\$ 21</u>	<u>\$ 10</u>	<u>\$ -</u>
Certificates of deposits	24				
Corporate equities	253				
Mutual funds	<u>338</u>				
Total investments	<u>\$ 677</u>				

C. Concentration of Credit Risk

Neither the Town nor the Trustees place limits on the amount that may be invested in any one issuer.

As of June 30, 2012, all of the Town's investments were held in an FDIC-insured bank certificate of deposit.

As of June 30, 2012, the Trustees did not have investments in any 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. Neither the Town nor the Trustees have a formal investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from changing interest rates.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Debt Related Securities:					
Corporate bonds	\$ 31	\$ 31	\$ -	\$ -	\$ -
Federal agency securities	31	-	31	-	-
Total	<u>\$ 62</u>	<u>\$ 31</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ -</u>

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. Neither the Town nor the Trustees have policies for foreign currency risk.

5. Taxes Receivable

The Town bills property taxes on a semi-annual basis, with property taxes 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 Town's subsequent year's operations.

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

The Town annually budgets an amount (overlay) for residential and business property tax abatements and refunds. All abatements and refunds are charged to this overlay account and are classified as a contra-tax revenue in the general fund. The overlay account also includes probable abatements accrued to be paid.

Taxes receivable at June 30, 2012 consist of the following:

Property Taxes:

2011	\$ <u>5,790</u>	5,790
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Tax Liens:

2011	593,738	
2010	330,424	
2009	71,191	
Prior	<u>24,178</u>	1,019,531

Elderly Deferrals	16,488	
Land Use Change Tax	4,809	
Yield Tax	4,210	
Excavation Tax	<u>2,216</u>	
Total	\$ <u><u>1,053,044</u></u>	

Taxes Collected for Others

The Town collects property taxes for the Londonderry School District and for Rockingham County. Payments to the school district are normally made throughout the year and payment to the County is normally made in December. However, ultimate responsibility for the collection of these taxes rests with the Town.

6. User Fees Receivable and Allowance for Doubtful Accounts

User fees receivable include amounts due from customers for ambulance and sewer services. Ambulance receivables are recorded in the general fund and

are reported net of an allowance for doubtful accounts; the allowance amount is estimated using receivables that are more than 120 days past due. Sewer receivables are reported in special revenue funds; delinquent sewer receivables are lienied in a manner similar to property taxes, as described in Note 5.

User fees receivable and related allowance for doubtful accounts at June 30, 2012 consist of the following:

	<u>Ambulance</u>	<u>Sewer</u>	<u>Total</u>
Gross receivable	\$ 550,585	\$ 46,580	\$ 597,165
Less: allowance for doubtful accounts	<u>(146,629)</u>	<u>-</u>	<u>(146,629)</u>
Total	\$ <u>403,956</u>	\$ <u>46,580</u>	\$ <u>450,536</u>

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2012.

8. Other Receivables

Other receivables consist of:

General fund:

Other \$ 29,434

Combined nonmajor funds:

Police outside detail 95,869

Police airport division 287,704

Subtotal 383,573

Total \$ 413,007

9. Interfund Fund Receivables/Payables and Interfund 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, 2012 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,986,846	\$ 6,588,114
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Sewer fund	4,775,595	-
Police outside detail	105,989	-
Police airport division	-	287,704
Conservation commission	-	29,739
Reclamation fund	-	1,048
Other special funds	63,045	-
Capital Project Funds:		
Exit 4A	-	1,145,830
Fire Facilities	64,019	-
Mammoth Rd/Litchfield Rd	56,941	-
Subtotal Nonmajor Funds	<u>5,065,589</u>	<u>1,464,321</u>
Total	<u>\$ 8,052,435</u>	<u>\$ 8,052,435</u>

Following is an analysis of interfund transfers during fiscal year 2012. The primary purpose of these transfers is to ensure budgetary compliance. Most transfers are budgeted in the general fund and transferred to/from other funds. The Town annually budgets transfers from the sewer fund to the general fund to cover their share of general fund costs.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 457,709	\$ 367,846
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Sewer fund	-	320,000
Police airport division	-	120,209
Library trustees	77,197	-
Capital Project Funds:		
Mammoth Rd/Litchfield Rd	290,649	-
Permanent Fund	-	17,500
Subtotal Nonmajor Funds	<u>367,846</u>	<u>457,709</u>
Total	<u>\$ 825,555</u>	<u>\$ 825,555</u>

Following is a summary of fiscal year 2012 budgeted transfers between the Town's general fund and capital reserve funds, which have been eliminated from the governmental fund financial statements in accordance with the reporting requirements of GASB 54.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 375,000
Capital Reserve Funds:		
Fire department	145,000	-
Ambulance	60,000	-
Highway trucks	80,000	-
Highway heavy equipment	40,000	-
Master plan	50,000	-
Total	<u>\$ 375,000</u>	<u>\$ 375,000</u>

10. Capital Assets

Capital asset activity for the year ended June 30, 2012 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 and building improvements	\$ 14,406	\$ 25	\$ -	\$ 14,431
Machinery, vehicles, and equipment	9,636	313	(83)	9,866
Intangibles	1,436	-	-	1,436
Infrastructure	84,309	-	-	84,309
Improvements other than buildings	556	-	-	556
Total capital assets, being depreciated	<u>110,343</u>	<u>338</u>	<u>(83)</u>	<u>110,598</u>
Less accumulated depreciation for:				
Buildings and building improvements	(2,556)	(358)	-	(2,914)
Machinery, vehicles, and equipment	(7,316)	(871)	83	(8,104)
Intangibles	(1,358)	(26)	-	(1,384)
Infrastructure	(32,541)	(1,668)	-	(34,209)
Improvements other than buildings	(141)	(52)	-	(193)
Total accumulated depreciation	<u>(43,912)</u>	<u>(2,975)</u>	<u>83</u>	<u>(46,804)</u>
Total capital assets, being depreciated, net	<u>66,431</u>	<u>(2,637)</u>	<u>-</u>	<u>63,794</u>
Capital assets, not being depreciated:				
Land and land improvements	12,501	-	-	12,501
Construction in progress	7,055	497	-	7,552
Total capital assets, not being depreciated	<u>19,556</u>	<u>497</u>	<u>-</u>	<u>20,053</u>
Governmental activities capital assets, net	<u>\$ 85,987</u>	<u>\$ (2,140)</u>	<u>\$ -</u>	<u>\$ 83,847</u>

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

Governmental Activities:	
General government	\$ 192
Public safety	819
Highways and streets	1,297
Sanitation	547
Culture and recreation	94
Economic development	<u>26</u>
Total depreciation expense - governmental activities	\$ <u>2,975</u>

11. Accounts Payable

Accounts payable represent 2012 expenditures paid after June 30, 2012.

12. Accrued Liabilities

Accrued liabilities on the governmental fund balance sheet primarily consist of accrued payroll and accrued benefit leave payable, while accrued liabilities on the statement of net assets include these same liabilities as well as accrued interest on long-term debt at June 30, 2012.

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, 2012 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, 2012 for the subsequent year's tax levy.

15. 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.

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>Serial</u> <u>Maturities</u> <u>Through</u>	<u>Interest</u> <u>Rate(s) %</u>	<u>Amount</u> <u>Outstanding</u> <u>as of</u> <u>6/30/12</u>
Mammoth Road sewer	11/01/21	4.39%	\$ 1,200,000
Multi-purpose bond	10/15/12	3.59%	165,000
Multi-purpose bond	07/01/23	3.83%	8,170,000
Refunding bonds	10/15/15	2.74%	815,000
Open space conservation	12/01/14	3.31%	300,000
Open space & fire station	08/15/26	4.02%	3,250,000
Roadway improvements	01/15/18	3.07%	720,000
Roadway improvements	11/15/18	3.58%	1,050,000
Roadway improvements	07/15/19	2.43%	800,000
Roadway improvements	12/01/20	2.38%	900,000
Roadway improvements	07/15/21	2.48%	1,000,000
Total Governmental Activities:			<u>\$ 18,370,000</u>

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2012 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,245,000	\$ 644,721	\$ 2,889,721
2014	1,905,000	575,361	2,480,361
2015	1,810,000	511,952	2,321,952
2016	1,710,000	449,531	2,159,531
2017	1,595,000	396,423	1,991,423
2018 - 2022	6,745,000	1,095,290	7,840,290
2023 - 2027	<u>2,360,000</u>	<u>159,480</u>	<u>2,519,480</u>
Total	<u>\$ 18,370,000</u>	<u>\$ 3,832,758</u>	<u>\$ 22,202,758</u>

D. Bond Authorizations/Unissued

Long term debt authorizations which have not been issued or rescinded as of June 30, 2012 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	900,000
Roadway Improvements	<u>500,000</u>
Total Unissued Bond Authorizations	<u>\$ 6,174,600</u>

E. Changes in General Long-Term Liabilities

During the year ended June 30, 2012, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/11	Additions	Reductions	Total Balance 6/30/12	Less Current Portion	Equals Long-Term Portion 6/30/12
<u>Governmental Activities</u>						
Bonds payable	\$ 19,520	\$ 1,000	\$ (2,150)	\$ 18,370	\$ (2,245)	\$ 16,125
Other:						
Compensated absences	1,578	34	(55)	1,557	(643)	914
Landfill post-closure	150	-	(10)	140	(10)	130
OPEB liability	<u>1,843</u>	<u>965</u>	<u>(363)</u>	<u>2,445</u>	<u>-</u>	<u>2,445</u>
Totals	<u>\$ 23,091</u>	<u>\$ 1,999</u>	<u>\$ (2,578)</u>	<u>\$ 22,512</u>	<u>\$ (2,898)</u>	<u>\$ 19,614</u>

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

16. Landfill Closure and Post-closure Care Costs

The Town's landfill has been closed and capped. However, State and Federal laws and regulations require the Town to perform certain maintenance and monitoring functions at its capped landfill site for a period of thirty years after closure. These *post-closure care* costs are reported as a long-term liability in the government-wide financial statements, and a portion of the liability is expensed each year. The amount of the post-closure care liability and the portion of costs expensed each year are based on estimates provided by management. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

17. 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.

18. Governmental Funds - Balances

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

The following types of fund balances are reported at June 30, 2012:

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

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

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved at Town Meeting, capital reserve funds set aside by Town Meeting vote for future capital acquisitions and improvements (now reported as part of the general fund per GASB 54), and capital projects funded by surplus fund balance.

Assigned - Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Unassigned - Represents amounts that are available to be spent in future periods and temporary deficit balances in capital project funds.

