

City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013

CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2013

Prepared by:
The Finance Department

Daniel R. Lynch
Finance Director

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INTRODUCTORY
SECTION

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City Manager

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City of Dover, New Hampshire
OFFICE OF THE CITY MANAGER

December 31, 2013

To the Honorable Mayor and members of the City Council:

City Charter Section C6-12, Independent Audit, requires an annual independent audit of all City accounts at least annually. This Comprehensive Annual Financial Report (CAFR), including the opinion of the independent auditor, is published to fulfill that requirement for the fiscal year ending June 30, 2013.

The CAFR covers all funds of the City of Dover that by law, City Charter, or other fiduciary obligation, the City has become obligated to administer in connection with its responsibility for providing services.

This report consists of management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Macpage LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with generally accepted accounting principles (GAAP).

The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Users of this CAFR are encouraged to read this Letter of Transmittal in conjunction with the City's MD&A section found immediately following the report of the independent auditors.

Profile of Government

Geography Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire. The City of Dover occupies an area of 29 square miles and serves a population of 29,987, based on the 2010 Census.

The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855. The City Charter adopted on March 9, 1977, remained in effect until a new charter was passed on November 8, 2005 and effective January 1, 2006. Only minor changes were made versus the old charter. On November 6, 2007, the charter was amended establishing a limitation on annual budget increases. On November 10, 2010 the New Hampshire Supreme Court ruled that the November 6, 2007 charter amendment is invalid since it is contrary to state law. In the 2011 session of the State legislature, authorization for municipalities to adopt charter amendments for budget or tax levy limitations was enacted. On November 8, 2011 the charter was amended to change the language establishing the limitation on annual budget increases to a limitation on annual property tax levy increases. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

Services The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

Governing Boards The City Council, consisting of nine members, is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital improvements program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by state statute to levy property taxes on real property located within its boundaries to fund operations.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority for the School Department budget. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

Administration Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, compliance with State and Federal laws, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, for negotiating with the various bargaining units of the City and making recommendations to the City Council on various issues.

Administrative functions of the dependent School district are carried out by the School Board. The Board is responsible for carrying out policies and procedures, compliance with State and Federal laws, overseeing the day to day operations of the dependent School district, negotiating with the various bargaining units, making appointments of school personnel, establishing curriculum and addressing various issues.

Fiscal Year and Budget The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$25,000 or more for items with useful lives of 3 years or longer are included in this budget. Based on City Council financing policy, items are identified for bonding, annual operating budget or other type of financing.

Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget for the next fiscal year, which includes the School Board request, is due to the City Council by April 15th of each year.

The City Council may add to, or cut from, the Manager's recommended annual budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1.

After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

Local Economy The local economic environment over the past fiscal year has shown moderate improvement. Specific sectors, which have done better include advanced manufacturing, commercial multi-unit residential construction as well as a variety of services involving marketing and management consulting, healthcare, fitness and cleaning. General retail areas continue to show single digit, but consistent improvement.

Economic development activity continues to support local business retention and expansion despite the continued restrictions of critically important credit and financing availability for local small businesses and business start-ups.

Through aggressive business relocation outreach, coupled with stringent municipal spending restraints in the City's operations, Dover has successfully brought over 50 new/expanded businesses and 450 jobs to the City in the last five years.

The expanding healthcare industry in the City, its proximity to UNH, Pease Tradeport, and the Portsmouth Shipyard have continued to add stability and diversity to the economic mix and has kept Dover unemployment well below that of New Hampshire, New England, the surrounding communities, as well as the nation. Continuing to be the fastest growing City in New Hampshire continues to help Dover statistics as well. Dover's 10.4% growth rate of households with children under the age of 18 has kept a younger population demographic for the City over the past decade.

New Hampshire's GDP and labor force, in moderate decline since 2008, has now stabilized to some extent. The labor force of Dover has continued to grow about 1% per year with slight variations above and below that trend line. Dover now has approximately 3% more jobs than it had in 2008 at the start of the recession.

Dover's local current unemployment rate is 4.2% which is 0.6% lower than this time last year. The City's unemployment rate has consistently been lower than that of the United States as a whole, (7.3%) and the State of New Hampshire (5.1%). At the end of fiscal year 2013, the rate continued to show a slight decrease, while the national unemployment rate remained relatively flat.

In combination with the current economic environment and unemployment levels the median per capita income in Dover was \$31,344 and median family income was \$80,830.

The number of motor vehicle permits was consistent with 30,516 in FY13 as compared to 30,838 in FY 12. The number of building permits increased from 381 in FY12 to 436 in FY13 and the average permit value increased from \$62,427 to \$114,858.

Multi-Unit residential development has increased markedly in the City with moderate commercial growth during fiscal year 2013. This growth includes projects downtown (construction of 16 apartment units at the intersection of Silver Street and Central Avenue), on the waterfront (the Dickenson Development project), as well as smaller rehabilitation projects along Central Avenue.

A consultant retained to work with the Planning Department and Planning Board to review the zoning along the roadways leading to and from downtown has developed preliminary draft regulations. These changes to the zoning code would increase flexibility along these roadways, while defining a look and feel for the built environment. A goal of this work is to reinforce the City's commitment to fostering a strong downtown core, which continues to foster growth and development. Residential sales continue to improve moderately as inventory scarcity, rising mortgage rates and selling prices combined with more stringent down payment and credit quality requirements from lenders bring buyers and sellers into the market in the short term but put a brake on the long term growth prospects.

The First Street development, a \$12,250,000 mixed use development on a 30-40% utilized City owned parking lot is expected to provide a \$275,000 annual tax ratable minimum guaranteed for at least 24 years. Based upon the strong interest in this parcel, the City is reviewing opportunities to convert three other City owned parking lots into sites for redevelopment. These downtown infill projects will continue to keep the City core vibrant.

Three companies are putting in brewpubs in the downtown. In 2011, the conversion of 120,000 square feet of office space within the Cocheco Millworks into 120 residential units was approved. Demand was so strong that the first two phases of conversion were merged into one phase, and 74 of the 120 planned apartments are completed and fully occupied. The remaining 46 are due to start construction this fiscal year, if the demand remains steady.

Enterprise Park is now being considered for new builds by three companies both as expansions of current tenants and for relocation from out of state. Land options for a second Economic Development Park are being identified. Enterprise Park has netted \$2.4 million in taxes to date and is now providing \$497,000 in property taxes every year along with 420 jobs from 15 companies in residence. A new park would add depth to Dover's non-residential market, and would allow for more diversity in footprints, so that Dover would continue to be an attractive location for businesses looking for development sites ranging from 25,000 square feet buildings to over 100,000 square feet. Currently, Dover has not fully taken advantage of this potential.

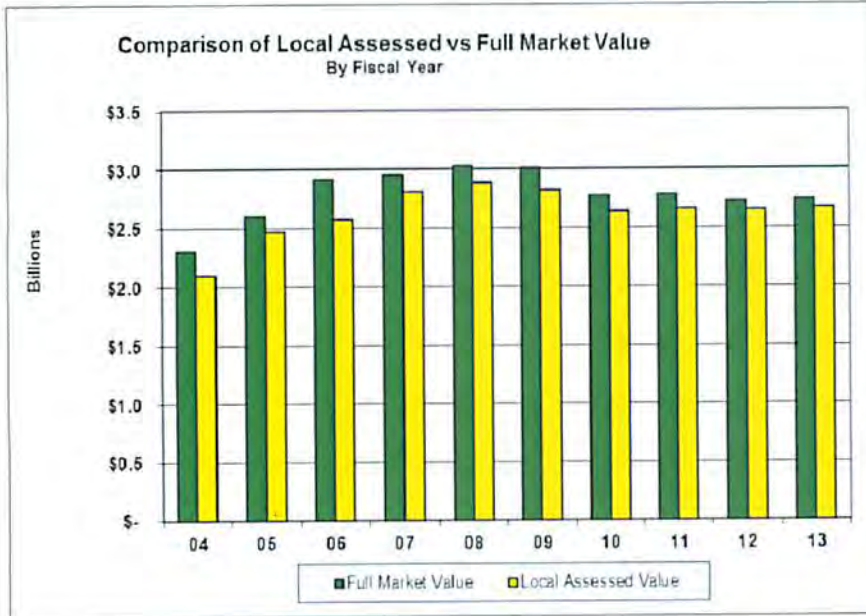
The Exit 9 corridor off the Spaulding Turnpike, in addition to the 100,000 square feet medical practice building in full occupancy, now has a large dental facility and a dialysis center in operation, both with significant business success and full employment. This corridor, anchored by Liberty Mutual, continues to attract larger commercial and industrial users to the City and continues to be a benchmark for economic development activities.

The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid-point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half are lower. This is a good measure of tax burden as all municipal assessed values are brought to full market value and tax rates equalized.

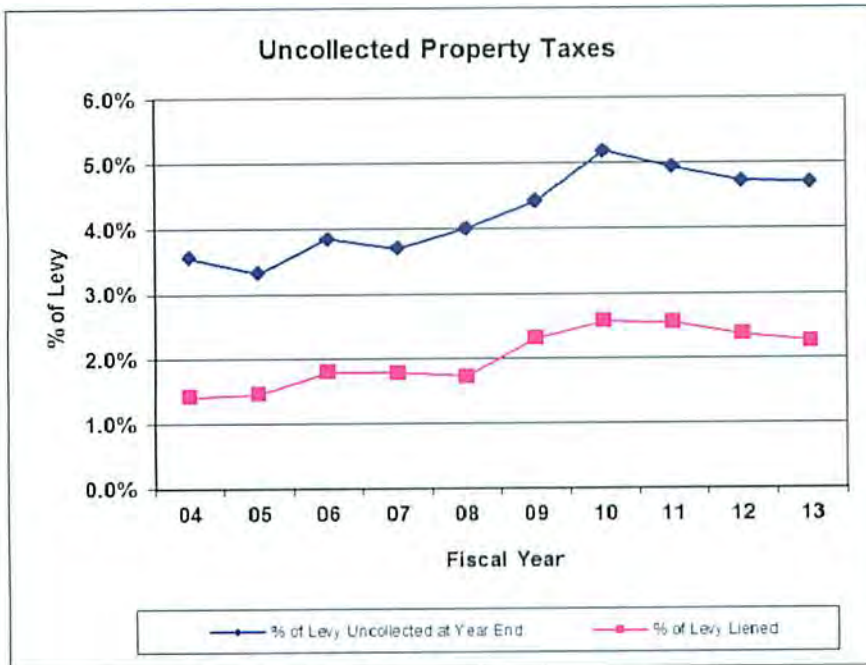


The level of real estate transactions in Dover during the past year has seen a strong increase, reaching pre-recession levels. The real estate sales activity in Dover for FY13 was 904 transactions versus 742 for FY12. This level of activity represents transfers of 9.1% of taxable parcels during FY13 increasing 1.6% from the level of 7.5% in FY12. In conjunction with this activity, the number of taxable parcels increased from 9,899 in FY12 to 9,950 in FY13, a 0.5% increase. The stable growth of taxable parcels in combination with an increase of property values has resulted in the estimated equalized property value per capita changing from \$89,532 for FY12 to \$89,979 in FY13, an increase of 0.5% for the fiscal year.

Full market value as determined by the NH Department of Revenue Administration increased 0.7% during the fiscal year.



Assessed value as a ratio of full market value was 97.0%. In the second half of fiscal year 2013 the City's assessed property values appeared to have some increase based on sales data. As of April 1, 2013 the City's overall assessed values demonstrated a 1.37% increase in value over the prior year.



The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2013 was 4.7%, this is consistent with 4.7% in FY12 (actual amount increasing to \$3.1 million from \$3.0 million). There were 305 parcels from the current tax levy with outstanding taxes that had a lien placed, down from 355 last year. The number of delinquent parcels

decreased by 50 or 14.1%. The dollar amount of the liens decreased to 2.3% of the tax levy as compared to 2.4% for last year. The actual amount of the executed lien decreased 1.5% from \$1,563,176 to \$1,539,994.

Financial Position The City's General Fund ended Fiscal Year 2013 with an increase to its Unassigned Fund Balance of \$1,506,019 to \$8.79 million. The General Fund unassigned fund balance at June 30, 2013 was 9.68% of the FY14 budget (8% is the minimum requirement of the City Financial Policies). The Water Fund saw a decrease in unrestricted net assets of \$1.46 million, from \$2,733,914 to \$1,274,824. The Water Fund decrease is primarily due to investment in capital assets during FY2013. The Sewer Fund saw a decrease in unrestricted net assets of \$2.47 million, from \$4,298,694 to \$1,826,942. A significant portion of the decrease in unrestricted net assets of the Sewer Fund is the result of investments in capital assets during FY2013.

| Unreserved Net Assets | | |
|-----------------------|------------|------------|
| Fund | FY13 | FY12 |
| General | 8,791,826 | 7,285,807 |
| Water | 1,274,824 | 2,733,914 |
| Sewer | 1,826,942 | 4,298,694 |
| Total | 11,893,592 | 14,318,415 |

In FY2009 the Arena Fund was dissolved into the City's General Fund. The City continues to be diligent to balance the fiscal operations of the Arena, including scheduled fee increases and expenditure control. The Arena operating results, inclusive of related debt obligations, were revenues in excess of expenditures of \$35,686 in FY2013, \$64,809 in FY2012 and \$32,503 in FY2011.

The liquidity of the General, Water and Sewer Funds is good and continues to show a favorable trend. This is based on the quick ratio which is a measure of current assets (excluding inventories) divided by current liabilities. The General Fund had a quick ratio of 1.89 with Water and Sewer Funds of 4.20 and 2.00, respectively. A ratio of 1 is considered satisfactory.

The amount of debt incurred by the City remains below the State statutory limits as set forth in RSA 33:4-a for the City and School District, and RSA 33:5-a for the Water Fund. There is no statutory debt limit for the Sewer Fund. The State statutory limit for the City is 3% of Base valuation as determined by the New Hampshire Department of Revenue Administration (NH DRA), the statutory limit for the School District is 7% of Base valuation as determined by NH DRA, and the statutory limit for the Water Fund is 10% of base valuation as determined by NH DRA. As of June 30, 2013 the City had utilized 62.2% of its statutory debt limit, the School District utilized 12.3% of its statutory debt limit, and the Water Fund had utilized 5.1% of its statutory debt limit.

The City Council established self-imposed policy limits that are significantly lower than those set by State statute. As of June 30, 2013 the percent of the City's more conservative debt policy used was 95.8%, the School was 41.5%. General Fund net debt per capita is at \$1,816, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value is 2.46%. The General Fund's net debt service as a percent of budget is 9.4%. This measure, although within the 10% recommended by policy, it is close to the policy limit partially as a result of a higher rate of debt pay down resulting in a favorable reduction in the cost for debt.

The Water fund is at 100% of the City Council self-imposed policy limit. The Sewer fund remained within the City Council self-imposed policy limits with 36.7% being utilized. Net debt service to budget in the Water Fund is 32.7% and 20.7% within the Sewer Fund, within the 40% set by policy.

In May 2012 Moody's downgraded the City's May 2010 Aa2 rating to an Aa3 rating. In May 2012 Standard & Poor's reaffirmed their May 2010 AA rating of the City.

Policy Monitoring, Long Term Financial Planning, and Responding to the Impact of the U.S. Economic Decline

On April 27, 2011 the City Council adopted a resolution to implement 32 financial policies. These adopted policies include maintaining all of the existing policy statements adopted in 1996 with updates to several of the benchmark indices. In addition, several new policy statements were also included reflecting the most current best practices identified by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. These financial policies address areas such as Stabilization Funds, Fees and Charges, Debt Issuance and Management, Use of One-Time and Unpredictable Revenues, Balanced Budgeting Practices, Revenue Diversification, and Contingency Planning. A copy of the financial policies adopted by the City Council is available on the City's website.

The City Council routinely adopts fiscal initiatives to respond to the changes in the economy that have resulted in impacts such as declines to non-property tax revenues and the community's tolerance for tax increases. The City Council has limited adoption of bonding authorizations to be consistent with the annual amount of debt being retired by the City's tax supported General Fund. The objective of this initiative is to move the City away from recurring debt financing and funding capital reserves at an appropriate level to move from debt financing certain capital outlay. These actions are consistent with the City's Debt Issuance and Management financial policies.

The City Manager and City Department Directors conduct an on-going evaluation of fiscal operations to insure that expenditures are managed in concert with revenues to insure General Fund Balance is maintained consistent with City policy limit. In FY2012 the City reached the prescribed 8% policy for unassigned General Fund Balance by ending the year with an 8.2% level. In FY2013 the City complied with the General Fund Balance policy by achieving an Unassigned Fund Balance of 9.68%.

In FY2013 the City was successful in contributing 10% of the actuarially calculated OPEB Annual Required Contribution to an established dedicated fund. This action is consistent with the City's financial policy objective for managing and prefunding the City's OPEB obligations.

In FY2013 the City, consistent with financial policies, maintained sufficient annual contributions into the General Fund Capital Reserve, Water Fund Capital Reserve and Sewer Fund Capital Reserve.

The City recognizes the importance of a formal process for long term financial planning and forecasting. The City has procured a formal forecasting software application to aid in financial planning. The City has populated the software with the necessary data and has utilized this tool to provide insight to evaluating policy recommendations. The software is utilized to provide formal fiscal forecasting reports complete with national, regional, and local economic overviews and a 5-year projection of both General Fund operations and tax levy impacts as part of the budget process.

Acknowledgements

This report continues to refine the financial reporting of the City. It is the tenth year the City has produced a comprehensive annual financial report (CAFR). This report includes the implementation of Governmental Accounting Standards Board's Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. An actuarially determined liability of the City cost of medical benefits provided to retirees, and employees that will be eligible to receive such benefits upon retirement of the City, is incorporated into the financial statements and the footnotes.

This report also includes the implementation of Governmental Accounting Standards Board's Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of Statement 54 is to improve the usefulness and understandability of governmental fund balance information by providing fund balance in more clearly defined categories.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded nine consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Dover, NH for its Comprehensive Annual Financial Report beginning for the fiscal year ended June 30, 2004 through June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

This recognizes the City's Finance Department's efforts for full disclosure of the financial information of the City. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report.

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

The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

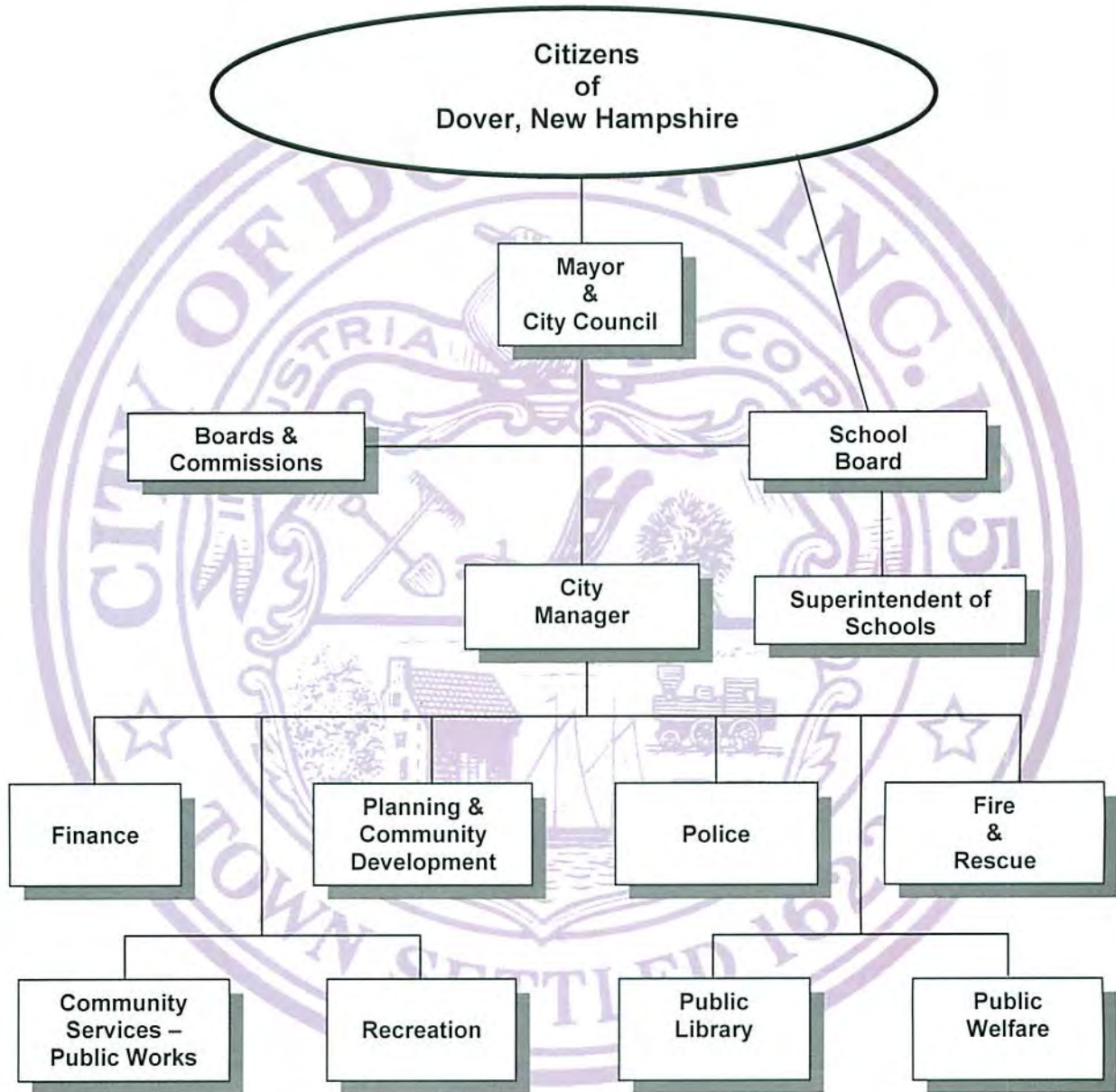
A handwritten signature in black ink, appearing to read 'JMJ', written in a cursive style.

J. Michael Joyal, Jr.
City Manager

A handwritten signature in black ink, reading 'Daniel R Lynch', written in a cursive style.

Daniel R. Lynch
Finance Director

City of Dover Organizational Chart





City of Dover

New Hampshire

FISCAL YEAR 2013

City Council Members

Mayor: Dean Trefethen

| | |
|--------------------------|--------------------------|
| Ward 1: Edward Spuler | Ward 5: Catherine Cheney |
| Ward 2: William Garrison | Ward 6: Michael Weeden |
| Ward 3: Michael Crago | At Large: Robert Carrier |
| Ward 4: Dorothea Hooper | At Large: Karen Weston |

City Manager

J. Michael Joyal, Jr.

Departments

| | |
|--------------------|---------------------------|
| Finance | Daniel R. Lynch |
| Planning | Christopher G. Parker |
| Police | Anthony F. Colarusso, Jr. |
| Fire and Rescue | Richard Driscoll |
| Community Services | Douglas W. Steele, II |
| Public Library | Cathy Beaudoin |
| Recreation | Gary Bannon |
| Public Welfare | Lena C. Nichols |

School Board

| | |
|---------------------------------|---------------------------------|
| At Large: Rocky D'Andrea | At Large: Kathy Baker |
| At Large: Sarah Greenshields | At Large: Paul Butler |
| At Large: Amanda Russell | At Large: Doris Grady |
| At Large: Betsey Andrews Parker | Student Rep: Preston Massingham |

Superintendent of Schools

Antonio Fernandes



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Dover
New Hampshire**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

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**FINANCIAL
SECTION**



Accessible
Approachable
Accountable

Independent Auditors' Report

To the Mayor and City Council
City of Dover, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Macpage LLC

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One Market Square, Augusta, ME 04330-4637 | 207-622-4766 | 207-622-6545 fax

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To the Mayor and City Council
City of Dover, New Hampshire

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-32, and Schedule of funding Progress on page 78, 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.

Other Information

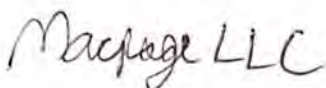
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover, New Hampshire's financial statements. The introductory section on pages 1 - 11, supplementary statements and schedules on pages 85 - 134, and statistical tables on pages 137 - 162, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary statements and schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2014, on our consideration of City of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dover's internal control over financial reporting and compliance.



South Portland, Maine
January 7, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2013. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$143,399,948 (i.e., net position), an increase of \$7,159,002 in comparison to the prior year.
- As of the close of the current fiscal year, total of assets of governmental activities exceeded liabilities by \$83,745,009 (i.e., net position), an increase of \$5,301,084 in comparison to the prior year.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$59,654,939, an increase of \$1,857,918 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$22,266,091, a decrease of \$763,152 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,791,826, an increase of \$1,506,020 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$85,297,630, a decrease of \$5,246,658 in comparison to the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time,

increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water and sewer utilities, and Dover Business and Industrial Development Authority (DBIDA) activities.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for both funds to demonstrate compliance with these budgets.

Proprietary funds Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water and sewer utilities, and DBIDA operations. The operations of the arena were previously accounted for as an enterprise fund. In FY 2009 the City dissolved the Arena Fund into the General Fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are used to account for central data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis. In FY2011 the City established an OPEB internal service fund to centrally account for pay-as-you go retirees' insurance costs paid by other departments in the city. In FY2013 and FY2012, the City pre-funded 10% and 5%, respectively, of the actuarial determined OPEB Annual Required Contribution by making an annual transfer of funds into the OPEB internal service fund.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities, and DBIDA operations, all of which are considered to be major funds. The operations of the arena were previously reported as a propriety fund. In FY 2009 the City dissolved the Arena Fund into the General Fund. In FY2013 the arena operations resulted in revenues exceeding expenditures, to include related debt obligations, by \$35,686. Fiscal Year 2013 represents the third year since the Arena Fund was dissolved into the General Fund, and is the third consecutive year of positive operating results for the arena.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary infor-

mation, which is required to be disclosed by the *Governmental Accounting Standards Board*.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position were \$143,399,948, an increase of \$7,159,002 from the prior year.

Financial Position The following is a summary of condensed government-wide financial data of net position for the current and the prior fiscal years.

| Amounts presented in 000s | <u>NET POSITION</u> | | | | | |
|----------------------------------|-------------------------|------------|--------------------------|-----------|------------|------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Current and Other Assets | \$ 36,309 | \$ 37,313 | \$ 16,469 | \$ 15,447 | \$ 52,778 | \$ 52,760 |
| Capital Assets | 150,805 | 152,951 | 69,927 | 71,140 | 220,732 | 224,091 |
| Total Assets | \$ 187,114 | \$ 190,264 | \$ 86,396 | \$ 86,587 | \$ 273,510 | \$ 276,851 |
| Long-term Liabilities | \$ 100,971 | \$ 96,832 | \$ 22,149 | \$ 23,973 | \$ 123,120 | \$ 120,805 |
| Other Liabilities | 7,710 | 9,687 | 6,450 | 2,959 | 14,160 | 12,646 |
| Total Liabilities | \$ 108,681 | \$ 106,519 | \$ 28,599 | \$ 26,932 | \$ 137,280 | \$ 133,451 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | \$ 87,621 | \$ 94,609 | \$ 55,048 | \$ 50,400 | \$ 142,669 | \$ 145,009 |
| Restricted | 3,832 | 4,176 | - | 5,003 | 3,832 | 9,179 |
| Unrestricted (Deficit) | (13,009) | (15,040) | 2,749 | 4,252 | (10,260) | (10,788) |
| Total Net Position | \$ 78,444 | \$ 83,745 | \$ 57,797 | \$ 59,655 | \$ 136,241 | \$ 143,400 |

By far, the largest portion of net position, \$145,008,751 or 101.1 percent, reflects the City's investment in capital assets (e.g., land, buildings, machinery and equipment), less depreciation and any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$9,179,151 represents resources that are subject to external restrictions on how they may be used. The remaining net balance (deficit) represents unrestricted net position at the end of the fiscal year of \$(10,787,956).

