

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

**Financial Statements  
and Supplementary Information**

**For the Years Ended  
December 31, 2010 and 2009**

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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, 2010 and 2009, 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, 2010 and 2009, and the results of its operations and its cash flows 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 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made 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, is stated fairly 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.

*Braver PC*

Providence, Rhode Island  
June 28, 2011



**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, 2010. 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, 2010, it shows the Light Plant's net assets have increased \$837,776, or 2.1% compared to the year ended December 31, 2009. This increase is due to the net income of \$1,441,935 being offset by a loss on retirement of net plant of \$224,159 and 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, 2010 and 2009. As discussed in more detail below, the Light Plant's net income for 2010 and 2009, was \$1,441,935 and \$1,413,050, 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 2010 the operating expenses, but not the non-capital outlays, capital outlays, and debt service.

**Summary of Net Assets**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current Assets	\$ 22,402,214	\$ 24,471,802	\$ 21,289,454
Noncurrent Assets	38,371,263	34,201,511	34,524,281
<b>Total Assets</b>	<b><u>\$ 60,773,477</u></b>	<b><u>\$ 58,673,313</u></b>	<b><u>\$ 55,813,735</u></b>
Current Liabilities	\$ 9,122,781	\$ 3,747,282	\$ 3,247,726
Noncurrent Liabilities	11,367,011	15,480,122	13,751,220
<b>Total Liabilities</b>	<b><u>20,489,792</u></b>	<b><u>19,227,404</u></b>	<b><u>16,998,946</u></b>
Invested in Capital Assets, Net of Related Debt	27,927,833	30,400,038	29,712,976
Restricted for Depreciation	935,901	367,603	575,553
Unrestricted	11,419,951	8,678,268	8,526,260
<b>Total Net Assets</b>	<b><u>40,283,685</u></b>	<b><u>39,445,909</u></b>	<b><u>38,814,789</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 60,773,477</u></b>	<b><u>\$ 58,673,313</u></b>	<b><u>\$ 55,813,735</u></b>

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

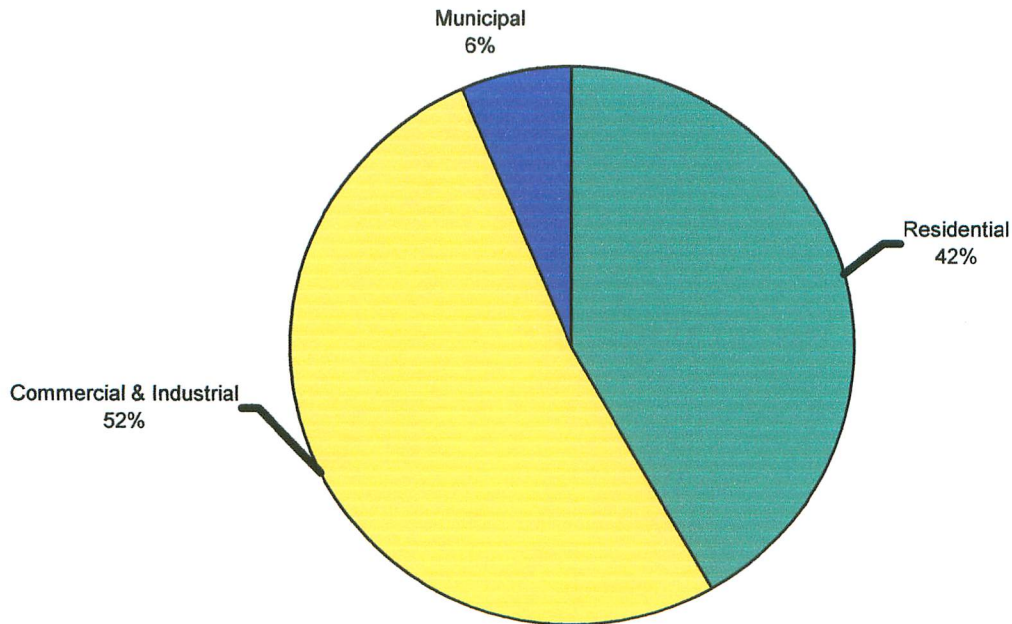
<b>Summary of Changes in Net Assets</b>			
	<b>2010</b>	<b>2009</b>	<b>2008</b>
Operating Revenues	\$ 28,048,826	\$ 19,590,144	\$ 17,032,870
Operating Expenses	26,577,575	18,302,577	15,647,921
Operating Income	1,471,251	1,287,567	1,384,949
Nonoperating Revenues Less: Nonoperating Expenses	(29,316)	125,483	393,613
Increase in Net Assets before Transfers	1,441,935	1,413,050	1,778,562
Transfers Out	(604,159)	(781,930)	(767,177)
<b>Increase in Net Assets</b>	<b>\$ 837,776</b>	<b>\$ 631,120</b>	<b>\$ 1,011,385</b>

