

**Town of Concord, Massachusetts
Municipal Light Plant**

**Financial Statements
and Supplementary Information**

**For the Years Ended
December 31, 2011 and 2010**

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REPORT OF INDEPENDENT AUDITORS

To The Municipal Light Board
Town of Concord, Municipal Light Plant
Concord, Massachusetts

We have audited the accompanying balance sheets of the **Town of Concord - Municipal Light Plant** (an enterprise fund of the Town of Concord, Massachusetts) as of December 31, 2011 and 2010, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the **Town of Concord - Municipal Light Plant's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed by the Massachusetts Department of Public Utilities, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Town of Concord - Municipal Light Plant** as of December 31, 2011 and 2010, and the changes in financial positions and its cash flows thereof for the years then ended, on the basis of accounting described in Note 1.

The management's discussion and analysis on pages 2 through 5 and the required supplementary information on pages 21 and 22 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 sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary data included in the schedules of utility plant in service, operating revenues and electric operation and maintenance expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information (except for kilowatt information, which was compiled without audit or review from information that is the representation of management, on which we do not express an opinion or any other form of assurance) has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Light Board, the management of the **Town of Concord - Municipal Light Plant**, and the Massachusetts Department of Public Utilities and should not be used for any other purpose.

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**TOWN OF CONCORD, MASSACHUSETTS
MUNICIPAL LIGHT PLANT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Within this section of the Town of Concord, Massachusetts, Municipal Light Plant annual financial report, management provides narrative discussion and analysis of the financial activities of the Municipal Light Plant for the year ended December 31, 2011. The Light Plant's performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements:

The basic financial statements include (1) the balance sheets (2) the statements of revenues, expenses and changes in net assets (3) the cash flow statements and (4) notes accompanying the financial statements.

The Balance Sheets are designed to indicate the Light Plant's financial position as of a specific point in time. At December 31, 2011, it shows the Light Plant's net assets have increased \$1,435,346, or 3.6% compared to the year ended December 31, 2010. This increase is due to the net income of \$1,806,776 being increased by a gain on retirement of plant of \$8,570 and offset by a payment in lieu of taxes (PILOT) of \$380,000.

The Statements of Revenues, Expenses and Changes in Net Assets summarize the Light Plant's operating results for the years ended December 31, 2011 and 2010. As discussed in more detail below, the Light Plant's net income for 2011 and 2010, was \$1,806,776 and \$1,441,935, respectively.

The Statements of Cash Flows provide information about the cash receipts and cash payments during the accounting period. They also provide information about the investing and financing activities for the same period. A review of the Light Plant's Statements of Cash Flows indicates that the cash receipts from operating activities, (that is, electricity sales and related services) was sufficient to cover in 2011 the operating expenses, but not the non-capital outlays, capital outlays, and debt service.

Summary of Net Assets

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Current Assets	\$ 20,688,060	\$ 22,402,214	\$ 24,471,802
Noncurrent Assets	38,642,921	38,371,263	34,201,511
Total Assets	<u>\$ 59,330,981</u>	<u>\$ 60,773,477</u>	<u>\$ 58,673,313</u>
Current Liabilities	\$ 4,510,418	\$ 9,122,781	\$ 3,747,282
Noncurrent Liabilities	13,101,532	11,367,011	15,480,122
Total Liabilities	<u>17,611,950</u>	<u>20,489,792</u>	<u>19,227,404</u>
Invested in Capital Assets, Net of Related Debt	30,965,783	27,927,833	30,400,038
Restricted for Depreciation	951,780	935,901	367,603
Unrestricted	9,801,468	11,419,951	8,678,268
Total Net Assets	<u>41,719,031</u>	<u>40,283,685</u>	<u>39,445,909</u>
Total Liabilities and Net Assets	<u>\$ 59,330,981</u>	<u>\$ 60,773,477</u>	<u>\$ 58,673,313</u>

**TOWN OF CONCORD, MASSACHUSETTS
MUNICIPAL LIGHT PLANT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

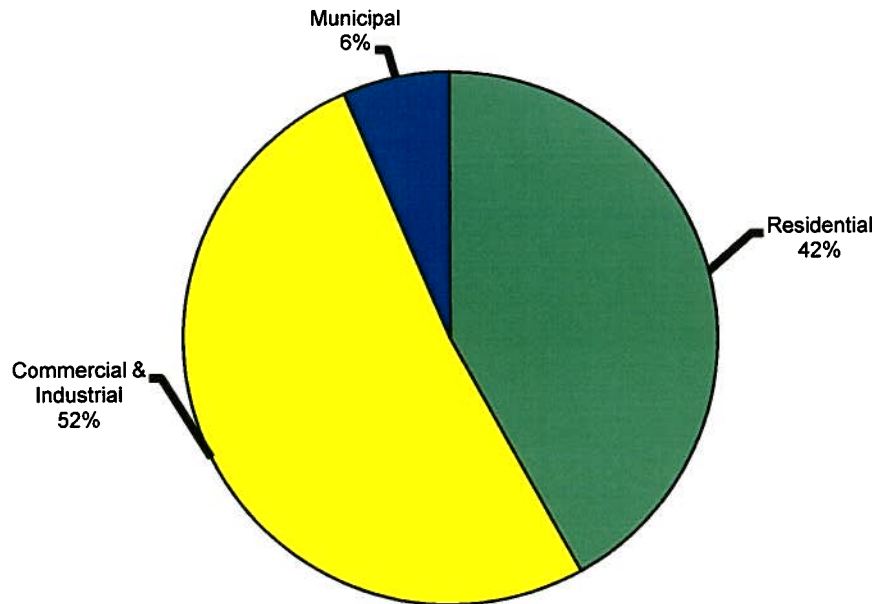
Summary of Changes in Net Assets		
<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 27,703,175	\$ 28,048,826	\$ 19,590,144
<u>25,793,559</u>	<u>26,577,575</u>	<u>18,302,577</u>
1,909,616	1,471,251	1,287,567
<u>(102,840)</u>	<u>(29,316)</u>	<u>125,483</u>
1,806,776	1,441,935	1,413,050
<u>(371,430)</u>	<u>(604,159)</u>	<u>(781,930)</u>
<u><u>\$ 1,435,346</u></u>	<u><u>\$ 837,776</u></u>	<u><u>\$ 631,120</u></u>

Financial Highlights:

Operating revenues for 2011 decreased by \$345,651 or 1.2% from 2010. This decrease was due to a 2.3% decrease in KWH sold from 2010 and offset partially by a rate increase in January 2011.