The unrestricted net position balance consists of a deficit of \$15,040,301 for governmental activities and a balance of \$4,252,345 for business-type activities. The governmental activities net position include the reflection of major liabilities of

the Tolend Road Landfill mitigation of \$10,427,000, compensated absences of \$3,394,447 and other post-employment benefits (OPEB) obligations of \$19,548,047.

The \$10,427,000 for Tolend Road Landfill mitigation represents the mitigation costs and the post mitigation maintenance and monitoring costs. This estimated liability is unchanged from the prior year, since there has been no change in the estimate of post mitigation maintenance and monitoring costs. This is based upon estimates derived from actual costs incurred during FY2013. The City anticipates the remaining liability for mitigation costs of \$107,000 to be financed with long-term debt which is included in the City's Capital Improvements Program. The maintenance and monitoring costs of \$10,320,000 (30-year estimated cost) are expected to be financed within the annual operating budget, as needed.

The \$3,394,447 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of \$213,184 from the prior year. The City has funded \$277,480 of the liability.

The \$19,548,047 OPEB liability represents the implementation of Governmental Accounting Standards Board (GASB) Statement No. 45. The purpose of the statement is to reflect the liability of health care or other post employment benefits provided to separated or retired employees. The portion of the liability reflected in the Financial Statements is the initial eight years of a 30 year amortization of the total liability. City employees hired before specific dates may receive all or part of their health care benefits paid for by the City. City employees hired after the cut-off date are eligible on a self pay basis only but impact the premiums of the health plans of all City employees. School employees are self pay basis only but impact the premiums of the health plans of all School employees. The table below shows the number of eligible individuals involved in the calculation for both the City and School and the average total liability.

| Group | Eligible Employees and Retirees | Average Total Liability per Person |
|--------------|--|---|
| City | 332 | \$ 156,328.00 |
| School | 366 | \$ 3,329.00 |
| Combined | 698 | \$ 159,657.00 |

In FY2013 and FY2012, the City pre-funded 10% and 5%, respectively, of the actuarial determined OPEB Annual Required Contribution by making an annual transfer of funds into the OPEB internal service fund.

Please refer to the Financial Statement footnote 17 and Required Supplemental Information for more on the OPEB liability.

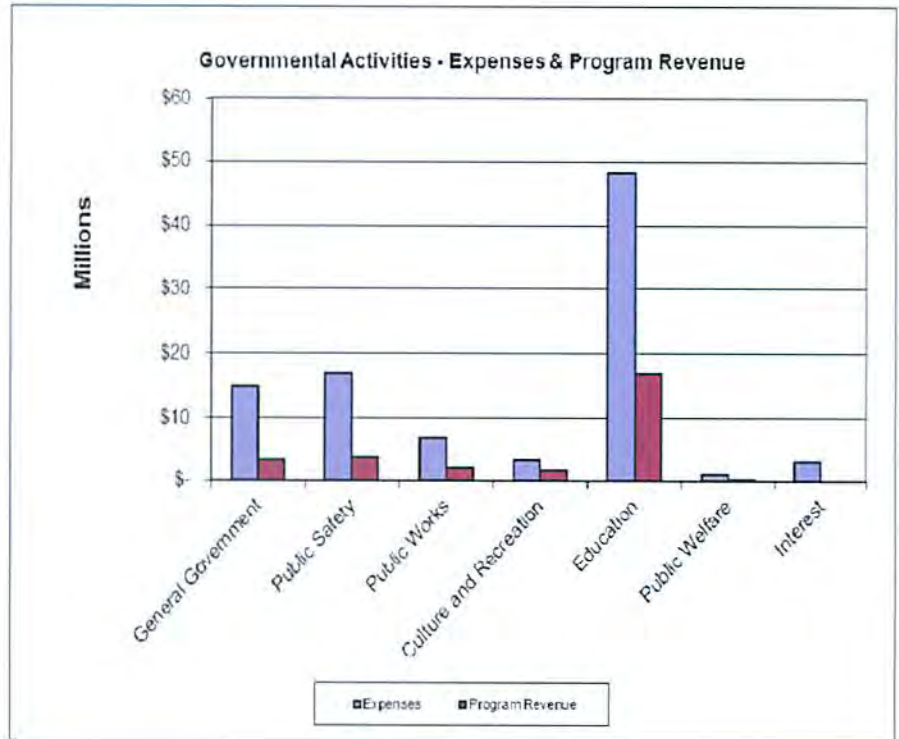
Financial Results The following is a summary of condensed government-wide financial data of changes in net position for the current fiscal and prior fiscal years.

| Amounts presented in 000s | <u>CHANGE IN NET POSITION</u> | | | | | |
|---|-------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| | Governmental | | Business-Type | | Total | |
| | Activities | | Activities | | | |
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 13,560 | \$ 13,388 | \$ 8,929 | \$ 10,035 | \$ 22,489 | \$ 23,423 |
| Operating grants and contributions | 14,060 | 14,159 | - | - | 14,060 | 14,159 |
| Capital grants and contributions | 660 | 643 | 28 | 1,387 | 688 | 2,030 |
| General revenues: | | | | | | |
| Property taxes | 65,534 | 65,838 | - | - | 65,534 | 65,838 |
| Motor vehicle registration | 3,722 | 3,933 | - | - | 3,722 | 3,933 |
| Penalties and interest on taxes | 417 | 445 | - | - | 417 | 445 |
| Investment income (loss) | (178) | 116 | 3 | 2 | (175) | 118 |
| Other | 285 | 929 | - | - | 285 | 929 |
| Gain (Loss) on sale of capital asset | - | - | 38 | - | 38 | - |
| Extraordinary Item | - | - | - | - | - | - |
| Total Revenues | 98,060 | 99,451 | 8,998 | 11,424 | 107,058 | 110,875 |
| Expenses: | | | | | | |
| General government | 13,361 | 14,709 | - | - | 13,361 | 14,709 |
| Public safety | 16,302 | 17,031 | - | - | 16,302 | 17,031 |
| Public works | 16,831 | 6,720 | - | - | 16,831 | 6,720 |
| Culture and recreation | 3,325 | 3,297 | - | - | 3,325 | 3,297 |
| Education | 47,520 | 48,193 | - | - | 47,520 | 48,193 |
| Public Welfare | 881 | 949 | - | - | 881 | 949 |
| Intergovernmental | - | - | - | - | - | - |
| Interest on long-term debt | 3,146 | 3,216 | 708 | 818 | 3,854 | 4,034 |
| Miscellaneous | - | - | - | - | - | - |
| Water operations (1) | - | - | 3,250 | 3,170 | 3,250 | 3,170 |
| Sewer operations (1) | - | - | 5,061 | 5,478 | 5,061 | 5,478 |
| DBIDA operations | - | - | 141 | 135 | 141 | 135 |
| Total Expenses | 101,366 | 94,115 | 9,160 | 9,601 | 110,526 | 103,716 |
| Change in Net Position before Transfers | (3,306) | 5,336 | (162) | 1,823 | (3,468) | 7,159 |
| Transfers in (out) | (41) | (35) | 41 | 35 | - | - |
| Change in Net Position | (3,347) | 5,301 | (121) | 1,858 | (3,468) | 7,159 |
| Net Position - beginning of year | 81,791 | 78,444 | 57,918 | 57,797 | 139,709 | 136,241 |
| Net Position - end of year | \$ 78,444 | \$ 83,745 | \$ 57,797 | \$ 59,655 | \$ 136,241 | \$ 143,400 |

(1) Excludes interest on long-term debt reflected separately.

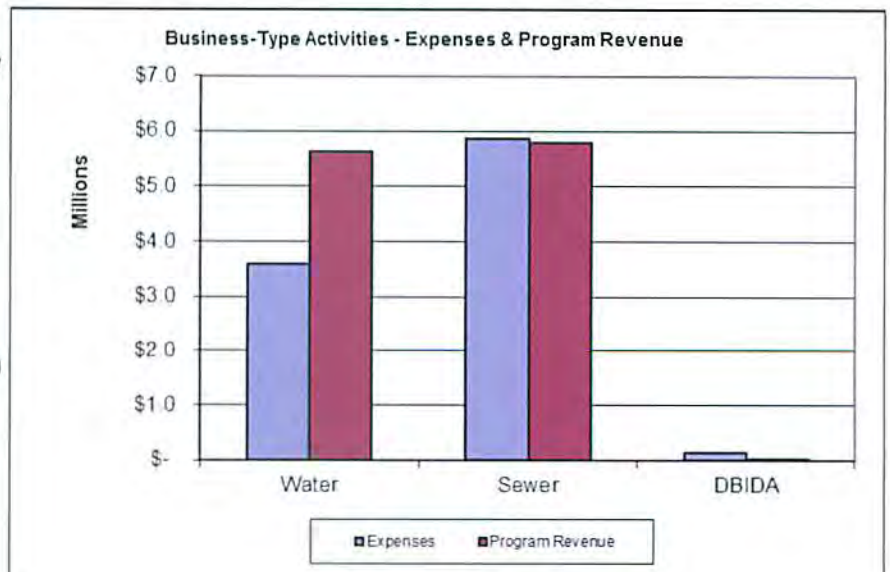
Governmental activities Governmental activities for the year resulted in an increase in net position of \$5,301,084. Governmental activities realized the following significant transactions:

- General Fund excess of revenues over expenditures of \$3.7 million.
- Acquisition of capital assets of \$8.71 million.
- An increase in the OPEB Liability of \$2.4 million.
- An increase in the compensated absences liability of \$213,184.
- Debt service principal payments in excess of depreciation expense of \$300,000.



Business-Type Activities Business-type activities for the year resulted in an increase in net position of \$1,857,918 or 2.4%. Key elements of this change are as follows:

- The Water Fund increased net assets by \$1,954,148 or 9.5%. This consists mainly of operating activities resulting in income of \$1.5 million.
- The Sewer Fund had a decrease in net position of \$92,530 or 0.3%. This consists mainly of an operating loss of \$124,088.



D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

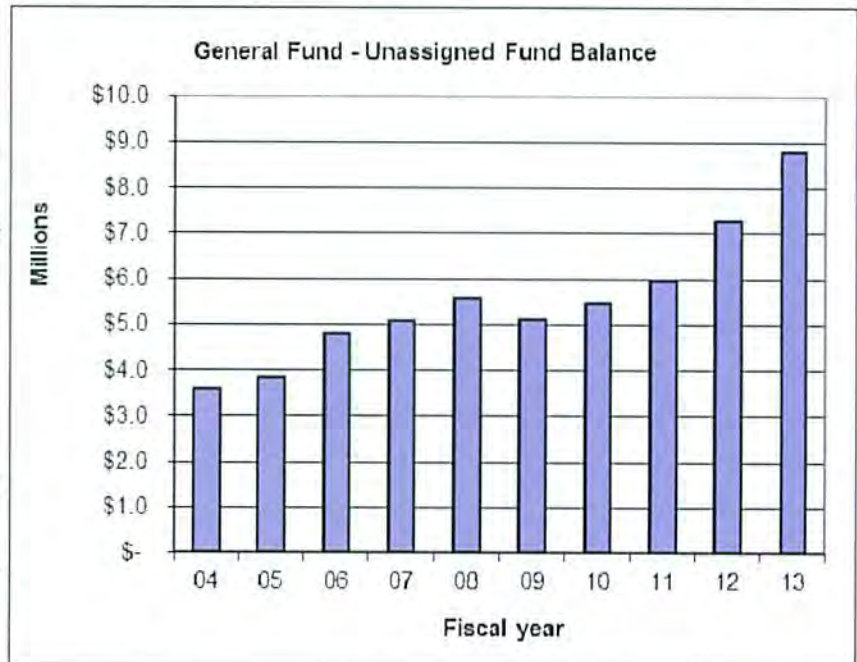
Governmental funds The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$22,266,091, an increase of \$763,152 in comparison with the prior year. The General Fund change consists of an increase in the unassigned fund balance of \$1,506,020 and a decrease in nonspendable, committed and assigned balances of \$431,125.

The general fund is the chief operating fund. At the end of the current fiscal

year, unassigned fund balance of the general fund was \$8,791,826, while total fund balance was \$11,408,128. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

Unassigned fund balance represents 9.68 percent of total general fund expenditures, while total fund balance represents 12.56 percent of that same amount.



The unassigned fund balance of the general fund increased by \$1,506,020, or 20.7%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance of \$2,739,606 from excess of revenues and other sources over expenditures and other uses, consisting of \$120,594 of revenues over budget estimates (exclusive of Other Financing Sources) and \$2,647,449 of expenditures under budget estimates (exclusive of Other Financing Uses). Revenue items in excess of budget estimates consist

mainly of \$407,786 in taxes and tax interest, \$173,202 for building permits, and \$233,255 for motor vehicle permits. Revenue shortfalls consist mainly of \$149,279 in sales and service charges, \$169,778 in ambulance fees. Unencumbered appropriations consisted mainly of \$543,734 for Public Safety, \$1,099,243 for Public Works, \$178,414 for Culture and Recreation, and \$64,332 for Debt Service Interest. The School Department unencumbered appropriations of \$736,577 offset a shortfall of \$416,933 in education revenue, due mainly to a reduction in Tuition revenue.

- An increase to fund balance of \$33,682 for a decrease in deferred property tax revenue.
- An increase to fund balance of \$113,308 for the decrease in the reserve for advances to the McConnell Center Fund.
- A decrease to fund balance of \$288,069 for an increase of carryover appropriations reserved for future years capital outlay. In accordance with City Charter, capital outlay appropriations shall continue in force for three years or until the purpose for which the appropriation was made has been completed, whichever time period is shorter.

Proprietary funds Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$4,252,345. This amount consists of the Water Fund of \$1,274,824, the Sewer Fund of \$1,826,942, and the Dover Business and Industrial Development Fund (DBIDA) of \$1,150,579.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget resulted in an overall increase in appropriations of \$65,354. This consists of City Council adopted appropriations of \$8,908 for a grant awarded to the City, \$17,500 for abatements, and \$38,946 increase for intergovernmental payment to the county.

Unspent General Fund appropriations were due to several factors including a self-imposed reduction in expenditures and a year-end level of under-expenditures (including transfers) of approximately 2.9%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets Capital assets for governmental and business-type activities at year-end amounted to \$224,091,237 (net of accumulated depreciation), an increase of approximately \$3,359,286 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment. The following yearly comparison shows net capital assets by category:

Capital Assets (000s) (net of depreciation)

| | Governmental Activities | | Business-Type Activities | | Totals | |
|----------------------------|-------------------------|------------|--------------------------|-----------|------------|------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Land | \$ 14,444 | \$ 14,598 | \$ 1,785 | \$ 1,785 | \$ 16,229 | \$ 16,383 |
| Buildings and improvements | 75,454 | 74,476 | 17,980 | 17,117 | 93,434 | 91,593 |
| Machinery and equipment | 9,065 | 8,374 | 7,909 | 7,045 | 16,974 | 15,419 |
| Infrastructure | 32,803 | 32,390 | 42,090 | 41,258 | 74,893 | 73,648 |
| Construction in Progress | 19,039 | 23,114 | 162 | 3,935 | 19,201 | 27,049 |
| Total Assets | \$ 150,805 | \$ 152,952 | \$ 69,926 | \$ 71,140 | \$ 220,731 | \$ 224,092 |

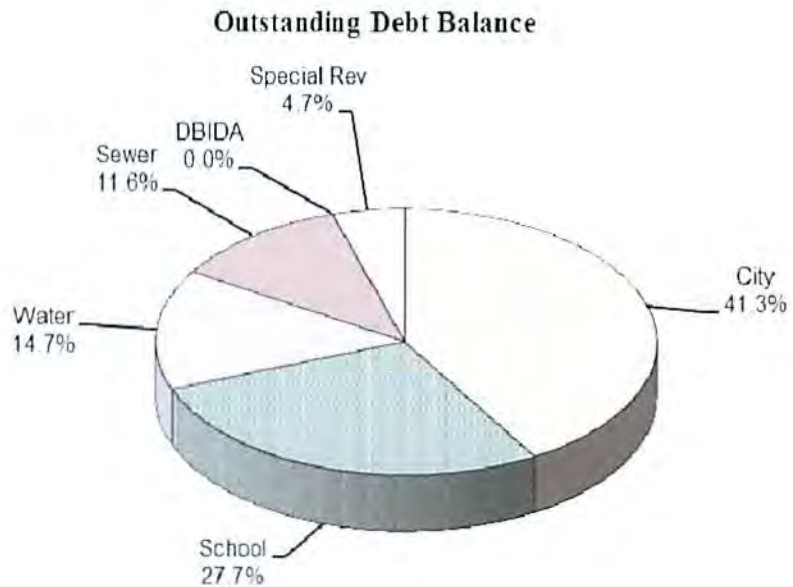
Major capital asset events during the current fiscal year included the following:

- The increase to Land of the governmental activities relates to the recording of the change in asset type classification of the remaining book value of a building after demolition.
- The increase to Building and Improvements for governmental activities relates to Building repairs and improvements to the McConnell Center, Library and City Hall.
- Decreases in the value of Machinery and Equipment is the result of technology and network infrastructure retirements of obsolete technology at the schools and police and fire departments dispatch center radio equipment.
- The governmental activities infrastructure change includes additions for the acceptance of donated roadways, Labrador Wood, Longmeadow and Boxwood Lane. Other additions include bridge, street, drainage and paving projects at Whittier Street Bridge, Berry Brook, Pine Hill Cemetery paving, Recreation Trails and installation of energy efficient street signalization projects.
- The governmental activities construction in progress relates mainly to Public Works projects for the Tolend Road Landfill hazardous landfill mitigation project, the Cocheco River Dredge Cell project and street reconstruction projects on Tolend, Watson and Applevale roadways.

- Increases to the Business-type activities Machinery and Equipment category include infrastructure for the North End Water Pressure Zone Project. The Waste Water Treatment Plant and River Street Pump Station had improvement related to Sludge Dewatering, Pump Replacement and Aeration Blowers.
- The additions to the Business-type activities Construction in Progress Improvements are for Water Mains located on Broadway, Atlantic, Silver and Applevale roadways. Sewer Main replacement on Applevale Avenue and design services related to the Waste Water Treatment Plant Department of Environmental Services nitrate reduction project.

Additional information on capital assets can be found in Note 9 of the Financial Statements.

Long-term debt At the end of fiscal year 2013, total long-term debt outstanding was \$85,297,630, a net decrease of \$5,246,658 over the previous fiscal year end. All the long term debt was backed by the full faith and credit of the City.



Long-term Debt (000s)

| | Governmental Activities | | Business-Type Activities | | Totals | |
|-----------------------------|-------------------------|------------------|--------------------------|------------------|------------------|------------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| General Obligation Bonds | \$ 69,403 | \$ 62,639 | \$ 20,744 | \$ 18,718 | \$ 90,147 | \$ 81,357 |
| Other Long Term Debt | 397 | 289 | - | 3,651 | 397 | 3,940 |
| Total Long-term Debt | \$ 69,800 | \$ 62,928 | \$ 20,744 | \$ 22,369 | \$ 90,544 | \$ 85,297 |

In January 2013 the City finalized a loan agreement with the State of New Hampshire through the Clean Water State Revolving Loan Fund for the Waste Water Treatment Plant Aeration Blowers project. The total project cost was \$558,314, of which fifty percent was funded by an American Recovery and Reinvestment Act of 2009 grant. This resulted in the final loan agreement with the State being in the amount of \$279,157 with an interest cost of 1.70%. The loan matures in February 2022.

In March 2013 the City finalized a loan agreement with the State of New Hampshire through the Drinking Water State Revolving Loan Fund for the North End Water Pressure Zone project. The project cost was \$4,000,000 of which \$600,000 or 15% of the project cost is funded by a grant from the U.S. Environmental Protection Agency Capitalization Grants for Drinking Water State Revolving Funds. The grant is allocated over the 20 year term of the loan in equal annual installments of principal forgiveness of \$31,578.95. The resulting loan agreement is for a net debt obligation of \$3,400,000 with an interest rate of 2.72%. The loan matures in November 2032.

The City did not issue any general obligation bonds or revenue bonds during 2013.

Additional information on long term debt can be found in Note 13 of the Financial Statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

| General Fund Budget | FY13 | FY14 | Increase (Decrease) | % Change |
|----------------------------|-------------------|-------------------|--------------------------------|-----------------|
| City | 35,001,079 | 37,082,969 | 2,081,890 | 5.9% |
| School | 46,252,919 | 46,178,043 | (74,876) | -0.2% |
| County | 7,521,254 | 7,771,799 | 250,545 | 3.3% |
| Total Budget | 88,775,252 | 91,032,811 | 2,257,559 | 2.5% |

The following table reflects the property tax levy amounts for each year.

| Property Tax Levies | FY13 | FY14 | Increase (Decrease) | % Change |
|----------------------------|-------------|-------------|--------------------------------|-----------------|
| City | 24,674,390 | 25,798,503 | 1,124,113 | 4.6% |
| School - Local | 27,124,864 | 27,934,161 | 809,297 | 3.0% |
| School - State | 6,568,079 | 6,533,850 | (34,229) | -0.5% |
| Total School | 33,692,943 | 34,468,011 | 775,068 | 2.3% |
| County | 7,521,254 | 7,771,799 | 250,545 | 3.3% |
| Total Tax Levy | 65,888,587 | 68,038,313 | 2,149,726 | 3.3% |

The following table reflects the property tax rates for each year. The tax rate is stated per \$1,000 of assessed value.

| Property Tax Rates | FY13 | FY14 | Increase (Decrease) | % Change |
|---------------------------|-------------|-------------|--------------------------------|-----------------|
| City | 9.71 | 9.99 | 0.28 | 2.9% |
| School - Local | 10.38 | 10.54 | 0.16 | 1.5% |
| School - State | 2.55 | 2.51 | (0.04) | -1.6% |
| Total School | 12.93 | 13.05 | 0.12 | 0.9% |
| County | 2.88 | 2.93 | 0.05 | 1.7% |
| Total Tax Rate | 25.52 | 25.97 | 0.45 | 1.8% |

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

| Utility Funds | FY13 | FY14 | Increase (Decrease) | % Change |
|----------------------|-------------|-------------|--------------------------------|-----------------|
| Water Fund | 4,709,762 | 4,853,514 | 143,752 | 3.1% |
| Sewer Fund | 6,404,327 | 6,747,525 | 343,198 | 5.4% |
| Total Utility Funds | 11,114,089 | 11,601,039 | 486,950 | 4.4% |

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

| Utility Rates | FY13 | FY14 | Increase (Decrease) | % Change |
|----------------------|-------------|-------------|--------------------------------|-----------------|
| Water Fund | 4.36 | 4.69 | 0.33 | 7.6% |
| Sewer Fund | 5.78 | 6.53 | 0.75 | 13.0% |
| Combined Rates | 10.14 | 11.22 | 1.08 | 10.7% |

Discussions of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.dover.nh.gov

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Statement of Net Position

June 30, 2013

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------|-----------------------------|------------------------------|
| ASSETS | | | |
| Current: | | | |
| Cash and short-term investments | \$ 27,821,007 | \$ 8,310,771 | \$ 36,131,778 |
| Investments | 3,282,796 | | 3,282,796 |
| Receivables, net of allowance for uncollectibles: | | | |
| Property taxes | 4,463,736 | | 4,463,736 |
| User fees | | 3,300,392 | 3,300,392 |
| Departmental and other | 1,556,298 | | 1,556,298 |
| Intergovernmental | 1,016,517 | 21,595 | 1,038,112 |
| Internal balances | (1,974,463) | 1,974,463 | |
| Inventory | 99,171 | 443,833 | 543,004 |
| Other assets | 191,418 | | 191,418 |
| Total current assets | <u>36,456,480</u> | <u>14,051,054</u> | <u>50,507,534</u> |
| Noncurrent: | | | |
| Intergovernmental receivables, net | | 139,367 | 139,367 |
| Loans receivable, net | 856,214 | | 856,214 |
| Investment in land | | 1,256,731 | 1,256,731 |
| Capital assets: | | | |
| Land and construction in progress | 37,711,946 | 5,720,090 | 43,432,036 |
| Capital assets, net of accumulated depreciation | <u>115,239,536</u> | <u>65,419,665</u> | <u>180,659,201</u> |
| Total non-current assets | <u>153,807,696</u> | <u>72,535,853</u> | <u>226,343,549</u> |
| Total Assets | \$ <u>190,264,176</u> | \$ <u>86,586,907</u> | \$ <u>276,851,083</u> |
| LIABILITIES AND NET ASSETS | | | |
| Liabilities | | | |
| Current: | | | |
| Accounts payable | 1,794,566 | 295,049 | 2,089,615 |
| Accrued liabilities | 4,817,811 | 134,818 | 4,952,629 |
| Retainage payable | 176,095 | 186,276 | 362,371 |
| Due to fiduciary funds | 1,587,580 | | 1,587,580 |
| Unearned revenue | 32,421 | 2,343,164 | 2,375,585 |
| Other current liabilities | 1,278,640 | | 1,278,640 |
| Current portion of long-term liabilities: | | | |
| Claims liability | 348,000 | | 348,000 |
| Bonds and loans payable | 6,682,110 | 2,181,724 | 8,863,834 |
| Compensated absences | 150,367 | 17,000 | 167,367 |
| Total current liabilities | <u>16,867,590</u> | <u>5,158,031</u> | <u>22,025,621</u> |
| Noncurrent: | | | |
| Claims liability, net of current portion | 186,071 | | 186,071 |
| Bonds and loans payable, net of current portion | 56,246,379 | 20,187,417 | 76,433,796 |
| Compensated absences, net of current portion | 3,244,080 | 120,815 | 3,364,895 |
| Other post-employment benefits liability | 19,548,047 | 1,465,705 | 21,013,752 |
| Liability for hazardous waste-site cleanup | 10,427,000 | | 10,427,000 |
| Total non-current liabilities | <u>89,651,577</u> | <u>21,773,937</u> | <u>111,425,514</u> |
| Total Liabilities | <u>106,519,167</u> | <u>26,931,968</u> | <u>133,451,135</u> |
| Net Position | | | |
| Net Investment in capital assets | 94,608,955 | 50,399,796 | 145,008,751 |
| Restricted for: | | | |
| Nonexpendable trust principal | 1,867,381 | | 1,867,381 |
| Expendable trust principal | 277,621 | | 277,621 |
| City and school department grants and projects | 2,031,353 | | 2,031,353 |
| Restricted for capital outlay | | 5,002,798 | 5,002,798 |
| Unrestricted (Deficit) | (15,040,301) | 4,252,345 | (10,787,956) |
| Total Net Position | \$ <u>83,745,009</u> | \$ <u>59,654,939</u> | \$ <u>143,399,948</u> |

Statement of Activities

For the Year Ended June 30, 2013

| | Expenses | Program Revenues | | |
|---------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General government | \$ 14,709,181 | \$ 2,216,125 | \$ 1,130,491 | |
| Public safety | 17,030,785 | 2,541,417 | 1,191,401 | |
| Public works | 6,720,090 | 1,128,692 | 424,441 | \$ 643,193 |
| Culture and recreation | 3,296,827 | 1,639,139 | 61,466 | |
| Education | 48,192,876 | 5,570,396 | 11,326,640 | |
| Public welfare | 948,950 | 292,294 | 24,305 | |
| Interest | 3,216,334 | | | |
| Total Governmental Activities | <u>94,115,043</u> | <u>13,388,063</u> | <u>14,158,744</u> | <u>643,193</u> |
| Business-Type Activities: | | | | |
| Water services | 3,598,668 | 4,680,037 | | 946,642 |
| Sewer services | 5,866,950 | 5,353,449 | | 440,267 |
| DBIDA services | 134,900 | 1,200 | | |
| Total Business-Type Activities | <u>9,600,518</u> | <u>10,034,686</u> | | <u>1,386,909</u> |
| Total | <u>\$ 103,715,561</u> | <u>\$ 23,422,749</u> | <u>\$ 14,158,744</u> | <u>\$ 2,030,102</u> |

General Revenues:

Property tax
 Motor vehicle registration tax
 Penalties and interest
 Unrestricted investment earnings
 Other revenue
 Transfers in (out)

Total general revenues

Change in Net Position

Net Position:

