

TOWN OF LONDONDERRY, NEW HAMPSHIRE

**Comprehensive Annual Financial Report
Annual Financial Statements**

For the Year Ended June 30, 2013



**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 Year Ended June 30, 2013

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INTRODUCTORY SECTION

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

December 11, 2013

To the Citizens and Members of the Town Council:

The Comprehensive Annual Financial Report (CAFR) of the Town of Londonderry for the year ended June 30, 2013, 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 year ended June 30, 2013, is in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the Independent Auditors' Report. The letter of transmittal is written to complement the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other sections of the CAFR.

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

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

Independent Audit

State statutes require an annual audit by independent public accountants. The Town's accounting firm is Melanson, Heath and Company, PC. The independent auditors' report appears on page 15 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. The Town has a population of 24, 211 (according to the 2011 Census estimate) and occupies 42.12 square miles of land.

Londonderry was incorporated in 1722 and since 1996 has operated under a charter with a Council-Manager-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 implements policies established by the Town Council. The Town Manager is responsible for appointing the heads of the various departments, for negotiating with the various bargaining units of the Town, and making 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 2013 unemployment rate for Londonderry is 4.9%, which is well below the overall 2013 U.S. unemployment rate of 7.5%. Three major areas of complimentary development are taking shape to provide unprecedented economic expansion within Londonderry that will benefit the entire State of New Hampshire.

The Town of Londonderry has proven to be a strong economic engine for the State of New Hampshire, absorbing over 1,000,000 square feet of new industrial development over the last 9 years. Londonderry is accessible by US Route 3 and FE Everett Turnpike, Interstate 93, and NH Route 101, providing access to points north and

south including the greater Boston market. The NH Department of Transportation's Manchester Airport Access Road has been operating since November 13, 2011. Londonderry now enjoys direct access to the Everett Turnpike/Route 3. As part of the Access Road project, the state constructed a signalized intersection for the future Pettengill Road, opening approximately 1,000 acres of undeveloped or under-developed land zoned for business.

Due to sound 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. A number of economic development projects began to take shape over the past year. Wire Belt expanded their facility by 12,212 square feet. The Executive Health and Sports Center added 7,000 square feet of new floor space for healthcare facilities, along with new recreation features, including a new outdoor pool and spa area, clay tennis courts, and a restaurant to service members and guests.

Londonderry also welcomed 4 new businesses to Town in 2012, including American Tire Distributors, The Shops at Londonderry, Precision Letter Corp., and Bauchman's Towing. American Tire Distributors is a national firm who will supply tires, tools, and related items to local tire dealers and service repair/automotive shops throughout the region. Their 125,000 square foot facility, opening in December 2012, is located near Harvey Industries at the end of Jack's Bridge Road. The Shops at Londonderry hopes to begin construction in the spring of 2013 of almost 110,000 square feet of retail space on Vista Ridge Drive. Precision Letter Corp. is currently located in Manchester and plans to begin construction of their 36,000 square foot specialty interior sign manufacturing facility at 49 Wentworth Drive in early 2013. Bauchman's Towing also plans to begin construction this year, and move their current Windham operation to the 5 Enterprise Drive location. The Town of Londonderry wishes them all continued success.

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)

The significance of having existing businesses within Londonderry expand in town is a strong indication that these businesses are pleased with the service, location, and workforce that Londonderry and the region provide. The Town's Planning and Economic 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.

Long-Term Financial Planning

The Town continues to revise its budget review process to ensure 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 FY03, the adequacy of its Fire, Ambulance and Highway Equipment Capital Reserve Programs was reviewed and adjusted to ensure that sufficient funds will be available in the future to purchase equipment at appropriate intervals, without reliance upon long-term bonding mechanisms. In FY10, 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 FY11 and FY12. For FY13, 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 FY04, 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 FY13, 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 Planning and Economic Development Department is leading efforts to plan for new business development in three key areas of Town. Two of these 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.

The Pettengill Road area is in the center of Southern New Hampshire, which is the state's most populous and commercially vibrant region. The Project area borders the state's largest airport (the Manchester-Boston Regional Airport) and the state's

largest city (Manchester). The site lies at the confluence of the Manchester, NH, and Nashua NH-MA Census Urbanized Areas, with a combined 2010 population of 384,777. Situated at the crossroads of the New Hampshire highway system, Pettengill Road will provide a unique opportunity for the area to become an unparalleled economic center in the state over the next several years. Londonderry's recently completed 2012 Comprehensive Master Plan identifies the Pettengill Road area as 'The Industrial Village Special District'. The area is envisioned as a campus-style business center to promote industrial, office, and retail development in a sustainable, closed-loop eco-village where businesses thrive in a synergistic relationship.

The Londonderry Housing and Redevelopment Authority commissioned an independent study in 2012 confirming the economic development potential for the Pettengill Road area, concluding that it is the "...most attractive business development opportunity in New Hampshire." The Pettengill Road area is an unprecedented economic opportunity to benefit the State, the region, and the Town of Londonderry. Economic competitiveness is enhanced by better access to a key employment and educational center, with the daily services and amenities desired by the work force integrated into the development. Pettengill Road will provide the missing link between major transportation routes expanding business access to local markets and the airport.

This area south of the Airport is poised to evolve as a premier sustainable research and industry center. This development and the associated infrastructure improvements will allow thousands of local residents to live closer to their jobs. Because it's in close proximity to a highly educated work force in the thousands, quality job creation in the Manchester Airport area would have a positive impact on the quality of life for many people who currently commute to the Boston area. It would also expand employment opportunities for New Hampshire graduates.

Updated Town regulations have also paved the way for mixed use development, with a 600-acre New Urbanist proposal planned near I-93 at Exit 4. Town staff continues to lead 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.

Another mixed use commercial district is emerging near I-93 Exit 5 and one of two commuter bus stations in Londonderry, with adjacent, affordable multi-family housing both existing and proposed. Both areas will offer walkable neighborhoods with access for residents to adjacent and integrated retail, service and office facilities, open space and a commuter bus terminal. More compact development will also improve the efficiency of public infrastructure and services.

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 \$692,000 for General Fund projects and \$320,000 for Special Revenue Fund projects.

Major Initiatives

Throughout FY13, 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.

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. MHT continues 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 \$609,263 in FY13.

The industrial area south of the airport holds significant opportunities for job creation and commercial and industrial development. The area consists of approximately 800 acres of industrial land. It is one of the largest contiguous pieces of industrial land

in the state. The New Hampshire Department of Transportation has completed and opened an airport access road from Everett Turnpike/Route 3 in Bedford across the Merrimack River and into the Manchester Airport, which 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.

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 2012, the Town engaged the services of Town Planning and Urban Design Collaborative (TPUDC) 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 in February 2013. This process was managed by the Planning and Economic Development Department with the assistance of a citizen committee. Additional citizen input was encouraged through a comprehensive community engagement process designed to ensure that the Town's development and preservation proceeds in accordance with the direction established by its citizenry. Public engagement was a key component of the 2012 Master Plan process. In addition to regular monthly meetings, several citizen workshops were incorporated into the schedule to ensure the public had the opportunity to participate at key times throughout the process. The major public planning event was a nearly week long interactive workshop in early June called Planapalooza, where Londonderry citizens were invited to work with the Committee, Consultants from Town Planning and Urban Design Collaborative (TPUDC) and Staff to provide input and develop a comprehensive community vision.

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. The Town has raised over \$12,035,000 for Open Space Preservation and managed growth strategies over the past seven years.

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 FY06, voters approved \$200,000 to design replacement fire substations in North and South Londonderry and in FY07 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 \$5,700,000 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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Londonderry for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA 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.

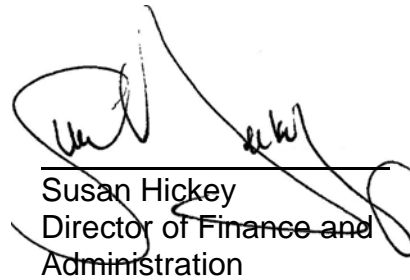
The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department.

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,



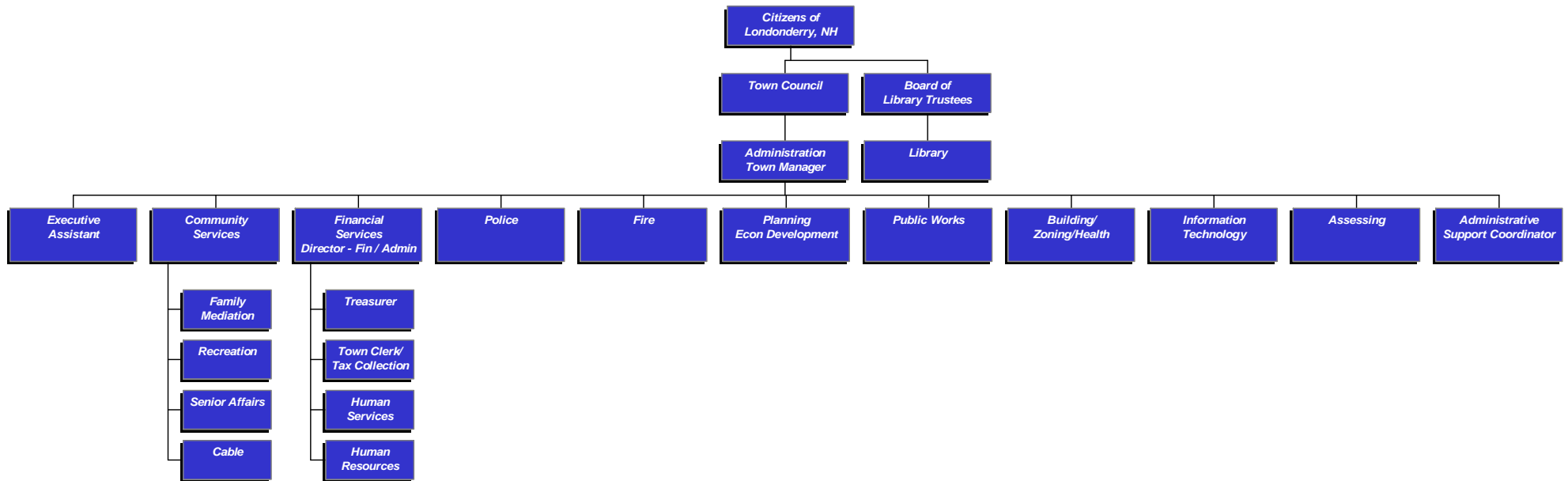
William Ryan Hart, Jr.
Acting Town Manager



Susan Hickey
Director of Finance and
Administration

Town of Londonderry

Organizational Chart



TOWN OF LONDONDERRY

DIRECTORY OF OFFICIALS

June 30, 2013

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., Town Manager (Acting)
Susan Hickey, Director of Finance and Administration



Government Finance Officers Association

**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, 2012

Executive Director/CEO

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FINANCIAL SECTION

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MELANSON HEATH & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Londonderry, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Londonderry, New Hampshire, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Londonderry, New Hampshire's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Londonderry, New Hampshire as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the general and sewer funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Supplementary Statements and Schedules appearing on pages 68

through 89 are presented for purposes of additional analysis and are 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 financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Londonderry's basic financial statements. The Introductory Section and Statistical Section are presented for 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
December 11, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Londonderry, New Hampshire, we offer readers this narrative overview and analysis of the financial activities of the Town of Londonderry for the fiscal year ended June 30, 2013. 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 1-10 of this report.

A. FINANCIAL HIGHLIGHTS

As of the close of the current fiscal year, total assets exceeded liabilities by \$75,664,210 (*total net position*), a change of \$(1,864,648) in comparison with the prior year. Of this amount, \$5,362,692 (*unrestricted net position*) 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 \$14,512,141, a change of \$(883,677) in comparison with the prior year. Approximately 15.1% of this amount, \$2,196,431, 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 \$3,352,325, a change of \$(731,697) in comparison to the prior year.

Total long-term debt (i.e., bonds payable and capital leases) at the close of the current fiscal year was \$18,030,000 a change of \$(340,000) 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 Position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements summarize 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 27-28 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 the Town'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 29-33 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 35 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 36-61 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 62 of this report.