Total Operating expenses for 2011 decreased by \$784,016 or 2.9% from 2010. A decrease in power supply costs was 105.5% of this decrease.

Source of 2011 Operating Revenues



**TOWN OF CONCORD, MASSACHUSETTS
MUNICIPAL LIGHT PLANT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Utility Plant and Debt Administration:

Utility Plant

There was a decrease in net utility plant in service of \$186,720 for 2011. This decrease is the difference between the current year additions of \$1,337,588 and (1) the net retirements of plant and equipment of \$78,952 and (2) the annual depreciation (3% of depreciable gross plant) expense of \$1,445,356. During 2011, additions to gross plant consisted of improvements and upgrades to the transmission and distribution systems for \$1,062,532. Purchases of transportation equipment accounted for another \$230,471.

Debt Administration

The Light Plant owes a collective debt under four separate municipal bond issues of \$5.38 million dollars.

Bond debt increased \$3,470,000 from the 2010 balance, due to \$530,000 bond reduction payments made during 2011 and a \$4,000,000 bond issuance to retire the 2009 bond anticipation note (BAN) issued on May 27, 2010. The BAN was issued pursuant to Article 20 of the 2009 annual town meeting for the Light Plant's Smart Grid Project.

Significant Balances and Transactions:

Depreciation Fund

The Light Plant maintains this fund to pay for capital investments and improvements. These capital items are paid from the operating fund, which is then replenished by funds transferred from the depreciation fund. The depreciation fund is required by state statute, and the Light Plant is required to set aside no less than 3% of its gross depreciable plant annually to be used for capital expenditures. This fund also receives interest income on its balance.

Underground Fund

Concord town meeting passed bylaws in the late 1960's for the purpose of placing existing overhead and future lines underground. This fund was established to hold funds for the purpose of carrying out the will of the town meeting vote in regards to replacing existing overhead lines with underground facilities. It has been funded from dividends, purchase power refunds, interest on fund balances, current operations and since June 1, 1999, a surcharge on all electric bills.

Rate Stabilization Fund

The rate stabilization fund was created to mitigate expected higher power costs when the Constellation Power Source contract ended in 2009. The rate stabilization fund balance at December 31, 2011 was \$3,313,862.

Commitments and Contingencies

In 2007, the Light Plant entered into a power contract to purchase monthly blocks of fixed energy prices from October 1, 2009 through December 31, 2012. Future commitments under this contract are 73,945 MWH at \$5,978,450. In 2008, the Light Plant entered into power contracts to purchase monthly blocks of fixed energy prices from October 1, 2009 through December 31, 2012. Future commitments under this contract are 73,948 MWH at \$6,973,333.

In 2008, the Light Plant entered into two power contracts to purchase monthly installed capacity. One was to purchase 8,100 KW monthly at a fixed price of \$5.85 per KW from June 1, 2010 through May 31, 2015. Future commitments under this contract are 332,100 KW at \$1,942,785. The second is to purchase 10,000 KW monthly at fixed prices ranging from \$3.60 to \$5.47 per KW from June 1, 2011 through May 31, 2017. Future commitments under this contract are \$3,084,000 for 650,000 KW of monthly installed capacity.

In 2010, the Light Plant entered into two power contracts to purchase monthly installed capacity. One was to purchase 1 MW monthly at a fixed price of \$65.00 per MWH from May 1, 2010 through April 30, 2013. Future commitments under this contract are 11,640 MWH at \$756,600. The second was to purchase 5 MW monthly at a fixed price of \$53.45 per MWH from January 1, 2013 through December 31, 2015 at a total cost of \$7,023,330 for 131,400 MWH.

**TOWN OF CONCORD, MASSACHUSETTS
MUNICIPAL LIGHT PLANT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Commitments and Contingencies (Continued)

In 2011, the Light Plant entered into various power contracts to purchase 1 to 5 MW of monthly installed capacity at fixed prices ranging from \$56.45 to \$61.60 per MWH from January 1, 2013 through December 31, 2015 at a total cost of \$3,222,848 for 55,128 MWH.

In 2008, the Light Plant entered into a power contract to purchase an 8.75% entitlement in a power plant to begin on the commercial online date of July 1, 2009 and to continue for twenty years from that date. Purchase power expense under this contract was \$1,543,300 and \$2,221,201 in 2011 and 2010, respectively.

In 2009, the Light Plant entered into a hydro power contract to purchase 5.975% of power generated at a price of \$63.50 per MWH starting March 1, 2010 through February 28, 2013. In 2010, this contract was extended to purchase 5.975% of power generated at a price of \$57.35 per MWH starting March 1, 2013 through May 31, 2016. It is estimated that approximately 6,000 MWH of power will be purchased annually. Purchase power expense under this contract was \$388,165 and \$294,063 in 2011 and 2010, respectively.

In 2010, the Light Plant entered into a wind power contract to purchase 9.257% of the energy, capacity and environmental attributes of the project starting on a scheduled date of January 1, 2012 and continuing for 15 years from that date. The contract energy price is \$99.25 per MWH which will be offset by the Light Plant's share of the environmental attributes. An estimated 6,000 MWH of power will be purchased annually.