Beginning of year

End of year

| Net (Expenses) Revenues and Changes in Net Position | | |
|---|---------------------------------|-----------------------|
| Governmental Activities | Business- Type Activities | Total |
| \$ (11,362,565) | | \$ (11,362,565) |
| (13,297,967) | | (13,297,967) |
| (4,523,764) | | (4,523,764) |
| (1,596,222) | | (1,596,222) |
| (31,295,840) | | (31,295,840) |
| (632,351) | | (632,351) |
| <u>(3,216,334)</u> | | <u>(3,216,334)</u> |
| <u>(65,925,043)</u> | | <u>(65,925,043)</u> |
| | \$ 2,028,011 | 2,028,011 |
| | (73,234) | (73,234) |
| | <u>(133,700)</u> | <u>(133,700)</u> |
| | 1,821,077 | 1,821,077 |
| <u>(65,925,043)</u> | <u>1,821,077</u> | <u>(64,103,966)</u> |
| 65,837,919 | | 65,837,919 |
| 3,933,255 | | 3,933,255 |
| 445,156 | | 445,156 |
| 115,400 | 2,223 | 117,623 |
| 929,015 | | 929,015 |
| <u>(34,618)</u> | <u>34,618</u> | |
| <u>71,226,127</u> | <u>36,841</u> | <u>71,262,968</u> |
| 5,301,084 | 1,857,918 | 7,159,002 |
| <u>78,443,925</u> | <u>57,797,021</u> | <u>136,240,946</u> |
| <u>\$ 83,745,009</u> | <u>\$ 59,654,939</u> | <u>\$ 143,399,948</u> |

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

Governmental Funds

Balance Sheet

June 30, 2013

| ASSETS | General | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------------------|--------------------------------|
| Cash and short-term investments | \$ 24,200,507 | \$ 3,620,500 | \$ 27,821,007 |
| Investments | | 3,282,796 | 3,282,796 |
| Receivables, net of allowance for uncollectibles: | | | |
| Taxes | 4,463,736 | | 4,463,736 |
| Departmental and other | 385,514 | 1,105,802 | 1,491,316 |
| Intergovernmental | 333,675 | 684,270 | 1,017,945 |
| Loans | | 856,214 | 856,214 |
| Due from other funds | | 9,666,213 | 9,666,213 |
| Advances to other funds | 433,176 | | 433,176 |
| Inventory | 4,094 | 37,278 | 41,372 |
| Other assets | 30,078 | | 30,078 |
| Total Assets | \$ 29,850,780 | \$ 19,253,073 | \$ 49,103,853 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 651,021 | \$ 1,057,713 | \$ 1,708,734 |
| Accrued liabilities | 4,250,731 | 295,000 | 4,545,731 |
| Retainage payable | 3,175 | 172,920 | 176,095 |
| Unearned revenues | | 32,421 | 32,421 |
| Due to other funds | 9,219,781 | 5,407,589 | 14,627,370 |
| Advances from other fund | | 433,176 | 433,176 |
| Compensated absences | 114,158 | | 114,158 |
| Other liabilities | 1,278,640 | | 1,278,640 |
| Total Liabilities | 15,517,506 | 7,398,819 | 22,916,325 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | 2,925,146 | | 2,925,146 |
| Unavailable revenue - long-term receivables | | 996,291 | 996,291 |
| Total deferred inflows of resources | 2,925,146 | 996,291 | 3,921,437 |
| Fund Balances: | | | |
| Nonspendable | 4,094 | 1,904,659 | 1,908,753 |
| Restricted | | 6,470,386 | 6,470,386 |
| Committed | 666,026 | 5,754,554 | 6,420,580 |
| Assigned | 1,946,182 | | 1,946,182 |
| Unassigned | 8,791,826 | (3,271,636) | 5,520,190 |
| Total Fund Balances | 11,408,128 | 10,857,963 | 22,266,091 |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | \$ 29,850,780 | \$ 19,253,073 | \$ 49,103,853 |

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Assets

June 30, 2013

| | |
|--|-----------------------------|
| Total governmental fund balances | \$ 22,266,091 |
| • Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 152,951,482 |
| • Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. | 3,921,437 |
| • Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. | 1,013,800 |
| • In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. | (260,185) |
| • Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds: | |
| Bonds payable | (62,928,489) |
| Compensated absences | (3,244,080) |
| Liability for hazardous waste-site cleanup | (10,427,000) |
| Other Post-Employment Benefits (OPEB) liability | <u>(19,548,047)</u> |
| Net position of governmental activities | \$ <u>83,745,009</u> |

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2013

| | <u>General</u> | Nonmajor Governmental <u>Funds</u> | Total Governmental <u>Funds</u> |
|--|----------------------|--|---------------------------------------|
| Revenues: | | | |
| Taxes | \$ 66,723,579 | \$ 267,590 | \$ 66,991,169 |
| Licenses and permits | 4,712,167 | 465,048 | 5,177,215 |
| Intergovernmental | 2,523,877 | 5,631,312 | 8,155,189 |
| Current services | 2,816,587 | 4,239,561 | 7,056,148 |
| Education | 11,394,990 | | 11,394,990 |
| Miscellaneous | 239,271 | 753,468 | 992,739 |
| Total Revenues | <u>88,410,471</u> | <u>11,356,979</u> | <u>99,767,450</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 4,296,218 | 218,320 | 4,514,538 |
| Public safety | 13,181,881 | 2,051,518 | 15,233,399 |
| Public works | 5,221,520 | 4,929,543 | 10,151,063 |
| Culture and recreation | 2,917,619 | 828,781 | 3,746,400 |
| Education | 41,077,160 | 5,666,377 | 46,743,537 |
| Public welfare | 864,401 | 568,188 | 1,432,589 |
| Intergovernmental - County tax | 7,521,254 | | 7,521,254 |
| Debt service | 9,625,698 | 484,704 | 10,110,402 |
| Total Expenditures | <u>84,705,751</u> | <u>14,747,431</u> | <u>99,453,182</u> |
| Revenues over (under) expenditures | <u>3,704,720</u> | <u>(3,390,452)</u> | <u>314,268</u> |
| Other Financing Sources (Uses): | | | |
| Refunding bond premium received | | 697,521 | 697,521 |
| Transfers in | 1,036,554 | 854,884 | 1,891,438 |
| Transfers out | <u>(3,666,379)</u> | | <u>(3,666,379)</u> |
| Total Other Financing Sources (Uses) | <u>(2,629,825)</u> | <u>1,552,405</u> | <u>(1,077,420)</u> |
| Net change in fund balances | 1,074,895 | (1,838,047) | (763,152) |
| Fund Balances, at Beginning of Year | <u>10,333,233</u> | <u>12,696,010</u> | <u>23,029,243</u> |
| Fund Balances, at End of Year | <u>\$ 11,408,128</u> | <u>\$ 10,857,963</u> | <u>\$ 22,266,091</u> |

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2013

| | | | | | | | | | | | | | | | | | |
|--|----------------------------|--------------------------|-----------|--------------|-------------|--|-----------|--------------------|-----------|--|--------|--|-----------|----------------------------|-------------|--|---------|
| Net Changes in Fund Balances - Total Governmental Funds | \$ (763,152) | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table border="0" style="margin-left: 40px;"> <tr> <td>Capital outlay purchases</td> <td style="text-align: right;">8,711,942</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(6,570,526)</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in deferred revenue. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">(456,832)</td> </tr> </table> • The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <table border="0" style="margin-left: 40px;"> <tr> <td>Repayments of debt</td> <td style="text-align: right;">6,871,399</td> </tr> </table> • In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due, this amount reflects the change in accrued interest. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">22,668</td> </tr> </table> • Some expenses reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds: <table border="0" style="margin-left: 40px;"> <tr> <td>Decrease in liability for compensated absences</td> <td style="text-align: right;">(174,989)</td> </tr> <tr> <td>Increase in OPEB liability</td> <td style="text-align: right;">(2,450,331)</td> </tr> </table> • Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">110,905</td> </tr> </table> | | Capital outlay purchases | 8,711,942 | Depreciation | (6,570,526) | | (456,832) | Repayments of debt | 6,871,399 | | 22,668 | Decrease in liability for compensated absences | (174,989) | Increase in OPEB liability | (2,450,331) | | 110,905 |
| Capital outlay purchases | 8,711,942 | | | | | | | | | | | | | | | | |
| Depreciation | (6,570,526) | | | | | | | | | | | | | | | | |
| | (456,832) | | | | | | | | | | | | | | | | |
| Repayments of debt | 6,871,399 | | | | | | | | | | | | | | | | |
| | 22,668 | | | | | | | | | | | | | | | | |
| Decrease in liability for compensated absences | (174,989) | | | | | | | | | | | | | | | | |
| Increase in OPEB liability | (2,450,331) | | | | | | | | | | | | | | | | |
| | 110,905 | | | | | | | | | | | | | | | | |
| Changes in Net Position of Governmental Activities | \$ <u>5,301,084</u> | | | | | | | | | | | | | | | | |

Statement of Revenues and Other Financing Sources, and Expenditures and Other Financing Uses - Budget and Actual - General Fund

For the Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|------------------|---------------|-------------------|---|
| | Original | Final | | |
| Revenues and Other Sources: | | | | |
| Taxes | \$ 66,111,865 | \$ 66,315,793 | \$ 66,723,579 | \$ 407,786 |
| Licenses and permits | 4,220,905 | 4,220,905 | 4,712,078 | 491,173 |
| Intergovernmental | 2,035,912 | 1,980,517 | 1,953,250 | (27,267) |
| Current services | 3,096,986 | 3,096,986 | 2,786,623 | (310,363) |
| Education | 11,753,393 | 11,753,393 | 11,336,460 | (416,933) |
| Miscellaneous | 440,437 | 352,437 | 327,773 | (24,664) |
| Transfers | 869,308 | 874,129 | 874,991 | 862 |
| Total Revenues | 88,528,806 | 88,594,160 | 88,714,754 | 120,594 |
| Other Sources | 190,000 | 190,000 | 161,563 | (28,437) |
| Total Revenues and Other Sources | 88,718,806 | 88,784,160 | 88,876,317 | 92,157 |
| Expenditures and Other Uses: | | | | |
| General Government | | | | |
| City Council | 461,065 | 461,065 | 458,391 | 2,674 |
| Executive | 778,979 | 787,887 | 748,284 | 39,603 |
| Finance | 1,587,765 | 1,547,765 | 1,517,596 | 30,169 |
| Planning | 463,527 | 463,527 | 456,211 | 7,316 |
| Miscellaneous general government | 823,908 | 841,408 | 900,752 | (59,344) |
| Total General Government | 4,115,244 | 4,101,652 | 4,081,234 | 20,418 |
| Public Safety | | | | |
| Police | 6,918,903 | 6,918,903 | 6,642,452 | 276,451 |
| Fire | 6,839,516 | 6,839,516 | 6,572,233 | 267,283 |
| Total Public Safety | 13,758,419 | 13,758,419 | 13,214,685 | 543,734 |
| Community Services - Public Works | 5,397,091 | 5,397,091 | 4,297,848 | 1,099,243 |
| Culture and Recreation | | | | |
| Recreation | 2,002,240 | 2,002,240 | 1,925,795 | 76,445 |
| Public Library | 1,056,273 | 1,056,273 | 954,304 | 101,969 |
| Total Culture and Recreation | 3,058,513 | 3,058,513 | 2,880,099 | 178,414 |
| Public welfare | 829,853 | 869,853 | 865,122 | 4,731 |
| Education | 42,264,590 | 42,264,590 | 41,528,013 | 736,577 |
| Debt Service | | | | |
| Principal | 6,557,165 | 6,557,165 | 6,563,165 | (6,000) |
| Interest | 3,132,866 | 3,132,866 | 3,062,534 | 70,332 |
| Total Debt Service | 9,690,031 | 9,690,031 | 9,625,699 | 64,332 |
| Intergovernmental - County tax | 7,482,308 | 7,521,254 | 7,521,254 | |
| Transfers | 2,122,757 | 2,122,757 | 2,122,757 | |
| Total Expenditures | 88,718,806 | 88,784,160 | 86,136,711 | 2,647,449 |
| Other Uses | | | | |
| Total Expenditures and Other Uses | 88,718,806 | 88,784,160 | 86,136,711 | 2,647,449 |
| Revenues and other sources over expenditures and other uses | \$ - | \$ - | \$ 2,739,606 | \$ 2,739,606 |

Proprietary Funds

Statement of Net Position

June 30, 2013

| | Business-Type Activities Enterprise Funds | | | | Governmental Activities Internal Service Funds |
|--|--|----------------------|---------------------|----------------------|--|
| | Water Fund | Sewer Fund | DBIDA Fund | Total | |
| ASSETS | | | | | |
| Current: | | | | | |
| Cash and short-term investments | \$ 4,277,891 | \$ 4,032,880 | \$ - | \$ 8,310,771 | |
| User fees, net of allowance for uncollectibles | | | | | |
| Billed | 723,120 | 719,054 | | 1,442,174 | |
| Unbilled | 922,158 | 936,060 | | 1,858,218 | |
| Departmental and other receivables | | | | | \$ 64,982 |
| Intergovernmental receivables | | 21,595 | | 21,595 | |
| Due from other funds | 479,943 | 1,582,625 | | 2,062,568 | 1,399,114 |
| Prepaid expenses | | | | | 161,340 |
| Inventory | 350,751 | 93,082 | | 443,833 | 57,799 |
| Total current assets | <u>6,753,863</u> | <u>7,385,296</u> | <u>-</u> | <u>14,139,159</u> | <u>1,683,235</u> |
| Noncurrent: | | | | | |
| Investment in land | | | 1,256,731 | 1,256,731 | |
| Intergovernmental receivable | | 139,367 | | 139,367 | |
| Capital assets: | | | | | |
| Land and construction in progress | 2,504,794 | 3,194,717 | 20,579 | 5,720,090 | |
| Other capital assets, net of accumulated depreciation | 26,987,387 | 38,432,278 | | 65,419,665 | |
| Total noncurrent assets | <u>29,492,181</u> | <u>41,766,362</u> | <u>1,277,310</u> | <u>72,535,853</u> | |
| Total Assets | <u>36,246,044</u> | <u>49,151,658</u> | <u>1,277,310</u> | <u>86,675,012</u> | <u>1,683,235</u> |
| LIABILITIES | | | | | |
| Current: | | | | | |
| Accounts payable | 190,054 | 104,018 | 977 | 295,049 | 87,260 |
| Accrued liabilities | 84,928 | 42,809 | 7,081 | 134,818 | 11,895 |
| Retainage payable | 72,390 | 113,886 | | 186,276 | |
| Unearned revenue | 50,629 | 2,292,535 | | 2,343,164 | |
| Due to other funds | | | 88,105 | 88,105 | |
| Current portion of long-term liabilities: | | | | | |
| Claims liability | | | | | 348,000 |
| Bonds payable | 1,108,458 | 1,073,266 | | 2,181,724 | |
| Compensated absences | 5,000 | 12,000 | | 17,000 | 36,209 |
| Total current liabilities | <u>1,511,459</u> | <u>3,638,514</u> | <u>96,163</u> | <u>5,246,136</u> | <u>483,364</u> |
| Noncurrent: | | | | | |
| Claims liability, net of current portion | | | | | 186,071 |
| Bonds payable, net of current portion | 11,397,342 | 8,790,075 | | 20,187,417 | |
| Compensated absences | 65,986 | 47,840 | 6,989 | 120,815 | |
| Other post-employment benefits liability | 799,436 | 666,269 | | 1,465,705 | |
| Total noncurrent liabilities | <u>12,262,764</u> | <u>9,504,184</u> | <u>6,989</u> | <u>21,773,937</u> | <u>186,071</u> |
| Total Liabilities | <u>13,774,223</u> | <u>13,142,698</u> | <u>103,152</u> | <u>27,020,073</u> | <u>669,435</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 18,724,703 | 31,654,514 | 20,579 | 50,399,796 | |
| Restricted for capital outlay | 2,472,294 | 2,527,504 | 3,000 | 5,002,798 | 238,716 |
| Unrestricted (deficit) | 1,274,824 | 1,826,942 | 1,150,579 | 4,252,345 | 775,084 |
| Total Net Position | <u>\$ 22,471,821</u> | <u>\$ 36,008,960</u> | <u>\$ 1,174,158</u> | <u>\$ 59,654,939</u> | <u>\$ 1,013,800</u> |

Proprietary Funds**Statement of Revenues, Expenses and Changes in Fund Net Position**

For the Year Ended June 30, 2013

| | Business-Type Activities Enterprise Funds | | | Total | Governmental Activities |
|--|--|----------------------|---------------------|----------------------|------------------------------|
| | Water Fund | Sewer Fund | DBIDA Fund | | Internal Service Funds |
| Operating Revenues: | | | | | |
| Charges for services | \$ 4,392,738 | \$ 4,873,190 | | \$ 9,265,928 | \$ 1,567,577 |
| Investment fees | 181,161 | 368,282 | | 549,443 | |
| Other revenue | 106,138 | 111,977 | \$ 1,200 | 219,315 | 327,634 |
| Total Operating Revenues | <u>4,680,037</u> | <u>5,353,449</u> | <u>1,200</u> | <u>10,034,686</u> | <u>1,895,211</u> |
| Operating Expenses: | | | | | |
| Personal services | 1,200,232 | 1,543,400 | 114,282 | 2,857,914 | 2,202,523 |
| Purchased services | 286,539 | 530,302 | 17,429 | 834,270 | 824,312 |
| Supplies | 624,304 | 818,525 | 3,028 | 1,445,857 | 80,182 |
| Minor equipment | 21,964 | 62,558 | | 84,522 | 62,418 |
| Depreciation | 877,890 | 2,300,114 | | 3,178,004 | |
| Other expenses | 159,476 | 222,638 | 161 | 382,275 | 383,231 |
| Total Operating Expenses | <u>3,170,405</u> | <u>5,477,537</u> | <u>134,900</u> | <u>8,782,842</u> | <u>3,552,666</u> |
| Operating Income (Loss) | <u>1,509,632</u> | <u>(124,088)</u> | <u>(133,700)</u> | <u>1,251,844</u> | <u>(1,657,455)</u> |
| Nonoperating Revenues (Expenses): | | | | | |
| Investment income | 1,142 | 1,081 | | 2,223 | |
| Interest expense | (428,263) | (389,413) | | (817,676) | |
| Total Nonoperating Revenues (Expenses), Net | <u>(427,121)</u> | <u>(388,332)</u> | | <u>(815,453)</u> | <u>-</u> |
| Transfers in (out) | | | | | |
| Intergovernmental | (75,005) | (20,377) | 130,000 | 34,618 | 1,740,325 |
| Capital Contributions | 600,000 | 285,997 | | 885,997 | 28,035 |
| | <u>346,642</u> | <u>154,270</u> | | <u>500,912</u> | |
| Change in Net Position | 1,954,148 | (92,530) | (3,700) | 1,857,918 | 110,905 |
| Net Position at Beginning of Year | <u>20,517,673</u> | <u>36,101,490</u> | <u>1,177,858</u> | <u>57,797,021</u> | <u>902,895</u> |
| Net Position at End of Year | <u>\$ 22,471,821</u> | <u>\$ 36,008,960</u> | <u>\$ 1,174,158</u> | <u>\$ 59,654,939</u> | <u>\$ 1,013,800</u> |

Proprietary Funds**Statement of Cash Flows**

For the Year Ended June 30, 2013

| | Business-Type Activities Enterprise Funds | | | | Governmental Activities |
|---|--|---------------------|---------------------|---------------------|------------------------------|
| | Water Fund | Sewer Fund | DBIDA Fund | Total | Internal Service Funds |
| Cash Flows From Operating Activities: | | | | | |
| Receipts from customers and users for services | \$ 1,851,432 | \$ 4,986,313 | | \$ 6,837,745 | \$ 1,883,840 |
| Receipts from customers and users for investment fees | 287,299 | 480,259 | \$ 1,200 | 768,758 | |
| Payments to vendors and contractors | (1,274,622) | (1,617,321) | (21,189) | (2,913,132) | (2,672,067) |
| Payments of employee salaries and benefits | (1,229,793) | (1,522,610) | (115,468) | (2,867,871) | (833,216) |
| Receipts for interfund service provided | 115,612 | | | 115,612 | 402,866 |
| Payments for interfund service provided | | 1,155,635 | 5,457 | 1,161,092 | (549,783) |
| Net Change in Operating Activities | <u>(250,072)</u> | <u>3,482,276</u> | <u>(130,000)</u> | <u>3,102,204</u> | <u>(1,768,360)</u> |
| Cash Flows From Noncapital Financing Activities: | | | | | |
| Transfers in | | | 130,000 | 130,000 | 1,780,437 |
| Transfers out | (75,005) | (20,377) | | (95,382) | (40,112) |
| Intergovernmental subsidy | | | | | 28,035 |
| Net Change in Noncapital Financing Activities | <u>(75,005)</u> | <u>(20,377)</u> | <u>130,000</u> | <u>34,618</u> | <u>1,768,360</u> |
| Cash Flows From Capital and Related Financing Activities: | | | | | |
| Purchases of capital assets and land for investment | (1,768,661) | (2,121,224) | | (3,889,885) | |
| Capital contributions - federal and state grants | 600,000 | 285,997 | | 885,997 | |
| Principal payments on bonds and notes | (978,000) | (1,076,416) | | (2,054,416) | |
| Proceeds from bonds | 3,400,000 | 279,157 | | 3,679,157 | |
| Interest expense | (428,263) | (389,413) | | (817,676) | |
| Net Change in Capital and Related Financing Activities | <u>825,076</u> | <u>(3,021,899)</u> | | <u>(2,196,823)</u> | <u>-</u> |
| Cash Flows From Investing Activities: | | | | | |
| Investment income | 1,142 | 1,081 | | 2,223 | |
| Net Change in Investing Activities | <u>1,142</u> | <u>1,081</u> | | <u>2,223</u> | <u>-</u> |
| Net Change in Cash and Short-Term Investments | 501,141 | 441,081 | | 942,222 | |
| Cash and Short-Term Investments, Beginning of Year | 3,776,750 | 3,591,799 | | 7,368,549 | |
| Cash and Short-Term Investments, End of Year | <u>\$ 4,277,891</u> | <u>\$ 4,032,880</u> | <u>\$ -</u> | <u>\$ 8,310,771</u> | <u>\$ -</u> |
| Reconciliation of Operating Income to Net Change In Operating Activities: | | | | | |
| Operating income (loss) | \$ 1,509,632 | \$ (124,088) | \$ (133,700) | \$ 1,251,844 | \$ (1,657,455) |
| Adjustments to reconcile operating income (loss) to net change in operating activities: | | | | | |
| Depreciation | 877,890 | 2,300,114 | | 3,178,004 | |
| Changes in assets and liabilities: | | | | | |
| User fees | 152,476 | 129,445 | | 281,921 | |
| Inventory | (47,930) | (1,864) | | (49,794) | 3,049 |
| Departmental and other receivables | 20,629 | 434,779 | | 455,408 | (11,371) |
| Interfund receivables and payables | 115,612 | 1,155,635 | 5,457 | 1,276,704 | (146,916) |
| Other assets | | | | | (25,000) |
| Accounts payable | (55,658) | (4,272) | (571) | (60,501) | 7,704 |
| Accrued liabilities | (35,345) | 37,544 | (724) | 1,475 | 70,180 |
| Unearned revenue | (2,714,411) | (451,101) | | (3,165,512) | |
| Retainage payable | (165,632) | (100,673) | | (266,305) | |
| Compensated absences | 5,784 | (16,754) | (462) | (11,432) | (8,551) |
| OPEB liability | 86,881 | 123,511 | | 210,392 | |
| Net Change in Operating Activities | <u>\$ (250,072)</u> | <u>\$ 3,482,276</u> | <u>\$ (130,000)</u> | <u>\$ 3,102,204</u> | <u>\$ (1,768,360)</u> |

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2013

| | Agency Funds | Private Purpose Trust Funds |
|-----------------------------------|--------------------|--------------------------------------|
| ASSETS | | |
| Cash and short term investments | \$ 273,491 | |
| Due from other funds | 774,645 | \$ 812,935 |
| Total Assets | <u>1,048,136</u> | <u>812,935</u> |
| LIABILITIES AND NET ASSETS | | |
| Other liabilities | 1,048,136 | |
| Total Liabilities | <u>1,048,136</u> | <u>-</u> |
| NET Position | | |
| Total Net Position Held in Trust | \$ <u><u>-</u></u> | \$ <u><u>812,935</u></u> |

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2013

| | Private Purpose Trust Funds |
|------------------------|-----------------------------------|
| Additions: | |
| Investment earnings | \$ 53,982 |
| Total | <u>53,982</u> |
| Deductions: | |
| Disbursements by agent | <u>22,069</u> |
| Total deductions | <u>22,069</u> |
| Net increase | 31,913 |
| Net Position: | |
| Beginning of year | <u>781,022</u> |
| End of year | <u>\$ 812,935</u> |

Notes to Financial Statements

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Dover, New Hampshire (the City/Government) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The government is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable and, as such, should be included within the City's financial statements. In accordance with GASB Statement No. 14 as amended by GASB Statement No. 61, the City is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading. In fiscal year 2013, it was determined that no entities met the required criteria to be included as a component unit.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Notes to Financial Statements

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The government reports the following major proprietary funds:

- The Water Fund accounts for the operation of a water treatment plant, city wells and water system
- The Sewer Fund accounts for the operation of a sewer treatment plant, pumping station and sewer lines.
- The Dover Business and Industrial Development Authority Fund (DBIDA) accounts for the economic development projects of the DBIDA, which operates under RSA 162-G.

Notes to Financial Statements

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Financial Statements – Continued

Additionally, the government reports the following fund type:

- Internal service funds account for data processing, fleet management services, workers compensation administration and claims, and OPEB expenses provided to other departments on the cost reimbursement basis.

Fiduciary funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, only report assets and liabilities, and thus have no measurement focus. The government also reports the following fiduciary funds:

- The Private-Purpose Trust Funds are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. Private Purpose Trust Funds held by the City include trust arrangements for Cemetery general care, Parks & Recreation program scholarships, Welfare benefits, and School scholarships.

Agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. Agency funds held by the City include the Chamber of Commerce, Performance Bonds, Department Agency, and School Agency.

As a general rule and per the City's policy, the effect of interfund activity has been eliminated from the government-wide financial statements. The reimbursements from other funds included in internal service funds revenue are eliminated on the government-wide level to remove the "doubling up" effect of internal service activity.

Cash and Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with appropriate state laws and regulations and is under the control of the New Hampshire Banking Commission. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes.

Investments are considered holdings of greater than three months and are reported at fair value.

City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the City Council shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Notes to Financial Statements

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings banks or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided, however, that said common trust funds shall be limited to the investments authorized in RSA 31:25; provided further, that not more than \$10,000 or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve accounting applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventories

Inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. The costs of inventories is recorded as an expense when consumed rather than when purchased.

Notes to Financial Statements

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during 2013.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

| | |
|----------------------------|---------------|
| Buildings | 20 – 40 years |
| Building improvements | 40 years |
| Building systems | 15 – 24 years |
| Infrastructure | 20 – 40 years |
| Water/sewer infrastructure | 24 – 50 years |
| Vehicles | 8 – 15 years |
| Office equipment | 7 – 20 years |
| Computer equipment | 5 – 10 years |
| Land improvements | 15 – 20 years |
| Machinery and equipment | 5 – 15 years |
| Books and collections | 5 years |

Compensated Absences

Depending on the union, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which lapses at year end. Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2013 was \$277,480. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

Notes to Financial Statements

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category, unavailable revenue from property taxes and unavailable revenue from long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Fund Balances

In the governmental fund financial statements fund balance is reported in five classifications.

| | |
|----------------------------------|--|
| Nonspendable fund balance | Nonspendable fund balance represent fund balance amounts that are not in spendable form, such as inventories and prepaid items or are legally or contractually required to be maintained intact. |
| Restricted | Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. |
| Committed | Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit a fund balance. |
| Assigned | Resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for at year end. The City Council has by resolution authorized the City's management to assign fund balance amounts to a specific purpose. This account also includes fund balance authorized by provisions of the City Charter to be used in a subsequent fiscal year. |

Notes to Financial Statements

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Balances

Unassigned

Resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance amount. When fund balance is negative the amount is reported as unassigned.