Additional combining statements and schedules are presented immediately following the required supplementary information. These Supplementary Statements and Schedules can be found on pages 68-89 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 POSITION</u>				
<u>Governmental Activities</u>				
	<u>2013</u>	<u>2012</u>	<u>Amount Change</u>	<u>% Change</u>
Current and other assets	\$ 43,026	\$ 47,010	\$ (3,984)	-8.5%
Capital assets	<u>82,899</u>	<u>83,848</u>	<u>(949)</u>	<u>-1.1%</u>
Total assets	125,925	130,858	(4,933)	-3.8%
Current liabilities	4,032	4,830	(798)	-16.5%
Noncurrent liabilities	20,461	19,615	846	4.3%
Deferred inflows	<u>25,767</u>	<u>28,884</u>	<u>(3,117)</u>	<u>-10.8%</u>
Total liabilities	50,260	53,329	(3,069)	-5.8%
Net position:				
Net investment in capital assets	69,455	69,947	(492)	-0.7%
Restricted	847	735	112	15.2%
Unrestricted	<u>5,362</u>	<u>6,847</u>	<u>(1,485)</u>	<u>-21.7%</u>
Total net position	<u>\$ 75,664</u>	<u>\$ 77,529</u>	<u>\$ (1,865)</u>	<u>-2.4%</u>

CHANGES IN NET POSITION

Governmental Activities

	<u>2013</u>	<u>2012</u>	<u>Amount Change</u>	<u>% Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 6,273	\$ 6,180	\$ 93	\$ 1.5%
Operating grants and contributions	864	778	86	11.1%
Capital grants and contributions	471	65	406	624.6%
General revenues:				
Property taxes	15,836	15,440	396	2.6%
Interest, penalties and other taxes	1,079	909	170	18.7%
Motor vehicle registrations	6,186	6,392	(206)	-3.2%
Grants and contributions not restricted to specific programs	1,157	1,295	(138)	-10.7%
Investment income	5	38	(33)	-86.8%
Other	89	266	(177)	-66.5%
Total revenues	<u>31,960</u>	<u>31,363</u>	<u>597</u>	<u>1.9%</u>
Expenses:				
General government	3,791	3,963	(172)	-4.3%
Public safety	17,217	16,560	657	4.0%
Highways and streets	6,309	4,405	1,904	43.2%
Sanitation	3,674	3,600	74	2.1%
Health and welfare	110	126	(16)	-12.7%
Culture and recreation	1,809	1,911	(102)	-5.3%
Conservation	3	3	-	0.0%
Economic development	322	431	(109)	-25.3%
Interest	654	683	(29)	-4.2%
Total expenses	<u>33,889</u>	<u>31,682</u>	<u>2,207</u>	<u>7.0%</u>
Change in net position before permanent fund contributions	(1,929)	(319)	(1,610)	504.7%
Permanent fund contributions	<u>64</u>	<u>13</u>	<u>51</u>	<u>392.3%</u>
Change in net position	(1,865)	(306)	(1,559)	509.5%
Net position - beginning of year	<u>77,529</u>	<u>77,835</u>	<u>(306)</u>	<u>-0.4%</u>
Net position - end of year	<u>\$ 75,664</u>	<u>\$ 77,529</u>	<u>\$ (1,865)</u>	<u>\$ -2.4%</u>

As noted earlier, net position 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 position was \$75,664,210, a change of \$(1,864,648) from the prior year.

The largest portion of net position, \$69,454,537 (91.8%), reflects the Town's investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery, vehicles and equipment, and infrastructure), 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 position, \$846,981 (1.1%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$5,362,692 (7.1%), 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 position of \$(1,864,648). Key elements of this change are as follows:

General fund operations, as discussed further in Section D	\$ (1,801,391)
Sewer fund revenues over expenditures and transfers out	493,885
Special revenue fund revenues and transfer in over expenditures and transfers out	162,749
Capital project fund revenues and other financing sources over expenditures	148,564
Trust fund revenues over expenditures and transfers out	112,516
Depreciation expense in excess of principal debt service	(648,392)
Change in OPEB liability	(572,314)
Other GAAP accruals	<u>239,735</u>
Total	\$ <u><u>(1,864,648)</u></u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENTAL 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 \$14,512,141, a change of \$(883,677) in comparison to the prior year. Key elements of this change are as follows:

General fund operations, as discussed further below	\$ (1,801,391)
Sewer fund revenues over expenditures and transfers out	493,885
Nonmajor fund revenues and other financing sources over expenditures and transfers out	<u>423,829</u>
Total	\$ <u><u>(883,677)</u></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 \$3,352,325, while total fund balance was \$7,464,061. 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>6/30/13</u>	<u>6/30/12</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 3,352,325	\$ 4,084,022	\$ (731,697)	11.4%
Total fund balance ¹	\$ 7,464,061	\$ 9,265,452	\$ (1,801,391)	25.5%

¹Includes capital reserve funds.

The total fund balance of the general fund changed by \$(1,801,391) during the current fiscal year. The primary underlying reasons for this change in fund balance are as follows:

Revenues in excess of budget	\$ 293,443
Expenditures less than budget	32,509
Use of fund balance as a funding source	(692,000)
Excess of prior year encumbrances over current year	(1,530,333)
Capital reserve fund operations	313,874
Other	(218,884)
Total	<u>\$ (1,801,391)</u>

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

	<u>6/30/13</u>	<u>6/30/12</u>	<u>Change</u>
Capital reserve funds	\$ 1,073,957	\$ 760,083	\$ 313,874

E. GENERAL FUND BUDGETARY HIGHLIGHTS

There was no difference between the Town's total Original Budget and the total Final Budget.

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

- Interest and penalties on taxes revenue was over budget by \$189,502. This was primarily due to a tax-deeded property settlement.
- Motor vehicle registrations revenue was under budget by \$(139,193) due to a small decline in the overall number of registrations.

- Other grants revenue was over budget by \$450,277, primarily due to federal grant monies received in connection with an ongoing highway salt reduction project.
- Income from departments revenue was over budget by \$237,055, which was a combination of increases in ambulance revenues and cable franchise fees.
- Interest on deposits revenue was under budget by \$(145,507) due to continued Federal Reserve monetary policies to keep interest rates low to stimulate the economy and control inflation.
- Town manager department expenditures were under budget by \$144,675 due to a vacancy in the town manager position.
- Legal department expenditures were over budget by \$(223,712) due to ongoing legal issues primarily regarding impact fees.
- Police department expenditures were under budget by \$190,155, while fire department expenditures were over budget by \$(287,922) as the Town continues to restructure its public safety services in response to continued growth and development.
- Highway department expenditures were under budget by \$166,187, primarily due to a decrease in snow removal and winter road maintenance costs.
- Community development department expenditures were under budget by \$101,076 due to decreased personnel costs.
- Capital outlay expenditures were over budget by \$(321,868), primarily due to non-budgeted expenditures funded by an offsetting federal grant.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental activities at year end amounted to \$82,898,605 (net of accumulated depreciation), a change of \$(948,652) 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:

- \$1,035,318 of construction in progress for Exit 4A and two fire pumper trucks that were on order from the vendor.
- \$850,579 for machinery, vehicles, and equipment, including three highway department trucks with plows.
- \$58,843 for various projects, including the senior center bathroom remodeling and upgrades to the GIS imaging library.
- \$(2,893,392) in current year depreciation expense.

Additional information on the Town's capital assets can be found in Note 9 on page 49-50 of this report.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$16,625,000, all of which was backed by the full faith and credit of the government. In addition, the Town entered into a six year capital lease totaling \$1,405,000, which includes both a purchase option and a non-appropriation clause.

Credit rating. As of June 30, 2013, 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 14 and Note 15 on pages 51-53 of this report.

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

The general outlook for the Town of Londonderry is positive. The 4.9% unemployment rate for the Manchester/Londonderry area, according to the New Hampshire Employment Security Bureau, is under the overall U.S. unemployment rate of 7.5%. 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 \$27,525,281 operating budget and \$1,858,000 in capital and personnel warrant articles for a total fiscal year 2014 general fund budget of \$29,383,281.

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 POSITION

JUNE 30, 2013

	Governmental Activities
ASSETS	
Current:	
Cash and short-term investments	\$ 39,994,868
Investments	795,980
Receivables, net of allowance for uncollectibles:	
Property taxes	1,197,472
User fees	465,497
Departmental and other	552,786
Other assets	2,976
Noncurrent:	
Receivables, net of allowance for uncollectibles:	
Property taxes	16,488
Capital assets:	
Land and construction in progress	20,558,670
Other capital assets, net of accumulated depreciation	62,339,935
TOTAL ASSETS	125,924,672
LIABILITIES	
Current:	
Accounts payable	774,409
Accrued liabilities	670,629
Tax refunds payable	119,596
Other liabilities	209,292
Current portion of long-term liabilities:	
Capital leases	226,272
Bonds payable	2,005,000
Compensated absences	17,449
Landfill post-closure	10,000
Noncurrent:	
Capital leases, net of current portion	1,178,728
Bonds payable, net of current portion	14,620,000
Compensated absences, net of current portion	1,524,818
Landfill post-closure, net of current portion	120,000
Accrued other post-employment benefits	3,017,662
DEFERRED INFLOWS OF RESOURCES	25,766,607
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	50,260,462
NET POSITION	
Net investment in capital assets	69,454,537
Restricted externally or constitutionally for:	
Permanent funds:	
Nonexpendable	740,138
Expendable	106,843
Unrestricted	5,362,692
TOTAL NET POSITION	\$ 75,664,210

The accompanying notes are an integral part of these 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 Position
		Charges for	Operating	Capital	
	Expenses	Services	Grants and Contributions	Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ 3,791,015	\$ 61,230	\$ 107,410	\$ -	\$ (3,622,375)
Public safety	17,216,243	3,605,505	97,969	49	(13,512,720)
Highways and streets	6,308,705	-	500,541	344,859	(5,463,305)
Sanitation	3,674,373	2,156,276	73,828	-	(1,444,269)
Health and welfare	109,492	-	437	-	(109,055)
Culture and recreation	1,809,452	449,673	76,155	-	(1,283,624)
Conservation	2,571	-	7,204	126,516	131,149
Economic development	322,399	-	-	-	(322,399)
Interest	654,240	-	-	-	(654,240)
Total Governmental Activities	<u>\$ 33,888,490</u>	<u>\$ 6,272,684</u>	<u>\$ 863,544</u>	<u>\$ 471,424</u>	(26,280,838)
General Revenues:					
					15,836,304
					1,078,924
					6,185,807
					1,157,512
					4,799
					89,244
Total general revenues					<u>24,352,590</u>
					(1,928,248)
Permanent fund contributions					<u>63,600</u>
					(1,864,648)
Net Position:					
					<u>77,528,858</u>
					\$ <u>75,664,210</u>

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

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2013

	<u>General</u>	<u>Sewer Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and short-term investments	\$ 38,038,197	\$ -	\$ 1,956,671	\$ 39,994,868
Investments	-	-	795,980	795,980
Receivables, net of allowance for uncollectibles:				
Property taxes	1,190,960	-	23,000	1,213,960
User fees	428,026	37,471	-	465,497
Other	143,741	-	409,045	552,786
Due from other funds	3,063,408	5,278,194	119,182	8,460,784
Other	<u>2,976</u>	<u>-</u>	<u>-</u>	<u>2,976</u>
TOTAL ASSETS	\$ <u>42,867,308</u>	\$ <u>5,315,665</u>	\$ <u>3,303,878</u>	\$ <u>51,486,851</u>
LIABILITIES				
Accounts payable	\$ 760,475	\$ 12,052	\$ 1,882	\$ 774,409
Accrued liabilities	420,981	-	-	420,981
Tax refunds payable	119,596	-	-	119,596
Due to other funds	6,965,298	-	1,495,486	8,460,784
Other liabilities	<u>179,720</u>	<u>1,572</u>	<u>-</u>	<u>181,292</u>
TOTAL LIABILITIES	8,446,070	13,624	1,497,368	9,957,062
DEFERRED INFLOWS OF RESOURCES	26,957,177	37,471	23,000	27,017,648
FUND BALANCES				
Nonspendable	-	-	740,138	740,138
Restricted	1,108,282	5,264,570	2,199,266	8,572,118
Committed	1,517,090	-	-	1,517,090
Assigned	1,486,364	-	-	1,486,364
Unassigned	<u>3,352,325</u>	<u>-</u>	<u>(1,155,894)</u>	<u>2,196,431</u>
TOTAL FUND BALANCES	<u>7,464,061</u>	<u>5,264,570</u>	<u>1,783,510</u>	<u>14,512,141</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>42,867,308</u>	\$ <u>5,315,665</u>	\$ <u>3,303,878</u>	\$ <u>51,486,851</u>