Following is a breakdown of the Town's fund balances at June 30, 2012:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable			
Nonexpendable permanent funds	\$ -	\$ 629,771	\$ 629,771
Total Nonspendable	-	629,771	629,771
Restricted			
Bonded projects	2,474,373	-	2,474,373
Special revenue funds	-	6,505,079	6,505,079
Expendable permanent funds	-	104,694	104,694
Total Restricted	2,474,373	6,609,773	9,084,146
Committed			
Non-lapsing capital appropriations	378,562	-	378,562
Capital reserve funds	760,083	-	760,083
Capital projects funded by surplus	-	35,616	35,616
Total Committed	1,138,645	35,616	1,174,261
Assigned			
Encumbrances	876,412	-	876,412
Appropriated fund balance	692,000	-	692,000
Total Assigned	1,568,412	-	1,568,412
Unassigned	4,084,022	(1,144,794)	2,939,228
Total Fund Balances	\$ <u>9,265,452</u>	\$ <u>6,130,366</u>	\$ <u>15,395,818</u>

19. **General Fund Unassigned Fund Balance**

The unassigned general fund balance reported on the governmental funds balance sheet is stated in accordance with generally accepted accounting principles (GAAP), which differs in respect to how undesignated fund balance is reported in accordance with the budgetary basis for reporting to the State of New Hampshire for tax rate setting purposes. The major difference is the State of New Hampshire considers revenues in connection with property tax receivables to be available to liquidate liabilities when billed rather than received.

The following summarizes the specific differences between the GAAP basis and the budgetary basis of reporting the general fund unassigned fund balance:

GAAP basis balance	\$ 4,084,022
Deferred revenue	<u>1,000,444</u>
Tax Rate Setting Balance	\$ <u>5,084,466</u>

20. Subsequent Events

Subsequent to June 30, 2012, the Town's governing body elected to refund various impact fees that the Town determined were improperly assessed and/or had not been expended or otherwise legally obligated within the statutorily-mandated time period. These refunds, with accumulated interest, totaled \$ 1,142,538. Of this amount, \$ 913,228 was refunded from impact fee monies held separately from the general fund in the Town's impact fee account, which is included in total escrow deposits reported in the Town's Statement of Fiduciary Net Assets. The remaining balance of \$ 229,310 was funded by unexpended fiscal year 2012 general fund appropriations and is included in general government expenditures and accounts payable in both the government-wide and governmental funds financial statements.

In July, 2012, the Town processed impact fee refund checks totaling \$ 581,024 to parties who were identified as both the original payer of the impact fee and the current owner of the property for which the fee had been assessed. The Town turned over an additional \$ 264,517 to the Rockingham County Superior Court with a Bill of Interpleader advising all parties to whom an amount greater than \$ 5,000 could be owed that the funds had been deposited with the court for distribution upon resolution of the parties' claims. In addition, the Town deposited \$ 296,997 into a separate impact fees escrow account for future payments to potential claimants of amounts less than \$ 5,000. The Town issued a press release and posted a notice on its website identifying and notifying these potential claimants that the Town would release the funds it retained to individual claimants upon its receipt of executed releases.

21. Commitments and Contingencies

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

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

22. Post-Employment Healthcare and Life Insurance Benefits

Other Post-Employment Benefits

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use them. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

A. Plan Description

In addition to providing the retirement system benefits described in Note 23, the Town indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current year employees. Retirees of the Town that participate in this single employer plan, pay to participate in the Town's healthcare program. Since they are included in the same pool as current employees, the insurance rates are higher for current employees due to the age consideration. This increased rate is an implicit rate the Town covers for the retirees. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50. As of July 1, 2010, the actuarial valuation date, approximately 24 retirees and 173 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

Retirees and their covered dependents are eligible to participate in the Town's medical, prescription drug, mental health/substance abuse programs. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

C. Funding Policy

Retirees contribute 100% of the cost of the health plan, as determined by the Town. The Town contributes its implicit rate subsidy of the health plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Obligation

The Town's fiscal 2012 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actu-

arial liability over a period of thirty years. The following table shows the components of the Town's annual OPEB cost for the year ending June 30, 2012, the amount actually contributed to the plan, and the change in the Town's net OPEB obligation based on an actuarial valuation as of July 1, 2010.

Annual Required Contribution (ARC)	\$ 881,877
Interest on net OPEB obligation	82,945
Adjustment to ARC	<u>(78,564)</u>
Annual OPEB cost	886,258
Contributions made	<u>(284,123)</u>
Increase in net OPEB obligation	602,135
Net OPEB obligation - beginning of year	<u>1,843,213</u>
Net OPEB obligation - end of year	<u><u>\$ 2,445,348</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 886,258	32.1%	\$ 2,445,348
2011	\$ 884,727	27.2%	\$ 1,843,213
2010	\$ 787,091	23.8%	\$ 1,199,208

E. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 8,173,280
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 8,173,280</u></u>
Funded ratio (actuarial value of plan assets/AAL)	<u><u>0%</u></u>
Covered payroll (active plan members)	<u><u>\$ 10,437,881</u></u>
UAAL as a percentage of covered payroll	<u><u>78.3%</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts deter-

mined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented on page 60, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Town and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the Projected Unit Credit with linear proration to decrement cost method was used. The actuarial value of assets \$ 0, as the Town has not advance-funded its obligation. The actuarial assumptions included a 4.5% investment rate of return and an initial annual healthcare cost trend rate of 9.5%, which decreases to a 5.0% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level percentage of payroll over thirty years based on an open group, with total payroll growth estimated at 3.0% per year.

23. Retirement System

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

A. Plan Description

The Town contributes to the New Hampshire Retirement System (the System), a cost-sharing, multiple-employer, contributory public employee defined benefit pension plan qualified under Section 401(a) of the Internal Revenue Code and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The System was established in 1967 and is governed by New Hampshire RSA 100-A, rules and regulations, federal laws, and policies adopted by its Board of Trustees. Membership in the System may be mandatory or optional, depending on employment position. Members are required to make regular contributions to the System. Member contribution rates are established and may be amended by the New Hampshire State Legislature.

System membership is divided into two groups. *Group I* includes full-time state employees (except police officers and firefighters) and teachers, as well as employees of a political subdivision (i.e., school district, county, town, or other unit of local government) that has elected to participate in the System. *Group II* includes permanent firefighters and permanent police officers. Membership is a condition of employment and System contributions are mandatory for both *Group I* and *Group II* employees who meet specific eligibility requirements.

Additional information on the System's eligibility requirements, group membership parameters, funding policies, benefits, and the System's annual financial report can be obtained from the New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire, 03301-8507, or from the System's website at www.nhrs.org.

B. Funding Policy

The System is supported by member contributions, employer contributions, and net earnings on the investments of the trust fund. Member contribution rates are set by statute at 7.00% of member's compensation for *Group I* members (employees and teachers), 11.30% of member's compensation for *Group II* Police members, and 11.55% for *Group II* Fire members.

In 2011, RSA 100-A:16 was amended by the NH State Legislature, which eliminated the state's percentage share of employer contributions for Teacher, Police, and Fire members (formerly 25%). These statutory changes were upheld by an August 2012 NH Supreme Court ruling. Employer contributions are set by the System's Board of Trustees based on biennial actuarial valuations prepared as of June 30th on the odd numbered years (2007, 2009, 2011, etc.).

In fiscal year 2012, the Town was required to contribute 8.8% to the System for its eligible *Group I* employees, 19.95% for its eligible *Group II Police* employees, and 22.89% for its eligible *Group II Fire* employees. The Town's contributions to the System for the years ended June 30, 2012, 2011, and 2010 were \$ 1,813,881, \$ 1,820,071, and \$ 1,710,370, respectively, which equaled its annual required contributions for each of these years.

24. Risk Management

The Town 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.

25. Beginning Fund Balance Restatement

The beginning (July 1, 2011) fund balances of the Town have been restated as follows:

Fund Basis Financial Statements:

	General Fund	Nonmajor Governmental Funds
As previously reported	\$ 8,393,828	\$ 5,816,281
Reclassify cable fund	<u>535,728</u>	<u>(535,728)</u>
As restated	<u>\$ 8,929,556</u>	<u>\$ 5,280,553</u>

26. Implementation of New GASB Standards

- The Governmental Accounting Standards Board (GASB) has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013. Management's current assessment is that this pronouncement will have a significant impact on the Town's basic financial statements by reclassifying certain liabilities, such as taxes paid in advance of next year's budget or revenues deferred on the fund basis financial statements due to unavailability provisions, to deferred inflows of resources.
- The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in fiscal year 2015. Management's assessment is that this pronouncement will have a significant impact on the Town's basic financial statements, as the Town will have to report a proportional share of NHRS's unfunded pension liability on their financial statements for fiscal years beginning after June 15, 2014.

TOWN OF LONDONERRY, NEW HAMPSHIRE
SCHEDULE OF FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2012
(Unaudited)

Other Post-Employment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
07/01/08	\$ -	\$ 7,392,805	\$ 7,392,805	0.0%	\$ 11,346,987	65.2%
07/01/10	\$ -	\$ 8,173,280	\$ 8,173,280	0.0%	\$ 10,437,881	78.3%

See Independent Auditors' Report.

**SUPPLEMENTARY STATEMENTS
AND SCHEDULES**

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Combining Financial Statements

NON-MAJOR 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:

- Sewer Fund: To account for the operation of sewer pumping stations and sewer lines.
- Police Outside Detail: To account for revenues and expenditures related to police outside special detail activities.
- 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.
- Conservation Commission: To account for monies received through donations and bonds and expended for the conservation of local land and resources.
- Leach Library: To account for fines and fees collected by the library for the purchase of books and periodicals.
- Reclamation Fund: To account for revenues and expenditures related to motor vehicle parts disposal costs and capital improvements at the Drop-off Center.
- Other Special Funds: To account for the revenues and expenditures associated with various local activities supported by general fund appropriations, rental fees, participant donations, and other miscellaneous revenue sources.

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:

- Exit 4A: To account for the architectural and engineering costs associated with the development of a new on/off ramp from Route 93.