**Town of Concord, Massachusetts
Municipal Light Plant**

**Balance Sheets
December 31, 2011 and 2010**

<i>Assets</i>	<u>2011</u>	<u>2010</u>
Utility plant		
Utility plant in service, at cost	\$ 49,863,662	\$ 48,862,399
Accumulated depreciation	(20,511,347)	(19,323,364)
Net utility plant in service	<u>29,352,315</u>	<u>29,539,035</u>
Construction in progress	<u>6,993,468</u>	<u>4,298,798</u>
Net utility plant	<u>36,345,783</u>	<u>33,837,833</u>
Investments		
Investment in associated companies	<u>169,895</u>	<u>173,451</u>
Restricted deposits with town treasurer		
Depreciation fund	951,780	935,901
Smart grid fund	753,959	2,572,760
Underground fund	217,622	628,456
Worker's compensation insurance fund	<u>168,216</u>	<u>162,266</u>
Total restricted deposits	<u>2,091,577</u>	<u>4,299,383</u>
Current assets		
Deposits with town treasurer		
Unrestricted	6,963,003	6,426,741
Special deposits	5,605,132	7,871,715
Other receivables	9,030	13,692
Prepaid expenses	3,217,616	3,321,021
Customer accounts receivable		
Billed, net of reserve for uncollectible		
accounts of \$30,000 in 2011 and 2010	2,123,573	2,107,669
Unbilled	1,812,039	1,765,101
Receivable from Town of Concord	94,117	103,142
Materials and supplies, at average cost	<u>863,550</u>	<u>793,133</u>
Total current assets	<u>20,688,060</u>	<u>22,402,214</u>
Other assets		
Unamortized debt expense	-	2,722
Deferred costs	<u>35,666</u>	<u>57,874</u>
Total other assets	<u>35,666</u>	<u>60,596</u>
Total assets	<u>\$ 59,330,981</u>	<u>\$ 60,773,477</u>

The accompanying notes are an integral part of these financial statements

**Town of Concord, Massachusetts
Municipal Light Plant**

**Balance Sheets (Continued)
December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<i>Liabilities and Net Assets</i>		
Net assets		
Invested in capital assets, net of related debt	\$ 30,965,783	\$ 27,927,833
Restricted for depreciation	951,780	935,901
Unrestricted	<u>9,801,468</u>	<u>11,419,951</u>
Total net assets	<u>41,719,031</u>	<u>40,283,685</u>
Current liabilities		
Current installments of long-term debt	765,000	530,000
Bond anticipation notes	-	4,000,000
Accounts payable	3,103,346	3,912,180
Customer deposits	332,252	387,123
Accrued expenses	182,022	166,553
Accrued compensated absences	<u>127,798</u>	<u>126,925</u>
Total current liabilities	<u>4,510,418</u>	<u>9,122,781</u>
Noncurrent liabilities		
Bonds payable, excluding current portion	4,615,000	1,380,000
Unamortized bond premium	110,860	-
Provision for rate stabilization	7,708,764	9,528,361
Provision for injuries and damages	168,216	162,266
Net OPEB obligation	207,473	194,397
Provision for CARES	201,950	-
Customer advances for construction	<u>89,269</u>	<u>101,987</u>
Total noncurrent liabilities	<u>13,101,532</u>	<u>11,367,011</u>
Total liabilities	<u>17,611,950</u>	<u>20,489,792</u>
Total liabilities and net assets	<u>\$ 59,330,981</u>	<u>\$ 60,773,477</u>

The accompanying notes are an integral part of these financial statements

**Town of Concord, Massachusetts
Municipal Light Plant**

**Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Operating revenues	\$ 27,703,175	\$ 28,048,826
Operating expenses		
Power supply expense	20,295,422	21,122,673
Transmission	103,565	95,227
Distribution	599,194	652,891
Customer accounts	476,783	411,057
Administrative and general	2,873,239	2,870,706
Depreciation	<u>1,445,356</u>	<u>1,425,021</u>
Total operating expenses	<u>25,793,559</u>	<u>26,577,575</u>
Operating income	<u>1,909,616</u>	<u>1,471,251</u>
Other income (deductions)		
Interest and dividend income	54,672	82,172
Interest expense	(160,922)	(109,935)
Amortization of debt premium (expense)	<u>3,410</u>	<u>(1,553)</u>
Total other income (deductions)	<u>(102,840)</u>	<u>(29,316)</u>
Net income	<u>\$ 1,806,776</u>	<u>\$ 1,441,935</u>
Net assets, beginning of year	<u>\$ 40,283,685</u>	<u>\$ 39,445,909</u>
Balance transferred from income	<u>1,806,776</u>	<u>1,441,935</u>
Transfers out		
Gain (loss) on retirement of plant	8,570	(224,159)
Payment in lieu of taxes	<u>(380,000)</u>	<u>(380,000)</u>
Total transfers out	<u>(371,430)</u>	<u>(604,159)</u>
Net assets, end of year	<u>\$ 41,719,031</u>	<u>\$ 40,283,685</u>

The accompanying notes are an integral part of these financial statements

**Town of Concord, Massachusetts
Municipal Light Plant**

**Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010**

	2011	2010
Cash flows from operating activities		
Cash received from customers	\$ 26,036,373	\$ 23,959,134
Cash payments to suppliers and employees	(24,949,481)	(23,889,861)
Cash transferred to worker's compensation insurance fund	(5,950)	(3,684)
Cash received from (returned to) customer deposits	(54,871)	33,932
Net cash provided by operating activities	1,026,071	99,521
Cash flows used for non-capital financing activities		
Cash payments to town in lieu of taxes	(380,000)	(380,000)
Cash flows from capital and related financing activities		
Additions to utility plant in service	(1,250,066)	(1,171,592)
Additions to construction in progress	(2,694,670)	(1,465,383)
Additions (reductions) to customer advances for constructions	(12,718)	33,900
Proceeds from issuance of bond anticipation notes	-	4,000,000
Transfer from (to) restricted deposits with town treasurer	2,213,756	(3,183,507)
Principal payments on bonds	(530,000)	(540,000)
Interest expense	(160,922)	(109,935)
Net cash used for capital and related financing activities	(2,434,620)	(2,436,517)
Cash flows from investing activities		
Interest and dividend income	54,672	82,172
Sale of investment shares	3,556	5,178
Net cash provided by investing activities	58,228	87,350
Net decrease in cash	(1,730,321)	(2,629,646)
Deposits with town treasurer, beginning	14,298,456	16,928,102
Deposits with town treasurer, ending	\$ 12,568,135	\$ 14,298,456
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,909,616	\$ 1,471,251
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,445,356	1,425,021
Increase in worker's compensation insurance fund	(5,950)	(3,684)
Increase in accounts receivable	(49,155)	(399,049)
Decrease (increase) in prepaid expenses	103,405	(118,437)
Increase in materials and supplies	(70,417)	(42,572)
Increase (decrease) in deferred costs	22,208	(1,497)
Increase (decrease) in accrued expenses	(786,542)	1,355,251
Increase (decrease) in customer deposits	(54,871)	33,932
Increase in bond premium	116,992	-
Decrease in provision for rate stabilization	(1,819,597)	(3,690,643)
Increase in provision for CARES	201,950	-
Increase in net OPEB obligation	13,076	69,948
Total adjustments	(883,545)	(1,371,730)
Net cash provided by operating activities	\$ 1,026,071	\$ 99,521