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

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

JUNE 30, 2013

Total governmental fund balances	\$ 14,512,141
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	82,898,605
<ul style="list-style-type: none">• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,223,041
<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.	(249,648)
<ul style="list-style-type: none">• Long-term liabilities, including bonds, capital leases, 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>(22,719,929)</u>
Net position of governmental activities	<u><u>\$ 75,664,210</u></u>

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

TOWN OF LONDONDERRY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Sewer Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 15,655,987	\$ -	\$ -	\$ 15,655,987
Interest, penalties and other taxes	1,078,924	-	126,516	1,205,440
Licenses and permits	6,444,286	-	73,736	6,518,022
Intergovernmental	2,147,871	-	-	2,147,871
Charges for services	1,179,355	2,067,575	2,776,383	6,023,313
Investment income	4,800	-	68,077	72,877
Other revenues	<u>80,573</u>	<u>-</u>	<u>148,553</u>	<u>229,126</u>
Total Revenues	26,591,796	2,067,575	3,193,265	31,852,636
Expenditures:				
Current:				
General government	3,075,912	-	2,095	3,078,007
Public safety	13,592,017	-	2,722,077	16,314,094
Highways and streets	3,095,221	-	-	3,095,221
Sanitation	1,877,215	1,253,690	-	3,130,905
Health and welfare	109,142	-	350	109,492
Culture and recreation	1,575,818	-	140,382	1,716,200
Conservation	1,571	-	-	1,571
Economic development	484,711	-	-	484,711
Capital outlay	2,599,721	-	1,221,870	3,821,591
Debt service	<u>2,889,521</u>	<u>-</u>	<u>-</u>	<u>2,889,521</u>
Total Expenditures	<u>29,300,849</u>	<u>1,253,690</u>	<u>4,086,774</u>	<u>34,641,313</u>
Excess (deficiency) of revenues over (under) expenditures	(2,709,053)	813,885	(893,509)	(2,788,677)
Other Financing Sources (Uses):				
Bond issuance	500,000	-	-	500,000
Capital lease issuance	-	-	1,405,000	1,405,000
Transfers in	487,662	-	80,000	567,662
Transfers out	<u>(80,000)</u>	<u>(320,000)</u>	<u>(167,662)</u>	<u>(567,662)</u>
Total Other Financing Sources (Uses)	<u>907,662</u>	<u>(320,000)</u>	<u>1,317,338</u>	<u>1,905,000</u>
Net changes in fund balances	(1,801,391)	493,885	423,829	(883,677)
Fund Balances, beginning of year, as restated	<u>9,265,452</u>	<u>4,770,685</u>	<u>1,359,681</u>	<u>15,395,818</u>
Fund Balances, end of year	\$ <u><u>7,464,061</u></u>	\$ <u><u>5,264,570</u></u>	\$ <u><u>1,783,510</u></u>	\$ <u><u>14,512,141</u></u>

The accompanying notes are an integral part of these 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, 2013

Net changes in fund balances - total governmental funds \$ (883,677)

- 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	1,944,740
Depreciation	(2,893,392)

- 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. 171,208

- 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 position:

Issuance of debt	(1,905,000)
Repayments of debt	2,245,000

- In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 4,291

- Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds.

Compensated absences	14,496
Landfill post-closure liability	10,000
OPEB liability	<u>(572,314)</u>

Change in net position of governmental activities \$ (1,864,648)

The accompanying notes are an integral part of these 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, 2013

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts (Budgetary <u>Basis</u>)	Variance with Final Budget Positive (Negative)
Revenues and other sources:				
Property taxes	\$ 15,928,594	\$ 15,928,594	\$ 15,928,594	\$ -
Interest, penalties, and other taxes	901,263	901,263	1,082,784	181,521
Licenses and permits	6,576,500	6,576,500	6,444,286	(132,214)
Intergovernmental	1,699,084	1,699,084	2,147,871	448,787
Charges for services	942,300	942,300	1,179,355	237,055
Investment income	150,000	150,000	4,493	(145,507)
Other revenues	165,000	165,000	22,639	(142,361)
Other financing sources:				
Bond issuance	500,000	500,000	500,000	-
Transfers in	641,500	641,500	487,662	(153,838)
Use of fund balance	692,000	692,000	692,000	-
Total Revenues and other sources	<u>28,196,241</u>	<u>28,196,241</u>	<u>28,489,684</u>	<u>293,443</u>
Expenditures and other uses:				
Current:				
General government	3,054,575	3,079,035	3,064,834	14,201
Public safety	13,515,968	13,494,545	13,586,794	(92,249)
Highways and streets	3,113,935	3,111,214	2,945,027	166,187
Sanitation	1,911,807	1,911,791	1,903,406	8,385
Health and welfare	184,604	184,604	109,142	75,462
Culture and recreation	1,582,425	1,582,167	1,507,913	74,254
Conservation	3,300	3,300	1,571	1,729
Economic development	407,774	407,732	306,656	101,076
Capital outlay	787,000	787,000	1,108,868	(321,868)
Debt service	2,894,853	2,894,853	2,889,521	5,332
Other financing uses:				
Transfers out	740,000	740,000	740,000	-
Total Expenditures and other uses	<u>28,196,241</u>	<u>28,196,241</u>	<u>28,163,732</u>	<u>32,509</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,952</u>	<u>\$ 325,952</u>

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

TOWN OF LONDONDERRY, NEW HAMPSHIRE

SEWER FUND

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

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues and other sources:				
Charges for services	\$ <u>3,003,706</u>	\$ <u>3,003,706</u>	\$ <u>2,058,467</u>	\$ <u>(945,239)</u>
Total Revenues and other sources	3,003,706	3,003,706	2,058,467	(945,239)
Expenditures and other uses:				
Current:				
Sanitation	2,683,706	2,683,706	1,367,757	1,315,949
Other financing uses:				
Transfers out	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>	<u>-</u>
Total Expenditures and other uses	<u>3,003,706</u>	<u>3,003,706</u>	<u>1,687,757</u>	<u>1,315,949</u>
Excess of revenues and other sources over expenditures and other uses	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>370,710</u></u>	\$ <u><u>370,710</u></u>

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

TOWN OF LONDONDERRY, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

	Agency Funds
<u>ASSETS</u>	
Cash and short term investments	\$ 1,712,697
Total Assets	\$ 1,712,697
<u>LIABILITIES</u>	
Escrow deposits	\$ 1,396,381
School funds	316,316
Total Liabilities	\$ 1,712,697

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

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Notes to Financial Statements June 30, 2013

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 Town 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 2013, 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 Position 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 Town 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 Town 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.
- The *sewer fund* is used to account for all of the activity associated with the management and operation of the Town's sewer systems.

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 Town 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.

Capital assets 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 Town'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 position".

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 capital project funds for the unspent proceeds of capital lease issuances. The Town also reports restricted fund balances in the sewer fund and other 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 binding constraints imposed by formal action of the Town's highest decision-making authority, which is the annual Budgetary Town Meeting. These commitments can be established, modified, or rescinded only by majority Budgetary 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 Budgetary 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 Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as

restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is 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, sewer fund, and nonmajor governmental 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 the sewer fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and the sewer fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

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

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 26,591,796	\$ 29,300,849
Other financing sources/uses (GAAP basis)	<u>987,662</u>	<u>80,000</u>
Subtotal (GAAP Basis)	27,579,458	29,380,849
Adjust tax revenue to accrual basis	272,608	-
Subtract beginning of year appropriation carryforwards from expenditures	-	(3,598,111)
Add end-of-year appropriation carryforwards to expenditures	-	2,067,778
Recognize use of fund balance as funding source	692,000	-
Reverse effect of combining general fund and capital reserve funds (GASB 54)	(307)	313,567
Reverse various timing differences	<u>(54,075)</u>	<u>(351)</u>
Budgetary basis	\$ <u><u>28,489,684</u></u>	\$ <u><u>28,163,732</u></u>

(continued)

(continued)

<u>Sewer Fund</u>	Revenues and Other <u>Financing Sources</u>	Expenditures and Other <u>Financing Uses</u>
Revenues/Expenditures (GAAP basis)	\$ 2,067,575	\$ 1,253,690
Other financing sources/uses (GAAP basis)	-	320,000
Subtotal (GAAP Basis)	2,067,575	1,573,690
Subtract beginning of year appropriation carryforwards from expenditures	-	(1,947,197)
Add end-of-year appropriation carryforwards to expenditures	-	2,061,264
Remove deferred revenue	(9,108)	-
Budgetary basis	\$ <u>2,058,467</u>	\$ <u>1,687,757</u>

D. Excess of Expenditures Over Appropriations

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

General Fund:	
Town council	\$ (164)
Legal	\$ (223,712)
Zoning board	\$ (3,232)
General services	\$ (10,033)
Cemeteries	\$ (1,172)
Fire department	\$ (287,922)
Capital outlay	\$ (321,868)

E. Deficit Fund Equity

The following funds had deficits as of June 30, 2013:

Nonmajor Governmental Funds:	
Capital project funds:	
Exit 4A	\$ (1,155,894)

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, 2013, none of the Town's bank balance of \$36,441,682 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, 2013, none of the Trustees' short-term cash and investment balances of \$51,001 was 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. 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 AAA</u>
Debt-related Securities:		
Federal agency securities	\$ 30	\$ 30
Subtotal	30	\$ 30
Certificates of deposits	11	
Corporate equities	307	
Mutual funds	448	
Total investments	\$ 796	

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Both the Town’s and Trustees’ investment policies follow the guidelines of New Hampshire RSA 31.

As of June 30, 2013, the Town did not have any investments.

As of June 30, 2013, none of the Trustees’ investments of \$795,980 were exposed to custodial credit risk.

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, 2013, the Town did not have any investments.

As of June 30, 2013, the Trustees did not have investments (other than mutual funds) 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 Trustees' 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>1-5</u>	<u>Varies</u>
Debt Related Securities:			
Federal agency securities	\$ 30	\$ 30	\$ -
Fixed income mutual funds	<u>138</u>	<u>-</u>	<u>138</u>
Total	<u>\$ 168</u>	<u>\$ 30</u>	<u>\$ 138</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 lien 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, 2013 consist of the following:

Tax Liens:

2012	\$ 703,575	
2011	365,701	
2010	45,008	
2009	35,317	
Prior	<u>21,012</u>	
		1,170,613
Elderly Deferrals		16,488
Land Use Change Tax		23,000
Yield Tax		1,512
Excavation Tax		<u>2,347</u>
Total		<u>\$ 1,213,960</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, 2013 consist of the following:

	<u>Ambulance</u>	<u>Sewer</u>	<u>Total</u>
Gross receivable	\$ 574,655	\$ 37,471	\$ 612,126
Less: allowance for doubtful accounts	<u>(146,629)</u>	<u>-</u>	<u>(146,629)</u>
Total	<u>\$ 428,026</u>	<u>\$ 37,471</u>	<u>\$ 465,497</u>

7. Other Receivables

Other receivables consist of:

General fund:		
Tax acquired property settlement	\$ 112,664	
Other	<u>31,077</u>	
Subtotal		<u>143,741</u>
Nonmajor governmental funds:		
Police outside detail	114,337	
Police airport division	<u>294,708</u>	
Subtotal		<u>409,045</u>
Total		<u>\$ 552,786</u>

8. 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, 2013 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 3,063,408	\$ 6,965,298
Sewer Fund	5,278,194	-
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Police outside detail	47,476	-
Police airport division	-	297,620
Conservation commission	-	38,791
Reclamation fund	-	1,077
Other special funds	71,706	-
Capital Project Funds:		
Exit 4A	<u>-</u>	<u>1,157,998</u>
Subtotal Nonmajor Funds	<u>119,182</u>	<u>1,495,486</u>
Total	<u>\$ 8,460,784</u>	<u>\$ 8,460,784</u>

Following is an analysis of interfund transfers during fiscal year 2013. 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	\$ 487,662	\$ 80,000
Sewer Fund	-	320,000
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Police airport division	-	98,636
Conservation	-	15,910
Library trustees	80,000	-
Capital Project Funds:		
Fire facility	-	35,616
Permanent Fund	-	17,500
Subtotal Nonmajor Funds	<u>80,000</u>	<u>167,662</u>
Total	<u>\$ 567,662</u>	<u>\$ 567,662</u>