- Fire Facilities: To account for the architectural, engineering and construction costs of two new fire substations.
- 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 trustee for cemetery, library, welfare, and other purposes.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

	Special Revenue Funds		
	Sewer Fund	Police Outside Detail	Police Airport Division
<u>ASSETS</u>			
Cash and short-term investments	\$ -	\$ -	\$ -
Investments	-	-	-
Property taxes receivable	-	-	-
User fees receivable	46,580	-	-
Other receivable	-	95,869	287,704
Due from other funds	<u>4,775,595</u>	<u>105,989</u>	<u>-</u>
Total Assets	<u>\$ 4,822,175</u>	<u>\$ 201,858</u>	<u>\$ 287,704</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ 3,310	\$ -	\$ -
Deferred revenues	46,580	-	-
Due to other funds	-	-	287,704
Other liabilities	<u>1,600</u>	<u>-</u>	<u>-</u>
Total Liabilities	51,490	-	287,704
Fund Balances:			
Nonspendable	-	-	-
Restricted	4,770,685	201,858	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>4,770,685</u>	<u>201,858</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 4,822,175</u>	<u>\$ 201,858</u>	<u>\$ 287,704</u>

Special Revenue Funds				
<u>Conservation Commission</u>	<u>Leach Library</u>	<u>Reclamation Fund</u>	<u>Other Special Funds</u>	<u>Subtotals</u>
\$ 1,172,352	\$ 35,951	\$ 292,371	\$ -	\$ 1,500,674
-	-	-	-	-
4,809	-	-	-	4,809
-	-	-	-	46,580
-	-	-	-	383,573
-	-	-	63,045	4,944,629
<u>\$ 1,177,161</u>	<u>\$ 35,951</u>	<u>\$ 292,371</u>	<u>\$ 63,045</u>	<u>\$ 6,880,265</u>
\$ -	\$ -	\$ -	\$ 396	\$ 3,706
4,809	-	-	-	51,389
29,739	-	1,048	-	318,491
-	-	-	-	1,600
<u>34,548</u>	<u>-</u>	<u>1,048</u>	<u>396</u>	<u>375,186</u>
-	-	-	-	-
1,142,613	35,951	291,323	62,649	6,505,079
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,142,613</u>	<u>35,951</u>	<u>291,323</u>	<u>62,649</u>	<u>6,505,079</u>
<u>\$ 1,177,161</u>	<u>\$ 35,951</u>	<u>\$ 292,371</u>	<u>\$ 63,045</u>	<u>\$ 6,880,265</u>

(continued)

(continued)

	Capital Project Funds			
	<u>Exit 4A</u>	<u>Fire Facilities</u>	<u>Mammoth Rd Litchfield Rd</u>	<u>Subtotals</u>
<u>ASSETS</u>				
Cash and short-term investments	\$ 2,103	\$ -	\$ -	\$ 2,103
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
User fees receivable	-	-	-	-
Other receivable	-	-	-	-
Due from other funds	-	64,019	56,941	120,960
	<u>-</u>	<u>64,019</u>	<u>56,941</u>	<u>120,960</u>
Total Assets	\$ <u>2,103</u>	\$ <u>64,019</u>	\$ <u>56,941</u>	\$ <u>123,063</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 1,067	\$ 28,403	\$ 56,941	\$ 86,411
Deferred revenues	-	-	-	-
Due to other funds	1,145,830	-	-	1,145,830
Other liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	1,146,897	28,403	56,941	1,232,241
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	35,616	-	35,616
Assigned	-	-	-	-
Unassigned	(1,144,794)	-	-	(1,144,794)
	<u>(1,144,794)</u>	<u>-</u>	<u>-</u>	<u>(1,144,794)</u>
Total Fund Balances	<u>(1,144,794)</u>	<u>35,616</u>	<u>-</u>	<u>(1,109,178)</u>
Total Liabilities and Fund Balances	\$ <u>2,103</u>	\$ <u>64,019</u>	\$ <u>56,941</u>	\$ <u>123,063</u>

<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 70,102	\$ 1,572,879
664,363	664,363
-	4,809
-	46,580
-	383,573
-	5,065,589
<u>734,465</u>	<u>7,737,793</u>
\$ 734,465	\$ 7,737,793
\$ -	\$ 90,117
-	51,389
-	1,464,321
-	1,600
<u>-</u>	<u>1,607,427</u>
-	1,607,427
629,771	629,771
104,694	6,609,773
-	35,616
-	-
-	(1,144,794)
<u>734,465</u>	<u>6,130,366</u>
734,465	6,130,366
\$ 734,465	\$ 7,737,793
<u>734,465</u>	<u>7,737,793</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2012

	Special Revenue Funds		
	Sewer Fund	Police Outside Detail	Police Airport Division
Revenues:			
Interest, penalties and other taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Charges for services	2,065,079	561,259	2,225,613
Investment income	-	-	-
Other	-	-	-
Total Revenues	2,065,079	561,259	2,225,613
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	481,680	2,105,487
Sanitation	1,158,263	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total Expenditures	1,158,263	481,680	2,105,487
Excess (deficiency) of revenues over (under) expenditures	906,816	79,579	120,126
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	(320,000)	-	(120,209)
Total Other Financing Sources (Uses)	(320,000)	-	(120,209)
Net changes in fund balances	586,816	79,579	(83)
Fund Balances, beginning of year, as restated	4,183,869	122,279	83
Fund Balances, end of year	\$ 4,770,685	\$ 201,858	\$ -

Special Revenue Funds				
<u>Conservation Commission</u>	<u>Leach Library</u>	<u>Reclamation Fund</u>	<u>Other Special Funds</u>	<u>Subtotals</u>
\$ 30,603	\$ -	\$ -	\$ -	\$ 30,603
-	-	75,961	-	75,961
-	-	-	-	4,851,951
529	27	108	-	664
<u>-</u>	<u>33,901</u>	<u>-</u>	<u>35,998</u>	<u>69,899</u>
31,132	33,928	76,069	35,998	5,029,078
-	-	-	1,569	1,569
-	-	-	-	2,587,167
-	-	1,346	-	1,159,609
-	-	-	283	283
-	117,168	-	36,935	154,103
<u>7,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,868</u>
<u>7,868</u>	<u>117,168</u>	<u>1,346</u>	<u>38,787</u>	<u>3,910,599</u>
23,264	(83,240)	74,723	(2,789)	1,118,479
-	77,197	-	-	77,197
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(440,209)</u>
<u>-</u>	<u>77,197</u>	<u>-</u>	<u>-</u>	<u>(363,012)</u>
23,264	(6,043)	74,723	(2,789)	755,467
<u>1,119,349</u>	<u>41,994</u>	<u>216,600</u>	<u>65,438</u>	<u>5,749,612</u>
<u>\$ 1,142,613</u>	<u>\$ 35,951</u>	<u>\$ 291,323</u>	<u>\$ 62,649</u>	<u>\$ 6,505,079</u>

(continued)

(continued)

	Capital Project Funds			
	<u>Exit 4A</u>	<u>Fire Facilities</u>	<u>Mammoth Rd Litchfield Rd</u>	<u>Subtotals</u>
Revenues:				
Interest, penalties and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Investment income	1	-	-	1
Other	-	65,204	-	65,204
	<u>-</u>	<u>65,204</u>	<u>-</u>	<u>65,204</u>
Total Revenues	1	65,204	-	65,205
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Sanitation	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	48,633	146,875	56,941	252,449
	<u>48,633</u>	<u>146,875</u>	<u>56,941</u>	<u>252,449</u>
Total Expenditures	48,633	146,875	56,941	252,449
Excess (deficiency) of revenues over (under) expenditures	(48,632)	(81,671)	(56,941)	(187,244)
Other Financing Sources (Uses):				
Transfers in	-	-	290,649	290,649
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>290,649</u>	<u>290,649</u>
Total Other Financing Sources (Uses)	-	-	290,649	290,649
Net changes in fund balances	(48,632)	(81,671)	233,708	103,405
Fund Balances, beginning of year, as restated	<u>(1,096,162)</u>	<u>117,287</u>	<u>(233,708)</u>	<u>(1,212,583)</u>
Fund Balances, end of year	<u>\$ (1,144,794)</u>	<u>\$ 35,616</u>	<u>\$ -</u>	<u>\$ (1,109,178)</u>

Permanent <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
\$ -	\$ 30,603
-	75,961
-	4,851,951
(3,259)	(2,594)
<u>13,149</u>	<u>148,252</u>
9,890	5,104,173
1,427	2,996
-	2,587,167
-	1,159,609
7	290
15	154,118
<u>-</u>	<u>260,317</u>
<u>1,449</u>	<u>4,164,497</u>
8,441	939,676
-	367,846
<u>(17,500)</u>	<u>(457,709)</u>
<u>(17,500)</u>	<u>(89,863)</u>
(9,059)	849,813
<u>743,524</u>	<u>5,280,553</u>
<u>\$ 734,465</u>	<u>\$ 6,130,366</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE
Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2012

	Balance July 1, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2012</u>
<u>Construction Escrows:</u>				
Assets - cash and short-term investments	\$ <u>2,238,527</u>	\$ <u>646,813</u>	\$ <u>(788,082)</u>	\$ <u>2,097,258</u>
Liabilities - other liabilities	\$ <u>2,238,527</u>	\$ <u>646,813</u>	\$ <u>(788,082)</u>	\$ <u>2,097,258</u>
 <u>School Capital Reserve:</u>				
Assets - cash and short-term investments	\$ <u>371,340</u>	\$ <u>325,264</u>	\$ <u>(375,456)</u>	\$ <u>321,148</u>
Liabilities - other liabilities	\$ <u>371,340</u>	\$ <u>325,264</u>	\$ <u>(375,456)</u>	\$ <u>321,148</u>
 <u>Totals:</u>				
Assets - cash and short-term investments	\$ <u>2,609,867</u>	\$ <u>972,077</u>	\$ <u>(1,163,538)</u>	\$ <u>2,418,406</u>
Liabilities - other liabilities	\$ <u>2,609,867</u>	\$ <u>972,077</u>	\$ <u>(1,163,538)</u>	\$ <u>2,418,406</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, Conservation, 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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
<u>Taxes</u>				
Property taxes	\$ 15,233,135	\$ 15,233,135	\$ 15,233,135	\$ -
Total Taxes	15,233,135	15,233,135	15,233,135	-
<u>Interest, Penalties, and Other Taxes</u>				
Yield taxes	10,290	10,290	7,785	(2,505)
Excavation taxes	10,000	10,000	10,489	489
Payment in lieu of taxes	597,317	597,317	597,316	(1)
Interest and penalties on taxes	265,000	265,000	299,463	34,463
Total Interest, Penalties, and Other Taxes	882,607	882,607	915,053	32,446
<u>Licenses and Permits</u>				
Motor vehicle registrations	6,187,259	6,187,259	6,392,231	204,972
Business licenses and permits	9,000	9,000	9,392	392
Building permits	200,000	200,000	229,370	29,370
Other licenses, permits and fees	42,500	42,500	38,262	(4,238)
Total Licenses and Permits	6,438,759	6,438,759	6,669,255	230,496
<u>Intergovernmental</u>				
Meals and room distribution	1,077,878	1,077,878	1,077,878	-
Highway block grant	604,730	604,730	583,847	(20,883)
Water pollution grants	46,811	46,811	46,811	-
Other grants	75,000	75,000	170,464	95,464
Total Intergovernmental Revenues	1,804,419	1,804,419	1,879,000	74,581
<u>Charges for Services</u>				
Income from departments	570,250	936,907	1,063,337	126,430
Total Charges for Services	570,250	936,907	1,063,337	126,430
<u>Investment Income</u>				
Interest on deposits	125,000	125,000	37,416	(87,584)
Total Investment Income	125,000	125,000	37,416	(87,584)
<u>Other Revenues</u>				
Other miscellaneous revenue	260,241	260,241	306,731	46,490
Total Miscellaneous Revenues	260,241	260,241	306,731	46,490
Total Revenues	25,314,411	25,681,068	26,103,927	422,859