Supplemental Cash Flow Information

The following accounts are considered to be cash or cash equivalents for the purpose of the statements of cash flows:

Unrestricted deposits	\$ 6,963,003	\$ 6,426,741
Special deposits	5,605,132	7,871,715
	\$ 12,568,135	\$ 14,298,456

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Light Plant purchases electricity which it distributes to consumers within the Town of Concord.

Regulation and Basis of Presentation

Under Massachusetts law, electric rates of the Light Plant are set by the Municipal Light Board and may be changed once every three months. Rate schedules are filed with the Massachusetts Department of Public Utilities (DPU). While the DPU exercises general supervisory authority over the Light Plant, the Light Plant's rates are not subject to DPU approval.

The Light Plant's policy is to prepare its financial statements in conformity with the accounting practices prescribed by the DPU which require that certain items be charged or credited directly to net assets. Generally accepted accounting principles would require the same items to be charged or credited to operating income. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

The Light Plant is considered an enterprise fund of the Town of Concord, Massachusetts. The operations of the Light Plant are accounted for with a separate set of self-balancing accounts organized on a Proprietary Fund type (Enterprise Fund) basis.

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Concentrations

Industry - The Light Plant operates within the electric utility industry which has undergone significant restructuring and deregulation. Legislation was enacted by the Commonwealth of Massachusetts, effective March 1, 1998, to restructure the electric utility industry. The basic intent of the law is to introduce competition and provide consumers with choices and lower prices while assuring continued reliable service. The ongoing changes in the industry and the resultant financial impact on the Light Plant are not determinable.

Risks and Uncertainties

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Materials and Supplies

Materials and supplies are inventories of parts and accessories purchased for use in the utility business for construction, operation and maintenance purposes, and are stated at average cost.

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

I. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Utility Plant

The provision for depreciation of utility plant was computed in 2011 and 2010 at 3% of the cost of plant in service at the beginning of the year, exclusive of land and land rights. Therefore, no depreciation is taken in the year of plant additions. Massachusetts law stipulates that the Light Plant may change its depreciation rate from the statutory 3% only with the approval of the DPU.

The Light Plant charges maintenance to expense when incurred. Replacements and betterments are charged to utility plant. At the time properties are retired, the cost of property retired less accumulated depreciation, salvage value, and any cash proceeds is charged to unrestricted net assets.

Operating Revenues

Revenues, including revenues from the Town of Concord, are based on rates established by the Light Board and filed with the DPU, which are applied to customers' consumption of electricity.

The Light Plant designs its electric service rates to recover costs of providing power supply services. In order to minimize possible future rate increases, the Plant has elected to establish a rate stabilization reserve. Each year the Plant will determine a rate stabilization amount to be charged or credited to revenues. The stabilization charged (credited) in 2011 and 2010 was \$(1,819,597) and \$(3,690,643), respectively, and are reflected as an increase (decrease) in provision for rate stabilization in the accompanying balance sheets.

Taxes

The Light Plant is exempt from federal and state income taxes as well as local property taxes, but pays amounts in lieu of property taxes to the Town of Concord general fund.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Light Plant considers both unrestricted and special deposits on deposit with the Town Treasurer as cash and cash equivalents.

Compensated Absences

The Light Plant's employment benefit plan, consistent with the Town's policy, provides that employees are entitled to a minimum of ten days vacation per year up to twenty-five days per year depending on years of service and employment classification. Employees are allowed to accumulate and carry forward to the following year their unused vacation days for the year plus one week.

Postemployment Benefits

In accordance with state statutes and Town policy, postemployment health care and life benefits are provided to all employees who retire from the Town. These benefits are provided through the Town's group plans.

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Postemployment Benefits (Continued)

The employees of the Light Plant are eligible to participate in the Town's deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. Participation in the plan is optional. All amounts of compensation deferred under the plan, all property or rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of participants and their beneficiaries. Participants' rights under the plan are equal to the fair market value of the deferred account for each participant. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Subsequent Events

The Light Plant has evaluated all subsequent events through August 20, 2012, the date the financial statements were available to be issued.

2. Investment in Associated Companies

Hydro-Quebec

Under agreements with the New England Hydro-Transmission Electric Company, Inc. (NEH) and the New England Hydro-Transmission Corporation (NHH), the Light Plant has funded its equity requirements for the Hydro-Quebec phase II interconnection. The Light Plant's ownership interest is less than one quarter of one percent in both projects. The balances, reflected at cost, were \$19,895 and \$23,451, as of December 31, 2011 and 2010, respectively.

Energy New England

The Light Plant purchased a five percent interest in Energy New England, LLC for \$150,000 in 2007. Energy New England is an energy and energy services cooperative established to assist publicly owned entities to ensure their continued viability in the deregulated wholesale electric utility markets and to strengthen their competitive position in the retail energy market for the benefit of the municipal entities. Energy New England functions as an autonomous, entrepreneurial business unit that is free from many of the constraints imposed on traditional municipal utility operations. The balance, reflected at cost, was \$150,000 as of December 31, 2011 and 2010.