Following is a summary of fiscal year 2013 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	\$ -	\$ 660,000
Capital Reserve Funds:		
Fire department	335,000	-
Ambulance	75,000	-
Highway trucks	100,000	-
Fire department equipment	150,000	-
Total	<u>\$ 660,000</u>	<u>\$ 660,000</u>

9. **Capital Assets**

Capital asset activity for the year ended June 30, 2013 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	\$ 14,431	\$ 117	\$ -	\$ 14,548
Machinery, vehicles, and equipment	9,866	850	-	10,716
Intangibles	1,436	32	-	1,468
Infrastructure	84,309	413	-	84,722
Improvements other than buildings	<u>556</u>	<u>27</u>	<u>-</u>	<u>583</u>
Total capital assets, being depreciated	110,598	1,439	-	112,037
Less accumulated depreciation for:				
Buildings and building improvements	(2,914)	(363)	-	(3,277)
Machinery, vehicles, and equipment	(8,104)	(773)	-	(8,877)
Intangibles	(1,384)	(28)	-	(1,412)
Infrastructure	(34,209)	(1,675)	-	(35,884)
Improvements other than buildings	<u>(193)</u>	<u>(54)</u>	<u>-</u>	<u>(247)</u>
Total accumulated depreciation	<u>(46,804)</u>	<u>(2,893)</u>	<u>-</u>	<u>(49,697)</u>
Total capital assets, being depreciated, net	63,794	(1,454)	-	62,340
Capital assets, not being depreciated:				
Land and land improvements	12,501	-	-	12,501
Construction in progress	<u>7,552</u>	<u>1,035</u>	<u>(529)</u>	<u>8,058</u>
Total capital assets, not being depreciated	<u>20,053</u>	<u>1,035</u>	<u>(529)</u>	<u>20,559</u>
Governmental activities capital assets, net	<u>\$ 83,847</u>	<u>\$ (419)</u>	<u>\$ (529)</u>	<u>\$ 82,899</u>

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

Governmental Activities:	
General government	\$ 201
Public safety	679
Highways and streets	1,336
Sanitation	547
Culture and recreation	102
Economic development	<u>28</u>
Total depreciation expense - governmental activities	<u>\$ 2,893</u>

10. Accounts Payable

Accounts payable represent 2013 expenditures paid after June 30, 2013.

11. 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 Position include these same liabilities as well as accrued interest on long-term debt at June 30, 2013.

12. Tax Refunds Payable

This balance consists of an estimate of refunds due to property tax payers for potential future abatements. These cases are currently pending with the state Board of Tax and Land Appeals.

13. Other Liabilities

This balance consists of miscellaneous Town obligations, including payroll withholdings and unclaimed property resulting from uncashed payroll and accounts payable checks that have been voided and segregated pending future resolution.

14. Capital Leases

The Town is the lessee of certain equipment under a capital lease agreement issued in the current fiscal year. Future minimum lease payments under this capital lease consisted of the following at June 30, 2013:

<u>Fiscal Year</u>	<u>Capital Leases</u>
2014	\$ 246,407
2015	249,366
2016	248,253
2017	246,127
2018	244,001
Thereafter	<u>241,873</u>
Total minimum lease payments	1,476,027
Less amounts representing interest	<u>(71,027)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 1,405,000</u></u>

The Town has designated various capital reserve funds as the primary source to repay the obligations incurred under this capital lease agreement.

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 Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/13</u>
Open space conservation	12/01/14	3.31%	\$ 200,000
Multi-purpose refunding bonds	10/15/15	2.74%	435,000
Roadway improvements	01/15/18	3.07%	600,000
Roadway improvements	02/01/18	1.24%	500,000
Roadway improvements	11/15/18	3.58%	900,000
Roadway improvements	07/15/19	2.43%	700,000
Roadway improvements	12/01/20	2.38%	800,000
Roadway improvements	07/15/21	2.48%	900,000
Mammoth Road sewer	11/01/21	4.39%	1,080,000
Multi-purpose bond	07/01/23	3.83%	7,485,000
Open space & fire station	08/15/26	4.02%	<u>3,025,000</u>
Total Governmental Activities:			<u>\$ 16,625,000</u>

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2013 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,005,000	\$ 581,475	\$ 2,586,475
2015	1,910,000	516,912	2,426,912
2016	1,810,000	453,251	2,263,251
2017	1,695,000	391,403	2,086,403
2018	1,695,000	331,302	2,026,302
2019 - 2023	6,030,000	852,028	6,882,028
2024 - 2028	<u>1,480,000</u>	<u>80,180</u>	<u>1,560,180</u>
Total	<u>\$ 16,625,000</u>	<u>\$ 3,206,551</u>	<u>\$ 19,831,551</u>

D. Bond Authorizations/Unissued

Long term debt authorizations which have not been issued or rescinded as of June 30, 2013 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, 2013, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/12	Additions	Reductions	Total Balance 6/30/13	Less Current Portion	Equals Long-Term Portion 6/30/13
<u>Governmental Activities</u>						
Capital leases	\$ -	\$ 1,405	\$ -	\$ 1,405	\$ (226)	\$ 1,179
Bonds payable	18,370	500	(2,245)	16,625	(2,005)	14,620
Other:						
Compensated absences	1,557	65	(80)	1,542	(17)	1,525
Landfill post-closure	140	-	(10)	130	(10)	120
OPEB liability	<u>2,445</u>	<u>888</u>	<u>(315)</u>	<u>3,018</u>	<u>-</u>	<u>3,018</u>
Totals	<u>\$ 22,512</u>	<u>\$ 2,858</u>	<u>\$ (2,650)</u>	<u>\$ 22,720</u>	<u>\$ (2,258)</u>	<u>\$ 20,462</u>

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

16. Landfill Post-closure 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. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

The following is a summary of deferred inflow of resources balances as of June 30, 2013:

	Entity-wide Basis	Fund Basis		
	Governmental	Governmental Funds		
	Activities	General Fund	Sewer Fund	Nonmajor Funds
Taxes paid in advance	\$ 25,766,607	\$ 25,766,607	\$ -	\$ -
Deferred revenues	-	1,162,570	37,471	23,000
Unearned revenues	-	28,000	-	-
Total	<u>\$ 25,766,607</u>	<u>\$ 26,957,177</u>	<u>\$ 37,471</u>	<u>\$ 23,000</u>

18. Restricted Net Position

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

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

19. 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, 2013:

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, sewer funds, special

revenue funds, capital projects funded by capital lease proceeds, 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 (Budgetary Town Meeting). This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved at Budgetary Town Meeting, capital reserve funds set aside by Budgetary 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, 2013:

	General Fund	Sewer Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Nonexpendable permanent funds	\$ -	\$ -	\$ 740,138	\$ 740,138
Total Nonspendable	-	-	740,138	740,138
Restricted				
Projects funded by borrowing	1,108,282	-	195,280	1,303,562
Special revenue funds	-	5,264,570	1,897,143	7,161,713
Expendable permanent funds	-	-	106,843	106,843
Total Restricted	1,108,282	5,264,570	2,199,266	8,572,118
Committed				
Non-lapsing capital appropriations	443,133	-	-	443,133
Capital reserve funds	1,073,957	-	-	1,073,957
Total Committed	1,517,090	-	-	1,517,090
Assigned				
Encumbrances	516,364	-	-	516,364
Appropriated fund balance	970,000	-	-	970,000
Total Assigned	1,486,364	-	-	1,486,364
Unassigned	3,352,325	-	(1,155,894)	2,196,431
Total Unassigned	3,352,325	-	(1,155,894)	2,196,431
Total Fund Balances	\$ 7,464,061	\$ 5,264,570	\$ 1,783,510	\$ 14,512,141

20. **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	\$ 3,352,325
Deferred revenue	1,162,570
Tax refund estimate	<u>119,596</u>
Tax Rate Setting Balance	<u>\$ 4,634,491</u>

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 Position 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 2013 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 actuarial 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, 2013, 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	110,041
Adjustment to ARC	<u>(104,229)</u>
Annual OPEB cost	887,689
Contributions made	<u>(315,375)</u>
Increase in net OPEB obligation	572,314
Net OPEB obligation - beginning of year	<u>2,445,348</u>
Net OPEB obligation - end of year	<u><u>\$ 3,017,662</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>
2013	\$ 887,689	35.5%	\$ 3,017,662
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 determined 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 62, 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 an overall estimated inflation rate of 3.0% and 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), 11.55% of member's compensation for *Group II* Police members, and 11.80% for *Group II* Fire members. 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 (2009, 2011, etc.).

In fiscal year 2013, the Town was required to contribute 8.80% 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, 2013, 2012, and 2011 were \$2,241,412, \$2,188,559, and \$1,820,071, 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, 2012) fund balances of the Town have been restated as follows:

Fund Basis Financial Statements:

	Sewer Fund	Nonmajor Governmental Funds
As previously reported	\$ -	\$ 6,130,366
Reclassify major fund	<u>4,770,685</u>	<u>(4,770,685)</u>
As restated	<u>\$ 4,770,685</u>	<u>\$ 1,359,681</u>

26. **Implementation of New GASB Standards**

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which the Town is required to implement 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 its proportional share of the New Hampshire Retirement System's unfunded pension liability in the financial statements for fiscal years beginning after June 15, 2014.

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

June 30, 2013
(Unaudited)

Other Post-Employment Benefits						
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percent- age of Covered Payroll [(b-a)/c]</u>
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:

- 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.

- Capital Equipment: To account for public safety capital acquisitions funded by a capital lease, including one ambulance, six cardiac defibrillators, two fire trucks, and one SUV.

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, 2013

	Special Revenue Funds		
	Police Outside Detail	Police Airport Division	Conservation Commission
ASSETS			
Cash and short-term investments	\$ -	\$ -	\$ 1,298,214
Investments	-	-	-
Property taxes receivable	-	-	23,000
Other receivable	114,337	294,708	-
Due from other funds	<u>47,476</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 161,813</u>	<u>\$ 294,708</u>	<u>\$ 1,321,214</u>
LIABILITIES			
Accounts payable	\$ -	\$ 1,373	\$ -
Due to other funds	<u>-</u>	<u>297,620</u>	<u>38,791</u>
TOTAL LIABILITIES	-	298,993	38,791
DEFERRED INFLOWS OF RESOURCES	-	-	23,000
FUND BALANCES			
Nonspendable	-	-	-
Restricted	161,813	(4,285)	1,259,423
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>161,813</u>	<u>(4,285)</u>	<u>1,259,423</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 161,813</u>	<u>\$ 294,708</u>	<u>\$ 1,321,214</u>

Special Revenue Funds			
<u>Leach Library</u>	<u>Reclamation Fund</u>	<u>Other Special Funds</u>	<u>Subtotals</u>
\$ 43,844	\$ 366,228	\$ -	\$ 1,708,286
-	-	-	-
-	-	-	23,000
-	-	-	409,045
-	-	71,706	119,182
<u>\$ 43,844</u>	<u>\$ 366,228</u>	<u>\$ 71,706</u>	<u>\$ 2,259,513</u>
\$ -	\$ -	\$ 509	\$ 1,882
-	1,077	-	337,488
-	1,077	509	339,370
-	-	-	23,000
-	-	-	-
43,844	365,151	71,197	1,897,143
-	-	-	-
<u>43,844</u>	<u>365,151</u>	<u>71,197</u>	<u>1,897,143</u>
<u>\$ 43,844</u>	<u>\$ 366,228</u>	<u>\$ 71,706</u>	<u>\$ 2,259,513</u>

(continued)

(continued)

	Capital Project Funds		
	<u>Exit 4A</u>	<u>Capital Equipment</u>	<u>Subtotals</u>
ASSETS			
Cash and short-term investments	\$ 2,104	\$ 195,280	\$ 197,384
Investments	-	-	-
Taxes receivable	-	-	-
Other receivables	-	-	-
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ 2,104</u>	<u>\$ 195,280</u>	<u>\$ 197,384</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	<u>1,157,998</u>	<u>-</u>	<u>1,157,998</u>
TOTAL LIABILITIES	1,157,998	-	1,157,998
DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	195,280	195,280
Unassigned	<u>(1,155,894)</u>	<u>-</u>	<u>(1,155,894)</u>
TOTAL FUND BALANCES	<u>(1,155,894)</u>	<u>195,280</u>	<u>(960,614)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,104</u>	<u>\$ 195,280</u>	<u>\$ 197,384</u>