(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, 2012

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources</u>				
Bond Issuance	1,000,000	1,000,000	1,000,000	-
Operating Transfers In:				
Sewer fund	320,000	320,000	320,000	-
Police airport division fund	165,000	165,000	120,209	(44,791)
Other special revenue funds	40,000	40,000	-	(40,000)
Permanent fund	<u>33,500</u>	<u>33,500</u>	<u>33,500</u>	-
Total Transfers In	558,500	558,500	473,709	(84,791)
Use of Fund Balance	<u>523,000</u>	<u>523,000</u>	<u>523,000</u>	-
Total Other Financing Sources	<u>2,081,500</u>	<u>2,081,500</u>	<u>1,996,709</u>	<u>(84,791)</u>
 Total Revenues and Other Financing Sources	 \$ <u>27,395,911</u>	 \$ <u>27,762,568</u>	 \$ <u>28,100,636</u>	 \$ <u>338,068</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, 2012

	<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	\$ 12,104	\$ 12,104	\$ 10,240	\$ 1,864
Town manager	379,160	379,160	481,234	(102,074)
Moderator	300	300	-	300
Budget committee	1	1	-	1
Town clerk/tax collector	463,637	463,637	420,364	43,273
Supervisor of checklist	17,314	17,314	11,338	5,976
Finance	606,338	606,338	557,805	48,533
Assessing	362,475	362,475	354,715	7,760
Information technology	312,275	312,275	316,263	(3,988)
Legal	104,500	104,500	464,418	(359,918)
Zoning board	40,777	40,777	40,223	554
General services	402,322	402,322	443,985	(41,663)
Cemeteries	32,974	32,974	42,690	(9,716)
Municipal insurances	234,006	234,006	214,607	19,399
Total General Government	<u>2,968,183</u>	<u>2,968,183</u>	<u>3,357,882</u>	<u>(389,699)</u>
<u>Public Safety</u>				
Police department	6,920,421	6,920,421	6,794,792	125,629
Fire department	5,575,374	5,575,374	5,662,647	(87,273)
Building department	395,996	395,996	371,542	24,454
Total Public Safety	<u>12,891,791</u>	<u>12,891,791</u>	<u>12,828,981</u>	<u>62,810</u>
<u>Highways and Streets</u>				
Highway department	<u>3,051,023</u>	<u>3,051,023</u>	<u>2,779,103</u>	<u>271,920</u>
Total Highways and Streets	<u>3,051,023</u>	<u>3,051,023</u>	<u>2,779,103</u>	<u>271,920</u>
<u>Sanitation</u>				
Solid waste	<u>1,899,790</u>	<u>1,899,790</u>	<u>1,844,646</u>	<u>55,144</u>
Total Sanitation	<u>1,899,790</u>	<u>1,899,790</u>	<u>1,844,646</u>	<u>55,144</u>
<u>Health and Welfare</u>				
General assistance	<u>182,680</u>	<u>182,680</u>	<u>125,816</u>	<u>56,864</u>
Total Health and Welfare	<u>182,680</u>	<u>182,680</u>	<u>125,816</u>	<u>56,864</u>
<u>Culture and Recreation</u>				
Cable	-	366,657	341,653	25,004
Recreation department	136,624	136,624	130,912	5,712
Library	1,193,885	1,193,885	1,215,603	(21,718)
Senior affairs	53,668	53,668	43,633	10,035
Other culture and recreation	<u>15,927</u>	<u>15,927</u>	<u>15,163</u>	<u>764</u>
Total Culture and Recreation	<u>1,400,104</u>	<u>1,766,761</u>	<u>1,746,964</u>	<u>19,797</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, 2012

(continued)				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Conservation</u>				
Conservation	<u>3,300</u>	<u>3,300</u>	<u>3,156</u>	<u>144</u>
	3,300	3,300	3,156	144
<u>Economic Development</u>				
Community development	<u>435,446</u>	<u>435,446</u>	<u>417,217</u>	<u>18,229</u>
	435,446	435,446	417,217	18,229
<u>Capital Outlay</u>				
Capital outlay	<u>1,248,000</u>	<u>1,248,000</u>	<u>1,227,208</u>	<u>20,792</u>
Total Capital Outlay	<u>1,248,000</u>	<u>1,248,000</u>	<u>1,227,208</u>	<u>20,792</u>
<u>Debt Service</u>				
Debt service	<u>2,863,397</u>	<u>2,863,397</u>	<u>2,854,562</u>	<u>8,835</u>
Total Debt Service	<u>2,863,397</u>	<u>2,863,397</u>	<u>2,854,562</u>	<u>8,835</u>
Total Expenditures	<u>26,943,714</u>	<u>27,310,371</u>	<u>27,185,535</u>	<u>124,836</u>
<u>Other Financing Uses</u>				
Operating Transfers Out:				
Library trustees	<u>77,197</u>	<u>77,197</u>	<u>77,197</u>	<u>-</u>
Capital reserve funds	<u>375,000</u>	<u>375,000</u>	<u>375,000</u>	<u>-</u>
Total Other Financing Uses	<u>452,197</u>	<u>452,197</u>	<u>452,197</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 27,395,911</u>	<u>\$ 27,762,568</u>	<u>\$ 27,637,732</u>	<u>\$ 124,836</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, 2012

	Sewer Fund			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Charges for services	\$ 4,579,758	\$ 4,579,758	\$ 2,032,284	\$ (2,547,474)
Interest and penalties	<u>-</u>	<u>-</u>	<u>41,376</u>	<u>41,376</u>
Total Revenues	4,579,758	4,579,758	2,073,660	(2,506,098)
Expenditures:				
Sanitation	4,259,758	4,259,758	2,354,731	1,905,027
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	4,259,758	4,259,758	2,354,731	1,905,027
Other Financing Uses:				
Transfers out	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>4,579,758</u>	<u>4,579,758</u>	<u>2,674,731</u>	<u>1,905,027</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(601,071)</u>	\$ <u>(601,071)</u>

Police Outside Detail			
<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
\$ 465,315	\$ 465,315	\$ 561,259	\$ 95,944
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
465,315	465,315	561,259	95,944
-	-	-	-
<u>465,315</u>	<u>465,315</u>	<u>481,680</u>	<u>(16,365)</u>
465,315	465,315	481,680	(16,365)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>465,315</u>	<u>465,315</u>	<u>481,680</u>	<u>(16,365)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,579</u>	<u>\$ 79,579</u>

(continued)

(continued)

	Totals			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 5,045,073	\$ 5,045,073	\$ 2,593,543	\$ (2,451,530)
Interest and penalties	<u>-</u>	<u>-</u>	<u>41,376</u>	<u>41,376</u>
Total Revenues	5,045,073	5,045,073	2,634,919	(2,410,154)
Expenditures:				
Sanitation	4,259,758	4,259,758	2,354,731	1,905,027
Public safety	<u>465,315</u>	<u>465,315</u>	<u>481,680</u>	<u>(16,365)</u>
Total Expenditures	4,725,073	4,725,073	2,836,411	1,888,662
Other Financing Uses:				
Transfers out	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>5,045,073</u>	<u>5,045,073</u>	<u>3,156,411</u>	<u>1,888,662</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(521,492)</u></u>	\$ <u><u>(521,492)</u></u>

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**Capital Assets Used in Operation
Governmental Funds**

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Capital Assets By Source

June 30, 2012

CAPITAL ASSETS

Buildings and building improvements	\$ 11,516,707
Machinery, vehicles, and equipment	1,762,812
Intangibles	51,947
Infrastructure	50,100,456
Improvements other than buildings	362,085
Land and land improvements	12,500,700
Construction in progress	<u>7,552,550</u>
Total General Capital Assets	\$ <u>83,847,257</u>

INVESTMENTS IN CAPITAL ASSETS

General fund revenues	\$ 52,812,377
Special revenue fund revenues	22,706,573
Capital project funds	<u>8,328,307</u>
Total Investments in General Capital Assets	\$ <u>83,847,257</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Changes in Capital Assets
By Function and Activity

For the Year Ended June 30, 2012

	Capital Assets <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	Capital Assets <u>June 30, 2012</u>
General Government:				
Town manager	\$ 49,374	\$ -	\$ 11,466	\$ 37,908
Finance	106,838	-	26,181	80,657
Information technology	87,716	39,831	26,410	101,137
Planning and zoning	1,544	-	452	1,092
General services	<u>17,231,357</u>	<u>1,865</u>	<u>127,479</u>	<u>17,105,743</u>
Total General Government	17,476,829	41,696	191,988	17,326,537
Public Safety:				
Police	5,203,298	8,816	290,765	4,921,349
Fire	<u>5,999,263</u>	<u>132,635</u>	<u>528,166</u>	<u>5,603,732</u>
Total Public Safety	11,202,561	141,451	818,931	10,525,081
Highways and Streets:				
Public works	<u>34,555,186</u>	<u>610,885</u>	<u>1,297,132</u>	<u>33,868,939</u>
Total Highways and Streets	34,555,186	610,885	1,297,132	33,868,939
Sanitation				
Sewer	<u>19,366,975</u>	<u>-</u>	<u>547,328</u>	<u>18,819,647</u>
Total Sanitation	19,366,975	-	547,328	18,819,647
Culture and Recreation:				
Parks and recreation	1,752,806	-	10,326	1,742,480
Library	1,284,275	23,876	55,426	1,252,725
Cable	<u>265,151</u>	<u>18,153</u>	<u>28,045</u>	<u>255,259</u>
Total Culture and Recreation	3,302,232	42,029	93,797	3,250,464
Economic Development	<u>82,660</u>	<u>-</u>	<u>26,071</u>	<u>56,589</u>
Total Economic Development	82,660	-	26,071	56,589
 Total General Capital Assets	 \$ <u>85,986,443</u>	 \$ <u>836,061</u>	 \$ <u>2,975,247</u>	 \$ <u>83,847,257</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Capital Assets
By Function and Category