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

3. Long-term Debt

	2011	2010
A summary of the long-term debt follows:		
\$6,000,000, 4.7% electric bonds, issued July 15, 1994, with annual payments of principal and interest through July 15, 2013.	\$ 600,000	\$ 900,000
\$600,000, 2.7% electric bonds, issued February 15, 2003, with annual payments of principal and interest through February 15, 2011.	-	65,000
\$500,000, 3.7% electric bonds, issued March 1, 2006, with annual payments of principal and interest through March 1, 2015.	220,000	275,000
\$1,000,000, 4.2% electric bonds, issued March 1, 2007, with annual payments of principal and interest through March 1, 2017.	560,000	670,000
\$4,000,000, 2.52% electric bonds, issued May 17, 2011, with annual payments of principal and interest through May 15, 2026.	4,000,000	-
 Total long-term debt	 5,380,000	 1,910,000
Less current installments of long-term debt	765,000	530,000
Long-term debt, excluding current installments	\$ 4,615,000	\$ 1,380,000

Long-term debt activity for the year ended December 31, 2011 was as follows:

Balance of long-term debt at January 1, 2011	\$ 1,910,000
Bonds issued	4,000,000
Payments	(530,000)
Balance of long-term debt at December 31, 2011	\$ 5,380,000

The future payments on the long-term debt are as follows:

	Principal	Interest	Total
2012	\$ 765,000	\$ 172,930	\$ 937,930
2013	760,000	142,636	902,636
2014	460,000	113,984	573,984
2015	460,000	101,797	561,797
2016	405,000	88,575	493,575
2017-2021	1,530,000	278,850	1,808,850
2022-2026	1,000,000	83,375	1,083,375
	\$ 5,380,000	\$ 982,147	\$ 6,362,147

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

4. Bond Anticipation Notes

The Light Plant issued \$4,000,000 of bond anticipation note (BAN) on May 27, 2010 for a premium of \$35,121. The BANs have a coupon rate of 1.5% and matured May 26, 2011. The BANs were issued pursuant to Article 20 of the 2009 annual town meeting for the Light Plant's Smart Grid Project. On May 17, 2011, the BAN was retired with the issuance of long-term serial bonds of \$4,000,000.

5. Deposits with Town Treasurer

The Light Plant is required to establish cash funds to be used for purposes established by either town meeting vote or state statute. The funds subject to restrictions are as follows:

Depreciation Fund

An amount equivalent to annual depreciation expense is transferred from operating fund cash to the Depreciation Fund. Certain additions to utility plant were paid from this fund. Interest earned by this fund has been applied to increase the fund balance.

Smart Grid Fund

The Light Plant has funded this account, as approved in Article 20 of the 2009 annual town meeting, by issuing bond anticipation notes that were retired by long-term serial bonds May 17, 2011. The funds are to be used for the purposes of designing, purchasing and installing a Smart Grid system.

Underground Fund

The Light Plant funds this account, for the purpose of placing existing lines underground, from dividends, purchase power refunds, current operations and effective June 1, 1999, a 2% (1.5% as of May 1, 2008) charge on all electric bills. Interest earned by this fund has been applied to increase the fund balance.

Worker's Compensation Insurance Fund

The Light Plant transfers annual amounts to this fund equal to 1.4% to .09% of certain payroll costs. These transfers amounted to \$16,476 and \$15,460 in 2011 and 2010, respectively. Claims and premiums of \$10,526 and \$11,776 were paid from the Fund in 2011 and 2010, respectively.

6. Special Deposits

Special deposits represent cash funds held by the Light Plant for specific purposes. A summary of these funds follows:

	2011	2010
Customer advances for construction	\$ 89,863	\$ 101,987
Customer deposits	332,252	387,123
Funds held to retire long-term debt	537,205	401,875
Emergency reserve fund	1,130,000	1,130,000
Rate stabilization	3,313,862	5,661,331
Cares Fund	201,950	189,399
Total Deposits	<u>\$ 5,605,132</u>	<u>\$ 7,871,715</u>

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

7. Deferred Costs

Deferred costs consist of cost of investigating future power supply contracts or projects. The costs will be amortized over the life of an applicable contract or capitalized as a cost of a project. When it is decided not to pursue a contract or project, the associated costs will be expensed.

8. Related Party Transactions

The Light Plant sells electricity to various Town departments. Sales to these departments totaled \$1,586,585 and \$1,479,749 for 2011 and 2010, respectively.

The Light Plant reimburses the Town for various employee benefits, including health insurance and retirement. Reimbursements for these benefits totaled \$686,645 and \$714,850 in 2011 and 2010, respectively.

In addition, the Light Plant paid the Town \$380,000 for payments in lieu of taxes in 2011 and 2010.

9. Commitments and Contingencies

Power Sales Agreements

The Light Plant has commitments under contracts for the purchase of electricity from various suppliers. These wholesale contracts are generally for fixed periods and require payment of demand and energy charges. The total costs under these contracts are included in power supply expense in the statements of revenues, expenses and changes in net assets and are normally recoverable in revenues under cost recovery mechanisms mandated by the Commonwealth of Massachusetts.

In addition, the Light Plant is required to pay its share of the annual operation, maintenance and tax (OM&T) expenses as provided for under the terms of an Interconnection Agreement with Nstar. The Light Plant's total OM&T charges were \$88,420 and \$66,756 for the years ended December 31, 2011 and 2010, respectively.

In 2007, the Light Plant entered into a power contract to purchase monthly blocks of on-peak and off-peak energy at fixed energy prices from October 1, 2009 through December 31, 2012. Future commitments under this contract are as follows:

	<u>MWH</u>	<u>Amount</u>
2012	<u>73,945</u>	<u>\$ 5,978,450</u>
	<u>73,945</u>	<u>\$ 5,978,450</u>

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

9. Commitments and Contingencies (Continued)

Power Sales Agreements (Continued)

In 2008, the Light Plant entered into power contracts to purchase monthly blocks of on-peak and off-peak energy at fixed energy prices from October 1, 2009 through December 31, 2012. Future commitments under these contracts are as follows:

	<u>MWH</u>	<u>Amount</u>
2012	73,948	\$ 6,973,333
	<u>73,948</u>	<u>\$ 6,973,333</u>

Purchased power expense under these contracts was \$12,128,349 and \$11,745,197 in 2011 and 2010, respectively.