The City's fund balance policy establishes that an amount equal to at least 8% of the City's most recent approved operating budget shall be established as a minimum unassigned fund balance.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Recent Adopted Accounting Pronouncements

In November 2010, the GASB issued GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". This statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. It applies to financial reporting by primary governments and other stand-alone governments, and to the separately issued financial statements of governmental component units as defined in GASB Statement No. 14. The adoption of this statement did not have a significant impact on the City's financial statements.

Notes to Financial Statements

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Recent Accounting Pronouncements

In June 2011, the GASB issued GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". This statement will require amounts reported as deferred outflows and inflows of resources to be reported in a separate section following assets and liabilities, respectively, in a new statement of net position. The adoption of this statement did not have a significant impact on the City's financial statements.

In March 2012, the GASB issued GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. The adoption of this statement did not have a significant impact on the City's financial statements.

In June 2012, the GASB issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement improves accounting and financial reporting by state and local governments for pensions. The new statement is effective for periods beginning after June 15, 2014. The City is currently assessing the impact of this statement on its financial statements.

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 15th. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are legally adopted for the following funds: general, parking activity, residential solid waste, library fines, tuition programs, school alternative education, school facilities, McConnell Center, police DHA and school cafeteria. Proprietary funds with annually adopted budgets are water and sewer funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15th, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Board.

The City Manager may transfer budgeted amounts within each non-school Department without City Council approval. The City Manager may transfer budgeted amounts between non-school Departments only after obtaining approval from the Council. The Superintendent of the School Department may transfer budgeted amounts within the Department as needed. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

Budgetary Basis

The General Fund's final appropriation appearing on the Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

Notes to Financial Statements

June 30, 2013

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Budget/GAAP Reconciliation

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

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

| | Revenues and other financing sources | Expenditures and other financing uses | Revenues and other financing sources over (under) expenditures and other financing uses |
|--|---|--|---|
| General Fund | | | |
| Revenues/expenditures (GAAP basis) | \$88,410,471 | \$84,705,751 | \$ 3,704,720 |
| Other financing sources/uses (GAAP basis) | <u>1,036,554</u> | <u>3,666,379</u> | <u>(2,629,825)</u> |
| | 89,447,025 | 88,372,130 | 1,074,895 |
| Reverse beginning of year appropriation carryforwards from expenditures | | (2,218,819) | 2,218,819 |
| Reverse on-behalf payments | (570,424) | (570,424) | |
| Add end of year appropriation carryforwards to expenditures | | 1,202,662 | (1,202,662) |
| Less expenditures from reserves and carryovers | | (604,005) | 604,005 |
| Other adjustments | <u>(284)</u> | <u>(44,833)</u> | <u>44,549</u> |
| Budgetary Basis | <u>\$88,876,317</u> | <u>\$ 86,136,711</u> | <u>\$ 2,739,606</u> |

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

| | |
|-------------------------|--------------|
| Internal Services Funds | |
| Workers Compensation | \$ (476,749) |

Notes to Financial Statements

June 30, 2013

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2013:

| | | |
|-------------------------------|--------------|-----|
| Nonmajor Governmental funds | | |
| Special Revenue Funds: | | |
| Community Development | \$ (252,821) | (A) |
| Housing and Urban Development | (22,886) | (A) |
| DOE Energy Efficiency | (10,034) | (A) |
| Police DHA Fund | (26,791) | (A) |
| Police DOT Fund | (26,503) | (A) |
| Homeland Security Fund | (40,409) | (A) |
| DHHS Assistance Programs | (71,914) | (A) |
| EPA Fund | (112,267) | (A) |
| Dover Main Street Fund | (5,358) | (A) |
| Police and Fire Detail | (36,471) | (A) |
| Tuition Programs | (6,229) | (A) |
| McConnell Center | (396,437) | (B) |
| Field Maintenance Fund | (38,339) | (B) |
| Capital Project Funds: | | |
| CIP FY14 | (1,363) | (B) |
| CIP FY12 | (261,004) | (B) |
| CIP FY10 | (23,289) | (B) |
| CIP FY07 | (469,542) | (B) |
| CIP FY06 | (22,356) | (B) |
| CIP FY05 | (420,870) | (B) |
| CIP FY04 | (117,791) | (B) |
| CIP FY03, FY02, FY00 | (109,765) | (B) |
| Tolend Road Landfill Closure | (799,197) | (B) |

(A) The deficits in these funds will be eliminated through the future grant reimbursements.

(B) The deficits in these funds will be eliminated through future departmental revenues and transfers from other funds.

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the City's deposits or investments were exposed to custodial credit risk.

Notes to Financial Statements

June 30, 2013

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

City Funds

The City's Investment Policy requires the use of security broker/dealers be based on credit-worthiness (a minimum capital requirement of \$100,000,000 and at least five years of operation). Permitted investment per state law and the City's policy are U.S. Government Obligations, New Hampshire Public Deposit Investment Pool (NHPDIP), Certificates of Deposits in New Hampshire banks and overnight Repurchase Agreements whose underlying securities consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations. Financial institutions where funds are kept on deposit, in CDs or Repurchase Agreements must meet the following criteria:

- Minimum total assets of \$100 million.
- Minimum of an average rating by a bank rating service.
- Minimum ratio of equity capital to total assets of 5%.
- Maximum ratio of non-performing assets to equity of 20%.

Full collateralization is required on non-negotiable CDs or overnight Repurchase Agreements. Repurchase Agreement collateral must consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations.

Maximum maturity for an investment of City funds is six months. As of June 30, 2013, the City's bank balance of \$37,614,998 was fully insured or collateralized.

Trust Funds

The Investment Policy of the City's Board of Trustees of the Trust Funds permits deposits and investments in:

- Deposits in savings banks or the savings department of a national bank or trust company in the state of New Hampshire or in the NHPDIP.
- Shares of a building and loan association or cooperative bank, incorporated and doing business under New Hampshire law.
- Shares of any federal savings and loan association, located and doing business in New Hampshire.
- Certificates of deposits in New Hampshire.
- Bonds, notes or other obligations of the U.S. Government or the state, county, town, city, school district or water and sewer district.
- Stocks and bonds as are legal for investment by New Hampshire savings banks.
- Shares of mutual funds or money market mutual funds.
- The Board of Trustees of Trust Funds' standard for investing Common Trust Funds is the Prudent Investor Rule in accordance with RSA 31:25-d. To comply with the provisions of the Prudent Investor Rule, the Board engaged the services of an investment advisor.

Notes to Financial Statements

June 30, 2013

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling. The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. In fiscal year 2013 the trust investments authorized to be managed by the Board's investment advisor were as follows:

Equity Investments

The Equity asset class may be comprised of individual securities, mutual funds and other pooled asset portfolios that are invested principally in equity securities of U.S. or international companies that have a proven record of earnings, growth, strong fundamentals and good valuations. These securities may be listed on registered exchanges, or actively traded in the over-the counter market, or considered to be restricted securities (provided that the percentage of the fund's assets invested in such securities conform to the investment instrument's prospectus).

Fixed Income Investments

The Fixed Income asset class may be comprised of individual securities, mutual funds and other pooled assets portfolios that are invested principally in fixed income securities rated investment grade or better (rated in one of the four highest rating categories by a National Recognized Statistical Rating Organization (NRSRO) at the time of purchase), or, if not rated, are determined to be of comparable quality by the Investment Advisor or a mutual fund manager.

Cash Equivalent Reserves

Cash equivalent reserves shall consist of money market mutual funds that comply with Rule 2a-7 under the Investment Company Act of 1940, as amended, or in the New Hampshire Public Deposit Investment Pool.

Investments as of June 30, 2013 consisted of:

| | Fair Value | Investment Maturities (in Years) | | | |
|----------------------------------|--------------------|----------------------------------|-------------------|--------------|--------------------|
| | | 1 - 5 | 6 - 10 | More than 10 | No Maturity |
| Corporate Bonds | \$ 389,867 | \$236,740 | \$ 153,127 | | |
| Bond Funds | 935,246 | | | | \$ 935,246 |
| Common Stock and Mutual Funds | 1,618,952 | | | | 1,618,95 |
| Money Market, less than one year | 338,731 | 338,731 | | | |
| Total Investments | <u>\$3,282,796</u> | <u>\$575,471</u> | <u>\$ 153,127</u> | <u>\$ -</u> | <u>\$2,554,198</u> |

Notes to Financial Statements

June 30, 2013

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Cash Equivalent Reserves – Continued

The City's investment in debt securities that require disclosure of credit risk were rated by Moody's as follows:

Fixed income corporate bonds \$186,083—Aaa; Fixed income corporate bonds \$203,784—Aa thru A3; Bond funds \$93,727—Aaa and \$129,494 below Aaa, with 19% of these funds (32% of the non-Aaa portion) rated A1 or better.

As of June 30, 2013, the City did not have investments in any one issuer that exceeded 5% of investments.

City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to U.S. Government Obligations and by splitting its short term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is as follows:

Approved Allocation Guidelines for Common Trust Assets

| | |
|-----------------|-----------|
| Cash | 0% - 10% |
| Fixed Income | 40% - 60% |
| Equities | 40% - 60% |
| Inflation Hedge | 0% - 10% |

The Fixed Income allocation shall consist of 15% or less of high yield bond funds.

Common Trust Accumulated Income Assets

| | |
|--------------|------------|
| Cash | 25% - 100% |
| Fixed Income | 0% - 75% |
| Equities | 0% - 35% |

The Fixed Income allocation shall consist of no investment into high yield bond funds. Investment into Fixed Income and Equities investments is only at specific direction of the Board of Trustees of Trust Funds.

Capital Reserve Funds

| | |
|-------------------------|-----------|
| Cash | 5% - 100% |
| U.S. Treasuries | 0% - 60% |
| AAA Government Agencies | 0% - 60% |

Notes to Financial Statements

June 30, 2013

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Capital Reserve Funds – Continued

In fiscal year 2013 all Capital Reserve Funds' investments were fully collateralized.

- No more than 10% of the portfolio (cost basis including cash and investments) shall be invested in the obligations of any one entity, corporation or organization exclusive of U.S. government or agency obligations. A mutual fund will be considered one entity.
- No more than 20% (market value) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations thus avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities including the local government investment pool.

Trust Funds

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Trustees' investment advisor is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Trustees' investment advisor shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

Foreign Currency Risk

Specific investment in foreign securities is not permitted by either the City or Board of Trustees Investment Policies. Mutual Funds held by the Board of Trustees may have insignificant holdings in foreign securities.

The City and Board's policies also outline other specific investment criteria and are available for review at www.dover.nh.gov.

NOTE 4 – TAXES RECEIVABLE

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Notes to Financial Statements

June 30, 2013

NOTE 4 – TAXES RECEIVABLE – CONTINUED

Property taxes are due no earlier than December 1 and June 1, of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years.

Taxes receivable at June 30, 2013 are comprised of (in thousands):

| | |
|------------------------------|-----------------|
| Unredeemed taxes: | |
| Levy of fiscal year 2013 | \$ 3,104 |
| Levy of fiscal year 2012 | 803 |
| Levy of fiscal year 2011 | 484 |
| Levy of fiscal year 2010 | 124 |
| Levy of fiscal year 2009 | 70 |
| Levy of fiscal year 2008 | 29 |
| Levy of fiscal year 2007 | 3 |
| Allowance for uncollectibles | (203) |
| | <u>4,414</u> |
| Other taxes: | |
| Other miscellaneous taxes | 50 |
| | <u>\$ 4,464</u> |

NOTE 5 – DEPARTMENTAL AND OTHER RECEIVABLES

Departmental and other receivables, as reported in the governmental funds represent ambulance, police detail, current use receivables and other reimbursements.

| | Ambulance | Conservation Fund | Residential Solid Waste | Other | Total |
|---|-------------------|----------------------|----------------------------|---------------------|---------------------|
| Gross | \$ 1,253,376 | \$ 86,079 | \$ 42,908 | \$ 1,038,913 | \$ 2,421,276 |
| Less allowance for doubtful accounts | (864,978) | | | | (864,978) |
| | <u>\$ 388,398</u> | <u>\$ 86,079</u> | <u>\$ 42,908</u> | <u>\$ 1,038,913</u> | <u>\$ 1,566,298</u> |

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$333,675 reported in the general fund represents tuition revenue received from area school districts in July and August. The balance of \$682,842 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

Notes to Financial Statements

June 30, 2013

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES – CONTINUED

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Funds bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

| Fiscal Year Ended June 30,: | Reimbursement For | | |
|-----------------------------|-------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2014 | \$ 15,355 | \$ 6,240 | \$ 21,595 |
| 2015 | 15,338 | 5,688 | 21,026 |
| 2016 | 15,304 | 5,078 | 20,382 |
| 2017 | 13,915 | 4,458 | 18,373 |
| 2018 | 13,916 | 3,910 | 17,826 |
| Thereafter | 80,894 | 14,899 | 95,793 |
| | <u>\$ 154,722</u> | <u>\$ 40,273</u> | <u>\$ 194,995</u> |

In the Sewer Enterprise fund, the City has accrued \$6,240 of interest due in fiscal year 2013, along with all principal as Intergovernmental Receivables at June 30, 2013.

NOTE 7 – LOANS RECEIVABLE

Loans receivable of \$856,214 in nonmajor governmental funds represent the uncollected balance of community development loans.

NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City maintains self-balancing funds; however, most cash transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount listed as advance to other funds which is due to the general fund is from the McConnell Center Fund relates to cash flow hardship, and is not scheduled to be collected in the subsequent year. The following is an analysis of the June 30, 2013 balances in interfund receivable and payable accounts:

| Fund | Due From Other Funds | Due to Other Funds | Advance to Other Funds | Advance From Other Funds |
|-----------------------------|----------------------------|--------------------------|------------------------------|--------------------------------|
| General Fund | | \$ 9,219,781 | \$ 433,176 | |
| Nonmajor Governmental Funds | \$ 9,666,213 | 5,407,589 | | \$ 433,176 |
| Major Proprietary Funds: | | | | |
| Enterprise Funds: | | | | |
| Water | 479,943 | | | |
| Sewer | 1,582,625 | | | |
| DBIDA | | 88,105 | | |
| Nonmajor Proprietary Funds: | | | | |
| Internal Service Funds | 1,399,114 | | | |
| Fiduciary Funds: | | | | |
| Agency Funds | 774,645 | | | |
| Private Purpose Funds | 812,935 | | | |
| | <u>\$ 14,715,475</u> | <u>\$ 14,715,475</u> | <u>\$ 433,176</u> | <u>\$ 433,176</u> |

Notes to Financial Statements

June 30, 2013

NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS - CONTINUED

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The following is an analysis of the June 30, 2013 interfund transfers:

| Fund | Transfers In | Transfers Out |
|----------------------------------|---------------------|-----------------------|
| General Fund | \$ 1,036,554 | \$ (3,666,379) |
| Nonmajor Governmental Funds | 854,884 | |
| Major Proprietary Funds: | | |
| Enterprise Funds | | |
| Water | | (75,005) |
| Sewer | | (20,377) |
| DBIDA | 130,000 | |
| Nonmajor Proprietary Funds | | |
| Internal Service Funds | <u>1,740,323</u> | |
| Total Interfund Transfers | <u>\$ 3,761,761</u> | <u>\$ (3,761,761)</u> |

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows (reported in thousands):

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-----------------|-------------------|-------------------|
| Governmental Activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 110,559 | \$ 1,521 | \$ (333) | \$ 111,747 |
| Machinery, equipment and furnishings | 28,757 | 1,087 | (2,168) | 27,676 |
| Infrastructure | <u>79,474</u> | <u>2,097</u> | | <u>81,571</u> |
| Total capital assets, being depreciated | <u>218,790</u> | <u>4,705</u> | <u>(2,501)</u> | <u>220,994</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | (35,074) | (2,374) | 177 | (37,271) |
| Machinery, equipment and furnishings | (19,635) | (1,788) | 2,121 | (19,302) |
| Infrastructure | <u>(46,773)</u> | <u>(2,408)</u> | | <u>(49,181)</u> |
| Total accumulated depreciation | <u>(101,482)</u> | <u>(6,570)</u> | <u>2,298</u> | <u>(105,754)</u> |
| Total capital assets, being depreciated, net | <u>117,308</u> | <u>(1,865)</u> | <u>(203)</u> | <u>115,240</u> |
| Capital assets, not being depreciated: | | | | |
| Land | 14,444 | 193 | (39) | 14,598 |
| Construction in progress | <u>19,052</u> | <u>5,157</u> | <u>(1,095)</u> | <u>23,114</u> |
| Total capital assets, not being depreciated | <u>33,496</u> | <u>5,350</u> | <u>(1,134)</u> | <u>37,712</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 150,804</u> | <u>\$ 3,485</u> | <u>\$ (1,337)</u> | <u>\$ 152,952</u> |

Notes to Financial Statements

June 30, 2013

NOTE 9 – CAPITAL ASSETS – CONTINUED

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-----------------|-------------|-------------------|
| Business-Type Activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 39,315 | \$ | \$ | \$ 39,315 |
| Machinery, equipment and furnishings | 15,372 | 117 | (40) | 15,449 |
| Infrastructure | 65,910 | 501 | | 66,411 |
| Total capital assets, being depreciated | <u>120,597</u> | <u>618</u> | <u>(40)</u> | <u>121,175</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | (21,335) | (863) | | (22,198) |
| Machinery, equipment and furnishings | (7,462) | (982) | 40 | (8,404) |
| Infrastructure | (23,820) | (1,333) | | (25,153) |
| Total accumulated depreciation | <u>(52,617)</u> | <u>(3,178)</u> | <u>40</u> | <u>(55,755)</u> |
| Total capital assets, being depreciated, net | <u>67,980</u> | <u>(2,560)</u> | | <u>65,420</u> |
| Capital assets, not being depreciated: | | | | |
| Land | 1,785 | | | 1,785 |
| Construction in progress | 163 | 3,772 | | 3,935 |
| Total capital assets, not being depreciated | <u>1,948</u> | <u>3,772</u> | | <u>5,720</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 69,928</u> | <u>\$ 1,212</u> | <u>\$</u> | <u>\$ 71,140</u> |

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

| | |
|---|-----------------|
| Governmental Activities: | |
| General government | \$ 242 |
| Public safety | 570 |
| Public works | 3,401 |
| Education | 1,839 |
| Culture and recreation | 516 |
| Public welfare | 2 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 6,570</u> |
| Business-Type Activities: | |
| Water | \$ 878 |
| Sewer | 2,300 |
| Total Depreciation Expense – Business-Type Activities | <u>\$ 3,178</u> |

Notes to Financial Statements

June 30, 2013

NOTE 9 – CAPITAL ASSETS – CONTINUED

Construction Commitments:

Active construction in progress at June 30, 2013 and commitments outstanding consist of the following:

| | Construction in Progress | Remaining Commitments |
|---|-----------------------------|--------------------------|
| Government Activities: | | |
| Tolend Road Landfill | \$ 11,699,361 | |
| Cocheco Dredge Cell | 3,598,408 | \$ 2,771 |
| Street Reconstruction – Applevale Area | 1,517,502 | 432,939 |
| Tolend Road – Landfill Closure | 1,819,794 | |
| Tolend Road – Bellamy Plume Trust | 977,943 | |
| Tolend/Watson Road Improvements | 897,316 | 3,651,035 |
| Tolend Road – BioRemediation | 730,856 | |
| TIP – Cocheco River Bridge | 696,568 | |
| Berry Brook Watershed Plan – Phase 2 | 315,117 | 56,909 |
| Horne Street School Improvements | 56,717 | |
| Downtown Transit Loop | 156,061 | |
| Street Improvements | 80,997 | |
| Silver Street Reconstruction | 228,148 | 79,408 |
| Willard Pond Watershed Assistance | 68,280 | |
| Bridge Replacement – Whittier Street | 62,738 | 134,388 |
| Various other construction projects | 208,349 | 379,955 |
| Total Governmental Activities | <u>\$ 23,114,155</u> | <u>\$ 4,737,405</u> |
| Business-Type Activities: | | |
| Water Main - North End Water Pressure | \$ 1,029,573 | \$ 264,372 |
| Sewer – WWTP Sludge Dewatering Equipment | 946,045 | 68,580 |
| Sewer – WWTP Buildings | 707,029 | 271,931 |
| Sewer – Inflow & Infiltration | 202,985 | 42,288 |
| Water – Wellhead Protection | 242,900 | 1,885 |
| Water Exploration *CC | 218,158 | 19,250 |
| Sewer – WWTP Outfall Improvements | 210,766 | |
| WWTP – River Street Pump Upgrade - ARRA | 37,561 | 165,383 |
| Water Main – Sixth Street | 2,596 | 172,676 |
| Smith Well Replacement | | 135,000 |
| Water Main – Applevale Area | 134,415 | |
| WWTP – Evaluation NPDES Permit | 15,454 | 103,389 |
| Various other sewer construction projects | 187,193 | 147,165 |
| Total Business-Type Activities | <u>\$ 3,934,675</u> | <u>\$ 1,391,919</u> |

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable represents fiscal year 2013 invoices paid in the subsequent fiscal year.

NOTE 11 – ACCRUED LIABILITIES

Accrued liabilities in the general fund represent salaries earned but unpaid to City and School employees at year-end.

Notes to Financial Statements

June 30, 2013

NOTE 12 – DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the sum of all delinquent taxes at June 30, 2013 less property and unredeemed tax collections for the subsequent 60 days.

NOTE 13 – LONG-TERM DEBT

Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly the general fund, and also water, sewer, internal service, and other special revenue funds.

General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net position invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

| Description | Original Issue Amount | Rate | Maturity Date | Balance |
|---|-----------------------|---------|---------------|----------------------|
| Bonds Payable: | | | | |
| Public improvements 1999 | \$ 4,137,500 | 4.1900% | 1/15/15 | \$ 220,000 |
| Public improvements 1999 | 2,179,901 | 5.5100% | 1/15/15 | 280,000 |
| New Middle School 1999 | 15,741,027 | 5.5800% | 1/15/20 | 3,616,875 |
| Public improvements 2002 | 2,240,600 | 4.2300% | 6/15/22 | 675,000 |
| Public improvements 2004 | 9,816,000 | 4.1148% | 6/15/25 | 575,000 |
| Public improvements 2005 | 10,740,000 | 3.8405% | 6/15/26 | 6,055,000 |
| Public improvements 2006 | 22,348,000 | 4.2313% | 6/15/27 | 14,940,000 |
| Public improvements 2007 | 20,646,000 | 4.5000% | 6/15/27 | 13,860,000 |
| Public improvements 2008 | 9,970,000 | 4.0935% | 12/15/28 | 7,610,000 |
| Public improvements 2009 | 12,799,000 | 3.4417% | 4/1/30 | 10,445,000 |
| Public improvements refunding 2009 | 8,790,000 | 2.1535% | 6/30/21 | 6,095,000 |
| Public improvements refunding 2012 | 17,530,000 | 2.3433% | 6/15/32 | 16,985,000 |
| Total Bonds Payable | | | | <u>81,356,875</u> |
| Other Long-Term Debt | | | | |
| State revolving loan – Tolend landfill | \$ 1,271,357 | 3.5625% | 9/1/13 | 84,757 |
| CDFA Energy Improvement | 250,000 | 2.4700% | 12/31/20 | 204,757 |
| State revolving loan – WWTP Aeration | 279,157 | 1.7000% | 2/1/22 | 251,241 |
| State revolving loan – North End Pressure | 3,400,000 | 2.7200% | 11/1/32 | 3,400,000 |
| Total Other Debt Outstanding | | | | <u>3,940,755</u> |
| Total Long-Term Debt | | | | <u>\$ 85,297,630</u> |

Notes to Financial Statements

June 30, 2013

NOTE 13 – LONG-TERM DEBT – CONTINUED

Future Debt Service

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

| Governmental | Principal | Interest | Total |
|----------------------------------|----------------------|----------------------|-----------------------|
| 2014 | \$ 6,682,110 | \$ 3,032,425 | \$ 9,714,536 |
| 2015 | 6,367,693 | 2,845,071 | 9,212,763 |
| 2016 | 6,144,418 | 2,653,558 | 8,797,976 |
| 2017 | 5,378,613 | 2,483,746 | 7,862,359 |
| 2018 | 5,250,819 | 2,342,193 | 7,593,012 |
| 2019 - 2023 | 20,139,336 | 6,708,685 | 26,848,021 |
| 2024 – 2028 | 11,135,500 | 1,552,833 | 12,688,333 |
| 2029 - 2033 | 1,830,000 | 111,743 | 1,941,743 |
| | <u>62,928,489</u> | <u>21,730,254</u> | <u>84,658,743</u> |
| Business-Type | | | |
| 2014 | 2,181,723 | 823,948 | 3,005,671 |
| 2015 | 2,158,978 | 727,427 | 2,886,405 |
| 2016 | 2,117,563 | 651,343 | 2,768,906 |
| 2017 | 1,920,524 | 577,787 | 2,498,311 |
| 2018 | 1,888,296 | 514,959 | 2,403,255 |
| 2019 - 2023 | 6,735,859 | 1,720,528 | 8,456,387 |
| 2024 - 2028 | 3,759,098 | 640,123 | 4,399,221 |
| 2029 - 2033 | 1,607,100 | 134,011 | 1,741,111 |
| | <u>22,369,141</u> | <u>5,790,126</u> | <u>28,159,267</u> |
| Total Future Debt Service | <u>\$ 85,297,630</u> | <u>\$ 27,520,380</u> | <u>\$ 112,818,010</u> |

The City's proprietary fund future debt service is partially funded by the state as described in Note 6. The governmental future debt service relating to school construction is partially funded by the New Hampshire Department of Education School Building Aid, which is annually appropriated by the state.

Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2013 are as follows:

| Purpose | Amount |
|----------------------------------|----------------------|
| Tolend Road Landfill Remediation | \$ 1,100,000 |
| Parking Lot Improvements | 266,765 |
| Public Improvements - FY10 | 200,000 |
| Public Improvements - FY12 | 3,800,000 |
| Public Improvements - FY13 | 5,400,000 |
| Public Improvements – FY14 | 23,235,607 |
| Public Improvements - FY10 Sewer | 1,200,000 |
| | <u>\$ 35,202,372</u> |

Notes to Financial Statements

June 30, 2013

NOTE 13 – LONG-TERM DEBT – CONTINUED

Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2013 and related limitations. These limits are based on the tax year 2012 base valuations for debt limits of \$2,743,418,578 provided by the State Department of Revenue Administration.

| Purpose | Percent of State Assessed Value | Maximum Debt Limit | Applicable Bonds Outstanding at June 30, 2013 |
|---------------------------|--|-----------------------|--|
| Municipal | 3% | \$ 82,302,557 | \$ 33,202,107 |
| School | 7% | 192,039,300 | 23,658,574 |
| Water | 10% | 274,341,858 | 12,505,800 |
| DBIDA - IP | 0% | 4,000,000 * | |
| DBIDA - IB | 0% | 1,000,000 | |
| DBIDA - Projects | 8% | 212,878,744 | |
| Not subject to limitation | 0% | | 15,931,149 |
| | | | <u>\$ 85,297,630</u> |

*Debt limit is set by special legislation.