June 30, 2012

	<u>Buildings and Improvements</u>	<u>Machinery, Vehicles, and Equipment</u>	<u>Intangibles</u>
General Government:			
Town manager	\$ -	\$ 37,908	\$ -
Finance	-	80,657	-
Information technology	-	96,106	-
Planning and zoning	-	1,092	-
General services	<u>3,049,559</u>	<u>49,223</u>	<u>-</u>
Total General Government	3,049,559	264,986	-
Public Safety:			
Police department	4,638,397	104,381	-
Fire department	<u>2,228,520</u>	<u>861,503</u>	<u>-</u>
Total Public Safety	6,866,917	965,884	-
Highways and Streets:			
Public Works	<u>188,779</u>	<u>432,239</u>	<u>-</u>
Total Highways and Streets	188,779	432,239	-
Sanitation			
Sewer	<u>-</u>	<u>19,409</u>	<u>-</u>
Total Sanitation	-	19,409	-
Culture and Recreation:			
Recreation department	-	9,960	-
Library	1,216,788	9,739	-
Cable	<u>194,664</u>	<u>60,595</u>	<u>-</u>
Total Culture and Recreation	1,411,452	80,294	-
Economic Development	<u>-</u>	<u>-</u>	<u>51,947</u>
Total Economic Development	<u>-</u>	<u>-</u>	<u>51,947</u>
Total General Capital Assets	<u>\$ 11,516,707</u>	<u>\$ 1,762,812</u>	<u>\$ 51,947</u>

<u>Infrastructure</u>	<u>Improvements other than Buildings</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 37,908
-	-	-	-	80,657
-	5,031	-	-	101,137
-	-	-	-	1,092
<u>95,656</u>	<u>37,717</u>	<u>12,248,740</u>	<u>1,624,848</u>	<u>17,105,743</u>
95,656	42,748	12,248,740	1,624,848	17,326,537
-	178,571	-	-	4,921,349
<u>900</u>	<u>62,182</u>	<u>-</u>	<u>2,450,627</u>	<u>5,603,732</u>
900	240,753	-	2,450,627	10,525,081
<u>31,348,229</u>	<u>41,118</u>	<u>251,960</u>	<u>1,606,614</u>	<u>33,868,939</u>
31,348,229	41,118	251,960	1,606,614	33,868,939
<u>18,651,029</u>	<u>2,744</u>	<u>-</u>	<u>146,465</u>	<u>18,819,647</u>
18,651,029	2,744	-	146,465	18,819,647
-	26,524	-	1,705,996	1,742,480
-	8,198	-	18,000	1,252,725
-	-	-	-	255,259
<u>-</u>	<u>34,722</u>	<u>-</u>	<u>1,723,996</u>	<u>3,250,464</u>
-	34,722	-	1,723,996	3,250,464
<u>4,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,589</u>
4,642	-	-	-	56,589
<u>\$ 50,100,456</u>	<u>\$ 362,085</u>	<u>\$ 12,500,700</u>	<u>\$ 7,552,550</u>	<u>\$ 83,847,257</u>

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STATISTICAL SECTION

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>Pages</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>	92-99
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	100-104
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>	105-108
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>	109-110
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>	111-113

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
(accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</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	\$ 65,478,547	\$ 69,168,086	\$ 70,406,443	\$ 69,947,258
Restricted	524,087	568,649	589,622	598,187	663,039	645,183	566,002	611,742	743,524	734,465
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>	<u>12,824,164</u>	<u>9,778,247</u>	<u>6,685,269</u>	<u>6,847,135</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>	<u>\$ 78,868,713</u>	<u>\$ 79,558,075</u>	<u>\$ 77,835,236</u>	<u>\$ 77,528,858</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	Fiscal Year Ending									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
Expenses										
General government	\$ 4,242,392	\$ 6,314,035	\$ 3,021,855	\$ 2,776,708	\$ 2,922,857	\$ 3,934,902	\$ 5,139,243	\$ 3,958,532	\$ 4,022,647	\$ 3,963,149
Public safety	9,151,225	9,476,231	10,965,243	11,577,220	13,762,946	13,762,995	15,473,889	16,121,622	16,350,045	16,560,271
Highways and streets	2,911,730	2,869,982	4,055,649	5,311,941	5,570,348	5,074,427	3,892,894	4,276,080	6,279,279	4,405,364
Sanitation	2,211,939	2,235,465	2,775,629	3,334,611	3,109,377	3,702,251	4,073,017	3,440,061	4,491,804	3,599,659
Health and welfare	210,390	278,411	281,960	278,625	307,796	178,496	159,825	165,490	175,417	126,106
Culture and recreation	1,316,126	1,564,275	1,733,731	1,809,430	2,280,477	2,001,143	1,889,678	1,578,831	1,596,464	1,910,707
Conservation	-	-	-	-	-	-	-	3,426	2,406	3,156
Economic development	260,360	409,449	383,894	382,881	418,691	420,413	440,869	470,697	425,783	430,689
Interest	594,862	723,029	1,050,508	769,362	768,978	896,326	802,585	743,540	705,234	683,447
Total expenses	20,899,024	23,870,877	24,268,469	26,240,778	29,141,470	29,970,953	31,872,000	30,758,279	34,049,079	31,682,548
Program Revenues										
Charges for services										
General government	5,840,211	6,425,238	105,539	104,910	100,797	98,425	75,788	433,522	378,670	62,748
Public Safety	742,457	691,028	877,921	1,240,672	3,750,817	3,383,247	3,923,272	3,577,429	3,678,903	3,642,174
Highways and streets	257,790	340,528	60,683	70,045	74,255	69,503	5,314	-	-	-
Sanitation	862,987	1,460,833	1,045,003	1,894,540	1,630,125	2,273,247	1,864,968	2,221,087	2,331,359	2,169,312
Health and welfare	-	-	-	-	-	10,070	9,767	-	-	-
Culture and recreation	207,231	299,008	355,492	397,426	503,848	401,348	401,468	9,843	6,820	306,152
Total charges for services	7,910,676	9,216,635	2,444,638	3,707,593	6,059,842	6,235,840	6,280,577	6,241,881	6,395,752	6,180,386
Operating grants and contributions	237,798	638,593	315,764	416,026	378,830	734,657	846,877	850,265	923,042	778,220
Capital grants and contributions	745,525	646,392	677,759	1,687,078	716,096	582,909	627,826	1,332,518	1,490,155	65,205
Total program revenues	8,893,999	10,501,620	3,438,161	5,810,697	7,154,768	7,553,406	7,755,280	8,424,664	8,808,949	7,023,811
Net (Expenses) Revenues	(12,005,025)	(13,369,257)	(20,830,308)	(20,430,081)	(21,986,702)	(22,417,547)	(24,116,720)	(22,333,615)	(25,240,130)	(24,658,737)
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	14,300,221	14,829,912	15,257,216	15,439,921
Interest, penalties and other taxes	824,305	860,732	862,921	769,467	1,634,295	848,179	1,227,157	870,500	894,631	908,627
Motor vehicle registration fees	-	-	6,404,091	6,309,859	5,915,524	6,023,616	5,910,220	5,736,360	5,711,807	6,392,231
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	1,395,230	1,199,451	1,247,462	1,295,153
Investment income	363,602	321,210	427,774	675,545	867,176	605,702	196,401	102,261	37,105	37,797
Other	288,386	1,380,794	425,370	281,206	386,972	488,916	646,877	267,073	355,890	265,480
Total general revenues before permanent fund contributions	12,904,910	15,150,573	21,535,792	22,877,516	23,739,885	22,961,168	23,676,106	23,005,557	23,504,111	24,339,209
Permanent fund contributions	328,012	23,100	21,200	6,601	6,450	10,700	607,602	17,420	13,180	13,150
Change in Net Assets	\$ 1,227,897	\$ 1,804,416	\$ 726,684	\$ 2,454,036	\$ 1,759,633	\$ 554,321	\$ 166,988	\$ 689,362	\$ (1,722,839)	\$ (306,378)

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	2003	2004	2005	2006	2007	2008	2009	2010
All governmental funds								
Reserved for encumbrances	\$ 2,102,373	\$ 3,546,161	\$ 2,025,837	\$ 3,209,825	\$ 3,077,071	\$ 3,304,418	\$ 3,882,636	\$ 6,331,745
Reserved for perpetual permanent funds	524,087	459,099	480,931	589,622	598,186	545,217	465,605	513,729
Reserved for prepaid expenditures	-	-	-	-	-	-	-	409,581
Unreserved	7,772,567	13,648,380	10,733,716	9,079,385	10,930,309	9,759,496	11,125,971	8,949,791
Total all governmental funds	<u>\$ 10,399,027</u>	<u>\$ 17,653,640</u>	<u>\$ 13,240,484</u>	<u>\$ 12,878,832</u>	<u>\$ 14,605,566</u>	<u>\$ 13,609,131</u>	<u>\$ 15,474,212</u>	<u>\$ 16,204,846</u>
General Fund								
Reserved for encumbrances	\$ 2,028,605	\$ 3,348,698	\$ 1,980,498	\$ 3,157,776	\$ 2,525,847	\$ 2,509,562	\$ 3,438,842	\$ 5,071,226
Reserved for prepaid expenditures	-	-	-	-	-	-	-	409,581
Unreserved	3,636,998	3,833,991	3,826,115	3,886,856	4,375,300	4,363,212	4,786,216	3,969,850
Total General Fund	<u>\$ 5,665,603</u>	<u>\$ 7,182,689</u>	<u>\$ 5,806,613</u>	<u>\$ 7,044,632</u>	<u>\$ 6,901,147</u>	<u>\$ 6,872,774</u>	<u>\$ 8,225,058</u>	<u>\$ 9,450,657</u>
Special Revenue Funds								
Reserved for encumbrances	\$ 73,768	\$ 197,463	\$ 45,339	\$ 52,049	\$ 551,224	\$ 794,856	\$ 443,794	\$ 1,260,519
Unreserved	4,096,868	2,886,848	5,933,244	5,003,500	6,302,967	5,580,561	6,605,909	5,597,742
Total Special Revenue Funds	<u>\$ 4,170,636</u>	<u>\$ 3,084,311</u>	<u>\$ 5,978,583</u>	<u>\$ 5,055,549</u>	<u>\$ 6,854,191</u>	<u>\$ 6,375,417</u>	<u>\$ 7,049,703</u>	<u>\$ 6,858,261</u>
Capital Project Funds								
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	38,711	2,887,339	865,666	180,464	187,189	(284,243)	(366,551)	(715,814)
Total Capital Project Funds	<u>\$ 38,711</u>	<u>\$ 2,887,339</u>	<u>\$ 865,666</u>	<u>\$ 180,464</u>	<u>\$ 187,189</u>	<u>\$ (284,243)</u>	<u>\$ (366,551)</u>	<u>\$ (715,814)</u>
Permanent Funds								
Reserved for perpetual permanent funds	\$ 524,087	\$ 459,099	\$ 480,931	\$ 589,622	\$ 598,186	\$ 545,217	\$ 465,605	\$ 513,729
Unreserved	-	109,650	108,691	8,565	64,853	99,966	100,397	98,013
Total Permanent Funds	<u>\$ 524,087</u>	<u>\$ 568,749</u>	<u>\$ 589,622</u>	<u>\$ 598,187</u>	<u>\$ 663,039</u>	<u>\$ 645,183</u>	<u>\$ 566,002</u>	<u>\$ 611,742</u>

(1) With the implementation of GASB 54 in fiscal year 2011, the presentation of fund balance classifications has changed and is shown prospectively.