Permanent <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
\$ 51,001	\$ 1,956,671
795,980	795,980
-	23,000
-	409,045
-	119,182
<u>\$ 846,981</u>	<u>\$ 3,303,878</u>
\$ -	\$ 1,882
-	1,495,486
-	1,497,368
-	23,000
740,138	740,138
106,843	2,199,266
-	(1,155,894)
<u>846,981</u>	<u>1,783,510</u>
<u>\$ 846,981</u>	<u>\$ 3,303,878</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, 2013

	Special Revenue Funds		
	Police Outside Detail	Police Airport Division	Conservation Commission
Revenues:			
Interest, penalties and other taxes	\$ -	\$ -	\$ 126,516
Licenses and permits	-	-	-
Charges for services	550,144	2,226,239	-
Investment income	-	-	346
Other	-	-	6,858
Total Revenues	550,144	2,226,239	133,720
Expenditures:			
Current:			
General government	-	-	-
Public safety	590,189	2,131,888	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	1,000
Total Expenditures	590,189	2,131,888	1,000
Excess (deficiency) of revenues over (under) expenditures	(40,045)	94,351	132,720
Other Financing Sources (Uses):			
Capital lease issuance	-	-	-
Transfers in	-	-	-
Transfers out	-	(98,636)	(15,910)
Total Other Financing Sources (Uses)	-	(98,636)	(15,910)
Net changes in fund balances	(40,045)	(4,285)	116,810
Fund Balances, beginning of year, as restated	201,858	-	1,142,613
Fund Balances, end of year	\$ 161,813	\$ (4,285)	\$ 1,259,423

Special Revenue Funds			
<u>Leach Library</u>	<u>Reclamation Fund</u>	<u>Other Special Funds</u>	<u>Subtotals</u>
\$ -	\$ -	\$ -	\$ 126,516
-	73,736	-	73,736
-	-	-	2,776,383
21	92	-	459
<u>30,182</u>	<u>-</u>	<u>47,913</u>	<u>84,953</u>
30,203	73,828	47,913	3,062,047
-	-	957	957
-	-	-	2,722,077
-	-	345	345
102,310	-	38,063	140,373
-	-	-	1,000
<u>102,310</u>	<u>-</u>	<u>39,365</u>	<u>2,864,752</u>
(72,107)	73,828	8,548	197,295
-	-	-	-
80,000	-	-	80,000
-	-	-	(114,546)
<u>80,000</u>	<u>-</u>	<u>-</u>	<u>(34,546)</u>
7,893	73,828	8,548	162,749
<u>35,951</u>	<u>291,323</u>	<u>62,649</u>	<u>1,734,394</u>
\$ <u><u>43,844</u></u>	\$ <u><u>365,151</u></u>	\$ <u><u>71,197</u></u>	\$ <u><u>1,897,143</u></u>

(continued)

(continued)

	Capital Project Funds			
	<u>Exit 4A</u>	<u>Fire Facilities</u>	<u>Capital Equipment</u>	<u>Subtotals</u>
Revenues:				
Interest, penalties and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Investment income	1	-	49	50
Other	-	-	-	-
Total Revenues	<u>1</u>	<u>-</u>	<u>49</u>	<u>50</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	11,101	-	1,209,769	1,220,870
Total Expenditures	<u>11,101</u>	<u>-</u>	<u>1,209,769</u>	<u>1,220,870</u>
Excess (deficiency) of revenues over (under) expenditures	(11,100)	-	(1,209,720)	(1,220,820)
Other Financing Sources (Uses):				
Capital lease issuance	-	-	1,405,000	1,405,000
Transfers in	-	-	-	-
Transfers out	-	(35,616)	-	(35,616)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(35,616)</u>	<u>1,405,000</u>	<u>1,369,384</u>
Net changes in fund balances	(11,100)	(35,616)	195,280	148,564
Fund Balances, beginning of year, as restated	<u>(1,144,794)</u>	<u>35,616</u>	<u>-</u>	<u>(1,109,178)</u>
Fund Balances, end of year	<u>\$ (1,155,894)</u>	<u>\$ -</u>	<u>\$ 195,280</u>	<u>\$ (960,614)</u>

Permanent <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
\$ -	\$ 126,516
-	73,736
-	2,776,383
67,568	68,077
<u>63,600</u>	<u>148,553</u>
131,168	3,193,265
1,138	2,095
-	2,722,077
5	350
9	140,382
<u>-</u>	<u>1,221,870</u>
<u>1,152</u>	<u>4,086,774</u>
130,016	(893,509)
-	1,405,000
-	80,000
<u>(17,500)</u>	<u>(167,662)</u>
<u>(17,500)</u>	<u>1,317,338</u>
112,516	423,829
<u>734,465</u>	<u>1,359,681</u>
\$ <u>846,981</u>	\$ <u>1,783,510</u>

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

Agency Funds

For the Year Ended June 30, 2013

	Balance July 1, <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2013</u>
<u>Town Escrows:</u>				
Assets - cash and short-term investments	\$ <u>2,097,258</u>	\$ <u>1,275,747</u>	\$ <u>(1,976,624)</u>	\$ <u>1,396,381</u>
Liabilities - other liabilities	\$ <u>2,097,258</u>	\$ <u>1,275,747</u>	\$ <u>(1,976,624)</u>	\$ <u>1,396,381</u>
 <u>School Capital Reserve:</u>				
Assets - cash and short-term investments	\$ <u>321,148</u>	\$ <u>650,217</u>	\$ <u>(655,049)</u>	\$ <u>316,316</u>
Liabilities - other liabilities	\$ <u>321,148</u>	\$ <u>650,217</u>	\$ <u>(655,049)</u>	\$ <u>316,316</u>
 <u>Totals:</u>				
Assets - cash and short-term investments	\$ <u>2,418,406</u>	\$ <u>1,925,964</u>	\$ <u>(2,631,673)</u>	\$ <u>1,712,697</u>
Liabilities - other liabilities	\$ <u>2,418,406</u>	\$ <u>1,925,964</u>	\$ <u>(2,631,673)</u>	\$ <u>1,712,697</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, 2013

	<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	\$ 15,928,594	\$ 15,928,594	\$ 15,928,594	\$ -
Total Taxes	15,928,594	15,928,594	15,928,594	-
<u>Interest, Penalties, and Other Taxes</u>				
Yield taxes	12,000	12,000	1,634	(10,366)
Excavation taxes	10,000	10,000	12,385	2,385
Payment in lieu of taxes	609,263	609,263	609,263	-
Interest and penalties on taxes	270,000	270,000	459,502	189,502
Total Interest, Penalties, and Other Taxes	901,263	901,263	1,082,784	181,521
<u>Licenses and Permits</u>				
Business licenses and permits	7,000	7,000	6,684	(316)
Motor vehicle registrations	6,325,000	6,325,000	6,185,807	(139,193)
Building permits	200,000	200,000	214,357	14,357
Other licenses, permits and fees	44,500	44,500	37,438	(7,062)
Total Licenses and Permits	6,576,500	6,576,500	6,444,286	(132,214)
<u>Intergovernmental</u>				
Meals and room distribution	1,076,695	1,076,695	1,076,522	(173)
Highway block grant	501,858	501,858	500,541	(1,317)
Water pollution grants	45,531	45,531	45,531	-
Other grants	75,000	75,000	525,277	450,277
Total Intergovernmental Revenues	1,699,084	1,699,084	2,147,871	448,787
<u>Charges for Services</u>				
Income from departments	942,300	942,300	1,179,355	237,055
Total Charges for Services	942,300	942,300	1,179,355	237,055
<u>Investment Income</u>				
Interest on deposits	150,000	150,000	4,493	(145,507)
Total Investment Income	150,000	150,000	4,493	(145,507)
<u>Other Revenues</u>				
Other miscellaneous revenue	165,000	165,000	22,639	(142,361)
Total Miscellaneous Revenues	165,000	165,000	22,639	(142,361)
Total Revenues	26,362,741	26,362,741	26,810,022	447,281

(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, 2013

(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	500,000	500,000	500,000	-
Operating Transfers In:				
Sewer fund	320,000	320,000	320,000	-
Police airport division fund	150,000	150,000	98,637	(51,363)
Other special revenue funds	154,000	154,000	15,909	(138,091)
Capital project funds	-	-	35,616	35,616
Permanent fund	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Total Transfers In	641,500	641,500	487,662	(153,838)
Use of Fund Balance	<u>692,000</u>	<u>692,000</u>	<u>692,000</u>	<u>-</u>
Total Other Financing Sources	<u>1,833,500</u>	<u>1,833,500</u>	<u>1,679,662</u>	<u>(153,838)</u>
Total Revenues and Other Financing Sources	<u>\$ 28,196,241</u>	<u>\$ 28,196,241</u>	<u>\$ 28,489,684</u>	<u>\$ 293,443</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, 2013

	<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	\$ 12,096	\$ 12,094	\$ 12,258	\$ (164)
Town manager	384,166	384,129	239,454	144,675
Moderator	300	300	-	300
Budget committee	1	1	-	1
Town clerk/tax collector	454,809	454,765	441,330	13,435
Supervisor of checklist	14,704	14,702	13,654	1,048
Finance	596,725	621,775	578,619	43,156
Assessing	362,701	362,203	357,251	4,952
Information technology	324,595	324,595	314,839	9,756
Legal	104,500	104,500	328,212	(223,712)
Zoning board	40,333	40,326	43,558	(3,232)
General services	502,649	502,649	512,682	(10,033)
Cemeteries	32,974	32,974	34,146	(1,172)
Municipal insurances	224,022	224,022	188,831	35,191
Total General Government	3,054,575	3,079,035	3,064,834	14,201
<u>Public Safety</u>				
Police department	7,286,967	7,280,524	7,090,369	190,155
Fire department	5,942,215	5,927,717	6,215,639	(287,922)
Building department	286,786	286,304	280,786	5,518
Total Public Safety	13,515,968	13,494,545	13,586,794	(92,249)
<u>Highways and Streets</u>				
Highway department	3,113,935	3,111,214	2,945,027	166,187
Total Highways and Streets	3,113,935	3,111,214	2,945,027	166,187
<u>Sanitation</u>				
Solid waste	1,911,807	1,911,791	1,903,406	8,385
Total Sanitation	1,911,807	1,911,791	1,903,406	8,385
<u>Health and Welfare</u>				
General assistance	184,604	184,604	109,142	75,462
Total Health and Welfare	184,604	184,604	109,142	75,462
<u>Culture and Recreation</u>				
Cable	265,132	265,110	233,016	32,094
Recreation department	147,461	147,343	143,185	4,158
Library	1,120,309	1,120,197	1,091,914	28,283
Senior affairs	49,523	49,517	39,798	9,719
Total Culture and Recreation	1,582,425	1,582,167	1,507,913	74,254

(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, 2013

(continued)				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Conservation</u>				
Conservation	3,300	3,300	1,571	1,729
	<u>3,300</u>	<u>3,300</u>	<u>1,571</u>	<u>1,729</u>
<u>Economic Development</u>				
Community development	407,774	407,732	306,656	101,076
	<u>407,774</u>	<u>407,732</u>	<u>306,656</u>	<u>101,076</u>
<u>Capital Outlay</u>				
Capital outlay	787,000	787,000	1,108,868	(321,868)
Total Capital Outlay	<u>787,000</u>	<u>787,000</u>	<u>1,108,868</u>	<u>(321,868)</u>
<u>Debt Service</u>				
Debt service	2,894,853	2,894,853	2,889,521	5,332
Total Debt Service	<u>2,894,853</u>	<u>2,894,853</u>	<u>2,889,521</u>	<u>5,332</u>
Total Expenditures	<u>27,456,241</u>	<u>27,456,241</u>	<u>27,423,732</u>	<u>32,509</u>
<u>Other Financing Uses</u>				
Operating Transfers Out:				
Library trustees	80,000	80,000	80,000	-
Capital reserve funds	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>	<u>-</u>
Total Other Financing Uses	<u>740,000</u>	<u>740,000</u>	<u>740,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 28,196,241</u>	<u>\$ 28,196,241</u>	<u>\$ 28,163,732</u>	<u>\$ 32,509</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Nonmajor Governmental Funds

For the Year Ended June 30, 2013

	Police Outside Detail			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services	\$ 564,244	\$ 564,244	\$ 550,144	\$ (14,100)
Total Revenues	564,244	564,244	550,144	(14,100)
Expenditures:				
Public safety	564,244	564,244	517,568	46,676
Total Expenditures	564,244	564,244	517,568	46,676
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 32,576	\$ 32,576

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**Capital Assets Used in Operation
Governmental Funds**