In 2008, the Light Plant entered into a power contract to purchase 8,100 KW of monthly installed capacity at a fixed price of \$5.85 per KW from June 1, 2010 through May 31, 2015. Future commitments under this contract are as follows:

	<u>KW</u>	<u>Amount</u>
2012	97,200	\$ 568,620
2013	97,200	568,620
2014	97,200	568,620
2015	40,500	236,925
	<u>332,100</u>	<u>\$ 1,942,785</u>

Purchased power expense under this contract was \$568,620 and \$331,695 in 2011 and 2010, respectively.

In 2008, the Light Plant entered into a power contract to purchase 10,000 KW of monthly installed capacity at fixed prices ranging from \$3.60 to \$5.47 per KW from June 1, 2011 through May 31, 2017. Future commitments under this contract are as follows:

	<u>KW</u>	<u>Amount</u>
2012	120,000	\$ 477,500
2013	120,000	529,600
2014	120,000	563,900
2015	120,000	600,100
2016	120,000	639,400
2017	50,000	273,500
	<u>650,000</u>	<u>\$ 3,084,000</u>

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

9. Commitments and Contingencies (Continued)

Power Sales Agreements (Continued)

In 2010, the Light Plant entered into a power contract to purchase 1 MW of monthly installed capacity at a fixed price of \$65.00 per MWH from May 1, 2010 through April 30, 2013. Future commitments under this contract are as follows:

	<u>MWH</u>	<u>Amount</u>
2012	8,760	\$ 569,400
2013	2,880	187,200
	<u>11,640</u>	<u>\$ 756,600</u>

In 2010, the Light Plant entered into a power contract to purchase 5 MW of monthly installed capacity at a fixed price of \$53.45 per MWH from January 1, 2013 through December 31, 2015. Future commitments under this contract are as follows:

	<u>MWH</u>	<u>Amount</u>
2013	43,800	\$ 2,341,110
2014	43,800	2,341,110
2015	43,800	2,341,110
	<u>131,400</u>	<u>\$ 7,023,330</u>

In 2011, the Light Plant entered into various power contracts to purchase 1 to 5 MW of monthly installed capacity at fixed prices ranging from \$56.45 to \$61.60 per MWH from January 1, 2013 through December 31, 2015. Future commitments under these contracts are as follows:

	<u>MWH</u>	<u>Amount</u>
2013	27,384	\$ 1,545,826
2014	14,888	885,092
2015	12,856	791,930
	<u>55,128</u>	<u>\$ 3,222,848</u>

In 2008, the Light Plant entered into a power contract with Braintree Electric Light Department to purchase an 8.75% entitlement in the Thomas A. Watson Power Plant to begin on the commercial online date of July 1, 2009 and to continue for twenty years from that date. Purchased power expense under this contract was \$1,543,300 and \$2,221,201 in 2011 and 2010, respectively.

In 2009, the Light Plant entered into a power contract with Miller Hydro Group, Inc. to purchase 5.975% of power generated at a price of \$63.50 per MWH starting March 1, 2010 through February 28, 2013. In 2010, the Light Plant extended the contract to purchase 5.975% of power generated at a price of \$57.35 per MWH starting March 1, 2013 through May 31, 2016. It is estimated that approximately 6,000 MWH of power will be purchased annually. Purchased power expense under this contract was \$388,165 and \$294,063 in 2011 and 2010, respectively.

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

9. Commitments and Contingencies (Continued)

Power Sales Agreements (Continued)

In 2010, the Light Plant entered into a power contract with Spruce Mountain Wind, LLC to purchase 9.257% of the energy, capacity and environmental attributes of the project starting on the Commercial Operation Date (scheduled for January 1, 2012) and continuing for 15 years from that date. The contract energy price is \$99.25 per MWH which will be offset by the Light Plant's share of the environmental attributes. It is estimated that approximately 6,000 MWH of power will be purchased annually.

Contingencies

The Light Plant is involved in various legal matters incident to its business, none of which is believed by management to be significant to the financial condition or the results of operations of the Light Plant.

10. Pension Plan

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

Plan Description

The Light Plant contributes to the Town of Concord Contributory Retirement System (the System), a cost-sharing, multiple-employer, defined benefit pension plan administered by a Town Retirement Board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the Massachusetts General Laws assigns the System the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the Town of Concord Contributory Retirement System at Town House, Concord, MA.

Funding Policy

Plan members are required to contribute to the System at rates ranging from 5% to 9% of annual covered compensation. The Light Plant is required to pay into the System, its share of the remaining system wide actuarially determined contribution plus administration costs which are apportioned among the employers based on active covered payroll. The contributions of plan members and the Light Plant are governed by Chapter 32 of the Massachusetts General Laws. The Light Plant's contributions to the System for the years ended December 31, 2011, 2010 and 2009 were \$314,394, \$256,337 and \$248,130, respectively, which were equal to its annual required contribution.

11. Other Post-Employment Benefits

In addition to providing pension benefits, the Light Plant provides the majority of retired employees with payments for their health care and life insurance costs. Benefits paid by the Light Plant are on a pay-as-you-go basis. The detail allocation of benefits paid for retired employees for the years ended December 31, 2011, is not available.

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

11. Other Post-Employment Benefits (Continued)

Plan Description

The Light Plant participates in an agent multi-employer defined benefit healthcare plan administered by the Town of Concord. The Light Plant provides post-employment health care benefits to retirees that meet certain requirements. Retirees of the Light Plant under age 65 are eligible for the same health benefits as active employees, while retirees over the age of 65 are eligible for Medicare. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. The plan does not issue a publicly available financial report.

At January 1, 2009, the date of the most recent actuarial valuation, the Light Plant's membership consisted of the following:

Current retirees and beneficiaries	14
Current active members	30
Total	44

Funding Policy

The contribution requirements of the plan members and the Light Plant are established and may be amended through collective bargaining. The cost of the benefits provided to retirees are borne 50% by the Light Plant, and 50% by the retiree.