(1) GASB 54 Implementation	2011	2012
All Governmental Funds		
Nond spendable	\$ 767,819	\$ 629,771
Restricted	2,198,055	9,084,146
Committed	7,472,879	1,174,261
Assigned	1,256,156	1,568,412
Unassigned	2,515,200	2,939,228
Total all governmental funds	\$ 14,210,109	\$ 15,395,818
General Fund		
Nond spendable	\$ 125,900	\$ -
Restricted	1,937,169	2,474,373
Committed	1,765,261	1,138,645
Assigned	1,256,156	1,568,412
Unassigned	3,845,070	4,084,022
Total General Fund	\$ 8,929,556	\$ 9,265,452
Special Revenue Funds		
Nond spendable	\$ -	\$ -
Restricted	41,994	6,505,079
Committed	5,707,618	-
Assigned	-	-
Unassigned	-	-
Total Special Revenue Funds	\$ 5,749,612	\$ 6,505,079
Capital Project Funds		
Nond spendable	\$ -	\$ -
Restricted	117,287	-
Committed	-	35,616
Assigned	-	-
Unassigned	(1,329,870)	(1,144,794)
Total Capital Project Funds	\$ (1,212,583)	\$ (1,109,178)
Permanent Funds		
Nond spendable	\$ 641,919	\$ 629,771
Restricted	101,605	104,694
Total Permanent Funds	\$ 743,524	\$ 734,465

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property taxes	\$ 10,374,680	\$ 11,910,212	\$ 12,491,926	\$ 13,737,247	\$ 13,625,893	\$ 13,569,699	\$ 14,157,575	\$ 14,739,367	\$ 15,191,178	\$ 15,401,672
Interest, penalties and other taxes	762,227	860,732	862,921	773,347	1,637,971	848,179	1,227,157	1,031,385	917,702	939,230
Licenses and permits	6,041,086	6,648,688	6,682,683	6,613,897	6,186,242	6,294,434	5,970,111	5,793,928	6,424,678	6,745,216
Intergovernmental	1,858,801	2,177,884	1,968,126	2,845,981	2,168,019	2,538,562	2,755,321	3,005,215	3,339,857	1,879,000
Charges for services	1,783,783	2,553,861	2,421,151	3,098,295	5,617,281	5,757,916	6,723,820	6,072,627	5,987,588	5,915,288
Investment income	359,460	321,159	427,776	675,546	867,177	605,702	196,401	153,326	176,214	35,203
Other revenues	807,151	1,627,686	800,098	723,699	575,756	611,748	772,389	606,437	432,014	413,732
Total revenues	21,987,188	26,100,222	25,654,681	28,468,012	30,678,339	30,226,240	31,802,774	31,402,285	32,469,231	31,329,341
Expenditures										
Current:										
General government	3,857,551	6,371,261	6,605,675	4,914,456	4,832,993	4,650,824	3,360,704	4,500,995	3,558,605	3,389,761
Public safety	9,645,099	13,229,370	11,062,970	11,323,017	15,583,706	13,500,753	14,612,788	14,570,939	15,245,071	15,401,489
Highways and streets	3,595,722	3,021,933	4,197,445	4,061,864	4,211,039	3,752,042	3,369,085	3,333,082	3,042,461	2,554,791
Sanitation	2,582,099	1,996,555	2,570,067	2,807,984	2,991,411	3,112,440	3,743,357	2,898,257	3,954,443	3,062,331
Health and welfare	199,789	264,470	277,614	292,607	307,333	177,474	163,733	164,853	175,417	126,106
Culture and recreation	1,227,397	1,485,667	1,599,418	1,888,868	1,808,476	1,867,375	1,800,392	1,874,563	1,538,117	1,807,695
Conservation	-	-	-	-	-	-	-	-	2,407	3,156
Economic development	259,381	300,719	371,907	373,737	414,538	414,561	449,867	453,087	422,655	408,499
Capital outlay	736,810	3,675,161	1,531,153	512,657	507,788	2,043,955	1,679,200	1,034,107	4,726,491	1,535,241
Debt service:										
Principal	1,303,784	1,431,395	1,992,761	1,883,498	1,865,000	2,075,000	2,055,000	2,065,000	2,065,000	2,150,000
Interest	515,100	721,503	858,827	770,976	804,321	828,251	800,269	776,768	733,301	704,563
Total expenditures	23,922,732	32,498,034	31,067,837	28,829,664	33,326,605	32,422,675	32,034,395	31,671,651	35,463,968	31,143,632
Excess (deficiency) of revenues over (under) expenditures	(1,935,544)	(6,397,812)	(5,413,156)	(361,652)	(2,648,266)	(2,196,435)	(231,621)	(269,366)	(2,994,737)	185,709
Other Financing Sources (Uses)										
Proceeds of refunding bonds	-	4,545,000	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(4,545,259)	-	-	-	-	-	-	-	-
Proceeds of bonds	1,650,000	13,652,674	1,000,000	-	4,375,000	1,200,000	1,500,000	1,000,000	1,000,000	1,000,000
Transfers in	1,770,570	1,799,503	1,130,168	938,223	5,059,702	931,064	1,304,360	1,192,756	1,239,325	825,555
Transfers out	(1,770,570)	(1,799,503)	(1,130,168)	(938,223)	(5,059,702)	(931,064)	(1,304,360)	(1,192,756)	(1,239,325)	(825,555)
Total other financing sources (uses)	1,650,000	13,652,415	1,000,000	-	4,375,000	1,200,000	1,500,000	1,000,000	1,000,000	1,000,000
Special Items:										
Return of settlement liability	-	-	-	-	-	-	596,702	-	-	-
Total special items	-	-	-	-	-	-	596,702	-	-	-
Net changes in fund balances	\$ (285,544)	\$ 7,254,603	\$ (4,413,156)	\$ (361,652)	\$ 1,726,734	\$ (996,435)	\$ 1,865,081	\$ 730,634	\$ (1,994,737)	\$ 1,185,709
Debt Service as a percentage of non-capital outlay expenditures	7.84%	7.47%	9.65%	9.37%	8.13%	9.56%	9.41%	9.28%	9.10%	9.64%

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Property taxes	\$ 10,374,680	\$ 11,910,212	\$ 12,491,926	\$ 13,737,247	\$ 13,625,893	\$ 13,569,699	\$ 14,157,575	\$ 14,739,367	\$ 15,191,178	\$ 15,401,672
Interest, penalties and other taxes	762,227	845,099	862,921	769,452	789,174	840,286	854,527	870,500	894,631	908,627
Licenses and permits	6,041,086	6,648,688	6,682,683	6,613,897	6,186,242	6,294,434	5,970,111	5,917,550	5,890,687	6,669,255
Intergovernmental	1,758,801	1,826,676	1,830,461	2,586,076	2,148,993	2,538,562	2,549,893	2,934,709	1,849,703	1,879,000
Charges for services	409,350	553,210	433,508	554,473	862,419	802,420	1,188,733	852,862	929,255	1,063,337
Investment income	308,862	244,972	384,339	619,149	769,844	599,574	256,008	100,165	37,105	37,797
Other revenues	292,971	1,100,592	378,644	203,725	378,683	168,950	531,998	196,413	343,795	265,480
Total revenues	19,947,977	23,129,449	23,064,482	25,084,019	24,761,248	24,813,925	25,508,845	25,611,566	25,136,354	26,225,168
Expenditures										
Current:										
General government	2,542,594	2,666,080	2,842,400	2,940,412	2,948,169	3,204,130	3,012,487	2,929,828	3,264,043	3,386,765
Public Safety	8,549,081	9,113,259	9,785,664	10,430,161	10,478,279	11,169,578	11,932,980	12,291,199	12,642,797	12,814,322
Highways and streets	3,042,377	2,765,923	3,942,857	3,581,685	4,007,119	3,518,334	3,364,600	3,082,476	3,042,461	2,554,791
Sanitation	1,319,356	1,223,130	1,471,600	1,864,448	1,875,281	1,896,988	1,804,100	1,882,694	1,811,568	1,902,722
Health and welfare	199,789	264,470	277,614	292,607	307,333	177,474	163,733	164,853	174,928	125,816
Culture and recreation	966,809	1,063,461	1,176,759	1,261,314	1,345,309	1,385,091	1,385,987	1,445,295	1,351,525	1,653,577
Conservation	-	-	-	-	-	-	-	3,416	2,011	3,156
Economic development	259,381	300,719	371,907	373,737	414,538	414,561	449,867	453,087	422,655	408,499
Capital outlay	736,810	3,675,161	1,531,153	512,657	507,788	2,043,955	1,679,200	1,034,107	2,948,809	1,274,924
Debt service	1,818,884	2,152,898	2,851,588	2,654,474	2,669,321	2,903,251	2,855,269	2,841,768	2,798,301	2,854,563
Total expenditures	19,435,081	23,225,101	24,251,542	23,911,495	24,553,137	26,713,362	26,648,223	26,128,723	28,459,098	26,979,135
Excess (deficiency) of revenues over (under) expenditures	512,896	(95,652)	(1,187,060)	1,172,524	208,111	(1,899,437)	(1,139,378)	(517,157)	(3,322,744)	(753,967)
Other Financing Sources (Uses)										
Issuance of refunding bonds	-	4,545,000	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(4,545,259)	-	-	-	-	-	-	-	-
Issuance of bonds	300,000	2,900,000	-	-	4,375,000	1,200,000	1,500,000	1,000,000	1,000,000	1,000,000
Transfers in	1,599,177	256,250	470,576	401,110	166,553	801,064	872,160	967,756	958,869	457,709
Transfers out	(171,393)	(1,543,253)	(659,592)	(335,615)	(4,893,149)	(130,000)	(477,200)	(225,000)	(280,456)	(367,846)
Total other financing sources (uses)	1,727,784	1,612,738	(189,016)	65,495	(351,596)	1,871,064	1,894,960	1,742,756	1,678,413	1,089,863
Special Items:										
Return of settlement liability	-	-	-	-	-	-	596,702	-	-	-
Total special items	-	-	-	-	-	-	596,702	-	-	-
Net change in fund balances	\$ 2,240,680	\$ 1,517,086	\$ (1,376,076)	\$ 1,238,019	\$ (143,485)	\$ (28,373)	\$ 1,352,284	\$ 1,225,599	\$ (1,644,331)	\$ 335,896
 Debt service as a percentage of non-capital outlay expenditures	 9.73%	 11.01%	 12.55%	 11.34%	 11.10%	 11.77%	 11.44%	 11.32%	 10.97%	 11.11%