**Financial Highlights:**

Operating revenues for 2010 increased by \$8,458,682 or 43% from 2009. This increase was mainly due to billings in connection with 60% higher power supply costs over 2009.

Total Operating expenses for 2010 increased by \$8,274,998 or 45% from 2009. Power supply costs were 96.1% of this increase.

**Source of 2010 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 \$477,588 for 2010. This decrease is the difference between the current year additions of \$1,194,417 and (1) the net retirements of plant and equipment of \$246,979 and (2) the annual depreciation (3% of depreciable gross plant) expense of \$1,425,026. During 2010, additions to gross plant consisted of improvements and upgrades to the transmission and distribution systems for \$1,051,249. Purchases of vehicles and equipment accounted for another \$143,168.

Debt Administration

The Light Plant owes a collective debt under four separate municipal bond issues of \$1.91 million dollars.

Bond debt decreased \$530,000 from the 2009 balance, due to \$530,000 in bond reduction payments made during 2010.

The Light Plant issued \$4,000,000 of bond anticipation notes(BANs) on May 27, 2010. 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 BANs were retired with the issuance of long-term serial bonds.

**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, 2010 was \$5,661,331.

Commitments and Contingencies

On June 1, 2002, the Light Plant entered into a Full Requirements Service contract with Constellation Power Source that ran through September 30, 2009. The contract contained monthly on-peak and off-peak prices for power, which provided rate stability for the largest component of the Light Plant's cost.

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 146,036 MWH at \$11,685,920. 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 146,039 MWH at \$13,394,211.

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 429,300 KW at \$2,511,405. 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 at a total cost of \$3,336,000 for 720,000 KW of installed capacity.

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

Commitments and Contingencies (Continued)

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 20,400 MWH at \$1,326,000. 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.

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 \$61.61 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 \$2,221,201 and \$729,758 in 2010 and 2009 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 \$294,063 in 2010.

In 2010, the Light Plant entered into a wind power contract to purchase 9.275% 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, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<i>Assets</i>		
Utility plant		
Utility plant in service, at cost	\$ 48,862,399	\$ 48,184,556
Accumulated depreciation	(19,323,364)	(18,167,933)
Net utility plant in service	29,539,035	30,016,623
Construction in progress	4,298,798	2,833,415
Net utility plant	33,837,833	32,850,038
Investments		
Investment in associated companies	173,451	178,629
Restricted deposits with town treasurer		
Depreciation fund	935,901	367,603
Smart grid fund	2,572,760	-
Underground fund	628,456	586,007
Worker's compensation insurance fund	162,266	158,582
Total restricted deposits	4,299,383	1,112,192
Current assets		
Deposits with town treasurer		
Unrestricted	6,426,741	6,121,434
Special deposits	7,871,715	10,806,668
Other receivables	13,692	10,787
Prepaid expenses	3,321,021	3,202,584
Customer accounts receivable		
Billed, net of reserve for uncollectible accounts of \$30,000 in 2010 and 2009	2,107,669	1,827,890
Unbilled	1,765,101	1,659,432
Receivable from Town of Concord	103,142	92,446
Materials and supplies, at average cost	793,133	750,561
Total current assets	22,402,214	24,471,802
Other assets		
Unamortized debt expense	2,722	4,275
Deferred costs	57,874	56,377
Total other assets	60,596	60,652
Total assets	\$ 60,773,477	\$ 58,673,313