Annual OPEB Costs and NET OPEB Obligation

The Light Plant's annual other post-employment benefit (OPEB) costs (expenses) is calculated on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Plant's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Plant's net OPEB obligation are summarized as follows:

Normal cost	\$ 113,673
Amortization of unfunded actuarial accrued liability	117,153
ARC	230,826
Interest on NOO	551
Annual OPEB cost/expense	231,377
Contributions made	(218,301)
Increase/(decrease) in net OPEB obligation	13,076
Net OPEB obligation - beginning of year	194,397
Net OPEB obligation - end of year	\$ 207,473

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Notes to Financial Statements
For the Years Ended December 31, 2011 and 2010**

11. Other Post-Employment Benefits (Continued)

The Light Plant's historical annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year is as follows:

Year Ended	ARC	Interest on NOO	Annual OPEB Cost	Contribution	NOO	Percentage of Annual OPEB Cost Contributed
12/31/2009	\$ 217,384	NA	\$ 217,384	\$ (92,935)	\$ 124,449	43%
12/31/2010	\$ 230,826	\$ 551	\$ 231,377	\$ (161,429)	\$ 194,397	70%
12/31/2011	\$ 230,826	\$ 551	\$ 231,377	\$ (218,301)	\$ 207,473	94%

Funding Status and Funding Progress

As of January 1, 2009, the Plan was unfunded. The most recent actuarial valuation on January 1, 2009, projected an actuarial accrued liability for the Light Plant of \$2,932,973. There are no assets in the Plan, and the unfunded actuarial accrued liability (UAAL) is projected at \$2,932,973. The covered payroll of the Light Plant (annual payroll of active employees covered by the plan) was \$2,041,593, and the ratio of the UAAL to the covered payroll was 143.7%.

Actual valuations of an ongoing plan involve estimates of the value of reported amounts and 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 schedules of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer 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 employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, actuarial liabilities were determined using the projected unit cost method. The actuarial methods and assumptions included a 4.25% investment rate of return and annual health care cost rate trends ranging from 10% to 5%. The UAAL is being amortized as a level percentage of pay assuming a 3.5% increasing, closed basis. The remaining amortization period at January 1, 2009 was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Other Post-Employment Benefit Plan
Required Supplementary Information
For the Years Ended December 31, 2011 and 2010**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Payroll
1/1/2009	\$ -	\$ 2,932,973	\$ 2,932,973	0.00%	\$ 2,041,593	143.7%

Schedule of Actuarial Methods and Assumptions

Valuation date	1/1/2009
Actuarial cost method	Projected unit credit
Amortization method	Level dollar amount
Remaining amortization period	30 years as of January 1, 2009
Actuarial assumptions:	
Investment rate of return	4.25%
Projected salary increases	3.50%
Medical/drug cost trend rate	Ranging from 10% to 5%
Plan membership:	
Current retirees and beneficiaries	14
Current active members	30
Total	44

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Other Post-Employment Benefit Plan
Notes to Required Supplementary Information
For the Years Ended December 31, 2011 and 2010**

Note A.

The Light Plant participates in an agent multi-employer defined benefit healthcare plan, administered by the Town of Concord, which provides lifetime health care and life insurance benefits for eligible retirees and their spouses through the town's health and life insurance plans, which covers both active and retired members.

The Light Plant currently finances its other post-employment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 0%. In accordance with Governmental Accounting Standards, the Light Plant has recorded its OPEB cost equal to the actuarially determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarially accrued liability for benefits with the actuarial value of accumulated plan assets. Since 2009 was the Light Plant's initial year of implementation of GASB Statement 45, information for prior years is not available.