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Interest, penalties and other taxes	\$ -	\$ -	\$ -	\$ 3,895	\$ 848,797	\$ 7,893	\$ 372,630	\$ 160,885	\$ 23,071	\$ 30,603
Licenses and permits	-	-	-	-	-	-	-	453,230	533,991	75,961
Intergovernmental	1,363,183	335,808	109,476	-	19,026	-	205,428	-	-	-
Charges for services	15,303	2,000,651	1,961,550	2,543,822	4,754,862	4,955,496	5,535,087	4,752,698	5,058,333	4,851,951
Investment income	119,949	11,151	23,826	24,116	19,979	15,539	11,500	6,476	1,773	664
Other revenues	387,181	126,356	400,254	512,577	187,941	382,098	229,491	188,059	75,039	69,899
Total revenues	1,885,616	2,473,966	2,495,106	3,084,410	5,830,605	5,361,026	6,354,136	5,561,348	5,692,207	5,029,078
Expenditures										
Current:										
General government	1,314,957	356,353	1,409,504	1,377,793	1,882,308	1,158,966	265,906	272,250	293,342	1,569
Public safety	330,744	247,164	301,383	603,482	2,780,137	2,331,175	2,679,808	2,530,346	2,602,274	2,587,167
Highways and streets	-	-	-	-	-	-	4,485	-	-	-
Sanitation	640,966	765,549	1,090,696	943,536	1,116,130	1,215,452	1,939,257	1,015,563	2,142,875	1,159,609
Health and welfare	-	-	-	-	-	-	-	637	485	283
Culture and recreation	259,170	418,876	420,953	622,953	461,728	480,643	412,934	174,050	186,583	154,103
Conservation	-	-	-	-	-	-	-	10	396	-
Economic development	-	-	-	-	-	-	-	5	-	-
Capital outlay	-	-	-	-	-	-	-	1,034,673	8,137	7,868
Total expenditures	2,545,837	1,787,942	3,222,536	3,547,764	6,240,303	5,186,236	5,302,390	5,027,534	5,234,092	3,910,599
Excess (deficiency) of revenues over (under) expenditures	(660,221)	686,024	(727,430)	(463,354)	(409,698)	174,790	1,051,746	533,814	458,115	1,118,479
Other Financing Sources (Uses)										
Issuance of bonds	1,000,000	-	1,000,000	-	-	-	-	-	-	-
Transfers in	171,393	124,377	157,393	107,393	2,357,393	130,000	432,200	225,000	117,000	77,197
Transfers out	(852,224)	(238,750)	(453,076)	(567,073)	(149,053)	(783,564)	(809,660)	(950,256)	(560,535)	(440,209)
Total other financing sources (uses)	319,169	(114,373)	704,317	(459,680)	2,208,340	(653,564)	(377,460)	(725,256)	(443,535)	(363,012)
Net change in fund balances	<u>\$ (341,052)</u>	<u>\$ 571,651</u>	<u>\$ (23,113)</u>	<u>\$ (923,034)</u>	<u>\$ 1,798,642</u>	<u>\$ (478,774)</u>	<u>\$ 674,286</u>	<u>\$ (191,442)</u>	<u>\$ 14,580</u>	<u>\$ 755,467</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Intergovernmental	\$ 100,000	\$ 15,400	\$ 28,189	\$ 259,905	\$ -	\$ -	\$ -	\$ 165,517	\$ 1,490,154	\$ -
Charges for services	11,250	-	26,093	-	-	-	-	-	-	-
Investment income	742	333	732	181	13	4	3	1	1	1
Other revenues	-	-	-	796	2,682	50,000	-	-	-	65,204
Total revenues	111,992	15,733	55,014	260,882	2,695	50,004	3	165,518	1,490,155	65,205
Expenditures										
Current:										
General government	-	192,655	2,353,771	596,251	2,516	287,728	82,311	-	-	-
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	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	514,781	1,769,545	252,449
Total expenditures	1,940,396	456,541	3,592,053	1,365,804	2,531,726	521,436	82,311	514,781	1,769,545	252,449
Excess (deficiency) of revenues over (under) expenditures	(1,828,404)	(440,808)	(3,537,039)	(1,104,922)	(2,529,031)	(471,432)	(82,308)	(349,263)	(279,390)	(187,244)
Other Financing Sources (Uses)										
Issuance of bonds	350,000	1,851,274	-	-	-	-	-	-	-	-
Transfers in	-	1,057,876	502,199	429,720	2,535,756	-	-	-	163,456	290,649
Transfers out	(729,453)	-	-	(10,000)	-	-	-	-	(380,834)	-
Total other financing sources (uses)	(379,453)	2,909,150	502,199	419,720	2,535,756	-	-	-	(217,378)	290,649
Net change in fund balances	<u><u>\$ (2,207,857)</u></u>	<u><u>\$ 2,468,342</u></u>	<u><u>\$ (3,034,840)</u></u>	<u><u>\$ (685,202)</u></u>	<u><u>\$ 6,725</u></u>	<u><u>\$ (471,432)</u></u>	<u><u>\$ (82,308)</u></u>	<u><u>\$ (349,263)</u></u>	<u><u>\$ (496,768)</u></u>	<u><u>\$ 103,405</u></u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

General Government Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Payment in Lieu of Taxes	Yield Taxes	Excavation Taxes	Interest, Penalties and Other Taxes	Total
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
2009	14,157,575	563,081	9,700	15,058	266,688	15,012,102
2010	14,739,367	574,122	974	10,816	445,473	15,770,752
2011	15,191,178	585,825	16,819	8,152	284,772	16,086,746
2012	15,401,672	597,316	3,574	8,273	330,067	16,340,902

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	Delinquent Tax Collections	Delinquent Balance at end of Current Fiscal Year	Total Collections to Date		Number of Parcels		
		Amount	% of Levy				Amount	% of Levy	In Levy	Liened	% Liened
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%
2009	61,326,245	60,783,858	99.1%	609,773	480,349	293,977	61,264,207	99.9%	9,609	236	2.46%
2010	63,549,682	62,971,895	99.1%	703,313	526,188	371,628	63,498,083	99.9%	9,658	323	3.34%
2011	65,885,833	64,970,290	98.6%	607,412	623,125	417,967	65,593,415	99.6%	9,658	357	3.70%
2012	67,056,882	66,457,354	99.1%	599,528	576,864	442,281	67,034,218	99.9%	9,706	324	3.34%

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 2 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						
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	305,363,300	2,759,417,686	273,204,550	2,486,213,136	21.98	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	3,323,828,044	89.9%
2009	2,636,484,995	385,083,538	394,757,000	3,416,325,533	418,540,150	2,997,785,383	18.48	3,343,051,059	89.7%
2010	2,469,243,134	383,432,206	481,207,000	3,333,882,340	505,119,150	2,828,763,190	19.68	3,317,787,719	85.3%
2011	2,477,756,918	381,999,026	481,957,000	3,341,712,944	365,467,400	2,976,245,544	20.33	3,147,464,465	94.6%
2012	2,486,519,949	388,910,266	523,377,304	3,398,807,519	375,894,780	3,022,912,739	20.34	3,374,318,239	89.6%

Source:

Town of Londonderry Annual Town Report
Town of Londonderry Tax Collector

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Principal Taxpayers
Current Year and Ten Years Ago

Taxpayer	Type of Business	2012 Assessed Value	2012 Rank	Percentage of net Assessed Value	2003 Assessed Value	2002 Rank	Percentage of net Assessed Value
GRANITE RIDGE ENERGY	Utility	\$ 360,000,000	1	11.91%	\$ 235,260,000	1	10.60%
PUBLIC SERVICE CO. OF NH	Electric Utility	114,388,604	2	3.78%	26,154,800	2	1.18%
INSIGHT TECHNOLOGY	Manufacturing	22,265,700	3	0.74%	-	-	-
COCA-COLA OF NORTHERN NE	Bottling Plant	21,257,400	4	0.70%	18,962,200	3	0.85%
HARVEY INDUSTRIES	Window Manufacturer	18,037,600	5	0.60%	-	-	-
TENNECO INCORPORATED	Gas Utility	16,750,000	6	0.55%	9,645,000	6	0.43%
HOME DEPOT	Retail	15,884,100	7	0.53%	10,053,800	5	0.45%
LIEVENS ROBERT	Retail	14,813,700	8	0.49%	8,467,700	7	0.38%
APPLETREE MALL ASSOCIATES, INC	Retail Mall Plaza	14,326,400	9	0.47%	10,673,300	4	0.48%
ANAGNOST LONDONDERRY LIMITED	Health Care Facility	11,749,500	10	0.39%	-	-	-
F&S TRANSIT MIX CO.	Manufacturing	-	-	-	6,326,100	9	0.28%
LONDONDERRY FREEZER WAREHOUSE	Warehouse	-	-	-	6,281,000	10	0.28%
GLENBERVIE INC	Manufacturing	-	-	-	6,876,900	8	0.31%
ELLICO PROPERTIES II, LLC	Research and Development	-	5	-	-	-	-
Total Principal Taxpayers		<u>\$ 609,473,004</u>		20.16%	<u>\$ 338,700,800</u>		15.26%
Total Net Assessed Taxable Value		<u>\$ 3,022,912,739</u>			<u>\$ 2,220,158,500</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 *	Total
	Town	Budgetary Use of Fund Balance	Total Town	Local School	State School	Total School	Total Direct	County	
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	4.60	(0.22)	4.38	10.67	2.31	12.98	17.36	0.86	18.22
2009	4.71	(0.33)	4.38	11.03	2.21	13.24	17.62	0.86	18.48
2010	4.93	(0.28)	4.65	11.79	2.30	14.09	18.74	0.94	19.68
2011	5.01	(0.27)	4.74	12.29	2.36	14.65	19.39	0.94	20.33
2012	4.89	(0.15)	4.74	12.45	2.20	14.65	19.39	0.95	20.34

* The County overlapping tax rate is established annually by the NH Department of Revenue Administration based on the Town's assessed property values.