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Capital Assets By Source

June 30, 2013

CAPITAL ASSETS

Buildings and building improvements	\$ 11,270,730
Machinery, vehicles, and equipment	1,839,285
Intangibles	56,380
Infrastructure	48,837,902
Improvements other than buildings	335,638
Land and land improvements	12,500,700
Construction in progress	<u>8,057,970</u>
Total General Capital Assets	\$ <u>82,898,605</u>

INVESTMENTS IN CAPITAL ASSETS

General fund	\$ 51,397,473
Special revenue funds	22,274,007
Capital project funds	<u>9,227,125</u>
Total Investments in General Capital Assets	\$ <u>82,898,605</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Changes in Capital Assets
By Function and Activity

For the Year Ended June 30, 2013

	Capital Assets <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	Capital Assets <u>June 30, 2013</u>
General Government:				
Town manager	\$ 37,908	\$ 30,372	\$ 14,673	\$ 53,607
Finance	80,657	-	26,182	54,475
Information technology	101,137	6,544	31,383	76,298
Planning and zoning	1,092	-	452	640
General services	<u>17,105,743</u>	<u>-</u>	<u>128,492</u>	<u>16,977,251</u>
Total General Government	17,326,537	36,916	201,182	17,162,271
Public Safety:				
Police	4,921,349	70,229	226,811	4,764,767
Fire	<u>5,603,732</u>	<u>1,253,578</u>	<u>451,970</u>	<u>6,405,340</u>
Total Public Safety	10,525,081	1,323,807	678,781	11,170,107
Highways and Streets:				
Public works	<u>33,868,939</u>	<u>442,174</u>	<u>1,335,661</u>	<u>32,975,452</u>
Total Highways and Streets	33,868,939	442,174	1,335,661	32,975,452
Sanitation				
Sewer	<u>18,819,647</u>	<u>-</u>	<u>547,328</u>	<u>18,272,319</u>
Total Sanitation	18,819,647	-	547,328	18,272,319
Culture and Recreation:				
Parks and recreation	1,742,480	-	8,064	1,734,416
Library	1,252,725	68,250	64,528	1,256,447
Cable	255,259	18,150	29,462	243,947
Senior affairs	<u>-</u>	<u>23,247</u>	<u>527</u>	<u>22,720</u>
Total Culture and Recreation	3,250,464	109,647	102,581	3,257,530
Economic Development	<u>56,589</u>	<u>32,196</u>	<u>27,859</u>	<u>60,926</u>
Total Economic Development	56,589	32,196	27,859	60,926
Total General Capital Assets	<u>\$ 83,847,257</u>	<u>\$ 1,944,740</u>	<u>\$ 2,893,392</u>	<u>\$ 82,898,605</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Schedule of Capital Assets
By Function and Category

June 30, 2013

	<u>Buildings and Improvements</u>	<u>Machinery, Vehicles, and Equipment</u>	<u>Intangibles</u>
General Government:			
Town manager	\$ -	\$ 53,607	\$ -
Finance	-	54,475	-
Information technology	-	71,640	-
Planning and zoning	-	640	-
General services	<u>2,957,519</u>	<u>19,004</u>	<u>-</u>
Total General Government	<u>2,957,519</u>	<u>199,366</u>	<u>-</u>
Public Safety:			
Police department	4,494,635	127,274	-
Fire department	<u>2,263,794</u>	<u>707,331</u>	<u>-</u>
Total Public Safety	<u>6,758,429</u>	<u>834,605</u>	<u>-</u>
Highways and Streets:			
Public Works	<u>183,572</u>	<u>676,189</u>	<u>-</u>
Total Highways and Streets	<u>183,572</u>	<u>676,189</u>	<u>-</u>
Sanitation			
Sewer	<u>-</u>	<u>5,709</u>	<u>-</u>
Total Sanitation	<u>-</u>	<u>5,709</u>	<u>-</u>
Culture and Recreation:			
Recreation department	-	5,196	-
Library	1,183,346	62,137	-
Cable	187,864	56,083	-
Senior affairs	<u>-</u>	<u>-</u>	<u>-</u>
Total Culture and Recreation	<u>1,371,210</u>	<u>123,416</u>	<u>-</u>
Economic Development	<u>-</u>	<u>-</u>	<u>56,380</u>
Total Economic Development	<u>-</u>	<u>-</u>	<u>56,380</u>
Total General Capital Assets	<u>\$ 11,270,730</u>	<u>\$ 1,839,285</u>	<u>\$ 56,380</u>

<u>Infrastructure</u>	Improvements other than <u>Buildings</u>	<u>Land</u>	Construction in Progress	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 53,607
-	-	-	-	54,475
-	4,658	-	-	76,298
-	-	-	-	640
<u>93,458</u>	<u>33,682</u>	<u>12,248,740</u>	<u>1,624,848</u>	<u>16,977,251</u>
93,458	38,340	12,248,740	1,624,848	17,162,271
-	142,858	-	-	4,764,767
<u>880</u>	<u>57,447</u>	<u>-</u>	<u>3,375,888</u>	<u>6,405,340</u>
880	200,305	-	3,375,888	11,170,107
<u>30,621,432</u>	<u>37,527</u>	<u>251,960</u>	<u>1,204,772</u>	<u>32,975,452</u>
30,621,432	37,527	251,960	1,204,772	32,975,452
<u>18,117,586</u>	<u>2,559</u>	<u>-</u>	<u>146,465</u>	<u>18,272,319</u>
18,117,586	2,559	-	146,465	18,272,319
-	23,223	-	1,705,997	1,734,416
-	10,964	-	-	1,256,447
-	-	-	-	243,947
-	22,720	-	-	22,720
<u>-</u>	<u>56,907</u>	<u>-</u>	<u>1,705,997</u>	<u>3,257,530</u>
-	-	-	-	-
<u>4,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,926</u>
4,546	-	-	-	60,926
<u>\$ 48,837,902</u>	<u>\$ 335,638</u>	<u>\$ 12,500,700</u>	<u>\$ 8,057,970</u>	<u>\$ 82,898,605</u>

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STATISTICAL SECTION

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TOWN OF LONDONDERRY, NEW HAMPSHIRE

STATISTICAL SECTION

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

	<u>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>	94-101
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	102-106
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>	107-110
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>	111-112
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>	113-115

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/Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending									
	<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>	<u>2013⁽¹⁾</u>
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 69,454,537
Restricted	568,649	589,622	598,187	663,039	645,183	566,002	611,742	743,524	734,465	846,981
Unrestricted	<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>	<u>5,362,692</u>
Total net position	<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>	<u>\$ 75,664,210</u>

Notes:

(1) In 2013, the Town began reporting net position, rather than net assets, in conformity with GASB Statement No. 63.
Prior to that time, net investment in capital assets was labeled "invested in capital assets, net of related debt".

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	Fiscal Year Ending									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 ⁽¹⁾
Governmental Activities:										
Expenses										
General government	\$ 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	\$ 3,791,015
Public safety	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	17,216,243
Highways and streets	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	6,308,705
Sanitation	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	3,674,373
Health and welfare	278,411	281,960	278,625	307,796	178,496	159,825	165,490	175,417	126,106	109,492
Culture and recreation	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	1,809,452
Conservation	-	-	-	-	-	-	3,426	2,406	3,156	2,571
Economic development	409,449	383,894	382,881	418,691	420,413	440,869	470,697	425,783	430,689	322,399
Interest	723,029	1,050,508	769,362	768,978	896,326	802,585	743,540	705,234	683,447	654,240
Total expenses	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	33,888,490
Program Revenues										
Charges for services										
General government	6,425,238	105,539	104,910	100,797	98,425	75,788	433,522	378,670	62,748	61,230
Public Safety	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	3,605,505
Highways and streets	340,528	60,683	70,045	74,255	69,503	5,314	-	-	-	-
Sanitation	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	2,156,276
Health and welfare	-	-	-	-	10,070	9,767	-	-	-	-
Culture and recreation	299,008	355,492	397,426	503,848	401,348	401,468	9,843	6,820	306,152	449,673
Total charges for services	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	6,272,684
Operating grants and contributions	638,593	315,764	416,026	378,830	734,657	846,877	850,265	923,042	778,220	863,544
Capital grants and contributions	646,392	677,759	1,687,078	716,096	582,909	627,826	1,332,518	1,490,155	65,205	471,424
Total program revenues	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	7,607,652
Net (Expenses) Revenues	(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)	(26,280,838)
General Revenues and Other Changes in Net Position										
Property taxes	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	15,836,304
Interest, penalties and other taxes	860,732	862,921	769,467	1,634,295	848,179	1,227,157	870,500	894,631	908,627	1,078,924
Motor vehicle registrations	-	6,404,091	6,309,859	5,915,524	6,023,616	5,910,220	5,736,360	5,711,807	6,392,231	6,185,807
Grants and contributions not restricted										
to specific programs	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	1,157,512
Investment income	321,210	427,774	675,545	867,176	605,702	196,401	102,261	37,105	37,797	4,799
Other	1,380,794	425,370	281,206	386,972	488,916	646,877	267,073	355,890	265,480	89,244
Total general revenues before permanent fund contributions	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	24,352,590
Permanent fund contributions	23,100	21,200	6,601	6,450	10,700	607,602	17,420	13,180	13,150	63,600
Change in Net Position	<u>\$ 1,804,416</u>	<u>\$ 726,684</u>	<u>\$ 2,454,036</u>	<u>\$ 1,759,633</u>	<u>\$ 554,321</u>	<u>\$ 166,988</u>	<u>\$ 689,362</u>	<u>\$ (1,722,839)</u>	<u>\$ (306,378)</u>	<u>\$ (1,864,648)</u>

Notes:

(1) In 2013, the Town began reporting net position, rather than net assets, in conformity with GASB Statement No. 63.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	Fiscal Year Ending						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
All governmental funds							
Reserved for encumbrances	\$ 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	459,099	480,931	589,622	598,186	545,217	465,605	513,729
Reserved for prepaid expenditures	-	-	-	-	-	-	409,581
Unreserved	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>\$ 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	\$ 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	3,833,991	3,826,115	3,886,856	4,375,300	4,363,212	4,786,216	3,969,850
Total General Fund	<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	\$ 197,463	\$ 45,339	\$ 52,049	\$ 551,224	\$ 794,856	\$ 443,794	\$ 1,260,519
Unreserved	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>\$ 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	2,887,339	865,666	180,464	187,189	(284,243)	(366,551)	(715,814)
Total Capital Project Funds	<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	\$ 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>\$ 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.