Changes in General Long-Term Liabilities

During the year ended June 30, 2013, the following changes occurred in long-term liabilities (in thousands):

| | Total Balance 7/1/12 | Additions | Reductions | Total Balance 6/30/13 | Less Current Portion | Long-Term Portion 6/30/13 |
|---|----------------------------|-----------------|-------------------|-----------------------------|----------------------------|---------------------------------|
| Governmental Activities | | | | | | |
| Claims liability | \$ 465 | \$ 788 | \$ (719) | \$ 534 | \$ (348) | \$ 186 |
| Bonds and loans payable | 69,800 | | (6,871) | 62,928 | (6,682) | 56,246 |
| Other: | | | | | | |
| Compensated absences | 3,206 | 1,017 | (828) | 3,394 | (150) | 3,244 |
| OPEB liability | 17,098 | 3,771 | (1,323) | 19,548 | | 19,548 |
| Liability for hazardous waste-site cleanup | 10,427 | | | 10,427 | | 10,427 |
| | <u>\$ 100,996</u> | <u>\$ 5,576</u> | <u>\$ (9,741)</u> | <u>\$ 96,831</u> | <u>\$ (7,180)</u> | <u>\$ 89,651</u> |
| Business-Type Activities | | | | | | |
| Bonds and loans payable | \$ 20,744 | \$ 3,679 | \$ (2,054) | \$ 22,369 | \$ (2,182) | \$ 20,187 |
| Other: | | | | | | |
| Compensated absences | 150 | 115 | (127) | 138 | (17) | 121 |
| OPEB liability | 1,253 | 291 | (79) | 1,465 | | 1,465 |
| | <u>\$ 22,148</u> | <u>\$ 4,085</u> | <u>\$ (2,260)</u> | <u>\$ 23,972</u> | <u>\$ (2,199)</u> | <u>\$ 21,773</u> |

Notes to Financial Statements

June 30, 2013

NOTE 13 – LONG-TERM DEBT – CONTINUED

The net other post-employment benefit liability is liquidated by the proportional share of the obligation by the General Fund, Water Fund and Sewer Fund.

Contingent Debt Obligation

The City received funding for two Sewer capital projects from the State of New Hampshire through a revolving renovation loan fund for which half of the amount drawn by the City will be covered by a Federal Stimulus Grant. The City will be obligated to repay one-half of the amount drawn over a period of 20 years plus interest at 3.27%. The City made the decision to defer the entire amount of the reimbursements until the loan agreements are finalized. In January 2013 the City finalized the loan agreement with the State of New Hampshire for one of the Sewer projects. This loan payable obligation as of June 30, 2013 is \$251,241 and is reflected as a liability for the Sewer Fund. As of June 30, 2013 the City has received \$2,185,684 of reimbursements related to the second project. This project is expected to be completed during fiscal year 2014, at which time the City will finalize a loan agreement with the State of New Hampshire.

The City received funding for Water capital projects from the State of New Hampshire through a revolving renovation loan fund. The Water project was completed in FY2013. The City, upon completion of the project, signed a final loan payable obligation agreement with the State of New Hampshire. As of June 30, 2013, the loan payable obligation of \$3,400,000 is reflected as a liability for the Water Fund.

Defeased Debt

In June 2010 the City defeased a March 2001 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured in June 2011. As of June 30, 2013, there are no outstanding defeased debt obligations relating to this debt issue.

In May 2012 the City defeased a June 2003 general obligation bond and a June 2004 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured. The June 2003 general obligation bond matured in June 2013. As of June 30, 2013 there is no outstanding defeased debt obligations for the June 2003 general obligation bond. The June 2004 general obligation bond matures in June 2014. As of June 30, 2013 the amount of outstanding defeased debt obligations for the June 2004 general obligation bond is \$4,270,000.

NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City owned and operated a 55-acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991, the Environmental Protection Agency issued a Record of Decision (ROD) on the closure of the site, including the City as a Potentially Responsible Party (PRP). The estimated cost of the original ROD for closure and post closure maintenance was \$34,612,296. The City was responsible for 42.68% of the costs. The City negotiated its preliminary share at \$8,166,666 of the first \$20 million. Thirty-two PRPs made final settlement on all costs related to the closure with EPA. Based on this information, the City established an estimated \$11,016,013 liability for its share of the capping and management of mitigation costs. As of June 30, 2013, 100% of the landfill's total capacity has been used.

The City funded and paid its share of the capping design of \$1,257,357. The City also funded the ongoing project costs over the years with \$2,213,142 in transfers from operational funds, \$2,900,000 from bond authorizations and \$1,237,229 from various sources including state aid, insurance proceeds and a payment from the Town of Madbury.

Notes to Financial Statements

June 30, 2013

NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS – CONTINUED

The City entered negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves an air sparging trench along the down gradient edge of the landfill which will treat contaminated ground water. This alternative carries significant savings versus conventional capping. The City received approval for a pilot program to determine the effectiveness of this method. As a result, the City received a four-year deferral of the capping requirement from EPA.

An Amended Record of Decision (AROD) from EPA was issued on September 30, 2004 to change the closure method with an estimated cost of \$19,393,859, including estimates for post closure maintenance. The City's new liability was estimated to be \$8,663,966 for the alternative closure method using the same cost sharing percentage of 42.68%. This new estimate was \$7,625,525 for the construction of the closure remedy and \$1,038,441 for post closure maintenance.

Since FY2005 the \$8,663,966 liability was reduced by the amount of annual expenditures incurred for the air sparge and soil vapor extraction closure remedy. These expenditures have been funded from bond proceeds.

In January 2012 the construction of the source control remedy was completed. This construction consisted of two separate components, the groundwater extraction system and the sewer conveyance system. The groundwater extraction system is designed to intercept contaminated groundwater emanating from beneath the former landfill; the groundwater is then conveyed to the City's wastewater treatment plant for treatment.

Based on the start-up operations of the groundwater extraction and sewer conveyance systems an estimate of anticipated annual operation and maintenance costs was established. The annual operations and maintenance costs are estimated at \$800,000 annually with the City being responsible for 42.68% or \$344,000. Therefore, the City has adjusted the landfill closure liability to reflect an estimate of \$10,320,000 for 30 year estimate of post closure operations of the groundwater extraction and sewer conveyance systems. The City is still evaluating the need to operate the northwest air sparging system for another year, which the City's portion is estimated to cost \$107,000. The City has \$1.1 million of authorized unissued bonding authority to satisfy the anticipated future obligations totaling \$10,427,000.

The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations.

NOTE 15 – RESTRICTED NET POSITION

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

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Outstanding Lawsuits

There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants

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

Notes to Financial Statements

June 30, 2013

NOTE 16 – COMMITMENTS AND CONTINGENCIES – CONTINUED

County Assessment

City's property tax assessment is approximately 27% of Strafford County's total assessment. Strafford County had a \$995,668 unassigned General Fund Balance surplus on December 31, 2012, the most recent financial statements available.

NOTE 17 – POST-EMPLOYMENT HEALTH CARE

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

Plan Description

The City pays toward the cost of health care benefits for certain qualified retirees enrolled at the time of retirement and their eligible dependents (Retiree Group). The City will also pay toward the cost of health care benefits for certain current employees and eligible dependents upon retirement. The City provides post-employment health care benefits for retire employees through the City's single employer benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by NH RSA 100-A:50. The City has contracted with an actuarial consultant to provide the actuarial valuation of the City's OPEB liability under GASB 45. The Plan does not issue a separate audited financial report.

As of June 30, 2013, the actuarial valuation date, approximately 217 retirees and 90 active employees meet the eligibility requirements.

Benefits Provided

The City provides medical, dental, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents who meet certain eligibility criteria.

Current retirees have their health care benefit cost paid by the City if they retired while enrolled in the City's Group Health Insurance program and had a minimum of 20 years of continuous creditable service with the City. Current employees are eligible for City cost participation when they retire only if they meet the same enrollment and service criteria and were hired on or before May 30, 2000, depending on the bargaining unit.

Employees who retire from the City under the New Hampshire Retirement System (NHRS) and participated in the City's Group Health Insurance Program at the time of retirement, but who are not eligible for any City retiree health care benefit cost coverage may also join the Retiree Group. Coverage will continue for themselves and their eligible dependents at their own expense in accordance with state statute (NH RSA 100-A:50).

Funding Policy and On-Behalf Payments

Retirees contribute various percentages of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

The retiree health care benefit cost to the City is lessened by subsidies received by retirees from the NHRS. Health care benefit costs are reduced significantly upon a retiree or their dependents attaining the age of 65, at which time they become eligible for Medicare and are changed to a Medicare supplement plan.

Notes to Financial Statements

June 30, 2013

NOTE 17 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

During the past 10 fiscal years, the City's cost of health care benefits to retirees, less any subsidies paid by the New Hampshire Retirement System and any withholdings from the retirees, was as follows:

| Fiscal Year | Net City Cost |
|-------------|---------------|
| 2013 | \$ 1,974,504 |
| 2012 | 1,278,503 |
| 2011 | 952,117 |
| 2010 | 699,188 |
| 2009 | 655,613 |
| 2008 | 562,787 |
| 2007 | 499,660 |
| 2006 | 401,268 |
| 2005 | 334,247 |
| 2004 | 276,543 |

For the fiscal year ended June 30, 2013, \$570,626 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

Annual OPEB Costs and Net OPEB Obligation

The City's fiscal 2013 annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year ending June 30, 2013, the amount actually contributed to the plan and the change in the City's net OPEB obligation based on an actuarial valuation as of June 30, 2012.

Annual OPEB Costs and Net OPEB Obligation – Continued

| | |
|---|----------------------|
| Annual required contribution (ARC) | \$ 4,389,735 |
| Interest on net OPEB obligation | 734,121 |
| Adjustment to ARC | (1,061,357) |
| Annual OPEB cost | 4,062,499 |
| Contributions made | (1,401,777) |
| Increase in net OPEB obligation | 2,660,722 |
| Net OPEB obligation - beginning of year | 18,353,030 |
| Net OPEB obligation - end of year | <u>\$ 21,013,752</u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

| Fiscal Year Ended | Cost | Cost Contributed | Obligation |
|-------------------|--------------|------------------|---------------|
| 2013 | \$ 4,062,499 | 35% | \$ 21,013,752 |
| 2012 | 3,943,317 | 33% | 18,353,029 |
| 2011 | 3,765,850 | 36% | 15,699,567 |

The City's net OPEB obligation as of June 30, 2013 is recorded as a liability on the Statement of Net Position.

Notes to Financial Statements

June 30, 2013

NOTE 17 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2013, based on the June 30, 2012 actuarial valuation was as follows:

| | |
|---|----------------------|
| Actuarial accrued liability (AAL) | \$ 53,119,414 |
| Actuarial value of plan assets | |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 53,119,414</u> |
| Funded ratio (actuarial value of plan assets (AAL)) | <u>0%</u> |
| Covered payroll (active plan members) | <u>\$ 28,800,566</u> |
| UAAL as a percentage of covered payroll | <u>184%</u> |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the June 30, 2012 actuarial valuation the projected unit credit cost method was used. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions included a inflation rate of 5.0%, 4.0% investment rate of return and an initial annual healthcare cost trend rate of 4.5%. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis.

NOTE 18 – SELF-INSURANCE

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Under the terms of its insurance coverage, the City is liable for \$400,000 per incident. The insurer's limit of liability is \$3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Notes to Financial Statements

June 30, 2013

NOTE 18 – SELF-INSURANCE – CONTINUED

Claims Liability

The following represents changes in the Workers' Compensation claims liability:

| | Year Ended June 30, 2013 | Year Ended June 30, 2012 |
|---|-----------------------------|-----------------------------|
| Unpaid claims, beginning of fiscal year | \$ 465,281 | \$ 358,004 |
| Claims incurred (including IBNRs) | 788,303 | 744,256 |
| Claims paid | <u>(719,513)</u> | <u>(636,979)</u> |
| Unpaid claims, end of fiscal year | <u>\$ 534,071</u> | <u>\$ 465,281</u> |

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$534,071 claims liability as of June 30, 2013, approximately \$348,000 is estimated to be due within one year.

NOTE 19 – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

NOTE 20 – PENSION PLAN

The City follows the provisions of GASB Statement No. 27, Accounting for Pensions for State and Local Government Employees, with respect to the employees' retirement funds.

Plan Description

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A41-a of New Hampshire Law 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 New Hampshire Retirement System at 54 Regional Drive, Concord, NH 03301-8507.

Notes to Financial Statements

June 30, 2013

NOTE 20 – PENSION PLAN – CONTINUED

Funding Policy and On-Behalf Payments

Plan members are required to contribute to the pension plan based on their annual covered compensation. The rates for member contributions is statutorily defined by Revised Statutes Annotated 100-A:16. The City and State also make annual contributions to the pension plan equal to the amount required. The New Hampshire Retirement System establishes the employers' contributory rates every two years. Effective in FY2012, the State no longer makes contributions on-behalf of teachers, firefighters and police officer members. The employer pays 100% of the total employer normal contribution for teachers, firefighters, police officers and employee members. The following table reflects the contribution rates (percent of compensation) during fiscal year 2013 for the members, the City and the State.

| Group | Contribution Rates | | |
|-------------|--------------------|--------|-------|
| | Members | City | State |
| I Teachers | 7.00% | 11.30% | 0.00% |
| I Employees | 7.00% | 8.80% | 0.00% |
| II Police | 11.55% | 19.95% | 0.00% |
| II Fire | 11.80% | 22.89% | 0.00% |

Contributions to the System were as follows:

| Year Ended | The City | Plan Members | Total |
|------------|--------------|--------------|--------------|
| 2013 | \$ 4,531,590 | \$ 2,686,809 | \$ 7,218,399 |
| 2012 | 4,214,577 | 2,674,706 | 6,889,283 |
| 2011 | 3,892,913 | 2,385,234 | 6,278,147 |
| 2010 | 3,315,944 | 2,025,750 | 5,341,694 |
| 2009 | 2,860,685 | 2,033,616 | 4,894,301 |
| 2008 | 2,936,651 | 2,075,111 | 5,011,762 |
| 2007 | 2,032,898 | 2,185,757 | 4,218,655 |
| 2006 | 2,006,390 | 2,156,406 | 4,162,796 |
| 2005 | 1,713,819 | 1,919,101 | 3,632,920 |
| 2004 | 1,655,035 | 1,865,872 | 3,520,907 |

For the fiscal year ended June 30, 2013, there was no on-behalf payment received from the state.

NOTE 21 – OPERATING LEASE REVENUE

The City leases office space in the McConnell Center to several organizations. The leases expire at various years through the year 2031. The cost of the assets held for lease as of June 30, 2013 was \$8,085,810, accumulated depreciation was \$1,067,652 and the net book value was \$7,018,158. Approximately 35% of the square footage of the building is being leased to third parties with the remainder of the building being used by the City. Future non-cancelable lease revenue under these leases as of June 30, 2013 is as follows:

Notes to Financial Statements

June 30, 2013

NOTE 21 – OPERATING LEASE REVENUE – CONTINUED

| Year Ending | Amount |
|-------------|---------------------|
| 2014 | \$ 242,505 |
| 2015 | 200,137 |
| 2016 | 178,700 |
| 2017 | 175,235 |
| 2018 | 90,328 |
| Thereafter | 1,012,791 |
| Total | <u>\$ 1,899,696</u> |

NOTE 22 – FUND BALANCE

The following is a schedule of fund balance classifications for the governmental funds as of June 30, 2013:

| | General Fund | Nonmajor Governmental Funds |
|------------------------------------|---------------------|-----------------------------|
| Nonspendable | | |
| Permanent funds | | \$ 1,867,381 |
| Inventory | \$ 4,094 | 37,278 |
| | <u>4,094</u> | <u>1,904,659</u> |
| Restricted | | |
| Permanent funds income | | 277,621 |
| Emergency management fund | | 384,834 |
| Conservation fund | | 694,804 |
| Capital projects funds | | 4,161,412 |
| Other grants and donations | | 951,715 |
| | | <u>6,470,386</u> |
| Committed | | |
| City benefit capital reserve | 172,829 | |
| School benefit capital reserve | 60,021 | |
| McConnell Center long-term advance | 433,176 | |
| Recreation programs funds | | 381,505 |
| Other special revenue funds | | 2,555,747 |
| Recreation field construction | | 736,200 |
| Capital purchases fund | | 1,507,138 |
| Recreation and school funds | | 573,964 |
| | <u>666,026</u> | <u>5,754,554</u> |
| Assigned | | |
| Encumbrances – city | 817,622 | |
| Encumbrances – school | 454,204 | |
| Carryover appropriations | 674,356 | |
| | <u>1,946,182</u> | |
| Unassigned | 8,791,862 | (3,271,636) |
| Total Fund Balances | <u>\$11,408,128</u> | <u>\$ 10,857,963</u> |

Notes to Financial Statements

June 30, 2013

NOTE 23 – NET POSITION

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable adding back any unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net position invested in capital assets, net of related debt was calculated as follows at June 30, 2013:

| (In thousands) | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| Capital assets | \$ 258,706 | \$ 126,895 |
| Accumulated depreciation | (105,754) | (55,755) |
| Bonds payable, total | (62,929) | (22,369) |
| Unspent bond proceeds | 4,586 | 3,815 |
| Deferred revenue* | | (2,186) |
| Total invested in capital assets, net of related debt | <u>\$ 94,609</u> | <u>\$ 50,400</u> |

* The City received funding for Water and Sewer Fund capital projects from the State of New Hampshire through a revolving renovation loan fund. The reimbursements received by the City have been recorded as deferred revenue and will be converted to a loan payable obligation upon completions of the projects. Refer to Note 13 for additional information.

Schedule of Funding Progress Required Supplementary Information

June 30, 2013

| Other Post-Employment Benefits | | | | | | |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
| 7/1/2013 | - | \$ 53,119,414 | \$ 53,119,414 | 0.0% | \$ 28,800,566 | 184.4% |
| 7/1/2012 | - | 51,087,625 | 51,087,625 | 0.0% | 29,071,289 | 175.7% |
| 7/1/2011 | - | 42,239,664 | 42,239,664 | 0.0% | 31,709,755 | 133.2% |
| 7/1/2010 | - | 42,171,618 | 42,171,618 | 0.0% | 29,100,644 | 144.9% |
| 7/1/2009 | - | 42,669,587 | 42,669,587 | 0.0% | 28,725,197 | 148.5% |
| 7/1/2008 | - | 40,449,724 | 40,449,724 | 0.0% | 27,170,669 | 148.9% |
| 7/1/2007 | - | 33,584,481 | 33,584,481 | 0.0% | N/A | N/A |

N/A – Not available at time of publication.

Combining Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- **Community Development Fund** – To account for grant proceeds received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and subgrant expenditures.
- **CDBG Recovery Fund** – To account for the ARRA grant proceeds related to the CDBG program.
- **Housing and Urban Development** - To account for grant proceeds received from the US Dept. of Housing and Urban Development to develop new or revised land use and planning regulations.
- **Housing Rehabilitation Loan Fund** – To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- **Economic Development Loan Fund** – To account for loans given to small business for the purpose of business establishment or expansion.
- **DOE Energy Efficiency Fund** – To account for grant proceeds from the U.S. Department of Education for energy efficiency projects.
- **Police DOJ Fund** – To account for grant proceeds from the U.S. Department of Justice for various drug and alcohol awareness and prevention programs.
- **Homeland Security Fund** – To account for grant proceeds from the U.S. Department of Homeland Security for equipment purchases.
- **Police DHA Fund** – To account for funds received from the Dover Housing Authority for payment toward funding a Police Officer presence at their housing area.
- **Police DOT Fund** – To account for grant proceeds from the U.S. Department of Transportation for various driving safety programs.
- **DHHS Assistance Programs** – To account for grant proceeds for at-risk youth in the community passed through Department of Health and Public Welfare.
- **Police Tobacco Fund** – To account for grant proceeds for various tobacco awareness and prevention programs.

- **Emergency Management Fund** – To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.
- **Radiology Emergency Response**– To account for grant proceeds related to emergency preparedness for Seabrook radiology response.
- **DOI Fund** – To account for grant proceeds from the U.S. Department of Interior for various programs.
- **EPA Fund** – To account for grant proceeds from the U.S. Environmental Protection Agency for various programs.
- **School Cafeteria Fund** – To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Department of Education and receipt of U.S. Department of Agriculture food commodities.
- **School Federal Aid Fund** – To account for grants received from the U.S. Department of Education for various programs supporting School operations.
- **School Special Programs Fund** – To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- **Dover Main Street Fund** – To account for the expenditures related to the Main Street Program, reimbursed by Dover Main Street, Inc.
- **Planning Improvements Fund** – To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- **Police and Fire Detail** – To account for police and fire outside detail activity.
- **Parking Activity Fund** – To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- **Police Special Fund** – To account for forfeiture proceeds and special investigative expenditures.
- **SRT Fund** – To account for special purpose grants awarded to the fire department.
- **Conservation Fund** – To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.
- **Residential Solid Waste Fund** – To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures or residential solid waste pickup and disposal.

- **McConnell Center Fund** – To account for the operations and maintenance of the McConnell Center facility and revenues from the leasing of space to 501(c)3 organizations and City and State organizations.
- **Recreation Programs Fund** – To account for the revenue and expenditures of self-supporting recreational programs.
- **Recreation Field Maintenance Fund** – to account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.
- **Library Fines Fund** – To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.
- **Tuition Programs Fund** – To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- **Vocational Center Fund** – To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- **School Alternative Education Fund** – To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- **School Facilities Fund** – To account for gate receipts used toward the cost of facility maintenance and upgrades.
- **Other Special Revenue Funds** – To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

Capital Project Funds

- **CIP FY14** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2014 of the Capital Improvements Program.
- **CIP FY13** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2013 of the Capital Improvements Program.
- **CIP FY12** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2012 of the Capital Improvements Program.

- **CIP FY11** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2011 of the Capital Improvements Program.
- **CIP FY10** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2010 of the Capital Improvements Program.
- **CIP FY09** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2009 of the Capital Improvements Program.
- **CIP FY08** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.
- **CIP FY07** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.
- **CIP FY06** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.
- **CIP FY05** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.
- **CIP FY04** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.
- **CIP FY03** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.
- **CIP FY02** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.

- **CIP FY01** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.
- **CIP FY00** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.
- **Tolend Road Landfill Closure** – To account for the revenues from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.
- **Cocheco River Dredge** – To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.
- **Recreation Field Construction** – To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.
- **Capital Purchases Fund** – To account for revenue transferred from the general fund for the purpose of capital acquisitions.

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2013

| | Special Revenue Funds | | | | | |
|--|----------------------------|--------------------|-------------------------------|-------------------------|--------------------------------|----------------------------|
| | Community Development Fund | CDBG Recovery Fund | Housing and Urban Development | Housing Rehab Loan Fund | Economic Development Loan Fund | DOE Energy Efficiency Fund |
| ASSETS | | | | | | |
| Cash and short-term investments | | | | | | |
| Investments | | | | | | |
| Departmental receivable | | | | | | |
| Intergovernmental receivables | | | | | | |
| Loans receivable | | | | \$ 464,649 | \$ 391,565 | |
| Due from other funds | | \$ 131,086 | | 71,647 | 19,019 | |
| Inventory | | | | | | |
| Total Assets | \$ - | \$ 131,086 | \$ - | \$ 536,296 | \$ 410,584 | \$ - |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 3,400 | | \$ 3,750 | \$ 84 | \$ 153 | |
| Accrued liabilities | 2,286 | | | | | (382) |
| Retainage payable | | | | | | |
| Unearned revenue | | | | | | |
| Due to other funds | 247,135 | | 19,136 | | | \$ 10,416 |
| Advance from other fund | | | | | | |
| Compensated absences | | | | | | |
| Total Liabilities | 252,821 | - | 22,886 | 84 | 153 | 10,034 |
| DEFERRED INFLOW OF RESOURCES | | | | | | |
| Unavailable revenue - long-term receivables | | | | 464,856 | 391,564 | |
| Fund Balances: | | | | | | |
| Nonspendable | | | | | | |
| Restricted | | \$ 131,086 | | 71,356 | 18,867 | |
| Committed | | | | | | |
| Assigned | | | | | | |
| Unassigned | (252,821) | | (22,886) | | | (10,034) |
| Total Fund Balances (Deficit) | (252,821) | 131,086 | (22,886) | 71,356 | 18,867 | (10,034) |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | \$ - | \$ 131,086 | \$ - | \$ 536,296 | \$ 410,584 | \$ - |

Special Revenue Funds

| Police DOJ Fund | Homeland Security Fund | Police DHA Fund | Police DOT Fund | DHHS Assistance Programs | Police Tobacco Fund | Emergency Management Fund | Radiology Emergency Response |
|-----------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------|---------------------------------|------------------------------------|
| | | | | | | \$ 108,774 | |
| \$ 108,131 | \$ 70,391 | | | | \$ 2,716 | 276,060 | \$ 36,878 |
| <u>\$ 108,131</u> | <u>\$ 70,391</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,716</u> | <u>\$ 384,834</u> | <u>\$ 36,878</u> |
| | | | | | | | |
| \$ 394 13,289 | \$ 110,800 | \$ 1,428 1,534 | \$ 232 457 | \$ 704 2,361 | | (89) | |
| | | 23,829 | 25,814 | 68,849 | | | |
| <u>13,683</u> | <u>110,800</u> | <u>26,791</u> | <u>26,503</u> | <u>71,914</u> | <u>-</u> | <u>(89)</u> | <u>-</u> |
| | | | | | | | |
| 94,448 | | | | | \$ 2,716 | \$ 384,923 | \$ 36,878 |
| <u>94,448</u> | <u>(40,409)</u> <u>(40,409)</u> | <u>(26,791)</u> <u>(26,791)</u> | <u>(26,503)</u> <u>(26,503)</u> | <u>(71,914)</u> <u>(71,914)</u> | <u>2,716</u> | <u>384,923</u> | <u>36,878</u> |
| <u>\$ 108,131</u> | <u>\$ 70,391</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,716</u> | <u>\$ 384,834</u> | <u>\$ 36,878</u> |

Special Revenue Funds

| | DOI Fund | EPA Fund | School Cafeteria Fund | School Federal Aid Fund | School Special Programs Fund |
|---|-----------------|------------------|-----------------------------|-------------------------------|---------------------------------------|
| ASSETS | | | | | |
| Cash and short-term investments | | | \$ 15 | | |
| Investments | | | | | |
| Departmental receivable | | | 179,888 | | |
| Intergovernmental receivables | | | 119,862 | \$ 455,634 | |
| Loans receivable | | | | | |
| Due from other funds | \$ 8,526 | | 71,202 | | \$ 26,047 |
| Inventory | | | 6,538 | | |
| | <u>8,526</u> | | <u>6,538</u> | | <u>26,047</u> |
| Total Assets | <u>\$ 8,526</u> | <u>\$ -</u> | <u>\$ 377,505</u> | <u>\$ 455,634</u> | <u>\$ 26,047</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | | \$ 11,633 | \$ 152 | \$ 8,264 | |
| Accrued liabilities | | | 368 | 163,106 | \$ 17,158 |
| Retainage payable | | | | | |
| Unearned revenue | | | 32,421 | | |
| Due to other funds | | 100,634 | | 281,122 | |
| Advance from other fund | | | | | |
| Compensated absences | | | | | |
| Total Liabilities | <u>-</u> | <u>112,267</u> | <u>32,941</u> | <u>452,492</u> | <u>17,158</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Unavailable revenue - long-term receivables | | | | | <u>4,180</u> |
| Fund Balances: | | | | | |
| Nonspendable | | | 6,538 | | |
| Restricted | \$ 8,526 | | 338,026 | 3,142 | 4,709 |
| Committed | | | | | |
| Assigned | | | | | |
| Unassigned | | (112,267) | | | |
| Total Fund Balances (Deficit) | <u>8,526</u> | <u>(112,267)</u> | <u>344,564</u> | <u>3,142</u> | <u>4,709</u> |
| Total Liabilities and Fund Balances | <u>\$ 8,526</u> | <u>\$ -</u> | <u>\$ 377,505</u> | <u>\$ 455,634</u> | <u>\$ 26,047</u> |