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	Capital Leases	Total Primary Government	Percentage of Personal Income	
				Median Family (1)	Per Capita (1)
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%	0.12%
2009	21,650,000	-	21,650,000	0.34%	0.12%
2010	20,585,000	-	20,585,000	0.36%	0.13%
2011	19,520,000	-	19,520,000	0.45%	0.18%
2012	18,370,000	-	18,370,000	0.56%	0.20%

Notes:

(1) See the Schedule of Demographic Statistics on page 110 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	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2003	\$ 11,190,097	0.41%	0.26%
2004	23,662,784	0.78%	0.12%
2005	22,445,000	0.68%	0.13%
2006	20,570,000	0.63%	0.15%
2007	23,080,000	0.69%	0.11%
2008	22,205,000	0.67%	0.12%
2009	21,650,000	0.65%	0.12%
2010	20,585,000	0.62%	0.13%
2011	19,520,000	0.62%	0.18%
2012	18,370,000	0.54%	0.20%

Notes:

- (1) See the Schedule of Assessed and Estimated Full Value of Real Prop on page 102 for property value data.
- (2) See the Schedule of Demographic Statistics on page 110 for population data.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Computation of Direct and Overlapping Debt

Jurisdiction		Net General Obligation Bonded Debt Outstanding	Percentage Applicable To Town of Londonderry	Amount Applicable To Town of Londonderry
Direct:	Town of Londonderry	\$ 18,370,000	100.00%	\$ 18,370,000
Overlapping:	Rockingham County	-	6.86%	-
	Londonderry School District	<u>19,745,000</u>	100.00%	<u>19,745,000</u>
Total Direct and Overlapping Debt		<u>\$ 38,115,000</u>		<u>\$ 38,115,000</u>

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of a municipality. This schedule sets forth the Town Londonderry's share of those overlapping charges, which are assessed to taxpayers through a portion of the approved tax rate. The percentage applicable to the Town of Londonderry for Rockingham County, based on 2012 town allocations, is provided by the County. Since the Londonderry School District is strictly confined to the Town of Londonderry, 100% of its outstanding debt is overlapping and applicable to the governmental unit.

Source:
Town Finance Department

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 58,018,965	\$ 58,018,965	\$ 92,048,298	\$ 99,700,251	\$ 100,913,325	\$ 100,913,325	\$ 104,740,690	\$ 99,288,135	\$ 99,288,135	\$ 77,310,691
Total net debt applicable to limit	<u>13,119,600</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>	<u>25,444,600</u>	<u>24,594,600</u>	<u>23,649,600</u>	<u>21,179,600</u>
Legal debt margin	<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>	<u>\$ 79,296,090</u>	<u>\$ 74,693,535</u>	<u>\$ 75,638,535</u>	<u>\$ 56,131,091</u>
Total net debt applicable to the limit as a percentage of debt limit	22.61%	45.68%	26.89%	23.33%	25.92%	25.42%	24.29%	24.77%	23.82%	27.40%

Source:
Town Finance Department

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Principal Employers
Current Year and Ten Years Ago

Employer	Type of Business	2012			2003		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Insight Technologies	Manufacturing	1,300	1	9.51%	300	3	2.14%
Harvey Industry	Window Manufacturing	500	2	3.66%	-	-	-
Londonderry School District	Education	493	3	3.61%	450	1	3.21%
Stonyfield Farms	Yogurt	375	4	2.74%	120	8	0.86%
United Parcel Service Inc.	Parcel Delivery	288	5	2.11%	288	4	2.06%
Coca Cola	Beverage Manufacturer	200	6	1.46%	-	-	-
Vibro-meter	Manufacturer	188	7	1.38%	-	-	-
Continental Paving	Road Construction	165	8	1.21%	100	10	0.71%
Shaw's Supermarket	Supermarket	140	9	1.02%	200	5	1.43%
CTS, Corp.	Electronic Manufacturer	130	10	0.95%	-	-	-
Federal Express	Parcel Delivery	-	-	-	100	9	0.71%
K Mart	Department Store	-	-	-	150	6	1.07%
Summit Packaging	Manufacturer	-	-	-	320	2	2.28%
Wire Belt	Manufacturer	-	-	-	128	7	0.91%

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
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%
2009	24,567	73,513	26,491	919	14,592	6.3%	6.5%	9.4%
2010	24,567	73,513	26,491	919	14,592	7.7%	7.7%	10.4%
2011	24,129	86,962	35,045	872	14,538	6.0%	5.2%	9.2%
2012	24,129	102,500	36,096	836	14,538	4.8%	4.9%	7.9%

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Executive	3	3	3	3	3	3	3	3	3	3
Assessing	5	5	5	5	5	4	4	4	4	3
Building	4	4	4	4	4	4	4	3	3	3
Cable	2	2	3	3	3	3	3	3	3	3
Family Mediation	1	1	1	1	1	1	1	1	1	-
Finance	4	5	5	5	5	5	5	5	5	5
Information Technologies	1	-	-	-	-	-	-	-	-	-
Planning	3	3	4	4	4	4	4	4	4	4
Zoning	1	1	1	1	1	1	1	1	1	-
Town Clerk/Tax Collector	5	6	6	5	5	5	5	5	5	4
Total General Government	29	30	32	31	31	30	30	29	29	25
Human Services										
Welfare	2	2	1	1	1	-	-	-	-	-
Total Human Services	2	2	1	1	1	-	-	-	-	-
Public Safety										
Fire										
Administration	2	2	2	2	2	2	2	2	2	2
Captains	4	4	5	4	4	4	4	4	4	4
Lieutenants	7	7	9	9	9	9	12	11	11	12
Firefighters	28	28	27	27	27	27	24	25	25	24
Communication	5	4	4	4	4	4	4	4	4	4
Prevention	2	2	2	2	2	2	2	2	1	1
Total Fire	48	47	49	48	48	48	48	48	47	47
Police										
Administration	4	4	4	4	4	4	4	4	4	4
Captains	2	2	2	2	3	3	3	3	3	3
Lieutenants	5	5	5	5	4	4	4	4	4	4
Sergeants	6	6	8	8	11	11	11	11	12	12
Officers	19	21	22	23	39	39	39	39	38	38
Support Services	7	6	5	5	4	3	3	3	3	3
Detectives	4	4	4	4	4	4	4	4	4	4
Communications	8	7	7	7	7	7	7	7	7	7
Records	3	3	3	3	3	3	3	3	4	4
Animal Control Officer	1	1	1	1	1	1	1	1	1	-
Building Maintenance	1	1	1	1	1	1	1	1	1	1
Total Police	60	60	62	63	81	80	80	80	81	80
Total Public Safety	108	107	111	111	129	128	128	128	128	127
Public Works										
Administration	4	4	4	4	4	3	3	3	3	3
Highway	2	2	2	2	2	2	2	2	2	2
Equipment Operators	2	2	3	3	3	3	3	3	3	3
Truck Drivers/Laborers	6	7	5	5	5	5	4	4	5	5
Mechanic	2	1	1	1	1	1	2	2	1	1
Environmental Services	1	1	1	1	1	1	1	1	1	1
Total Public Works	17	17	16	16	16	15	15	15	15	15
Cultural and Recreation										
Library	21	18	17	17	17	16	16	16	16	14
Recreation	1	1	1	1	1	1	1	1	1	1
Total Culture and Recreation	22	19	18	18	18	17	17	17	17	15
Total All Functions	178	175	178	177	195	190	190	189	189	182
Percent of Total										
General Government	16.3%	17.1%	18.0%	17.5%	15.9%	15.8%	15.8%	15.3%	15.3%	13.7%
Human Services	1.1%	1.1%	0.6%	0.6%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Public Safety	60.7%	61.1%	62.4%	62.7%	66.2%	67.4%	67.4%	67.7%	67.7%	69.8%
Public Works	9.6%	9.7%	9.0%	9.0%	8.2%	7.9%	7.9%	7.9%	7.9%	8.2%
Cultural and Recreation	12.4%	10.9%	10.1%	10.2%	9.2%	8.9%	8.9%	9.0%	9.0%	8.2%
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	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	24	24	27	27	27	27	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	3	3
Number of command vehicles	1	1	1	1	1	1	1	1	1	1
Number of rescue trucks	1	1	1	1	1	1	1	1	1	1
Number of staff vehicles	3	3	3	3	3	3	3	3	3	3
Public Works										
Miles of streets	176	176	180	180	180	180	180	180	180	180
Number of street lights	134	134	134	143	143	142	142	142	142	142
Number of traffic lights	1	1	1	1	1	1	1	1	1	1
Miles of sanitary sewers	32	32	34	40	40	40	40	40	40	40
Number of service connections	856	856	1,119	1,280	1,441	1,510	1,554	1,554	1,594	1,605
Daily average treatment in gallons	900,000	900,000	1,486,000	1,500,000	1,500,000	1,500,000	1,700,000	1,700,000	1,700,000	1,700,000
Number of pump stations	4	4	5	5	5	5	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	4	4	4	4	4	4	4	4	4	4
Ball fields	6	6	6	8	8	8	8	8	8	8
Basketball courts	2	2	2	2	2	2	2	2	2	2
Skateboard	1	1	1	1	1	1	1	1	1	1
Soccer fields	3	3	3	7*	7*	7*	7*	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	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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government										
Taxable property parcels assessed	9,095	9,382	9,506	9,610	9,609	9,606	9,609	9,658	9,658	10,002
Motor vehicles registered	34,679	36,276	38,861	36,287	35,645	37,978	37,600	35,281	34,942	37,707
Building permits issued	796	768	592	605	594	492	465	381	319	401
Human service contacts	321	458	419	318	398	271	589	268	512	667
Human service applications granted	125	173	161	168	163	103	54	80	42	65
Registered voters	12,385	15,092	14,863	14,867	15,007	15,772	16,000	16,989	17,286	14,736
Fire										
Fires extinguished	70	119	92	95	75	64	98	79	78	59
Non fire responses	969	766	1,160	1,062	1,261	1,164	1,586	1,165	1,178	1,492
Rescue EMS responses	1,491	1,444	1,500	1,598	1,585	1,724	1,810	1,855	1,875	1,739
Inspections and plan/permit review	740	876	1,097	1,142	1,258	1,435	1,742	1,580	1,671	1,010
Police										
Total incidents dispatched	22,677	20,779	19,654	19,919	25,222	28,613	24,838	24,252	25,527	25,654
Total traffic accidents and violations	8,108	8,349	6,863	8,168	10,157	12,818	10,583	9,921	10,911	10,846
Total physical arrests	864	975	618	593	801	820	696	698	756	741
Total crimes investigated	2,458	2,107	1,861	1,919	2,332	2,678	2,321	2,183	2,282	2,431
Total animal control contacts	1,609	1,742	1,922	1,350	1,495	471	544	113	377	349
Public Works										
Streets resurfaced (LF)	57,000	39,000	47,000	46,132	36,720	42,520	53,096	33,981	24,600	42,289
Refuse collected (tons)	10,412	10,535	10,290	10,404	9,951	9,631	9,290	8,862	8,873	8,945
Recycling (tons)	1,718	1,717	1,676	1,950	1,935	1,736	1,795	2,264	2,302	2,348
Library										
Total circulation	199,335	215,659	237,559	249,408	255,563	282,360	321,585	336,750	341,274	345,015
Total volumes in collection	77,587	81,203	85,277	82,921	88,251	90,118	85,269	86,913	87,341	89,541
Total registered borrowers	17,555	18,139	17,988	18,180	17,323	14,313	15,076	16,239	16,353	16,380
Total program attendance	4,629	4,587	4,934	5,188	6,611	6,820	11,400	12,963	13,557	12,061

Source:

Annual Town Reports
Various Town Departments

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