	Fiscal Year Ending		
(1) GASB 54 Implementation	<u>2011</u>	<u>2012</u>	<u>2013</u>
All Governmental Funds			
Nonspendable	\$ 767,819	\$ 629,771	\$ 740,138
Restricted	2,198,055	9,084,146	8,572,118
Committed	7,472,879	1,174,261	1,517,090
Assigned	1,256,156	1,568,412	1,486,364
Unassigned	2,515,200	2,939,228	2,196,431
Total all governmental funds	<u>\$ 14,210,109</u>	<u>\$ 15,395,818</u>	<u>\$ 14,512,141</u>
General Fund			
Nonspendable	\$ 125,900	\$ -	\$ -
Restricted	1,937,169	2,474,373	1,108,282
Committed	1,765,261	1,138,645	1,517,090
Assigned	1,256,156	1,568,412	1,486,364
Unassigned	3,845,070	4,084,022	3,352,325
Total General Fund	<u>\$ 8,929,556</u>	<u>\$ 9,265,452</u>	<u>\$ 7,464,061</u>
Special Revenue Funds			
Nonspendable	\$ -	\$ -	\$ -
Restricted	5,749,612	6,505,079	7,161,713
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Special Revenue Funds	<u>\$ 5,749,612</u>	<u>\$ 6,505,079</u>	<u>\$ 7,161,713</u>
Capital Project Funds			
Nonspendable	\$ -	\$ -	\$ -
Restricted	117,287	-	195,280
Committed	-	35,616	-
Assigned	-	-	-
Unassigned	(1,329,870)	(1,144,794)	(1,155,894)
Total Capital Project Funds	<u>\$ (1,212,583)</u>	<u>\$ (1,109,178)</u>	<u>\$ (960,614)</u>
Permanent Funds			
Nonspendable	\$ 641,919	\$ 629,771	\$ 740,138
Restricted	101,605	104,694	106,843
Total Permanent Funds	<u>\$ 743,524</u>	<u>\$ 734,465</u>	<u>\$ 846,981</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	Fiscal Year Ending									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Property taxes	\$ 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	\$ 15,655,987
Interest, penalties and other taxes	860,732	862,921	773,347	1,637,971	848,179	1,227,157	1,031,385	917,702	939,230	1,205,440
Licenses and permits	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	6,518,022
Intergovernmental	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	2,147,871
Charges for services	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	6,023,313
Investment income	321,159	427,776	675,546	867,177	605,702	196,401	153,326	176,214	35,203	72,877
Other revenues	1,627,686	800,098	723,699	575,756	611,748	772,389	606,437	432,014	413,732	229,126
Total revenues	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	31,852,636
Expenditures										
Current:										
General government	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	3,078,007
Public safety	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	16,314,094
Highways and streets	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	3,095,221
Sanitation	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	3,130,905
Health and welfare	264,470	277,614	292,607	307,333	177,474	163,733	164,853	175,417	126,106	109,492
Culture and recreation	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	1,716,200
Conservation	-	-	-	-	-	-	-	2,407	3,156	1,571
Economic development	300,719	371,907	373,737	414,538	414,561	449,867	453,087	422,655	408,499	484,711
Capital outlay ⁽¹⁾	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	3,821,591
Debt service:										
Principal	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	2,245,000
Interest	721,503	858,827	770,976	804,321	828,251	800,269	776,768	733,301	704,563	644,521
Total expenditures	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	34,641,313
Excess (deficiency) of revenues over (under) expenditures	(6,397,812)	(5,413,156)	(361,652)	(2,648,266)	(2,196,435)	(231,621)	(269,366)	(2,994,737)	185,709	(2,788,677)
Other Financing Sources (Uses)										
Issuance of refunding bonds	4,545,000	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(4,545,259)	-	-	-	-	-	-	-	-	-
Issuance of bonds	13,652,674	1,000,000	-	4,375,000	1,200,000	1,500,000	1,000,000	1,000,000	1,000,000	500,000
Issuance of capital leases	-	-	-	-	-	-	-	-	-	1,405,000
Transfers in	1,799,503	1,130,168	938,223	5,059,702	931,064	1,304,360	1,192,756	1,239,325	825,555	567,662
Transfers out	(1,799,503)	(1,130,168)	(938,223)	(5,059,702)	(931,064)	(1,304,360)	(1,192,756)	(1,239,325)	(825,555)	(567,662)
Total other financing sources (uses)	13,652,415	1,000,000	-	4,375,000	1,200,000	1,500,000	1,000,000	1,000,000	1,000,000	1,905,000
Special Items:										
Return of settlement liability	-	-	-	-	-	596,702	-	-	-	-
Total special items	-	-	-	-	-	596,702	-	-	-	-
Net changes in fund balances	\$ 7,254,603	\$ (4,413,156)	\$ (361,652)	\$ 1,726,734	\$ (996,435)	\$ 1,865,081	\$ 730,634	\$ (1,994,737)	\$ 1,185,709	\$ (883,677)
Debt Service as a percentage of non-capital outlay expenditures	7.47%	9.65%	9.37%	8.13%	9.56%	9.41%	9.28%	9.10%	9.64%	9.38%

(1) Includes noncapital appropriations reported as capital outlay expenditures in order to be consistent with budgetary classifications approved by Town meeting vote.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	Fiscal Year Ending									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Property taxes	\$ 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	\$ 15,655,987
Interest, penalties and other taxes	845,099	862,921	769,452	789,174	840,286	854,527	870,500	894,631	908,627	1,078,924
Licenses and permits	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	6,444,286
Intergovernmental	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	2,147,871
Charges for services	553,210	433,508	554,473	862,419	802,420	1,188,733	852,862	929,255	1,063,337	1,179,355
Investment income	244,972	384,339	619,149	769,844	599,574	256,008	100,165	37,105	37,797	4,800
Other revenues	1,100,592	378,644	203,725	378,683	168,950	531,998	196,413	343,795	265,480	80,573
Total revenues	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	26,591,796
Expenditures										
Current:										
General government	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	3,075,912
Public Safety	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	13,592,017
Highways and streets	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	3,095,221
Sanitation	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	1,877,215
Health and welfare	264,470	277,614	292,607	307,333	177,474	163,733	164,853	174,928	125,816	109,142
Culture and recreation	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	1,575,818
Conservation	-	-	-	-	-	-	3,416	2,011	3,156	1,571
Economic development	300,719	371,907	373,737	414,538	414,561	449,867	453,087	422,655	408,499	484,711
Capital outlay ⁽¹⁾	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	2,599,721
Debt service	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	2,889,521
Total expenditures	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	29,300,849
Excess (deficiency) of revenues over (under) expenditures	(95,652)	(1,187,060)	1,172,524	208,111	(1,899,437)	(1,139,378)	(517,157)	(3,322,744)	(753,967)	(2,709,053)
Other Financing Sources (Uses)										
Issuance of refunding bonds	4,545,000	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(4,545,259)	-	-	-	-	-	-	-	-	-
Issuance of bonds	2,900,000	-	-	4,375,000	1,200,000	1,500,000	1,000,000	1,000,000	1,000,000	500,000
Transfers in	256,250	470,576	401,110	166,553	801,064	872,160	967,756	958,869	457,709	487,662
Transfers out	(1,543,253)	(659,592)	(335,615)	(4,893,149)	(130,000)	(477,200)	(225,000)	(280,456)	(367,846)	(80,000)
Total other financing sources (uses)	1,612,738	(189,016)	65,495	(351,596)	1,871,064	1,894,960	1,742,756	1,678,413	1,089,863	907,662
Special Items:										
Return of settlement liability	-	-	-	-	-	596,702	-	-	-	-
Total special items	-	-	-	-	-	596,702	-	-	-	-
Net change in fund balances	\$ 1,517,086	\$ (1,376,076)	\$ 1,238,019	\$ (143,485)	\$ (28,373)	\$ 1,352,284	\$ 1,225,599	\$ (1,644,331)	\$ 335,896	\$ (1,801,391)
Debt service as a percentage of non-capital outlay expenditures	11.01%	12.55%	11.34%	11.10%	11.77%	11.44%	11.32%	10.97%	11.11%	10.82%

(1) Includes noncapital appropriations reported as capital outlay expenditures in order to be consistent with budgetary classifications approved by Town meeting vote.

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	Fiscal Year Ending									
	<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>	<u>2013</u>
Revenues										
Interest, penalties and other taxes	\$ -	\$ -	\$ 3,895	\$ 848,797	\$ 7,893	\$ 372,630	\$ 160,885	\$ 23,071	\$ 30,603	\$ 126,516
Licenses and permits	-	-	-	-	-	-	453,230	533,991	75,961	73,736
Intergovernmental	335,808	109,476	-	19,026	-	205,428	-	-	-	-
Charges for services	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	4,843,958
Investment income	11,151	23,826	24,116	19,979	15,539	11,500	6,476	1,773	664	459
Other revenues	126,356	400,254	512,577	187,941	382,098	229,491	188,059	75,039	69,899	84,953
Total revenues	<u>2,473,966</u>	<u>2,495,106</u>	<u>3,084,410</u>	<u>5,830,605</u>	<u>5,361,026</u>	<u>6,354,136</u>	<u>5,561,348</u>	<u>5,692,207</u>	<u>5,029,078</u>	<u>5,129,622</u>
Expenditures										
Current:										
General government	356,353	1,409,504	1,377,793	1,882,308	1,158,966	265,906	272,250	293,342	1,569	957
Public safety	247,164	301,383	603,482	2,780,137	2,331,175	2,679,808	2,530,346	2,602,274	2,587,167	2,722,077
Highways and streets	-	-	-	-	-	4,485	-	-	-	-
Sanitation	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	1,253,690
Health and welfare	-	-	-	-	-	-	637	485	283	345
Culture and recreation	418,876	420,953	622,953	461,728	480,643	412,934	174,050	186,583	154,103	140,373
Conservation	-	-	-	-	-	-	10	396	-	-
Economic development	-	-	-	-	-	-	5	-	-	-
Capital outlay	-	-	-	-	-	-	1,034,673	8,137	7,868	1,000
Total expenditures	<u>1,787,942</u>	<u>3,222,536</u>	<u>3,547,764</u>	<u>6,240,303</u>	<u>5,186,236</u>	<u>5,302,390</u>	<u>5,027,534</u>	<u>5,234,092</u>	<u>3,910,599</u>	<u>4,118,442</u>
Excess (deficiency) of revenues over (under) expenditures	686,024	(727,430)	(463,354)	(409,698)	174,790	1,051,746	533,814	458,115	1,118,479	1,011,180
Other Financing Sources (Uses)										
Issuance of bonds	-	1,000,000	-	-	-	-	-	-	-	-
Transfers in	124,377	157,393	107,393	2,357,393	130,000	432,200	225,000	117,000	77,197	80,000
Transfers out	(238,750)	(453,076)	(567,073)	(149,053)	(783,564)	(809,660)	(950,256)	(560,535)	(440,209)	(434,546)
Total other financing sources (uses)	<u>(114,373)</u>	<u>704,317</u>	<u>(459,680)</u>	<u>2,208,340</u>	<u>(653,564)</u>	<u>(377,460)</u>	<u>(725,256)</u>	<u>(443,535)</u>	<u>(363,012)</u>	<u>(354,546)</u>
Net change in fund balances	<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>	<u>\$ 656,634</u>

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

	Fiscal Year Ending									
	<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>	<u>2013</u>
Revenues										
Intergovernmental	\$ 15,400	\$ 28,189	\$ 259,905	\$ -	\$ -	\$ -	\$ 165,517	\$ 1,490,154	\$ -	\$ -
Charges for services	-	26,093	-	-	-	-	-	-	-	-
Investment income	333	732	181	13	4	3	1	1	1	50
Other revenues	-	-	796	2,682	50,000	-	-	-	65,204	-
Total revenues	<u>15,733</u>	<u>55,014</u>	<u>260,882</u>	<u>2,695</u>	<u>50,004</u>	<u>3</u>	<u>165,518</u>	<u>1,490,155</u>	<u>65,205</u>	<u>50</u>
Expenditures										
Current:										
General government	192,655	2,353,771	596,251	2,516	287,728	82,311	-	-	-	-
Public safety	-	975,923	289,374	2,325,290	-	-	-	-	-	-
Highways and streets	256,010	254,588	480,179	203,920	233,708	-	-	-	-	-
Sanitation	7,876	7,771	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	514,781	1,769,545	252,449	1,220,870
Total expenditures	<u>456,541</u>	<u>3,592,053</u>	<u>1,365,804</u>	<u>2,531,726</u>	<u>521,436</u>	<u>82,311</u>	<u>514,781</u>	<u>1,769,545</u>	<u>252,449</u>	<u>1,220,870</u>
Excess (deficiency) of revenues over (under) expenditures	(440,808)	(3,537,039)	(1,104,922)	(2,529,031)	(471,432)	(82,308)	(349,263)	(279,390)	(187,244)	(1,220,820)
Other Financing Sources (Uses)										
Issuance of bonds	1,851,274	-	-	-	-	-	-	-	-	-
Issuance of capital leases	-	-	-	-	-	-	-	-	-	1,405,000
Transfers in	1,057,876	502,199	429,720	2,535,756	-	-	-	163,456	290,649	-
Transfers out	-	-	(10,000)	-	-	-	-	(380,834)	-	(35,616)
Total other financing sources (uses)	<u>2,909,150</u>	<u>502,199</u>	<u>419,720</u>	<u>2,535,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(217,378)</u>	<u>290,649</u>	<u>1,369,384</u>
Net change in fund balances	<u>\$ 2,468,342</u>	<u>\$ (3,034,840)</u>	<u>\$ (685,202)</u>	<u>\$ 6,725</u>	<u>\$ (471,432)</u>	<u>\$ (82,308)</u>	<u>\$ (349,263)</u>	<u>\$ (496,768)</u>	<u>\$ 103,405</u>	<u>\$ 148,564</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
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
2013	15,655,987	609,263	122	10,038	586,017	16,861,427

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%
2013	68,407,455	67,703,880	99.0%	703,575	479,662	467,038	68,183,542	99.6%	9,802	330	3.37%

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				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	Total Assessed Value					
2004	\$ 2,165,070,811	\$ 288,983,575	\$ 305,363,300	\$ 2,759,417,686	\$ 273,204,550	\$ 2,486,213,136	\$ 20.77	\$ 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	20.46	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	18.87	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	17.42	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	17.36	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	17.62	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	18.74	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	19.39	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	19.39	3,374,318,239	89.6%
2013	2,310,111,808	582,255,169	554,420,304	3,446,787,281	378,169,380	3,068,617,901	19.59	3,421,988,901	89.7%