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

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

**Balance Sheets (Continued)  
December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<i>Liabilities and Net Assets</i>		
Net assets		
Invested in capital assets, net of related debt	\$ 27,927,833	\$ 30,400,038
Restricted for depreciation	935,901	367,603
Unrestricted	11,419,951	8,678,268
Total net assets	40,283,685	39,445,909
Current liabilities		
Current installments of long-term debt	530,000	540,000
Bond anticipation notes	4,000,000	-
Accounts payable	3,912,180	2,511,568
Customer deposits	387,123	353,191
Accrued expenses	166,553	149,221
Payable to Town of Concord	-	73,114
Accrued compensated absences	126,925	120,188
Total current liabilities	9,122,781	3,747,282
Noncurrent liabilities		
Bonds payable, excluding current portion	1,380,000	1,910,000
Provision for rate stabilization	9,528,361	13,219,004
Provision for injuries and damages	162,266	158,582
Net OPEB obligation	194,397	124,449
Customer advances for construction	101,987	68,087
Total noncurrent liabilities	11,367,011	15,480,122
Total liabilities	20,489,792	19,227,404
Total liabilities and net assets	\$ 60,773,477	\$ 58,673,313

*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, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Operating revenues	\$ 28,048,826	\$ 19,590,144
Operating expenses		
Power supply expense	21,122,673	13,168,953
Transmission	95,227	84,350
Distribution	652,891	545,344
Customer accounts	411,057	344,960
Administrative and general	2,870,706	2,760,706
Depreciation	<u>1,425,021</u>	<u>1,398,264</u>
Total operating expenses	<u>26,577,575</u>	<u>18,302,577</u>
Operating income	<u>1,471,251</u>	<u>1,287,567</u>
Other income and (deductions)		
Interest and dividend income	82,172	250,840
Interest expense	(109,935)	(123,804)
Amortization of debt expense	<u>(1,553)</u>	<u>(1,553)</u>
Total other income	<u>(29,316)</u>	<u>125,483</u>
Net income	<u>\$ 1,441,935</u>	<u>\$ 1,413,050</u>
Net assets, beginning of year	<u>\$ 39,445,909</u>	<u>\$ 38,814,789</u>
Balance transferred from income	<u>1,441,935</u>	<u>1,413,050</u>
Transfers out		
Loss on retirement of plant	(224,159)	(426,930)
Payment in lieu of taxes	<u>(380,000)</u>	<u>(355,000)</u>
Total transfers out	<u>(604,159)</u>	<u>(781,930)</u>
Net assets, end of year	<u>\$ 40,283,685</u>	<u>\$ 39,445,909</u>

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

**Statements of Cash Flows**  
**For the Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Cash received from customers	\$ 23,959,134	\$ 21,860,958
Cash payments to suppliers and employees	(23,889,861)	(19,026,834)
Cash transferred to worker's compensation insurance fund	(3,684)	(1,926)
Cash received from customer deposits	33,932	6,003
Net cash provided by operating activities	<u>99,521</u>	<u>2,838,201</u>
Cash flows used for non-capital financing activities		
Cash payments to town in lieu of taxes	<u>(380,000)</u>	<u>(355,000)</u>
Cash flows from capital and related financing activities		
Additions to utility plant in service	(1,171,592)	(1,652,421)
Additions to construction in progress	(1,465,383)	(319,834)
Additions (reductions) to customer advances for constructions	33,900	(17,122)
Proceeds from issuance of bond anticipation notes	4,000,000	-
Transfer from (to) restricted deposits with town treasurer	(3,183,507)	481,392
Principal payments on bonds	(540,000)	(540,000)
Interest expense	(109,935)	(123,804)
Net cash used for capital and related financing activities	<u>(2,436,517)</u>	<u>(2,171,789)</u>
Cash flows from investing activities		
Interest and dividend income	82,172	250,840
Sale of investment shares	5,178	3,318
Net cash provided by investing activities	<u>87,350</u>	<u>254,158</u>
Net increase (decrease) in cash	(2,629,646)	565,570
Deposits with town treasurer, beginning	<u>16,928,102</u>	<u>16,362,532</u>
Deposits with town treasurer, ending	<u>\$ 14,298,456</u>	<u>\$ 16,928,102</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	<u>\$ 1,471,251</u>	<u>\$ 1,287,567</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,425,021	1,398,264
Increase in worker's compensation insurance fund	(3,684)	(1,926)
Decrease (increase) in accounts receivable	(399,049)	111,164
Increase in prepaid expenses	(118,437)	(2,737,773)
Decrease (increase) in materials and supplies	(42,572)	9,831
Increase in deferred costs	(1,497)	(14,506)
Increase in accrued expenses	1,355,251	495,479
Increase in customer deposits	33,932	6,003
Increase (decrease) in provision for rate stabilization	(3,690,643)	2,159,649
Increase in net OPEB obligation	69,948	124,449
Total adjustments	<u>(1,371,730)</u>	<u>1,550,634</u>
Net cash provided by operating activities	<u>\$ 99,521</u>	<u>\$ 2,838,201</u>