Special Revenue Funds

| Dover Main Street Fund | Planning Improvements Fund | Police and Fire Detail | Parking Activity Fund | Police Special Fund | SRT Fund | Conservation Fund | Residential Solid Waste Fund |
|------------------------------|----------------------------------|------------------------------|-----------------------------|---------------------------|------------------|----------------------|---------------------------------------|
| | | | \$ 108,797 | | | | |
| \$ 4,306 | \$ 9,143 | \$ 52,091 | 4,797 | | | \$ 86,079 | \$ 42,908 |
| | 203,050 | | | \$ 39,476 | \$ 98,912 | 608,725 | 814,983 |
| | | | | | | | 30,740 |
| <u>\$ 4,306</u> | <u>\$ 212,193</u> | <u>\$ 52,091</u> | <u>\$ 113,594</u> | <u>\$ 39,476</u> | <u>\$ 98,912</u> | <u>\$ 694,804</u> | <u>\$ 888,631</u> |
| | | | | | | | |
| \$ 431 | | \$ 1,647 | \$ 1,556 3,713 | | | \$ 585 | \$ 51,174 2,028 |
| 9,233 | | 86,915 | 96,526 | | | | 540,306 |
| <u>9,664</u> | <u>-</u> | <u>88,562</u> | <u>101,795</u> | <u>-</u> | <u>-</u> | <u>585</u> | <u>593,508</u> |
| | | | | | | 135,691 | |
| | | | | | | | 30,740 |
| | \$ 212,193 | | 11,799 | \$ 39,476 | \$ 98,912 | 558,528 | 264,383 |
| <u>(5,358)</u> | | <u>(36,471)</u> | | | | | |
| <u>(5,358)</u> | <u>212,193</u> | <u>(36,471)</u> | <u>11,799</u> | <u>39,476</u> | <u>98,912</u> | <u>558,528</u> | <u>295,123</u> |
| <u>\$ 4,306</u> | <u>\$ 212,193</u> | <u>\$ 52,091</u> | <u>\$ 113,594</u> | <u>\$ 39,476</u> | <u>\$ 98,912</u> | <u>\$ 694,804</u> | <u>\$ 888,631</u> |

| | Special Revenue Funds | | | | | |
|---|-----------------------------|--------------------------------|--|--------------------------|-----------------------------|------------------------------|
| | McConnell Center Fund | Recreation Programs Fund | Recreation Field Maintenance Fund | Library Fines Fund | Tuition Programs Fund | Vocational Center Fund |
| ASSETS | | | | | | |
| Cash and short-term investments | | | | | | |
| Investments | | | | | | |
| Departmental receivable | \$ 61,285 | \$ 520 | | | \$ 393 | |
| Intergovernmental receivables | | | | | | |
| Loans receivable | | | | | | |
| Due from other funds | | 393,892 | | \$ 33,186 | | \$ 906 |
| Inventory | | | | | | |
| Total Assets | \$ 61,285 | \$ 394,412 | \$ - | \$ 33,186 | \$ 393 | \$ 906 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 22,913 | \$ 3,923 | \$ 9,407 | \$ 5,619 | | |
| Accrued liabilities | 1,633 | 8,984 | | | \$ 2,705 | |
| Retainage payable | | | | | | |
| Unearned revenue | | | | | | |
| Due to other funds | | | 28,932 | | 3,917 | |
| Advance from other fund | 433,176 | | | | | |
| Compensated absences | | | | | | |
| Total Liabilities | 457,722 | 12,907 | 38,339 | 5,619 | 6,622 | - |
| DEFERRED INFLOW OF RESOURCES | | | | | | |
| Unavailable revenue - long-term receivables | | | | | | |
| Fund Balances: | | | | | | |
| Nonspendable | | | | | | |
| Restricted | | | | 27,567 | | |
| Committed | | 381,505 | | | | \$ 906 |
| Assigned | | | | | | |
| Unassigned | (396,437) | | (38,339) | | (6,229) | |
| Total Fund Balances (Deficit) | (396,437) | 381,505 | (38,339) | 27,567 | (6,229) | 906 |
| Total Liabilities and Fund Balances | \$ 61,285 | \$ 394,412 | \$ - | \$ 33,186 | \$ 393 | \$ 906 |

| Special Revenue Funds | | | | Capital Projects Funds | | | | | |
|--|------------------------------|--------------------------------------|----------------------|------------------------|-------------------|------------------|-------------------|-------------------|---------------------|
| School Alternative Education Fund | School Facilities Fund | Other Special Revenue Funds | Subtotals | CIP FY 14 | CIP FY 13 | CIP FY 12 | CIP FY 11 | CIP FY10 | CIP FY09 |
| | | \$ 2,130,050 | \$ 2,238,862 | | | | | | |
| | | 3,282,796 | 3,282,796 | | | | | | |
| \$ 9,637 | \$ (336) | 655,091 | 1,105,802 | | | | | | |
| | | | 684,270 | | | | | | |
| | | | 856,214 | | | | | | |
| 431,332 | 293,555 | | 3,739,720 | | \$ 844,111 | | \$ 779,315 | \$ 117,160 | \$ 1,243,206 |
| | | | 37,278 | | | | | | |
| <u>\$ 440,969</u> | <u>\$ 293,219</u> | <u>\$ 6,067,937</u> | <u>\$ 11,944,942</u> | <u>\$ -</u> | <u>\$ 844,111</u> | <u>\$ -</u> | <u>\$ 779,315</u> | <u>\$ 117,160</u> | <u>\$ 1,243,206</u> |
| \$ 558 | \$ 1,849 | \$ 7,919 | \$ 246,497 | | \$ 641,174 | \$ 18,625 | \$ 13,498 | \$ 131,318 | |
| 72,056 | 1,715 | | 295,000 | | | | | | |
| | | | 32,421 | | 79,054 | 32,441 | 46,548 | 9,131 | \$ 5,446 |
| 361,134 | | 1,359,269 | 3,263,167 | \$ 1,363 | | 209,938 | | | |
| | | | 433,176 | | | | | | |
| <u>433,748</u> | <u>3,564</u> | <u>1,367,188</u> | <u>4,270,261</u> | <u>1,363</u> | <u>720,228</u> | <u>261,004</u> | <u>60,046</u> | <u>140,449</u> | <u>5,446</u> |
| | | | 996,291 | | | | | | |
| | | 1,867,381 | 1,904,659 | | | | | | |
| | | 277,621 | 2,308,974 | | 123,883 | | 719,269 | | 1,237,760 |
| 7,221 | 289,655 | 2,555,747 | 3,511,216 | | | | | | |
| | | | (1,046,459) | (1,363) | | (261,004) | | (23,289) | |
| <u>7,221</u> | <u>289,655</u> | <u>4,700,749</u> | <u>6,678,390</u> | <u>(1,363)</u> | <u>123,883</u> | <u>(261,004)</u> | <u>719,269</u> | <u>(23,289)</u> | <u>1,237,760</u> |
| <u>\$ 440,969</u> | <u>\$ 293,219</u> | <u>\$ 6,067,937</u> | <u>\$ 11,944,942</u> | <u>\$ -</u> | <u>\$ 844,111</u> | <u>\$ -</u> | <u>\$ 779,315</u> | <u>\$ 117,160</u> | <u>\$ 1,243,206</u> |

Capital Projects Funds

| | CIP FY08 | CIP FY07 | CIP FY06 | CIP FY05 | CIP FY04 | CIP FY03 |
|---|---------------------|------------------|------------------|------------------|------------------|-----------------|
| ASSETS | | | | | | |
| Cash and short-term investments | | | | | | |
| Investments | | | | | | |
| Departmental receivable | | | | | | |
| Intergovernmental receivables | | | | | | |
| Loans receivable | | | | | | |
| Due from other funds | \$ 1,692,080 | | | | | |
| Inventory | | | | | | |
| Total Assets | <u>\$ 1,692,080</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 501 | | | | | |
| Accrued liabilities | | | | | | |
| Retainage payable | | | | | | \$ 300 |
| Unearned revenue | | | | | | |
| Due to other funds | | \$ 469,542 | \$ 22,356 | \$ 420,870 | \$ 117,791 | 31,291 |
| Advance from other fund | | | | | | |
| Compensated absences | | | | | | |
| Total Liabilities | <u>501</u> | <u>469,542</u> | <u>22,356.00</u> | <u>420,870</u> | <u>117,791</u> | <u>31,591</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | | |
| Unavailable revenue - long-term receivables | | | | | | |
| Fund Balances: | | | | | | |
| Nonspendable | | | | | | |
| Restricted | 1,691,579 | | | | | |
| Committed | | | | | | |
| Assigned | | | | | | |
| Unassigned | | (469,542) | (22,356) | (420,870) | (117,791) | (31,591) |
| Total Fund Balances (Deficit) | <u>1,691,579</u> | <u>(469,542)</u> | <u>(22,356)</u> | <u>(420,870)</u> | <u>(117,791)</u> | <u>(31,591)</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,692,080</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Capital Projects Funds

| CIP FY02 | CIP FY01 | CIP FY00 | Tolend Rd Landfill Closure | Cocheco River Dredge | Recreation Field Construction | Capital Purchases Fund | Capital Projects Funds Subtotals | Total |
|-----------------|------------------|-----------------|----------------------------------|----------------------------|-------------------------------------|------------------------------|---|----------------------|
| | | | | | | \$ 1,381,638 | \$ 1,381,638 | \$ 3,620,500 |
| | | | | | | | | 3,282,796 |
| | | | | | | | | 1,105,802 |
| | | | | | | | | 684,270 |
| | | | | | | | | 856,214 |
| | \$ 98,177 | | | \$ 290,744 | \$ 736,200 | 125,500 | 5,926,493 | 9,666,213 |
| | | | | | | | | 37,278 |
| <u>\$ -</u> | <u>\$ 98,177</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 290,744</u> | <u>\$ 736,200</u> | <u>\$ 1,507,138</u> | <u>\$ 7,308,131</u> | <u>\$ 19,253,073</u> |
| | | | \$ 6,100 | | | | \$ 811,216 | \$ 1,057,713 |
| | | | | | | | 172,920 | 295,000 |
| | | | | | | | | 172,920 |
| | | | | | | | | 32,421 |
| \$ 17,012 | | \$ 61,162 | 793,097 | | | | 2,144,422 | 5,407,589 |
| | | | | | | | | 433,176 |
| <u>17,012</u> | <u>-</u> | <u>61,162</u> | <u>799,197</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,128,558</u> | <u>7,398,819</u> |
| | | | | | | | | 996,291 |
| | \$ 98,177 | | | \$ 290,744 | | | 4,161,412 | 1,904,659 |
| | | | | | \$ 736,200 | \$ 1,507,138 | 2,243,338 | 6,470,386 |
| | | | | | | | | 5,754,554 |
| <u>(17,012)</u> | <u>(17,012)</u> | <u>(61,162)</u> | <u>(799,197)</u> | <u>290,744</u> | <u>736,200</u> | <u>1,507,138</u> | <u>(2,225,177)</u> | <u>(3,271,636)</u> |
| | <u>98,177</u> | <u>(61,162)</u> | <u>(799,197)</u> | | | | <u>4,179,573</u> | <u>10,857,963</u> |
| <u>\$ -</u> | <u>\$ 98,177</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 290,744</u> | <u>\$ 736,200</u> | <u>\$ 1,507,138</u> | <u>\$ 7,308,131</u> | <u>\$ 19,253,073</u> |

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For Fiscal Year Ended June 30, 2013

| | Special Revenue Funds | | | | | |
|--|----------------------------------|--------------------------|-------------------------------------|-------------------------------|--------------------------------------|----------------------------------|
| | Community Development Fund | CDBG Recovery Fund | Housing and Urban Development | Housing Rehab Loan Fund | Economic Development Loan Fund | DOE Energy Efficiency Fund |
| Revenues: | | | | | | |
| Taxes | | | | | | |
| Licenses and permits | | | | | | |
| Intergovernmental | \$ 477,397 | \$ 24,595 | \$ 12,500 | | | \$ 134,100 |
| Current services | | | | \$ 1,603 | \$ 43,171 | |
| Miscellaneous | 1,835 | | | | | |
| Total Revenues | <u>479,232</u> | <u>24,595</u> | <u>12,500</u> | <u>1,603</u> | <u>43,171</u> | <u>134,100</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | | 3,257 | | | | |
| Public safety | | | | | | |
| Public works | | | | | | 13,669 |
| Culture and recreation | | | | | | |
| Education | | | | | | |
| Public welfare | 471,095 | | 40,386 | 6,072 | 50,635 | |
| Debt service | | | | | | |
| Total Expenditures | <u>471,095</u> | <u>3,257</u> | <u>40,386</u> | <u>6,072</u> | <u>50,635</u> | <u>13,669</u> |
| Excess (deficiency) of revenues over expenditures | 8,137 | 21,338 | (27,886) | (4,469) | (7,464) | 120,431 |
| Other Financing Sources: | | | | | | |
| Bond premium | | | | | | |
| Transfers in (out) | | | 5,000 | | | |
| Net change in fund balances | 8,137 | 21,338 | (22,886) | (4,469) | (7,464) | 120,431 |
| Fund Balances, Beginning (Deficit) | <u>(260,958)</u> | <u>109,748</u> | | <u>75,825</u> | <u>26,331</u> | <u>(130,465)</u> |
| Fund Balances, Ending (Deficit) | <u>\$ (252,821)</u> | <u>\$ 131,086</u> | <u>\$ (22,886)</u> | <u>\$ 71,356</u> | <u>\$ 18,867</u> | <u>\$ (10,034)</u> |

Special Revenue Funds

| Police DOJ Fund | Homeland Security Fund | Police DHA Fund | Police DOT Fund | DHHS Assistance Programs | Police Tobacco Fund | Emergency Management Fund |
|-----------------------|------------------------------|-----------------------|-----------------------|--------------------------------|---------------------------|---------------------------------|
| \$ 201,825 | \$ 255,615 | \$ 82,691 | \$ 33,355 | \$ 123,715 | | \$ 149,772 |
| <u>201,825</u> | <u>255,615</u> | <u>82,691</u> | <u>33,355</u> | <u>123,715</u> | <u>-</u> | <u>149,772</u> |
| 286,276 | 203,177 | 107,205 | 46,997 | 157,669 | \$ 4,071 | 164,151 |
| <u>286,276</u> | <u>203,177</u> | <u>107,205</u> | <u>46,997</u> | <u>157,669</u> | <u>4,071</u> | <u>164,151</u> |
| (84,451) | 52,438 | (24,514) | (13,642) | (33,954) | (4,071) | (14,379) |
| <u>102,128</u> | | | | <u>14,604</u> | | |
| 17,677 | 52,438 | (24,514) | (13,642) | (19,350) | (4,071) | (14,379) |
| <u>76,771</u> | <u>(92,847)</u> | <u>(2,277)</u> | <u>(12,861)</u> | <u>(52,564)</u> | <u>6,787</u> | <u>399,302</u> |
| <u>\$ 94,448</u> | <u>\$ (40,409)</u> | <u>\$ (26,791)</u> | <u>\$ (26,503)</u> | <u>\$ (71,914)</u> | <u>\$ 2,716</u> | <u>\$ 384,923</u> |

| | Special Revenue Funds | | | | |
|--|------------------------------------|-----------------|---------------------|-----------------------------|-------------------------------|
| | Radiology Emergency Response | DOI Fund | EPA Fund | School Cafeteria Fund | School Federal Aid Fund |
| Revenues: | | | | | |
| Taxes | | | | | |
| Licenses and permits | | | | | |
| Intergovernmental | | | \$ 1,010 | \$ 654,508 | \$ 3,028,902 |
| Current services | | | | 807,423 | |
| Miscellaneous | | | | | |
| Total Revenues | <u>-</u> | <u>-</u> | <u>1,010</u> | <u>1,461,931</u> | <u>3,028,902</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | | | 195,605 | | |
| Public safety | | | | | |
| Public works | | | | | |
| Culture and recreation | | | | | |
| Education | | | | 1,415,239 | 3,028,961 |
| Public Welfare | | | | | |
| Debt service | | | | | |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>195,605</u> | <u>1,415,239</u> | <u>3,028,961</u> |
| Excess (deficiency) of revenues over expenditures | | | (194,595) | 46,692 | (59) |
| Other Financing Sources: | | | | | |
| Bond premium | | | 177,090 | | |
| Transfers in (out) | | | | | |
| Net change in fund balances | | | (17,505) | 46,692 | (59) |
| Fund Balances, Beginning (Deficit) | \$ <u>36,878</u> | \$ <u>8,526</u> | <u>(94,762)</u> | <u>297,872</u> | <u>3,201</u> |
| Fund Balances, Ending (Deficit) | \$ <u>36,878</u> | \$ <u>8,526</u> | \$ <u>(112,267)</u> | \$ <u>344,564</u> | \$ <u>3,142</u> |

Special Revenue Funds

| Special Programs Fund | Dover Main Street Fund | Planning Improvements Fund | Police and Fire Detail | Parking Activity Fund | Police Special Fund | SRT Fund |
|-----------------------|------------------------|----------------------------|------------------------|-----------------------|---------------------|------------------|
| | | | | | \$ 4,675 | |
| \$ 61,468 | \$ 14,640 | \$ (9,143) | \$ 307,254 | \$ 583,689 | | |
| | | | | 348 | 1,815 | \$ 35,583 |
| <u>61,468</u> | <u>14,640</u> | <u>(9,143)</u> | <u>307,254</u> | <u>584,037</u> | <u>6,490</u> | <u>35,583</u> |
| | 16,795 | | 262,090 | 385,532 | 14,317 | 9,315 |
| 61,285 | | | | | | |
| | | | | 77,110 | | |
| <u>61,285</u> | <u>16,795</u> | <u>-</u> | <u>262,090</u> | <u>462,642</u> | <u>14,317</u> | <u>9,315</u> |
| 183 | (2,155) | (9,143) | 45,164 | 121,395 | (7,827) | 26,268 |
| | | | (63,000) | (248,551) | | |
| 183 | (2,155) | (9,143) | (17,836) | (127,156) | (7,827) | 26,268 |
| <u>4,526</u> | <u>(3,203)</u> | <u>221,336</u> | <u>(18,635)</u> | <u>138,955</u> | <u>47,303</u> | <u>72,644</u> |
| <u>\$ 4,709</u> | <u>\$ (5,358)</u> | <u>\$ 212,193</u> | <u>\$ (36,471)</u> | <u>\$ 11,799</u> | <u>\$ 39,476</u> | <u>\$ 98,912</u> |

| | Special Revenue Funds | | | | |
|---|-----------------------|------------------------------|-----------------------|--------------------------|-----------------------------------|
| | Conservation Fund | Residential Solid Waste Fund | McConnell Center Fund | Recreation Programs Fund | Recreation Field Maintenance Fund |
| Revenues: | | | | | |
| Taxes | \$ 267,590 | | | | |
| Licenses and permits | | | | | |
| Intergovernmental | 281 | | | | |
| Current services | | \$ 883,250 | \$ 628,242 | \$ 329,593 | \$ 13,548 |
| Miscellaneous | 399 | 969 | | 38,169 | |
| Total Revenues | <u>268,270</u> | <u>884,219</u> | <u>628,242</u> | <u>367,762</u> | <u>13,548</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 658 | | | | |
| Public safety | | | | | |
| Public works | | 819,614 | | | |
| Culture and recreation | | | 340,509 | 339,504 | 78,608 |
| Education | | | | | |
| Public welfare | | | | | |
| Debt service | | | 407,594 | | |
| Total Expenditures | <u>658</u> | <u>819,614</u> | <u>748,103</u> | <u>339,504</u> | <u>78,608</u> |
| Excess (deficiency) of revenues over expenditures | 267,612 | 64,605 | (119,861) | 28,258 | (65,060) |
| Other Financing Sources: | | | | | |
| Bond premium | | | | | |
| Transfers in (out) | <u>(75,000)</u> | | <u>221,121</u> | <u>15,500</u> | |
| Net change in fund balances | 192,612 | 64,605 | 101,260 | 43,758 | (65,060) |
| Fund Balances, Beginning (Deficit) | <u>365,916</u> | <u>230,518</u> | <u>(497,697)</u> | <u>337,747</u> | <u>26,721</u> |
| Fund Balances, Ending (Deficit) | <u>\$ 558,528</u> | <u>\$ 295,123</u> | <u>\$ (396,437)</u> | <u>\$ 381,505</u> | <u>\$ (38,339)</u> |

Special Revenue Funds

| Library Fines Fund | Tuition Programs Fund | Vocational Center Fund | School Alternative Education Fund | School Facilities Fund | Other Special Revenue Funds | Subtotals |
|--------------------------|-----------------------------|------------------------------|--|------------------------------|--------------------------------------|---------------------|
| | | | | | \$ 460,373 | \$ 267,590 |
| | | | | | | 465,048 |
| | | | | | | 5,241,734 |
| \$ 36,808 | \$ 133,395 | | \$ 316,207 | \$ 149,881 | | 4,239,561 |
| <u>36,808</u> | <u>133,395</u> | <u>-</u> | <u>316,207</u> | <u>152,742</u> | <u>549,323</u> | <u>631,302</u> |
| | | | | | | 10,845,235 |
| | | | | | | 216,318 |
| | | | | | 3 | 89,698 |
| | | | | | 89,698 | 1,730,498 |
| | | | | | 51,356 | 884,639 |
| 34,453 | | | | | 11,830 | 804,904 |
| | 133,397 | \$ | 731,546 | 104,489 | 75 | 5,474,992 |
| | | | | | | 568,188 |
| <u>34,453</u> | <u>133,397</u> | <u>-</u> | <u>731,546</u> | <u>104,489</u> | <u>152,962</u> | <u>484,704</u> |
| | | | | | | 10,164,243 |
| | | | | | | 680,992 |
| 2,355 | (2) | | (415,339) | 48,253 | 856,734 | |
| | | | | | | (83,116) |
| | | | 402,000 | | (634,008) | |
| 2,355 | (2) | | (13,339) | 48,253 | 222,726 | 597,876 |
| <u>25,212</u> | <u>(6,227)</u> | <u>906</u> | <u>20,560</u> | <u>241,402</u> | <u>4,478,023</u> | <u>6,080,514</u> |
| \$ <u>27,567</u> | \$ <u>(6,229)</u> | \$ <u>906</u> | \$ <u>7,221</u> | \$ <u>289,655</u> | \$ <u>4,700,749</u> | \$ <u>6,678,390</u> |

Capital Projects Funds

| | CIP FY 14 | CIP FY 13 | CIP FY 12 | CIP FY 11 | CIP FY10 | CIP FY09 |
|--|-------------------|-------------------|---------------------|-------------------|--------------------|---------------------|
| Revenues: | | | | | | |
| Taxes | | | | | | |
| Licenses and permits | | | | | | |
| Intergovernmental | | | | | | |
| Current services | | | | | | |
| Miscellaneous | | | | | | |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | | | | | | \$ 2,002 |
| Public safety | \$ 53 | \$ 159,030 | \$ 127,498 | \$ 2,138 | \$ 867 | 28,710 |
| Public works | 1,310 | 1,161,908 | 811,482 | 890,447 | 260,885 | 93,564 |
| Culture and recreation | | | | | 7,052 | |
| Education | | | | 159,773 | | 2,000 |
| Public welfare | | | | | | |
| Debt service | | | | | | |
| Total Expenditures | <u>1,363</u> | <u>1,320,938</u> | <u>938,980</u> | <u>1,052,358</u> | <u>268,804</u> | <u>126,276</u> |
| Excess (deficiency) of revenues over expenditures | (1,363) | (1,320,938) | (938,980) | (1,052,358) | (268,804) | (126,276) |
| Other Financing Sources: | | | | | | |
| Bond premium | | 697,521 | | | | |
| Transfers in (out) | | | | | | 125,000 |
| Net change in fund balances | (1,363) | (623,417) | (938,980) | (1,052,358) | (268,804) | (1,276) |
| Fund Balances, Beginning (Deficit) | <u> </u> | <u>747,300</u> | <u>677,976</u> | <u>1,771,627</u> | <u>245,515</u> | <u>1,239,036</u> |
| Fund Balances, Ending (Deficit) | <u>\$ (1,363)</u> | <u>\$ 123,883</u> | <u>\$ (261,004)</u> | <u>\$ 719,269</u> | <u>\$ (23,289)</u> | <u>\$ 1,237,760</u> |

Capital Projects Funds

| CIP FY08 | CIP FY07 | CIP FY06 | CIP FY05 | CIP FY04 | CIP FY03 | CIP FY02 | CIP FY01 | CIP FY00 |
|------------------------------|---------------------|--------------------|---------------------|---------------------|--------------------|--------------------|------------------|--------------------|
| | \$ 376,801 | | | | \$ 12,777 | | | |
| <u>-</u> | <u>376,801</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,777</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| \$ 2,724 42,227 29,612 | 59,580 | \$ 20,983 | | \$ 8,779 | \$ 17,961 | \$ 14,099 | | |
| <u>74,563</u> | <u>59,580</u> | <u>20,983</u> | <u>-</u> | <u>8,779</u> | <u>17,961</u> | <u>14,099</u> | <u>-</u> | <u>-</u> |
| (74,563) | 317,221 | (20,983) | | (8,779) | (5,184) | (14,099) | | |
| <u>(74,563)</u> | <u>317,221</u> | <u>(20,983)</u> | | <u>(8,779)</u> | <u>(5,184)</u> | <u>(14,099)</u> | | |
| <u>1,766,142</u> | <u>(786,763)</u> | <u>(1,373)</u> | \$ <u>(420,870)</u> | <u>(109,012)</u> | <u>(26,407)</u> | <u>(2,913)</u> | \$ <u>98,177</u> | \$ <u>(61,162)</u> |
| \$ <u>1,691,579</u> | \$ <u>(469,542)</u> | \$ <u>(22,356)</u> | \$ <u>(420,870)</u> | \$ <u>(117,791)</u> | \$ <u>(31,591)</u> | \$ <u>(17,012)</u> | \$ <u>98,177</u> | \$ <u>(61,162)</u> |

| | Capital Projects Funds | | | | | |
|--|----------------------------------|-----------------------------|-------------------------------------|------------------------------|---------------------|----------------------|
| | Tolend Rd Landfill Closure | Cochecho River Dredge | Recreation Field Construction | Capital Purchases Fund | Subtotals | Total |
| Revenues: | | | | | | |
| Taxes | | | | | | \$ 267,590 |
| Licenses and permits | | | | | | 465,048 |
| Intergovernmental | | | | | \$ 389,578 | 5,631,312 |
| Current services | | | | | | 4,239,561 |
| Miscellaneous | | | \$ 121,936 | \$ 230 | 122,166 | 753,468 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>121,936</u> | <u>230</u> | <u>511,744</u> | <u>11,356,979</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | | | | | 2,002 | 218,320 |
| Public safety | | | | | 321,020 | 2,051,518 |
| Public works | \$ 539,335 | \$ 7,817 | 114,527 | | 4,044,904 | 4,929,543 |
| Culture and recreation | | | 16,825 | | 23,877 | 828,781 |
| Education | | | | | 191,385 | 5,666,377 |
| Public welfare | | | | | | 568,188 |
| Debt service | | | | | | 484,704 |
| Total Expenditures | <u>539,335</u> | <u>7,817</u> | <u>131,352</u> | <u>-</u> | <u>4,583,188</u> | <u>14,747,431</u> |
| Excess (deficiency) of revenues over expenditures | (539,335) | (7,817) | (9,416) | 230 | (4,071,444) | (3,390,452) |
| Other Financing Sources: | | | | | | |
| Bond premium | | | | | 697,521 | 697,521 |
| Transfers in (out) | | | | 813,000 | 938,000 | 854,884 |
| Net change in fund balances | <u>(539,335)</u> | <u>(7,817)</u> | <u>(9,416)</u> | <u>813,230</u> | <u>(2,435,923)</u> | <u>(1,838,047)</u> |
| Fund Balances, Beginning (Deficit) | <u>(259,862)</u> | <u>298,561</u> | <u>745,616</u> | <u>693,908</u> | <u>6,615,496</u> | <u>12,696,010</u> |
| Fund Balances, Ending (Deficit) | <u>\$ (799,197)</u> | <u>\$ 290,744</u> | <u>\$ 736,200</u> | <u>\$ 1,507,138</u> | <u>\$ 4,179,573</u> | <u>\$ 10,857,963</u> |

**Detail and Combining Budget
and Actual Schedules**

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General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include, among other items: General government, public safety, public works, culture and recreation, education, public welfare, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