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

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

Town of Concord, Massachusetts Concord Municipal Light Plant

Schedule of Utility Plant in Service December 31, 2011

	Cost 1/1/2011	Cost Property Added 2011	Cost Property Disposed of 2011	Cost 12/31/2011	Accrued Depreciation 1/1/2011	Depreciation 2011	Reversed Depreciation 2011	Accrued Depreciation 12/31/2011	Net Utility Plant 12/31/2011
Utility plant in service									
Transmission plant									
Land and land rights	\$ 497,589	-	-	\$ 497,589	\$ -	\$ -	\$ -	\$ -	\$ 497,589
Structures and improvements	2,178,583	-	-	2,178,583	992,694	65,357	-	1,058,051	1,120,532
Station equipment	2,995,339	-	-	2,995,339	1,775,690	89,860	-	1,865,550	1,129,789
Underground conduit	3,251,785	-	-	3,251,785	1,472,554	65,036	-	1,537,590	1,714,195
Underground conductors and devices	2,488,175	-	-	2,488,175	1,294,170	74,646	-	1,368,816	1,119,359
Total transmission plant	11,411,471			11,411,471	5,535,108	294,899		5,830,007	5,581,464
Distribution plant									
Land and land rights	186,275	-	-	186,275	-	-	-	-	186,275
Structures and improvements	684,190	-	-	684,190	301,648	20,526	-	322,174	362,016
Station equipment	792,002	1,660	-	793,662	255,401	23,760	-	279,161	514,501
Poles, towers, and structures	1,175,660	20,195	14,363	1,181,492	780,321	35,270	7,445	808,146	373,346
Overhead conductors and devices	2,636,890	76,769	67,900	2,645,759	1,273,359	79,107	37,577	1,314,889	1,330,870
Underground conduits	8,558,626	54,674	7,801	8,605,499	2,014,399	171,172	2,589	2,182,982	6,422,517
Underground conductors and devices	5,961,296	397,332	8,563	6,350,065	1,911,639	178,839	2,783	2,087,695	4,262,370
Line transformers	3,555,664	208,491	53,554	3,710,601	2,234,359	106,670	41,716	2,299,313	1,411,288
Services	750,938	49,939	8,966	791,911	152,381	22,528	4,090	170,819	621,092
Service conversions	416,103	21,422	-	437,525	127,763	12,483	-	140,246	297,279
Meters	898,799	64,406	11,598	951,607	115,996	44,940	4,407	156,529	795,078
Installation on customer premises	62,103	4,301	425	65,979	18,974	1,863	212	20,625	45,354
Street lighting and signal systems	778,456	163,343	9,955	931,844	159,006	38,923	4,181	193,748	738,096
Total distribution plant	26,457,002	1,062,532	183,125	27,336,409	9,345,246	736,081	105,000	9,976,327	17,360,082
General plant									
Office furniture and equipment	217,814	-	-	217,814	108,646	11,055	-	119,701	98,113
Computer equipment	536,363	39,253	1,390	574,226	431,684	32,360	1,057	462,987	111,239
Structures and improvements	4,867,550	-	-	4,867,550	1,177,671	146,027	-	1,323,698	3,543,852
Transportation equipment	1,559,145	230,471	149,982	1,639,634	1,250,084	85,753	149,982	1,185,855	453,779
Stores equipment	89,881	-	-	89,881	59,057	2,247	-	61,304	28,577
Tools, shop, and garage equipment	46,986	4,129	-	51,115	43,706	1,410	-	45,116	5,999
Laboratory equipment	133,588	1,163	1,828	132,923	46,934	12,023	1,334	57,623	75,300
Communication equipment	167,447	-	-	167,447	56,515	8,300	-	64,815	102,632
Power operated equipment	38,868	-	-	38,868	35,529	68	-	35,597	3,271
Load management equipment	240,888	-	-	240,888	167,510	16,862	-	184,372	56,516
Fiber optics equipment	1,004,085	-	-	1,004,085	405,960	77,113	-	483,073	521,012
Miscellaneous equipment	4,910	40	-	4,950	2,511	294	-	2,805	2,145
Total general plant	8,907,525	275,056	153,200	9,029,381	3,783,807	393,512	152,373	4,026,946	5,002,435
Intangible plant									
	2,086,401	-	-	2,086,401	657,203	20,864	-	678,067	1,408,334
Total utility plant in service	\$ 48,862,399	\$ 1,337,588	\$ 336,325	\$ 49,863,662	\$ 19,323,364	\$ 1,445,356	\$ 257,373	\$ 20,511,347	\$ 29,352,315

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Schedules of Operating Revenues
For the Years Ended December 31, 2011 and 2010**

	Operating Revenues		Kilowatt Hours Sold		Per Kilowatt Hour (cents)	
	2011	2010	2011	2010	2011	2010
Sales of electricity						
Residential sales	\$ 10,622,833	\$ 9,861,192	71,866,079	72,428,283	14.78	13.62
Commercial and industrial sales:						
Small	5,705,162	5,281,737	35,339,200	35,430,065	16.14	14.91
Large	7,368,530	7,011,401	60,290,416	62,890,563	12.22	11.15
Municipal sales	53,437	49,461	347,597	467,146	15.37	10.59
Street lighting						
Lighting and water heating for municipal buildings and schools	1,586,585	1,479,749	11,148,165	11,375,674	14.23	13.01
Miscellaneous sales	12,017	9,907	-	-		
Electric operating revenues billed	<u>25,348,564</u>	<u>23,693,447</u>	<u>178,991,457</u>	<u>182,591,731</u>		
Net change in unbilled revenues	46,937	105,669				
Provision for CARES	(201,950)	-				
Provision for rate stabilization	1,819,597	3,690,643				
Electric operating revenues	<u>27,013,148</u>	<u>27,489,759</u>				
Other operating revenues						
Underground surcharge	380,111	355,285				
CARES surcharge	131,772	123,180				
Income from merchandise and jobbing	146,065	51,283				
Other miscellaneous operating revenues	32,079	29,319				
Other operating revenues	<u>690,027</u>	<u>559,067</u>				
Operating revenues	<u>\$ 27,703,175</u>	<u>\$ 28,048,826</u>	<u>184,557,567</u>	<u>190,427,974</u>		
Total kilowatt hours purchased			178,991,457	182,591,731		
Total kilowatt hours sold (above)			(591,067)	(13,781)		
Kilowatt hours associated with change in unbilled revenues, estimated			697,005	661,677		
Kilowatt hours used in garage and substations			179,097,395	183,239,627		
Kilowatt hours accounted for			<u>5,460,172</u>	<u>7,188,347</u>		
Kilowatt hours unaccounted for						

**Town of Concord, Massachusetts
Concord Municipal Light Plant**

**Schedules of Electric Operation and Maintenance Expenses
For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Power supply expense	\$ 20,295,422	\$ 21,122,673
Transmission and subtransmission expenses		
Maintenance	<u>103,565</u>	<u>95,227</u>
Total transmission and subtransmission expenses	<u>103,565</u>	<u>95,227</u>
Distribution expenses		
Operations	173,655	196,950
Maintenance	<u>425,539</u>	<u>455,941</u>
Total distribution expenses	<u>599,194</u>	<u>652,891</u>
Customer accounts expenses		
Meter-reading labor and expenses	2,801	2,274
Billing, collecting and associated costs	143,959	132,599
Customer information, service and education	312,661	258,008
Uncollectible accounts	12,025	11,461
Customer accounts supervision	<u>5,337</u>	<u>6,715</u>
Total customer accounts expenses	<u>476,783</u>	<u>411,057</u>
Administrative and general expenses		
Operations		
Administrative and general salaries	1,195,027	1,132,179
Office supplies and expense	65,929	97,598
Outside services employed	272,751	289,080
Property insurance	44,962	44,925
Employees' pensions and benefits	1,058,728	1,125,947
Miscellaneous expenses	<u>61,846</u>	<u>33,230</u>
Total operations	<u>2,699,243</u>	<u>2,722,959</u>
Maintenance of general plant	<u>173,996</u>	<u>147,747</u>
Total administrative and general expenses	<u>2,873,239</u>	<u>2,870,706</u>
Total electric operation and maintenance expenses, excluding depreciation	<u>\$ 24,348,203</u>	<u>\$ 25,152,554</u>