Source:

Town of Londonderry Annual Town Report
Town of Londonderry Tax Collector

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2013 Assessed Value	2013 Rank	Percentage of net Assessed Value	2004 Assessed Value	2004 Rank	Percentage of net Assessed Value
GRANITE RIDGE ENERGY, LLC (AES0	Utility	\$ 430,000,000	1	14.01%	\$ 240,159,578	1	9.66%
PUBLIC SERVICE CO. OF NH	Electric Utility	114,681,604	2	3.74%	32,713,500	2	1.32%
INSIGHT TECHNOLOGY, INC.	Manufacturing	22,069,000	3	0.72%	-	-	-
COCA-COLA OF NORTHERN NE, INC.	Bottling Plant	21,257,400	4	0.69%	18,850,400	3	0.76%
TENNECO INCORPORATED	Gas Utility	18,250,000	5	0.59%	10,127,000	6	0.41%
HARVEY INDUSTRIES, INC.	Window Manufacturer	18,037,600	6	0.59%	-	-	-
LIEVENS ROBERT D. & STEPHEN R.	Retail	18,000,200	7	0.59%	9,376,230	7	0.38%
HOME DEPOT USA, INC.	Retail	15,891,200	8	0.52%	12,818,500	4	0.52%
APPLETREE MALL ASSOCIATES, INC	Retail Mall Plaza	14,456,000	9	0.47%	12,238,200	5	0.49%
LONDONDERRY FREEZER WAREHOUSE	Warehouse	13,859,800	10	0.45%	-	-	-
GLENBERVIE INC	Manufacturing	-			7,214,900	8	0.29%
VISTA RIDGE, LLC	Residential Development	-			8,106,800	9	0.33%
GILCREAST REALTY HOLDINGS II, LLC	Residential Development	-			6,695,900	10	0.27%
Total Principal Taxpayers		<u>\$ 686,502,804</u>		22.37%	<u>\$ 358,301,008</u>		14.41%
Total Net Assessed Taxable Value		<u>\$ 3,068,617,901</u>			<u>\$ 2,486,213,136</u>		

Source:
Town of Londonderry Assessors Office

TOWN OF LONDONDERRY, NEW HAMPSHIRE

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

Fiscal Year	Town Direct Rates						Overlapping Rates *		
	Town	Budgetary Use of Fund Balance	Total Town	Local School	State School	Total School	Total Direct	County	Total
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
2013	5.05	(0.20)	4.85	12.44	2.30	14.74	19.59	0.91	20.50

* 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 Income (1)	Per Capita Income (1)
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%
2013	16,625,000	1,405,000	18,030,000	0.59%	0.21%

Notes:

(1) See the Schedule of Demographic Statistics on page 112 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)	Percentage of Per Capita Income (2)
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%
2013	16,625,000	0.49%	0.23%

Notes:

- (1) See the Schedule of Assessed and Estimated Full Value of Real Property on page 104 for property value data.
- (2) See the Schedule of Demographic Statistics on page 112 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	\$ 16,625,000	100.00%	\$ 16,625,000
Overlapping:	Rockingham County	-	6.86%	-
	Londonderry School District	<u>18,020,000</u>	100.00%	<u>18,020,000</u>
Total Direct and Overlapping Debt		<u>\$ 34,645,000</u>		<u>\$ 34,645,000</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 of 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 2013 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>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>	<u>2013</u>
Debt Limit	\$ 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	\$ 87,404,003
Total net debt applicable to limit	<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>	<u>21,494,600</u>
Legal debt margin	<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>	<u>\$ 65,909,403</u>
Total net debt applicable to the limit as a percentage of debt limit	45.68%	26.89%	23.33%	25.92%	25.42%	24.29%	24.77%	23.82%	27.40%	24.59%

Source:
Town Finance Department

TOWN OF LONDONDERRY, NEW HAMPSHIRE

Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2013			2004		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Insight Technologies	Manufacturing	1,300	1	9.70%	300	3	2.21%
Harvey Industry	Window Manufacturing	500	2	3.73%			
Londonderry School District	Education	493	3	3.68%	450	1	3.31%
Stonyfield Farms	Yogurt	375	4	2.80%	120	8	0.88%
United Parcel Service Inc.	Parcel Delivery	288	5	2.15%	288	4	2.12%
Coca Cola	Beverage Manufacturer	200	6	1.49%			
Vibro-meter	Manufacturer	188	7	1.40%			
Continental Paving	Road Construction	165	8	1.23%	100	10	0.74%
Shaw's Supermarket	Supermarket	140	9	1.04%	200	5	1.47%
CTS, Corp.	Electronic Manufacturer	130	10	0.97%			
Federal Express	Parcel Delivery				100	9	0.74%
K Mart	Department Store				150	6	1.10%
Summit Packaging	Manufacturer				320	2	2.36%
Wire Belt	Manufacturer				128	7	0.94%

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
2004	24161	\$ 80,681	\$ 29,532	589	14,170	4.2%	6.7%	7.6%
2005	24469	82,473	30,293	588	14,374	4.1%	7.7%	8.5%
2006	24777	84,264	31,053	587	14,577	3.3%	3.7%	4.9%
2007	24837	73,513	26,491	555	14,446	3.5%	3.6%	4.8%
2008	24879	73,513	26,491	428	12,248	3.5%	3.6%	4.6%
2009	24567	73,513	26,491	919	14,592	6.3%	6.5%	9.4%
2010	24567	73,513	26,491	919	14,592	7.7%	7.7%	10.4%
2011	24129	86,962	35,045	872	14,538	6.0%	5.2%	9.2%
2012	24129	102,500	36,096	836	14,538	4.8%	4.9%	7.9%
2013	24211	107,060	38,492	730	14,135	4.9%	5.5%	7.5%

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Executive	3	3	3	3	3	3	3	3	3	3
Assessing	5	5	5	5	4	4	4	4	3	3
Building	4	4	4	4	4	4	3	3	3	3
Cable	2	3	3	3	3	3	3	3	3	2
Family Mediation	1	1	1	1	1	1	1	1	-	-
Finance	5	5	5	5	5	5	5	5	5	5
Information Technologies	-	-	-	-	-	-	-	-	-	-
Planning	3	4	4	4	4	4	4	4	4	3
Zoning	1	1	1	1	1	1	1	1	-	-
Town Clerk/Tax Collector	6	6	5	5	5	5	5	5	4	4
Total General Government	30	32	31	31	30	30	29	29	25	23
Human Services										
Welfare	2	1	1	1	-	-	-	-	-	-
Total Human Services	2	1	1	1	-	-	-	-	-	-
Public Safety										
Fire										
Administration	2	2	2	2	2	2	2	2	2	2
Captains	4	5	4	4	4	4	4	4	4	4
Lieutenants	7	9	9	9	9	12	11	11	12	12
Firefighters	28	27	27	27	27	24	25	25	24	24
Communication	4	4	4	4	4	4	4	4	4	4
Prevention	2	2	2	2	2	2	2	1	1	1
Total Fire	47	49	48	48	48	48	48	47	47	47
Police										
Administration	4	4	4	4	4	4	4	4	4	4
Captains	2	2	2	3	3	3	3	3	3	3
Lieutenants	5	5	5	4	4	4	4	4	4	4
Sergeants	6	8	8	11	11	11	11	12	12	12
Officers	21	22	23	39	39	39	39	38	38	37
Support Services	6	5	5	4	3	3	3	3	3	3
Detectives	4	4	4	4	4	4	4	4	4	5
Communications	7	7	7	7	7	7	7	7	7	7
Records	3	3	3	3	3	3	3	4	4	4
Animal Control Officer	1	1	1	1	1	1	1	1	-	-
Building Maintenance	1	1	1	1	1	1	1	1	1	1
Total Police	60	62	63	81	80	80	80	81	80	80
Total Public Safety	107	111	111	129	128	128	128	128	127	127
Public Works										
Administration	4	4	4	4	3	3	3	3	3	3
Highway	2	2	2	2	2	2	2	2	2	2
Equipment Operators	2	3	3	3	3	3	3	3	3	3
Truck Drivers/Laborers	7	5	5	5	5	4	4	5	5	5
Mechanic	1	1	1	1	1	2	2	1	1	1
Environmental Services	1	1	1	1	1	1	1	1	1	1
Total Public Works	17	16	16	16	15	15	15	15	15	15
Cultural and Recreation										
Library	18	17	17	17	16	16	16	16	14	14
Recreation	1	1	1	1	1	1	1	1	1	1
Total Culture and Recreation	19	18	18	18	17	17	17	17	15	15
Total All Functions	175	178	177	195	190	190	189	189	182	180
Percent of Total										
General Government	17.1%	18.0%	17.5%	15.9%	15.8%	15.8%	15.3%	15.3%	13.7%	12.8%
Human Services	1.1%	0.6%	0.6%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public Safety	61.1%	62.4%	62.7%	66.2%	67.4%	67.4%	67.7%	67.7%	69.8%	70.6%
Public Works	9.7%	9.0%	9.0%	8.2%	7.9%	7.9%	7.9%	7.9%	8.2%	8.3%
Cultural and Recreation	10.9%	10.1%	10.2%	9.2%	8.9%	8.9%	9.0%	9.0%	8.2%	8.3%
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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	24	27	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	3	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	180	180	180	180	180	180	180	180	180
Number of street lights	134	134	143	143	142	142	142	142	142	142
Number of traffic lights	1	1	1	1	1	1	1	1	1	1
Miles of sanitary sewers	32	34	40	40	40	40	40	40	40	40
Number of service connections	856	1,119	1,280	1,441	1,510	1,554	1,554	1,594	1,605	1,615
Daily average treatment in gallons	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	1,400,000
Number of pump stations	4	5	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	4,000,000
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	8	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	7*	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>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>	<u>2013</u>
General Government										
Taxable property parcels assessed	9,382	9,506	9,610	9,609	9,606	9,609	9,658	9,658	10,002	10,087
Motor vehicles registered	36,276	38,861	36,287	35,645	37,978	37,600	35,281	34,942	37,707	35,547
Building permits issued	768	592	605	594	492	465	381	319	401	427
Human service contacts	458	419	318	398	271	589	268	512	667	692
Human service applications granted	173	161	168	163	103	54	80	42	65	54
Registered voters	15,092	14,863	14,867	15,007	15,772	16,000	16,989	17,286	14,736	15,944
Fire										
Fires extinguished	119	92	95	75	64	98	79	78	59	52
Non fire responses	766	1,160	1,062	1,261	1,164	1,586	1,165	1,178	1,492	1,357
Rescue EMS responses	1,444	1,500	1,598	1,585	1,724	1,810	1,855	1,875	1,739	1,630
Inspections and plan/permit review	876	1,097	1,142	1,258	1,435	1,742	1,580	1,671	1,010	1,045
Police										
Total incidents dispatched	20,779	19,654	19,919	25,222	28,613	24,838	24,252	25,527	25,654	27,215
Total traffic accidents and violations	8,349	6,863	8,168	10,157	12,818	10,583	9,921	10,911	10,846	10,634
Total physical arrests	975	618	593	801	820	696	698	756	741	706
Total crimes investigated	2,107	1,861	1,919	2,332	2,678	2,321	2,183	2,282	2,431	2,543
Total animal control contacts	1,742	1,922	1,350	1,495	471	544	113	377	349	364
Public Works										
Streets resurfaced (LF)	39,000	47,000	46,132	36,720	42,520	53,096	33,981	24,600	42,289	17,092
Refuse collected (tons)	10,535	10,290	10,404	9,951	9,631	9,290	8,862	8,873	8,945	8,659
Recycling (tons)	1,717	1,676	1,950	1,935	1,736	1,795	2,264	2,302	2,348	2,256
Library										
Total circulation	215,659	237,559	249,408	255,563	282,360	321,585	336,750	341,274	345,015	376,277
Total volumes in collection	81,203	85,277	82,921	88,251	90,118	85,269	86,913	87,341	89,541	89,762
Total registered borrowers	18,139	17,988	18,180	17,323	14,313	15,076	16,239	16,353	16,380	16,518
Total program attendance	4,587	4,934	5,188	6,611	6,820	11,400	12,963	13,557	12,061	16,088

Source:

Annual Town Reports
Various Town Departments

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