Detail Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund

For the Year Ended June 30, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Taxes | | | | |
| Property taxes | \$ 65,695,365 | \$ 65,899,293 | \$ 66,181,631 | \$ 282,338 |
| Boat tax | 15,000 | 15,000 | 18,283 | 3,283 |
| Yield tax | 1,500 | 1,500 | 2,064 | 564 |
| Payment in lieu of taxes | 70,000 | 70,000 | 76,435 | 6,435 |
| Excavation tax | 5,000 | 5,000 | 2,547 | (2,453) |
| Tax interest and penalties | 325,000 | 325,000 | 442,619 | 117,619 |
| Total Taxes | 66,111,865 | 66,315,793 | 66,723,579 | 407,786 |
| Licenses and Permits | | | | |
| Health licenses and permits | 30,000 | 30,000 | 38,535 | 8,535 |
| Building permits | 300,000 | 300,000 | 473,202 | 173,202 |
| Peddlers and vendors licenses | 900 | 900 | 370 | (530) |
| Motor vehicle permits | 3,700,000 | 3,700,000 | 3,933,255 | 233,255 |
| Electrical permits | 70,000 | 70,000 | 88,716 | 18,716 |
| Plumbing permits | 65,000 | 65,000 | 97,891 | 32,891 |
| Trailer park permits | 175 | 175 | 150 | (25) |
| Fire and rescue permits | 2,900 | 2,900 | 33,648 | 30,748 |
| Dog licenses | 17,403 | 17,403 | 17,396 | (7) |
| Marriage license fees | 2,450 | 2,450 | 1,114 | (1,336) |
| Birth, death and marriage certificates | 22,002 | 22,002 | 18,312 | (3,690) |
| Miscellaneous licenses and permits | 8,375 | 8,375 | 8,098 | (277) |
| Miscellaneous service charges | | | (89) | (89) |
| Taxi licenses | 500 | 500 | 1,060 | 560 |
| Video and arcade licenses | 1,200 | 1,200 | 420 | (780) |
| Total Licenses and Permits | 4,220,905 | 4,220,905 | 4,712,078 | 491,173 |
| Intergovernmental | | | | |
| Rooms and meals distribution | 1,400,000 | 1,345,556 | 1,345,341 | |
| Federal grant reimbursement | 10,000 | 10,000 | 24,305 | 14,305 |
| State reimbursement | 14,900 | 14,900 | 11,472 | (3,428) |
| Shared revenue block grant | | | | |
| Highway block grant | 501,952 | 497,669 | 496,409 | (1,260) |
| Miscellaneous Intergovernmental | 109,060 | 112,392 | 75,723 | (36,669) |
| Total Intergovernmental | 2,035,912 | 1,980,517 | 1,953,250 | (27,267) |

(continued)

(continued)

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|---|----------------------|----------------------|--------------------------------|---|
| | Original | Final | | |
| Current Services | | | | |
| Sales and service charges | \$ 1,208,756 | \$ 1,208,756 | \$ 1,059,477 | \$ (149,279) |
| Copy sales | 300 | 300 | 133 | (167) |
| Vending machine sales | 5,000 | 5,000 | 4,545 | (455) |
| Commissions | 5,050 | 5,050 | 6,280 | 1,230 |
| Ambulance services | 920,000 | 920,000 | 750,222 | (169,778) |
| Interment charges | 49,800 | 49,800 | 37,070 | (12,730) |
| Headstone foundations | 1,000 | 1,000 | 5,118 | 4,118 |
| Pro shop | 15,000 | 15,000 | 15,190 | 190 |
| Recreation charges | 327,775 | 327,775 | 338,582 | 10,807 |
| Non-resident charges | 58,870 | 58,870 | 53,686 | (5,184) |
| Food sales | 48,000 | 48,000 | 39,717 | (8,283) |
| Vending sales | 12,000 | 12,000 | 8,764 | (3,236) |
| Athletic transportation | 40,000 | 40,000 | 58,532 | 18,532 |
| Department overhead allocations | 375,100 | 375,100 | 375,100 | |
| Miscellaneous service charges | 30,335 | 30,335 | 34,207 | 3,872 |
| Total Current Services | <u>3,096,986</u> | <u>3,096,986</u> | <u>2,786,623</u> | <u>(310,363)</u> |
| Education | | | | |
| Tuition | 4,293,124 | 4,293,124 | 3,857,977 | (435,147) |
| Federal grant reimbursement | 252,500 | 252,500 | 251,197 | (1,303) |
| State intergovernmental | 7,117,769 | 7,117,769 | 7,099,174 | (18,595) |
| Miscellaneous revenue | 90,000 | 90,000 | 128,112 | 38,112 |
| Total Education Income | <u>11,753,393</u> | <u>11,753,393</u> | <u>11,336,460</u> | <u>(416,933)</u> |
| Miscellaneous | | | | |
| Miscellaneous revenue | 19,500 | 19,500 | 68,092 | 48,592 |
| District court receipts | 25,000 | 25,000 | 8,499 | (16,501) |
| Miscellaneous fines and forfeits | 11,400 | 11,400 | 8,551 | (2,849) |
| Fundraising | 20,000 | 20,000 | 3,695 | (16,305) |
| Sale of city property | 52,375 | 52,375 | 38,931 | (13,444) |
| Investment income | 100,000 | 12,000 | (23,417) | (35,417) |
| Facilities rental | 210,162 | 210,162 | 219,929 | 9,767 |
| Interest on arrears | | | 1,123 | 1,123 |
| Equipment rental | 2,000 | 2,000 | 2,370 | 370 |
| Total Miscellaneous | <u>440,437</u> | <u>352,437</u> | <u>327,773</u> | <u>(24,664)</u> |
| Other Financing Sources | | | | |
| Transfers in | 869,308 | 874,129 | 874,991 | 862 |
| Other financing sources | 190,000 | 190,000 | 161,563 | (28,437) |
| Total Other Financing Sources | <u>1,059,308</u> | <u>1,064,129</u> | <u>1,036,554</u> | <u>(27,575)</u> |
| Total Revenues and Other Financing Sources | <u>\$ 88,718,806</u> | <u>\$ 88,784,160</u> | <u>\$ 88,876,317</u> | <u>\$ 92,157</u> |

Detail Schedule of Expenditures and Other Financing Uses Budget and Actual - General Fund

For the Year Ended June 30, 2013

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|--------------------------------|---|
| | Original | Final | | |
| General Government | | | | |
| City Council | \$ 461,065 | \$ 461,065 | \$ 458,391 | \$ 2,674 |
| Executive | 778,979 | 787,887 | 748,284 | 39,603 |
| Finance | 1,587,765 | 1,547,765 | 1,517,596 | 30,169 |
| Planning | 463,527 | 463,527 | 456,211 | 7,316 |
| Miscellaneous | 823,908 | 841,408 | 900,752 | (59,344) |
| Total General Government | <u>4,115,244</u> | <u>4,101,652</u> | <u>4,081,234</u> | <u>20,418</u> |
| Public Safety | | | | |
| Police | 6,918,903 | 6,918,903 | 6,642,452 | 276,451 |
| Fire and rescue | 6,839,516 | 6,839,516 | 6,572,233 | 267,283 |
| Total Public Safety | <u>13,758,419</u> | <u>13,758,419</u> | <u>13,214,685</u> | <u>543,734</u> |
| Public Works | | | | |
| Community Services - Public Works | 5,397,091 | 5,397,091 | 4,297,848 | 1,099,243 |
| Total Public Works | <u>5,397,091</u> | <u>5,397,091</u> | <u>4,297,848</u> | <u>1,099,243</u> |
| Culture and Recreation | | | | |
| Recreation | 2,002,240 | 2,002,240 | 1,925,795 | 76,445 |
| Public Library | 1,056,273 | 1,056,273 | 954,304 | 101,969 |
| Total Culture and Recreation | <u>3,058,513</u> | <u>3,058,513</u> | <u>2,880,099</u> | <u>178,414</u> |
| Public welfare | | | | |
| Public welfare | 829,853 | 869,853 | 865,122 | 4,731 |
| Total Public Welfare | <u>829,853</u> | <u>869,853</u> | <u>865,122</u> | <u>4,731</u> |
| Education | | | | |
| School Department | 42,264,590 | 42,264,590 | 41,528,013 | 736,577 |
| Total Education | <u>42,264,590</u> | <u>42,264,590</u> | <u>41,528,013</u> | <u>736,577</u> |
| Debt Service | | | | |
| Principal | 6,557,165 | 6,557,165 | 6,563,165 | (6,000) |
| Interest | 3,132,866 | 3,132,866 | 3,062,534 | 70,332 |
| Total Debt Service | <u>9,690,031</u> | <u>9,690,031</u> | <u>9,625,699</u> | <u>64,332</u> |
| Intergovernmental | | | | |
| County tax | 7,482,308 | 7,521,254 | 7,521,254 | - |
| Total Intergovernmental | <u>7,482,308</u> | <u>7,521,254</u> | <u>7,521,254</u> | <u>-</u> |
| Transfers | | | | |
| Transfer out | 2,122,757 | 2,122,757 | 2,122,757 | - |
| Total Transfers | <u>2,122,757</u> | <u>2,122,757</u> | <u>2,122,757</u> | <u>-</u> |
| Other Financing Uses | | | | |
| Total Other Financing Uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures and Other Financing Uses | <u>\$ 88,718,806</u> | <u>\$ 88,784,160</u> | <u>\$ 86,136,711</u> | <u>\$ 2,647,449</u> |
| Excess of revenues and other sources over expenditures and other uses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,739,606</u> | <u>\$ 2,739,606</u> |

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Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2013

| | Parking Activity | | Variance Positive (Negative) |
|---|------------------|-----------------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Charges for services | \$ 614,320 | \$ 584,037 | \$ (30,283) |
| Intergovernmental | | | |
| Miscellaneous | | | |
| Other financing sources | <u>125,060</u> | <u> </u> | <u>(125,060)</u> |
| Total Revenues | <u>739,380</u> | <u>584,037</u> | <u>(155,343)</u> |
| Expenditures: | | | |
| Public safety | 388,851 | 372,007 | 16,844 |
| Education | | | |
| Public works | | | |
| Culture and recreation | | | |
| Debt service | 76,927 | 77,110 | (183) |
| Other financing uses | <u>273,602</u> | <u>248,551</u> | <u>25,051</u> |
| Total Expenditures | <u>739,380</u> | <u>697,668</u> | <u>41,712</u> |
| Revenues and other financing sources over (under) expenditures | <u>\$ -</u> | <u>\$ (113,631)</u> | <u>\$ (113,631)</u> |

| Residential Solid Waste | | | Library Fines | | |
|-------------------------|------------------|------------------------------------|---------------|-----------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 950,663 | \$ 883,250 | \$ (67,413) | \$ 33,240 | \$ 37,708 | \$ 4,468 |
| | 969 | 969 | | | |
| <u>950,663</u> | <u>884,219</u> | <u>(66,444)</u> | <u>33,600</u> | <u>37,708</u> | <u>(33,600)</u> |
| | | | <u>66,840</u> | <u>37,708</u> | <u>(29,132)</u> |
| 950,663 | 819,614 | 131,049 | 66,840 | 35,353 | 31,487 |
| <u>950,663</u> | <u>819,614</u> | <u>131,049</u> | <u>66,840</u> | <u>35,353</u> | <u>31,487</u> |
| \$ <u>-</u> | \$ <u>64,605</u> | \$ <u>64,605</u> | \$ <u>-</u> | \$ <u>2,355</u> | \$ <u>2,355</u> |

**Combining Schedule of Revenues and Expenditures
Budget and Actual**

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2013

| | Tuition Programs | | Variance Positive (Negative) |
|---|------------------|----------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Charges for services | \$ 141,500 | \$ 133,395 | \$ (8,105) |
| Intergovernmental | | | |
| Miscellaneous revenue | | | |
| Other financing sources | | | |
| Total Revenues | <u>141,500</u> | <u>133,395</u> | <u>(8,105)</u> |
| Expenditures: | | | |
| Public safety | | | |
| Education | 141,500 | 133,397 | 8,103 |
| Public works | | | |
| Culture and recreation | | | |
| Debt service | | | |
| Total Expenditures | <u>141,500</u> | <u>133,397</u> | <u>8,103</u> |
| Revenues and other financing sources over (under) expenditures | \$ <u>-</u> | \$ <u>(2)</u> | \$ <u>(2)</u> |

| School Alternative Education | | | School Facilities | | |
|------------------------------|--------------------|------------------------------------|-------------------|------------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 466,063 | \$ 316,207 | \$ (149,856) | \$ 137,075 | \$ 149,881 | \$ 12,806 |
| | | | | 2,861 | 2,861 |
| <u>402,000</u> | <u>402,000</u> | <u>(149,856)</u> | <u>137,075</u> | <u>152,742</u> | <u>15,667</u> |
| <u>868,063</u> | <u>718,207</u> | <u>(149,856)</u> | <u>137,075</u> | <u>152,742</u> | <u>15,667</u> |
| 868,063 | 732,551 | 135,512 | 137,075 | 108,662 | 28,413 |
| <u>868,063</u> | <u>732,551</u> | <u>135,512</u> | <u>137,075</u> | <u>108,662</u> | <u>28,413</u> |
| \$ <u>-</u> | \$ <u>(14,344)</u> | \$ <u>(14,344)</u> | \$ <u>-</u> | \$ <u>44,080</u> | \$ <u>44,080</u> |

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2013

| | McConnell Center | | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Charges for services | \$ 603,726 | \$ 628,242 | \$ 24,516 |
| Intergovernmental | | | |
| Miscellaneous | | | |
| Other financing sources | 221,479 | 221,479 | |
| Total Revenues | <u>825,205</u> | <u>849,721</u> | <u>24,516</u> |
| Expenditures: | | | |
| Public safety | | | |
| Education | | | |
| Public works | | | |
| Culture and recreation | 417,611 | 401,089 | 16,522 |
| Debt service | 407,594 | 407,594 | |
| Total Expenditures | <u>825,205</u> | <u>808,683</u> | <u>16,522</u> |
| Revenues and other financing source over (under) expenditures | \$ <u>-</u> | \$ <u>41,038</u> | \$ <u>41,038</u> |

| Police DHA Fund | | | School Cafeteria | | |
|--------------------|--------------------|------------------------------------|-----------------------|-----------------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 110,255 | \$ 82,691 | \$ (27,564) | \$ 974,000 424,164 | \$ 807,423 654,508 | \$ (166,577) 230,344 |
| <u>110,255</u> | <u>82,691</u> | <u>(27,564)</u> | <u>1,398,164</u> | <u>1,461,931</u> | <u>63,767</u> |
| 121,111 | 107,205 | 13,906 | 1,398,164 | 1,413,973 | (15,809) |
| <u>121,111</u> | <u>107,205</u> | <u>13,906</u> | <u>1,398,164</u> | <u>1,413,973</u> | <u>(15,809)</u> |
| \$ <u>(10,856)</u> | \$ <u>(24,514)</u> | \$ <u>(13,658)</u> | \$ <u>-</u> | \$ <u>47,958</u> | \$ <u>47,958</u> |

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Enterprise Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

DBIDA Fund: To account for the economic development projects of the Dover Business Industrial Development Authority (DBIDA), which operates under RSA 162-G.

No annual budget is adopted for the DBIDA Fund.

Enterprise Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2013

| | | Water Fund | |
|--|--------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Operating revenue | \$ 4,688,762 | \$ 4,392,738 | \$ (296,024) |
| Other | 21,000 | 106,138 | 85,138 |
| Total Operating Revenues | <u>4,709,762</u> | <u>4,498,876</u> | <u>(210,886)</u> |
| Operating Expenses: | | | |
| Personnel services | 1,132,160 | 1,200,232 | (68,072) |
| Purchased services | 328,347 | 284,870 | 43,477 |
| Supplies and materials | 709,124 | 624,082 | 85,042 |
| Minor equipment | 202,634 | 39,478 | 163,156 |
| Other | 182,985 | 159,476 | 23,509 |
| Depreciation | 1,171,666 | 877,890 | 293,776 |
| Total Operating Expenses | <u>3,726,916</u> | <u>3,186,028</u> | <u>540,888</u> |
| Operating Income (Loss) | <u>982,846</u> | <u>1,312,848</u> | <u>330,002</u> |
| Non-Operating Income (Expenses): | | | |
| Investment Income | | 182,303 | 182,303 |
| Interest expense | (462,672) | (428,263) | 34,409 |
| Intergovernmental | | 600,000 | 600,000 |
| Total Non-Operating Income (Expenses) | <u>(462,672)</u> | <u>354,040</u> | <u>816,712</u> |
| Net Income (Loss) Before Transfers | <u>520,174</u> | <u>1,666,888</u> | <u>1,146,714</u> |
| Other Financing Sources and Uses: | | | |
| Use of retained earnings | | | |
| Transfers out | (575,005) | (75,005) | 500,000 |
| Total Other Financing Sources and Uses | <u>(575,005)</u> | <u>(75,005)</u> | <u>500,000</u> |
| Net Income (Loss) | <u>\$ (54,831)</u> | <u>\$ 1,591,883</u> | <u>\$ 1,646,714</u> |

| | Sewer Fund | | |
|--|-----------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Operating revenue | \$ 5,354,011 | \$ 4,873,190 | \$ (480,821) |
| Other | 31,000 | 111,977 | 80,977 |
| Total Operating Revenues | <u>5,385,011</u> | <u>4,985,167</u> | <u>(399,844)</u> |
| Operating Expenses: | | | |
| Personnel services | 1,493,280 | 1,543,400 | (50,120) |
| Purchased services | 586,178 | 561,632 | 24,546 |
| Supplies and materials | 1,011,708 | 779,780 | 231,928 |
| Minor equipment | 174,054 | 28,660 | 145,394 |
| Other | 251,900 | 218,928 | 32,972 |
| Depreciation | 2,152,449 | 2,300,114 | (147,665) |
| Total Operating Expenses | <u>5,669,569</u> | <u>5,432,514</u> | <u>237,055</u> |
| Operating Income (Loss) | <u>(284,558)</u> | <u>(447,347)</u> | <u>(162,789)</u> |
| Non-Operating Income (Expenses): | | | |
| Investment Income | | 369,363 | 369,363 |
| Interest expense | (451,771) | (389,413) | 62,358 |
| Intergovernmental | 6,840 | 285,997 | 279,157 |
| Total Non-Operating Income (Expenses) | <u>(444,931)</u> | <u>265,947</u> | <u>710,878</u> |
| Net Income (Loss) Before Transfers | <u>(729,489)</u> | <u>(181,400)</u> | <u>548,089</u> |
| Other Financing Sources and Uses: | | | |
| Use of retained earnings | | | |
| Transfers out | (460,377) | (20,377) | 440,000 |
| Total Other Financing Sources and Uses | <u>(460,377)</u> | <u>(20,377)</u> | <u>440,000</u> |
| Net Income (Loss) | <u>\$ (1,189,866)</u> | <u>\$ (201,777)</u> | <u>\$ 988,089</u> |

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Internal Service Funds

- Dover Net Fund – To account for the costs related to the operations of the information technology network and the allocation of these costs to the various funds and functions.
- Central Stores Fund – To account for the costs related to the supplies, copiers and postage and the allocation of these costs to the various funds and functions based on actual use.
- Fleet Maintenance Fund – To account for the maintenance costs related to the vehicle fleet and the allocation of these costs to the various funds and functions based on actual use.
- Workers Compensation Fund – To account for the cost of administration, insurance and claims for workers compensation and the allocation of these costs to the various funds and functions based on historical wage and claims history.
- OPEB Fund – To account for the costs related to post-employment benefits other than pensions for eligible retirees and current employees.

Internal Service Funds**Combining Statement of Net Position**

June 30, 2013

| | Dover Net Fund | Central Stores Fund | Fleet Maintenance Fund | Workers Compensation Fund | OPEB Fund | Total |
|--|----------------------|---------------------------|------------------------------|---------------------------------|-------------------|---------------------|
| ASSETS | | | | | | |
| Current: | | | | | | |
| Departmental and other receivables | \$ 51,667 | | \$ 13,315 | | | \$ 64,982 |
| Due from (to) other funds | 376,805 | \$ 52,686 | 85,195 | \$ 310,263 | \$ 574,165 | 1,399,114 |
| Prepaid expenses | | | | 45,000 | 116,340 | 161,340 |
| Inventory | | | 57,799 | | | 57,799 |
| Total Assets | <u>428,472</u> | <u>52,686</u> | <u>156,309</u> | <u>355,263</u> | <u>690,505</u> | <u>1,683,235</u> |
| LIABILITIES | | | | | | |
| Current: | | | | | | |
| Accounts payable | 17,789 | 1,500 | 13,016 | 54,955 | | 87,260 |
| Accrued liabilities | 4,368 | | 7,527 | | | 11,895 |
| Claims liability | | | | 348,000 | | 348,000 |
| Compensated absences | 17,729 | | 18,480 | | | 36,209 |
| Total Current Liabilities | <u>39,886</u> | <u>1,500</u> | <u>39,023</u> | <u>402,955</u> | | <u>483,364</u> |
| Non-current: | | | | | | |
| Claims liability, net of current portion | | | | 186,071 | | 186,071 |
| Total Liabilities | <u>39,886</u> | <u>1,500</u> | <u>39,023</u> | <u>589,026</u> | | <u>669,435</u> |
| NET Position | | | | | | |
| Restricted for capital projects | 238,716 | | | | | 238,716 |
| Unrestricted | <u>149,870</u> | <u>51,186</u> | <u>117,286</u> | <u>(233,763)</u> | <u>690,505</u> | <u>775,084</u> |
| Total Net Position | <u>\$ 388,586</u> | <u>\$ 51,186</u> | <u>\$ 117,286</u> | <u>\$ (233,763)</u> | <u>\$ 690,505</u> | <u>\$ 1,013,800</u> |

Internal Service Funds

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position

For Fiscal Year Ended June 30, 2013

| | Dover Net Fund | Central Stores Fund | Fleet Maintenance Fund | Workers Compensation Fund | OPEB Fund | Total |
|---|----------------------|---------------------------|------------------------------|---------------------------------|--------------------|---------------------|
| Operating Revenues: | | | | | | |
| Charges for services | \$ 259,468 | \$ 90,461 | \$ 838,691 | \$ 378,957 | | \$ 1,567,577 |
| Miscellaneous | 298,661 | | 28,973 | | | 327,634 |
| Total Operating Revenues | <u>558,129</u> | <u>90,461</u> | <u>867,664</u> | <u>378,957</u> | | <u>1,895,211</u> |
| Operating Expenses: | | | | | | |
| Personal services | 274,460 | | 409,096 | 211,290 | \$ 1,307,677 | 2,202,523 |
| Purchased services | 176,291 | 50,814 | 6,508 | 590,699 | | 824,312 |
| Supplies | 27,502 | 34,587 | 18,093 | | | 80,182 |
| Minor equipment | 62,418 | | | | | 62,418 |
| Other expenses | | | 329,514 | 53,717 | | 383,231 |
| Total Operating Expenses | <u>540,671</u> | <u>85,401</u> | <u>763,211</u> | <u>855,706</u> | <u>1,307,677</u> | <u>3,552,666</u> |
| Operating Income (Loss) | <u>17,458</u> | <u>5,060</u> | <u>104,453</u> | <u>(476,749)</u> | <u>(1,307,677)</u> | <u>(1,657,455)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfer in (out) | 95,837 | | (40,112) | | 1,684,600 | 1,740,325 |
| Intergovernmental | | | | | 28,035 | 28,035 |
| Total Other Financing Sources (Uses) | <u>95,837</u> | | <u>(40,112)</u> | | <u>1,712,635</u> | <u>1,768,360</u> |
| Change in Net Position | 113,295 | 5,060 | 64,341 | (476,749) | 404,958 | 110,905 |
| Net Position at Beginning of Year | <u>275,291</u> | <u>46,126</u> | <u>52,945</u> | <u>242,986</u> | <u>285,547</u> | <u>902,895</u> |
| Net Position at End of Year | <u>\$ 388,586</u> | <u>\$ 51,186</u> | <u>\$ 117,286</u> | <u>\$ (233,763)</u> | <u>\$ 690,505</u> | <u>\$ 1,013,800</u> |

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2013

| | Dover Net Fund | Central Stores Fund | Fleet Maintenance Fund | Workers Compensation Fund | OPEB Fund | Total |
|---|----------------------|---------------------------|------------------------------|---------------------------------|-----------------------|-----------------------|
| Cash Flows From Operating Activities: | | | | | | |
| Receipts from customers and users for services | \$ 556,016 | \$ 90,461 | \$ 858,406 | \$ 378,957 | | \$ 1,883,840 |
| Payments to vendors and contractors | (291,919) | (84,492) | (348,655) | (639,324) | \$ (1,307,677) | (2,672,067) |
| Payments of employee salaries and benefits | (275,573) | | (415,144) | (142,499) | | (833,216) |
| Receipts for interfund service provided | | | | 402,866 | | 402,866 |
| Payments for interfund service provided | (84,361) | (5,969) | (54,495) | | (404,958) | (549,783) |
| Net Cash Provided By (Used For) Operating Activities | <u>(95,837)</u> | <u>-</u> | <u>40,112</u> | <u>-</u> | <u>(1,712,635)</u> | <u>(1,768,360)</u> |
| Cash Flows From Noncapital Financing Activities: | | | | | | |
| Transfer in | 95,837 | | | | 1,684,600 | 1,780,437 |
| Transfer out | | | (40,112) | | | (40,112) |
| Intergovernmental subsidy | | | | | 28,035 | 28,035 |
| Net Cash Provided By Noncapital Financing Activities | <u>95,837</u> | <u>-</u> | <u>(40,112)</u> | <u>-</u> | <u>1,712,635</u> | <u>1,768,360</u> |
| Cash and Short Term Investments, Beginning of Year | | | | | | |
| Cash and Short Term Investments, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities: | | | | | | |
| Operating income (loss) | \$ 17,458 | \$ 5,060 | \$ 104,453 | \$ (476,749) | \$ (1,307,677) | \$ (1,657,455) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | | |
| Changes in assets and liabilities: | | | | | | |
| Inventory | | | 3,049 | | | 3,049 |
| Departmental and other receivables | (2,113) | | (9,258) | | | (11,371) |
| Intefund receivables/payables | (84,361) | (5,969) | (54,495) | 402,867 | (404,958) | (146,916) |
| Other assets | | | | (25,000) | | (25,000) |
| Accounts payable | (25,708) | 909 | 2,411 | 30,092 | | 7,704 |
| Accrued liabilities | 358 | | 1,032 | 68,790 | | 70,180 |
| Compensated absences | (1,471) | | (7,080) | | | (8,551) |
| Net Cash Provided By (Used For) Operating Activities | <u>\$ (95,837)</u> | <u>\$ -</u> | <u>\$ 40,112</u> | <u>\$ -</u> | <u>\$ (1,712,635)</u> | <u>\$ (1,768,360)</u> |