*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	\$ 6,426,741	\$ 6,121,434
Special deposits	7,871,715	10,806,668
	<u>\$ 14,298,456</u>	<u>\$ 16,928,102</u>

# Town of Concord, Massachusetts Concord Municipal Light Plant

## Notes to Financial Statements For the Years Ended December 31, 2010 and 2009

### 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. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case GASB prevails.

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.

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

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

*Utility Plant*

The provision for depreciation of utility plant was computed in 2010 and 2009 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.

*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.

*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 2010 and 2009 was \$(3,690,643) and \$2,159,649, 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.

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

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

*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.

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 June 28, 2011, 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 \$23,451 and \$28,629, as of December 31, 2010 and 2009, 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, 2010.

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**3. Long-term Debt**

	2010	2009
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.	\$ 900,000	\$ 1,200,000
\$600,000, 2.7% electric bonds, issued February 15, 2003, with annual payments of principal and interest through February 15, 2011.	65,000	140,000
\$500,000, 3.7% electric bonds, issued March 1, 2006, with annual payments of principal and interest through March 1, 2015.	275,000	330,000
\$1,000,000, 4.2% electric bonds, issued March 1, 2007, with annual payments of principal and interest through March 1, 2017.	670,000	780,000
Total long-term debt	1,910,000	2,450,000
Less current installments of long-term debt	530,000	540,000
Long-term debt, excluding current installments	\$ 1,380,000	\$ 1,910,000

Long-term debt activity for the year ended December 31, 2010 was as follows:

Balance of long-term debt at January 1, 2010	\$ 2,450,000
Bonds issued	-
Payments	(540,000)
Balance of long-term debt at December 31, 2010	\$ 1,910,000

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

	Principal	Interest	Total
2011	\$ 530,000	\$ 80,715	\$ 610,715
2012	465,000	58,180	523,180
2013	460,000	36,886	496,886
2014	160,000	15,734	175,734
2015	160,000	9,547	169,547
2016-2017	135,000	4,425	139,425
	\$ 1,910,000	\$ 205,487	\$ 2,115,487

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**4. Bond Anticipation Notes**

The Light Plant issued \$4,000,000 of bond anticipation notes(BANs) on May 27, 2010 for a premium of \$35,121. The BANs have a coupon rate of 1.5% and mature 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 BANs were retired with the issuance of long-term serial bonds.

**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 .09% to 1.66% of certain payroll costs. These transfers amounted to \$15,460 and \$15,555 in 2010 and 2009, respectively. Claims and premiums of \$11,776 and \$13,629 were paid from the Fund in 2010 and 2009, respectively.

**6. Special Deposits**

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

	<u>2010</u>	<u>2009</u>
Customer advances for construction	\$ 101,987	\$ 68,087
Customer deposits	387,123	353,191
Funds held to retire long-term debt	401,875	407,219
Emergency reserve fund	1,130,000	1,130,000
Rate stabilization	5,661,331	8,759,067
Cares Fund	189,399	89,104
Total Deposits	<u>\$ 7,871,715</u>	<u>\$ 10,806,668</u>

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**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 \$1,479,749 and \$1,294,837 for 2010 and 2009, respectively.

The Light Plant reimburses the Town for various employee benefits, including health insurance and retirement. Reimbursements for these benefits totaled \$714,850 and \$807,127 in 2010 and 2009, respectively.

In addition, the Light Plant paid the Town \$380,000 and \$355,000 for payments in lieu of taxes in 2010 and 2009, respectively.

**9. Commitments and Contingencies**

*Power Sales Agreements*

In 2002, the Light Plant changed power suppliers from Boston Edison Company (Nstar) to Constellation Power Source (CPS). The contract, which ran through September 30, 2009, provided for CPS to supply the Light Plant with Full Requirements Service, the same type of service that was supplied by Boston Edison Company for more than 70 years. The contract contained monthly on-peak and off-peak prices for power, which provided rate stability for the largest component of the Light Plant's cost of doing business.

The Contract with CPS was for supply only. Nstar continues to transmit the power from the New England Power Grid over its wires to Concord for a fee.

Payments owed by the Light Plant under the Agreements are an electric operating expense paid solely from the Light Plant's electric revenues.

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 \$66,756 and \$76,965 for the years ended December 31, 2010 and 2009, respectively.

Purchased power expense under the Constellation Power agreement was \$6,568,246 in 2009.

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>
2011	72,091	\$ 5,707,470
2012	73,945	5,978,450
	<u>146,036</u>	<u>\$ 11,685,920</u>

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**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>
2011	72,091	\$ 6,420,878
2012	73,948	6,973,333
	<u>146,039</u>	<u>\$ 13,394,211</u>

Purchased power expense under these contracts was \$11,745,197 and \$2,375,388 in 2010 and 2009, 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>
2011	97,200	\$ 568,620
2012	97,200	568,620
2013	97,200	568,620
2014	97,200	568,620
2015	40,500	236,925
	<u>429,300</u>	<u>\$ 2,511,405</u>

Purchased power expense under this contract was \$331,695 in 2010.

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>
2011	70,000	\$ 252,000
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>720,000</u>	<u>\$ 3,336,000</u>

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**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>
2011	8,760	\$ 569,400
2012	8,760	569,400
2013	2,880	187,200
	<u>20,400</u>	<u>\$ 1,326,000</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	\$ 1,545,827
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 a 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 \$2,221,201 and \$729,758 in 2010 and 2009, 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 \$294,063 in 2010.

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.

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**9. Commitments and Contingencies (Continued)**

*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, 2010, 2009 and 2008 were \$256,337, \$248,130 and \$271,950, 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, 2010 and 2009, is not available.

December 31, 2009 was the initial year that the Light Plant implemented GASB 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions. As allowed by GASB 45, the Plant established the net Other Post-employment Benefit (OPEB) obligation to zero at the beginning of the transition year and has applied the measurement and recognition requirements of GASB 45 on a prospective basis.

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**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		(161,429)
Increase/(decrease) in net OPEB obligation		69,948
Net OPEB obligation - beginning of year		124,449
Net OPEB obligation - end of year		\$ 194,397

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

**Notes to Financial Statements  
For the Years Ended December 31, 2010 and 2009**

**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%

*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.

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

**Other Post-Employment Benefit Plan  
Required Supplementary Information  
For the Years Ended December 31, 2010 and 2009**

**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**

Actuarial methods:

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

Since the Light Plant implemented GASB Statement No. 45 for the year ended December 31, 2009, there is no comparative information from prior years.

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

**Other Post-Employment Benefit Plan  
Notes to Required Supplementary Information  
For the Years Ended December 31, 2010 and 2009**

**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, 2010**

	Cost 01/01/10	Cost Property Added 2010	Cost Property Disposed of 2010	Cost 12/31/10	Accrued Depreciation 01/01/10	Depreciation 2010	Reversed Depreciation 2010	Accrued Depreciation 12/31/10	Net Utility Plant 12/31/10
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	927,336	65,358	-	992,694	1,185,889
Station equipment	2,966,571	28,768	-	2,995,339	1,686,693	88,997	-	1,775,690	1,219,649
Underground conduit	3,251,785	-	-	3,251,785	1,407,518	65,036	-	1,472,554	1,779,231
Underground conductors and devices	2,488,175	-	-	2,488,175	1,219,524	74,646	-	1,294,170	1,194,005
Total transmission plant	11,382,703	28,768	-	11,411,471	5,241,071	294,037	-	5,535,108	5,876,363
Distribution plant									
Land and land rights	186,275	-	-	186,275	-	-	-	-	186,275
Structures and improvements	684,190	-	-	684,190	281,122	20,526	-	301,648	382,542
Station equipment	792,002	-	-	792,002	231,641	23,760	-	255,401	536,601
Poles, towers, and structures	1,197,284	18,190	39,814	1,175,660	769,982	34,927	24,588	780,321	395,339
Overhead conductors and devices	2,651,134	48,336	62,580	2,636,890	1,227,312	79,534	33,487	1,273,359	1,363,531
Underground conduits	8,138,438	425,174	4,986	8,558,626	1,852,821	162,769	1,191	2,014,399	6,544,227
Underground conductors and devices	5,783,027	324,999	146,730	5,961,296	1,788,823	173,491	50,675	1,911,639	4,049,657
Line transformers	3,504,380	53,309	2,025	3,555,664	2,130,633	105,132	1,406	2,234,359	1,321,305
Services	729,227	50,247	28,536	750,938	144,013	21,877	13,509	152,381	598,557
Service conversions	404,619	11,484	-	416,103	115,625	12,138	-	127,763	288,340
Meters	897,069	4,615	2,885	898,799	71,576	44,853	433	115,996	782,803
Installation on customer premises	60,567	2,165	629	62,103	17,346	1,817	189	18,974	43,129
Street lighting and signal systems	799,682	83,962	105,188	778,456	153,117	39,984	34,095	159,006	619,450
Total distribution plant	25,827,894	1,022,481	393,373	26,457,002	8,784,011	720,808	159,573	9,345,246	17,111,756
General plant									
Office furniture and equipment	217,814	-	-	217,814	97,589	11,057	-	108,646	109,168
Computer equipment	552,548	(16,185)	-	536,363	398,401	33,283	-	431,684	104,679
Structures and improvements	4,846,884	35,666	15,000	4,867,550	1,035,939	145,407	3,675	1,177,671	3,689,879
Transportation equipment	1,554,455	93,826	89,136	1,559,145	1,253,725	85,495	89,136	1,250,084	309,061
Stores equipment	89,881	-	-	89,881	56,810	2,247	-	59,057	30,824
Tools, shop, and garage equipment	44,820	2,166	-	46,986	43,706	-	-	43,706	3,280
Laboratory equipment	124,731	8,857	-	133,588	35,708	11,226	-	46,934	86,654
Communication equipment	167,158	15,789	15,500	167,447	65,934	6,081	15,500	56,515	110,932
Power operated equipment	38,868	-	-	38,868	35,315	214	-	35,529	3,339
Load management equipment	240,888	-	-	240,888	150,648	16,862	-	167,510	73,378
Fiber optics equipment	1,004,601	3,049	3,565	1,004,085	330,521	77,150	1,711	405,960	598,125
Miscellaneous equipment	4,910	-	-	4,910	2,216	295	-	2,511	2,399
Total general plant	8,887,558	143,168	123,201	8,907,525	3,506,512	389,317	110,022	3,785,807	5,121,718
Intangible plant	2,086,401	-	-	2,086,401	636,339	20,864	-	657,203	1,429,198
Total utility plant in service	\$ 48,184,556	\$ 1,194,417	\$ 516,574	\$ 48,862,399	\$ 18,167,933	\$ 1,425,026	\$ 269,595	\$ 19,323,364	\$ 29,539,035

*See independent auditors' report*

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

**Schedule of Operating Revenues  
For the Years Ended December 31, 2010 and 2009**

	<u>Operating Revenues</u>		<u>Kilowatt Hours Sold</u>		<u>Per Kilowatt Hour (cents)</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Sales of electricity						
Residential sales	\$ 9,861,192	\$ 8,742,828	72,428,283	69,081,962	13.62	12.66
Commercial and industrial sales:						
Small	5,281,737	4,869,847	35,430,065	34,933,153	14.91	13.94
Large	7,011,401	6,086,211	62,890,563	61,934,474	11.15	9.83
Municipal sales						
Street lighting	49,461	54,404	467,146	601,644	10.59	9.04
Lighting and water heating for municipal buildings and schools	1,479,749	1,294,837	11,375,674	11,028,627	13.01	11.74
Miscellaneous sales	9,907	41,304	-	-		
Electric operating revenues billed	<u>23,693,447</u>	<u>21,089,431</u>	<u>182,591,731</u>	<u>177,579,860</u>	12.98	11.88
Net change in unbilled revenues	105,669	106,603				
Provision for rate stabilization	<u>3,690,643</u>	<u>(2,159,649)</u>				
Electric operating revenues	<u>27,489,759</u>	<u>19,036,385</u>				
Other operating revenues						
Underground surcharge	355,285	315,785				
CARES surcharge	123,180	106,326				
Income from merchandise and jobbing	51,283	99,272				
Other miscellaneous operating revenues	<u>29,319</u>	<u>32,376</u>				
Other operating revenues	<u>559,067</u>	<u>553,759</u>				
Operating revenues	<u>\$ 28,048,826</u>	<u>\$ 19,590,144</u>				
Total kilowatt hours purchased			<u>190,427,974</u>	<u>187,284,723</u>		
Total kilowatt hours sold (above)			182,591,731	177,579,860		
Kilowatt hours associated with change in unbilled revenues, estimated			(13,781)	418,327		
Kilowatt hours used in garage and substations			<u>661,677</u>	<u>712,835</u>		
Kilowatt hours accounted for			<u>183,239,627</u>	<u>178,711,022</u>		
Kilowatt hours unaccounted for			<u>7,188,347</u>	<u>8,573,701</u>		
Ratio of unaccounted for kilowatt hours to total kilowatt hours purchased			<u>3.8%</u>	<u>4.6%</u>		

*See independent auditors' report*

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

**Schedule of Electric Operation and Maintenance Expenses  
For the Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Power supply expense	\$ 21,122,673	\$ 13,168,953
Transmission and subtransmission expenses		
Maintenance	<u>95,227</u>	<u>84,350</u>
Total transmission and subtransmission expenses	<u>95,227</u>	<u>84,350</u>
Distribution expenses		
Operations	196,950	188,671
Maintenance	<u>455,941</u>	<u>356,673</u>
Total distribution expenses	<u>652,891</u>	<u>545,344</u>
Customer accounts expenses		
Meter-reading labor and expenses	2,274	5,432
Billing, collecting and associated costs	132,599	121,944
Customer information, service and education	258,008	194,050
Uncollectible accounts	11,461	23,534
Customer accounts supervision	<u>6,715</u>	<u>-</u>
Total customer accounts expenses	<u>411,057</u>	<u>344,960</u>
Administrative and general expenses		
Operations		
Administrative and general salaries	1,132,179	1,145,319
Office supplies and expense	97,598	95,949
Outside services employed	289,080	225,280
Property insurance	44,925	42,531
Employees' pensions and benefits	1,125,947	1,033,638
Miscellaneous expenses	<u>33,230</u>	<u>74,729</u>
Total operations	<u>2,722,959</u>	<u>2,617,446</u>
Maintenance of general plant	<u>147,747</u>	<u>143,260</u>
Total administrative and general expenses	<u>2,870,706</u>	<u>2,760,706</u>
Total electric operation and maintenance expenses, excluding depreciation	<u>\$ 25,152,554</u>	<u>\$ 16,904,313</u>