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Internal Service Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2013

| | Dover Net Fund | | |
|--|---------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Charges for services | \$ 259,159 | \$ 259,468 | \$ 309 |
| Other revenue | 282,803 | 298,661 | 15,858 |
| Total Operating Revenues | <u>541,962</u> | <u>558,129</u> | <u>16,167</u> |
| Operating Expenses: | | | |
| Personnel services | 300,427 | 274,460 | 25,967 |
| Purchased services | 239,117 | 156,067 | 83,050 |
| Supplies and materials | 37,318 | 23,933 | 13,385 |
| Minor equipment | 148,013 | 71,010 | 77,003 |
| Other | 75,296 | | 75,296 |
| Total Operating Expenses | <u>800,171</u> | <u>525,470</u> | <u>274,701</u> |
| Operating Income (Loss) | (258,209) | 32,659 | 290,868 |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | | | |
| Net Income (Loss) Before Transfers | <u>(258,209)</u> | <u>32,659</u> | <u>290,868</u> |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | 130,387 | | (130,387) |
| Transfers in | 24,000 | 95,835 | 71,835 |
| Transfers out | | | |
| Total Other Financing Sources and Uses | <u>154,387</u> | <u>95,835</u> | <u>(58,552)</u> |
| Net Income (Loss) | <u>\$ (103,822)</u> | <u>\$ 128,494</u> | <u>\$ 232,316</u> |

| | Central Stores Fund | | |
|--|---------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Charges for services | \$ 105,154 | \$ 90,461 | \$ (14,693) |
| Other revenue | | | |
| Total Operating Revenues | <u>105,154</u> | <u>90,461</u> | <u>(14,693)</u> |
| Operating Expenses: | | | |
| Personnel services | | | |
| Purchased services | 68,709 | 49,141 | 19,568 |
| Supplies and materials | 38,118 | 34,587 | 3,531 |
| Minor equipment | | | |
| Other | | | |
| Total Operating Expenses | <u>106,827</u> | <u>83,728</u> | <u>23,099</u> |
| Operating Income (Loss) | (1,673) | 6,733 | 8,406 |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | | | |
| Net Income (Loss) Before Transfers | <u>(1,673)</u> | <u>6,733</u> | <u>8,406</u> |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total Other Financing Sources and Uses | | | |
| Net Income (Loss) | <u>\$ (1,673)</u> | <u>\$ 6,733</u> | <u>\$ 8,406</u> |

| | Fleet Maintenance Fund | | |
|--|------------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Charges for services | \$ 734,557 | \$ 838,691 | \$ 104,134 |
| Other revenue | 28,973 | 28,973 | |
| Total Operating Revenues | <u>763,530</u> | <u>867,664</u> | <u>104,134</u> |
| Operating Expenses: | | | |
| Personnel services | 427,827 | 394,096 | 33,731 |
| Purchased services | 6,498 | 6,508 | (10) |
| Supplies and materials | 14,256 | 17,499 | (3,243) |
| Minor equipment | 4,500 | | 4,500 |
| Other | 296,903 | 329,514 | (32,611) |
| Total Operating Expenses | <u>749,984</u> | <u>747,617</u> | <u>2,367</u> |
| Operating Income (Loss) | 13,546 | 120,047 | 106,501 |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | | | |
| Net Income (Loss) Before Transfers | <u>13,546</u> | <u>120,047</u> | <u>106,501</u> |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | 6,675 | | (6,675) |
| Transfers in | | | |
| Transfers out | <u>(40,112)</u> | <u>(40,112)</u> | |
| Total Other Financing Sources and Uses | <u>(33,437)</u> | <u>(40,112)</u> | <u>(6,675)</u> |
| Net Income (Loss) | <u>\$ (19,891)</u> | <u>\$ 79,935</u> | <u>\$ 99,826</u> |

| | Workers Compensation Fund | | |
|--|---------------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Charges for services | \$ 387,065 | \$ 378,957 | \$ (8,108) |
| Other revenue | | | |
| Total Operating Revenues | <u>387,065</u> | <u>378,957</u> | <u>(8,108)</u> |
| Operating Expenses: | | | |
| Personnel services | 338,044 | 210,937 | 127,107 |
| Purchased services | 43,811 | 591,052 | (547,241) |
| Supplies and materials | | | |
| Minor equipment | | | |
| Other | 16,900 | 53,717 | (36,817) |
| Total Operating Expenses | <u>398,755</u> | <u>855,706</u> | <u>(456,951)</u> |
| Operating Income (Loss) | (11,690) | (476,749) | (465,059) |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | | | |
| Net Income (Loss) Before Transfers | <u>(11,690)</u> | <u>(476,749)</u> | <u>(465,059)</u> |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | | | |
| Transfers out | | | |
| Total Other Financing Sources and Uses | | | |
| Net Income (Loss) | <u>\$ (11,690)</u> | <u>\$ (476,749)</u> | <u>\$ (465,059)</u> |

| | OPEB Fund | | |
|--|-------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Charges for services | | | |
| Other revenue | | | |
| Total Operating Revenues | | - | |
| Operating Expenses: | | | |
| Personnel services | 1,313,112 | 1,307,677 | 5,435 |
| Purchased services | | | |
| Supplies and materials | | | |
| Minor equipment | | | |
| Other | | | |
| Total Operating Expenses | 1,313,112 | 1,307,677 | 5,435 |
| Operating Income (Loss) | (1,313,112) | (1,307,677) | 5,435 |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | - | 28,035 | 28,035 |
| Net Income (Loss) Before Transfers | (1,313,112) | (1,279,642) | 33,470 |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | | | |
| Transfers in | 1,313,112 | 1,684,600 | 371,488 |
| Transfers out | | | |
| Total Other Financing Sources and Uses | 1,313,112 | 1,684,600 | 371,488 |
| Net Income (Loss) | - | 404,958 | 404,958 |

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- Performance Bonds – To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the request.
- Chamber of Commerce – To account for funds received from Chamber of Commerce for its Riverwalk Project.
- Department Agency – To account for funds received from other organizations for activities administered by various City departments.
- School Agency – To account for funds received from other organizations for activities administered by the Dover School Department.

Private Purpose Funds:

- Cemetery – To account for private donations left in trust to maintain graves and provide flowers.
- Parks and Recreation – To account for private donations left in trust to assist individuals attending various recreational programs.
- Welfare – To account for private donations left in trust for the benefit of low or moderate income individuals.
- School – To account for private donations left in trust mainly for the benefit of providing scholarships to high school graduates.

Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2013

| | Performance Deposits | Chamber of Commerce | Department Agency | School Agency | Total |
|---------------------------------|--------------------------|------------------------|-------------------------|--------------------------|----------------------------|
| ASSETS | | | | | |
| Cash and short-term investments | | | | \$ 273,491 | \$ 273,491 |
| Due from other funds | \$ <u>722,276</u> | \$ <u>3,083</u> | \$ <u>32,889</u> | <u>16,397</u> | <u>774,645</u> |
| Total Assets | \$ <u><u>722,276</u></u> | \$ <u><u>3,083</u></u> | \$ <u><u>32,889</u></u> | \$ <u><u>289,888</u></u> | \$ <u><u>1,048,136</u></u> |
| LIABILITIES | | | | | |
| Other liabilities | \$ <u>722,276</u> | \$ <u>3,083</u> | \$ <u>32,889</u> | \$ <u>289,888</u> | \$ <u>1,048,136</u> |
| Total Liabilities | \$ <u><u>722,276</u></u> | \$ <u><u>3,083</u></u> | \$ <u><u>32,889</u></u> | \$ <u><u>289,888</u></u> | \$ <u><u>1,048,136</u></u> |

Agency Funds**Combining Statement of Changes in Assets and Liabilities**

For the Fiscal Year Ended June 30, 2013

| | Balance July 1, 2012 | Additions | Deductions | Balance June 30, 2013 |
|---------------------------------|----------------------------|---------------------|-----------------------|-----------------------------|
| Performance Deposits | | | | |
| Assets - due from other funds | \$ <u>908,476</u> | \$ <u>255,693</u> | \$ <u>(441,893)</u> | \$ <u>722,276</u> |
| Liabilities - other liabilities | \$ <u>908,476</u> | \$ <u>253,727</u> | \$ <u>(439,927)</u> | \$ <u>722,276</u> |
| Chamber of Commerce | | | | |
| Assets - due from other funds | \$ <u>3,083</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>3,083</u> |
| Liabilities - other liabilities | \$ <u>3,083</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>3,083</u> |
| Department Agency | | | | |
| Assets - due from other funds | \$ <u>34,214</u> | \$ <u>28,527</u> | \$ <u>(29,852)</u> | \$ <u>32,889</u> |
| Liabilities - other liabilities | \$ <u>34,214</u> | \$ <u>72,168</u> | \$ <u>(73,493)</u> | \$ <u>32,889</u> |
| School Agency | | | | |
| Assets - cash | \$ 296,883 | \$ 695,324 | \$ (718,716) | \$ 273,491 |
| Assets - due from other funds | 15,962 | 8,244 | (7,809) | 16,397 |
| Total Assets | \$ <u>312,845</u> | \$ <u>703,568</u> | \$ <u>(726,525)</u> | \$ <u>289,888</u> |
| Liabilities - other liabilities | \$ <u>312,845</u> | \$ <u>703,568</u> | \$ <u>(726,525)</u> | \$ <u>289,888</u> |
| Totals | | | | |
| Assets - cash | \$ 296,883 | \$ 695,324 | \$ (718,716) | \$ 273,491 |
| Assets - due from other funds | 961,735 | 292,464 | (479,554) | 774,645 |
| Total Assets | \$ <u>1,258,618</u> | \$ <u>987,788</u> | \$ <u>(1,198,270)</u> | \$ <u>1,048,136</u> |
| Liabilities - other liabilities | \$ <u>1,258,618</u> | \$ <u>1,029,463</u> | \$ <u>(1,239,945)</u> | \$ <u>1,048,136</u> |

Private Purpose Trust Funds

Combining Statement of Fiduciary Net Position

June 30, 2013

| | Cemetery | Parks and Recreation | Welfare | School | Total |
|----------------------------------|--------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| ASSETS | | | | | |
| Due from other funds | \$ <u>196,651</u> | \$ <u>50,238</u> | \$ <u>133,706</u> | \$ <u>432,340</u> | \$ <u>812,935</u> |
| Total Assets | \$ <u><u>196,651</u></u> | \$ <u><u>50,238</u></u> | \$ <u><u>133,706</u></u> | \$ <u><u>432,340</u></u> | \$ <u><u>812,935</u></u> |
| NET POSITION | | | | | |
| Total Net Position Held in Trust | \$ <u><u>196,651</u></u> | \$ <u><u>50,238</u></u> | \$ <u><u>133,706</u></u> | \$ <u><u>432,340</u></u> | \$ <u><u>812,935</u></u> |

Private Purpose Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For Fiscal Year Ended June 30, 2013

| | Cemetery | Parks and Recreation | Welfare | School | Total |
|------------------------|-------------------|-------------------------|-------------------|-------------------|-------------------|
| Additions: | | | | | |
| Investment income | \$ 9,385 | \$ 2,427 | \$ 10,036 | \$ 32,134 | \$ 53,982 |
| Total Additions | <u>9,385</u> | <u>2,427</u> | <u>10,036</u> | <u>32,134</u> | <u>53,982</u> |
| Deductions: | | | | | |
| Disbursements by agent | <u>1,354</u> | <u>291</u> | <u>1,575</u> | <u>18,849</u> | <u>22,069</u> |
| Total Deductions | <u>1,354</u> | <u>291</u> | <u>1,575</u> | <u>18,849</u> | <u>22,069</u> |
| Net Increase | 8,031 | 2,136 | 8,461 | 13,285 | 31,913 |
| Net Position: | | | | | |
| Beginning of Year | <u>188,620</u> | <u>48,102</u> | <u>125,245</u> | <u>419,055</u> | <u>781,022</u> |
| End of Year | <u>\$ 196,651</u> | <u>\$ 50,238</u> | <u>\$ 133,706</u> | <u>\$ 432,340</u> | <u>\$ 812,935</u> |

**STATISTICAL
SECTION**

City of Dover, New Hampshire

Statistical Section

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

| | <u>Page</u> |
|---|-------------|
| Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. | 137 -145 |
| Revenue Capacity These schedules contain information to help reader assess the government's most significant local revenue source, the property tax. | 146 -151 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. | 152 -154 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. | 155 -156 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | 157 -162 |

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

City of Dover, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets (1) | \$ 50,841,722 | \$ 53,992,080 | \$ 56,387,047 | \$ 57,412,322 | \$ 60,502,720 | \$ 76,018,355 | \$ 80,024,915 | \$ 84,864,320 | \$ 87,621,792 | \$ 94,608,955 |
| Restricted | 467,560 | 135,140 | 135,519 | 220,907 | 706,657 | 239,781 | 357,330 | 3,755,675 | 3,831,773 | 4,176,355 |
| Unrestricted | (4,956,172) | (5,048,192) | 334,752 | 2,143,471 | 1,555,309 | (4,425,923) | (4,296,357) | (6,828,784) | (13,020,114) | (15,040,301) |
| Total governmental activities net position | \$ 46,353,110 | \$ 49,079,028 | \$ 56,857,318 | \$ 59,776,700 | \$ 62,764,686 | \$ 71,832,213 | \$ 76,085,888 | \$ 81,791,211 | \$ 78,433,451 | \$ 83,745,009 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 49,960,529 | \$ 49,129,986 | \$ 49,120,227 | \$ 49,735,238 | \$ 51,471,577 | \$ 46,561,358 | \$ 48,633,637 | \$ 50,765,070 | \$ 49,606,632 | \$ 50,399,796 |
| Restricted | 1,548,748 | 2,961,035 | 2,628,641 | 3,619,664 | 5,630,120 | 6,388,298 | 6,692,028 | 1,694,773 | - | 5,002,798 |
| Unrestricted | 3,777,256 | 3,499,041 | 3,591,882 | 1,527,399 | (2,037,985) | 5,702,564 | 2,367,829 | 5,792,867 | 8,189,888 | 4,252,345 |
| Total business-type activities net position | \$ 55,286,533 | \$ 55,590,062 | \$ 55,340,750 | \$ 54,882,301 | \$ 55,063,712 | \$ 58,652,220 | \$ 57,693,494 | \$ 58,252,710 | \$ 57,796,520 | \$ 59,654,939 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 100,802,251 | \$ 103,122,066 | \$ 105,507,274 | \$ 107,147,560 | \$ 111,974,297 | \$ 122,579,713 | \$ 128,658,552 | \$ 135,629,390 | \$ 137,228,424 | \$ 145,008,751 |
| Restricted | 2,016,308 | 3,096,175 | 2,764,160 | 3,840,571 | 6,336,777 | 6,628,079 | 7,049,358 | 5,450,448 | 3,831,773 | 9,179,153 |
| Unrestricted | (1,178,916) | (1,549,151) | 3,926,634 | 3,670,870 | (482,676) | 1,276,641 | (1,928,528) | (1,035,917) | (4,830,226) | (10,787,956) |
| Total primary government net position | \$ 101,639,643 | \$ 104,669,090 | \$ 112,198,068 | \$ 114,659,001 | \$ 117,828,398 | \$ 130,484,433 | \$ 133,779,382 | \$ 140,043,921 | \$ 136,229,971 | \$ 143,399,948 |

Notes:

(1) Net investment in capital assets were restated for FY04.

City of Dover, New Hampshire

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 3,809,832 | \$ 4,833,784 | \$ 3,670,881 | \$ 3,834,147 | \$ 4,926,090 | \$ 3,177,368 | \$ 3,483,389 | \$ 6,120,791 | \$ 6,057,408 | \$ 7,187,927 |
| Public safety | 10,657,493 | 10,284,604 | 12,865,806 | 13,974,469 | 14,090,578 | 16,154,098 | 17,405,207 | 16,052,207 | 16,301,615 | 17,030,785 |
| Public works | 6,739,392 | 6,972,709 | 9,128,400 | 8,380,719 | 8,289,627 | 10,621,805 | 11,922,320 | 4,881,919 | 16,831,168 | 6,720,090 |
| Culture and recreation | 2,911,587 | 2,349,885 | 2,882,727 | 3,655,755 | 3,468,304 | 3,669,804 | 3,498,166 | 3,313,255 | 3,325,608 | 3,296,827 |
| Education | 37,408,903 | 37,715,317 | 41,198,155 | 42,505,294 | 45,032,173 | 45,929,648 | 45,268,003 | 48,789,847 | 47,519,865 | 48,192,876 |
| Public Welfare | 1,481,363 | 1,156,326 | 1,310,008 | 1,445,035 | 1,099,641 | 740,125 | 861,608 | 813,196 | 880,622 | 948,950 |
| Intergovernmental | 4,639,183 | 4,336,892 | 5,454,815 | 5,750,204 | 5,922,221 | 6,772,323 | 7,030,640 | 7,033,271 | 7,303,817 | 7,521,254 |
| Interest | 1,646,763 | 1,815,709 | 2,108,107 | 2,813,594 | 3,098,791 | 3,131,043 | 3,287,626 | 3,448,823 | 3,146,142 | 3,216,334 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities expenses | 69,294,516 | 69,465,226 | 78,618,899 | 82,359,217 | 85,927,425 | 90,196,214 | 92,756,959 | 90,453,309 | 101,365,705 | 94,115,043 |
| Business-type activities: | | | | | | | | | | |
| Water services | 2,521,675 | 2,779,842 | 2,977,351 | 3,304,778 | 3,430,042 | 3,362,625 | 3,745,551 | 3,414,368 | 3,618,587 | 3,598,668 |
| Sewer services | 4,566,230 | 4,647,438 | 4,997,619 | 5,043,665 | 5,017,000 | 5,472,366 | 5,426,802 | 5,227,382 | 5,345,924 | 5,866,950 |
| Arena services | 1,262,538 | 1,314,389 | 1,418,234 | 1,481,949 | 1,427,762 | 39,516 | - | - | - | - |
| DBIDA services | 7,894 | 5,879 | 81,943 | 144,500 | 138,441 | 177,886 | 298,878 | 312,954 | 195,493 | 134,900 |
| Total business-type activities expenses | 8,358,537 | 8,747,548 | 9,475,147 | 9,974,892 | 10,013,245 | 9,052,393 | 9,471,231 | 8,954,704 | 9,160,004 | 9,600,518 |
| Total primary government expenses | \$ 77,653,053 | \$ 78,212,774 | \$ 88,094,046 | \$ 92,334,109 | \$ 95,940,670 | \$ 99,248,607 | \$ 102,228,190 | \$ 99,408,013 | \$ 110,525,709 | \$ 103,715,561 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 871,799 | \$ 1,312,097 | \$ 1,609,618 | \$ 1,310,619 | \$ 1,149,111 | \$ 916,590 | \$ 2,085,157 | \$ 1,631,363 | \$ 1,577,067 | \$ 2,216,125 |
| Public safety | 806,821 | 437,825 | 603,642 | 1,275,129 | 1,336,480 | 1,794,657 | 1,872,966 | 2,339,389 | 2,295,257 | 2,541,417 |
| Public works | 1,260,514 | 2,810,817 | 1,307,824 | 1,544,584 | 2,936,784 | 1,253,462 | 1,231,521 | 1,817,936 | 1,181,907 | 1,128,692 |
| Culture and recreation | 719,942 | 601,361 | 591,904 | 659,630 | 650,656 | 1,242,867 | 1,463,061 | 1,757,855 | 1,994,066 | 1,639,139 |
| Education | 12,951,805 | 13,493,145 | 13,630,851 | 14,030,649 | 14,070,236 | 14,929,666 | 17,167,091 | 6,379,842 | 6,298,841 | 5,570,396 |
| Public Welfare | 11,749 | 196,645 | 136,057 | 55,192 | 180,465 | 82,006 | 81,955 | 214,171 | 213,255 | 292,294 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Total charges for services | 16,621,630 | 18,851,890 | 17,879,896 | 18,875,803 | 20,323,732 | 20,219,448 | 13,902,671 | 14,140,556 | 13,560,393 | 13,388,063 |
| Operating grants and contributions | 6,724,481 | 6,284,743 | 6,061,067 | 7,100,396 | 6,582,484 | 9,279,478 | 18,091,830 | 15,094,862 | 14,059,924 | 14,158,744 |
| Capital grants and contributions | 1,769,318 | 919,502 | 1,213,101 | 970,772 | 1,026,815 | 2,993,635 | 904,887 | 719,491 | 660,251 | 643,193 |
| Total governmental activities program revenues | 25,114,429 | 26,066,135 | 25,154,064 | 26,946,971 | 27,933,031 | 32,492,561 | 32,899,388 | 29,954,909 | 28,280,568 | 28,190,000 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water services | 3,027,514 | 3,197,227 | 3,406,598 | 3,379,209 | 4,011,562 | 3,986,112 | 3,961,121 | 4,671,077 | 4,272,878 | 4,680,037 |
| Sewer services | 3,928,891 | 4,019,804 | 3,934,859 | 3,767,878 | 4,129,003 | 4,060,736 | 4,095,345 | 4,506,884 | 4,572,478 | 5,353,449 |
| Arena services | 1,062,556 | 1,202,974 | 1,264,746 | 1,461,474 | 1,568,828 | - | - | - | - | - |
| DBIDA services | - | 250 | 44,701 | 268,973 | 138,353 | 129,235 | 175,787 | 168,854 | 83,157 | 1,200 |
| Total charges for services | 8,018,961 | 8,420,255 | 8,650,904 | 8,877,534 | 9,847,746 | 8,176,083 | 8,232,253 | 9,346,815 | 8,928,513 | 10,034,686 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Capital grants and contributions | 474,062 | 612,576 | 538,839 | 552,375 | 240,877 | 424,092 | 134,611 | 77,679 | 27,913 | 1,366,909 |
| Total business-type activities program revenues | 8,493,023 | 9,032,831 | 9,189,743 | 9,429,909 | 10,088,623 | 8,600,175 | 8,366,864 | 9,424,494 | 8,956,426 | 11,421,595 |
| Total primary government program revenues | \$ 33,607,452 | \$ 35,088,966 | \$ 34,343,807 | \$ 36,376,880 | \$ 38,021,654 | \$ 41,092,736 | \$ 41,266,252 | \$ 39,379,403 | \$ 37,236,994 | \$ 39,611,595 |
| Net (Expenses)Revenue | | | | | | | | | | |
| Governmental activities | \$ (44,180,087) | \$ (43,409,091) | \$ (53,464,835) | \$ (55,412,246) | \$ (57,994,394) | \$ (57,703,653) | \$ (59,857,571) | \$ (60,498,400) | \$ (73,085,137) | \$ (65,925,043) |
| Business-type activities | 134,486 | 285,283 | (285,404) | (544,983) | 75,378 | (452,218) | (1,104,367) | 469,790 | (203,578) | 1,821,077 |
| Total Primary government net expense | \$ (44,045,601) | \$ (43,123,808) | \$ (53,750,239) | \$ (55,957,229) | \$ (57,919,016) | \$ (58,155,871) | \$ (60,961,938) | \$ (60,028,610) | \$ (73,288,715) | \$ (64,103,966) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 41,202,971 | \$ 44,469,792 | \$ 49,606,220 | \$ 52,129,249 | \$ 55,835,213 | \$ 58,489,588 | \$ 60,266,022 | \$ 61,572,865 | \$ 65,534,332 | \$ 65,837,919 |
| Motor vehicle registration tax | 3,844,146 | 3,923,934 | 3,968,620 | 3,927,069 | 3,803,303 | 3,692,119 | 3,567,586 | 3,533,202 | 3,710,058 | 3,933,255 |
| Penalties, interest and other taxes | 218,578 | 8,419 | 4,391 | 16,009 | 25,037 | 8,354 | 307,005 | 358,594 | 417,100 | 445,156 |
| Unrestricted investment income/(loss) | 334,854 | 433,788 | 1,008,421 | 1,811,976 | 1,110,037 | 16,804 | (108,998) | 719,992 | (177,927) | 115,400 |
| Other revenue | 100,160 | 123,533 | 232,575 | 447,325 | 208,790 | 494,196 | 207,849 | 98,760 | 284,616 | 929,015 |
| Gain (Loss) on sale of capital assets | - | (40,109) | - | - | - | - | - | - | - | - |
| Extraordinary Item | - | (2,793,947) | 6,395,994 | - | - | - | - | - | - | - |
| Transfers, net | (82,675) | 9,599 | 26,904 | - | - | (1,227,259) | (130,000) | (82,120) | (40,802) | (34,618) |
| Total governmental activities | 45,618,034 | 46,135,009 | 61,243,125 | 58,331,628 | 60,982,380 | 61,473,802 | 64,109,464 | 66,201,293 | 69,727,377 | 71,226,127 |
| Business-type activities: | | | | | | | | | | |
| Investment income | 7,509 | 27,845 | 52,496 | 86,533 | 106,033 | 40,213 | 15,641 | 7,309 | 3,146 | 2,223 |
| Other Revenue | - | - | 10,500 | - | - | - | - | - | - | - |
| Gain (Loss) on sale of capital assets | - | - | - | - | - | - | - | - | 38,631 | - |
| Transfers, net | 82,675 | (9,599) | (26,904) | - | - | 1,227,259 | 130,000 | 82,120 | 40,802 | 34,618 |
| Total business-type activities | 90,184 | 18,246 | 36,092 | 86,533 | 106,033 | 1,267,472 | 145,641 | 89,429 | 82,579 | 36,841 |
| Total primary government | \$ 45,708,218 | \$ 46,153,255 | \$ 61,279,217 | \$ 58,418,161 | \$ 61,088,413 | \$ 62,741,274 | \$ 64,255,105 | \$ 66,290,722 | \$ 69,809,956 | \$ 71,262,968 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 1,437,947 | \$ 2,725,918 | \$ 7,778,290 | \$ 2,919,382 | \$ 2,987,986 | \$ 3,770,149 | \$ 4,251,893 | \$ 5,702,893 | \$ (3,357,760) | \$ 5,301,084 |
| Business-type activities | 224,670 | 303,529 | (249,312) | (458,450) | 181,411 | 815,254 | (958,726) | 559,219 | (120,999) | 1,857,918 |
| Total primary government | \$ 1,662,617 | \$ 3,029,447 | \$ 7,528,978 | \$ 2,460,932 | \$ 3,169,397 | \$ 4,585,403 | \$ 3,293,167 | \$ 6,262,112 | \$ (3,478,759) | \$ 7,159,002 |

City of Dover, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 (1) | 2011 (2) | 2012 | 2013 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 2,331,430 | \$ 2,698,298 | \$ 3,146,070 | \$ 4,025,592 | \$ 3,948,069 | \$ 2,309,013 | \$ - | \$ - | \$ - | \$ - |
| Nonspendable | - | - | - | - | - | - | 3,273 | 3,821 | 3,144 | 4,094 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | 732,278 | 806,786 | 823,847 | 666,026 |
| Assigned | - | - | - | - | - | - | 1,785,338 | 1,658,291 | 2,221,108 | 1,946,182 |
| Unassigned | - | - | - | - | - | - | 5,473,996 | 5,941,993 | 7,285,807 | 8,791,826 |
| Unreserved | 3,593,044 | 3,867,587 | 4,796,633 | 5,068,952 | 5,584,935 | 5,114,311 | - | - | - | - |
| Total General Fund | \$ 5,924,474 | \$ 6,565,885 | \$ 7,942,703 | \$ 9,094,544 | \$ 9,533,004 | \$ 7,423,324 | \$ 7,994,885 | \$ 8,410,891 | \$ 10,333,906 | \$ 11,408,128 |
| All Other Governmental funds | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,587,830 | \$ 1,846,692 | \$ 1,914,358 | \$ 1,904,659 |
| Restricted Special Revenues | - | - | - | - | - | - | 4,365,197 | 1,955,496 | 1,983,730 | 2,308,974 |
| Restricted Capital Projects | - | - | - | - | - | - | 13,874,051 | 5,645,164 | 6,844,332 | 4,161,412 |
| Committed - Special Revenues | - | - | - | - | - | - | 895,930 | 3,086,889 | 3,348,329 | 3,511,216 |
| Committed - Capital Projects | - | - | - | - | - | - | 322,107 | 784,738 | 1,439,523 | 2,243,338 |
| Unassigned - Special Revenue | - | - | - | - | - | - | (1,215,514) | (1,207,470) | (1,172,470) | (1,046,459) |
| Unassigned - Capital Projects | - | - | - | - | - | - | (1,312,766) | (1,665,817) | (1,668,358) | (2,225,177) |
| Reserved | 3,168,322 | 2,890,235 | 7,269,317 | 11,055,514 | 8,181,128 | 5,914,151 | - | - | - | - |
| Unreserved, reported in | | | | | | | | | | |
| Special Revenue Funds | 4,283,723 | 3,228,880 | 4,137,741 | 4,839,885 | 5,344,127 | 4,727,590 | - | - | - | - |
| Capital Project Funds | 4,465,278 | 9,880,180 | 11,105,112 | 10,272,747 | 2,070,246 | 6,315,773 | - | - | - | - |
| Total All Other Governmental funds | \$11,917,323 | \$15,999,295 | \$22,512,170 | \$26,168,146 | \$15,595,501 | \$16,957,514 | \$18,516,835 | \$ 10,445,692 | \$ 12,689,444 | \$ 10,857,963 |

Data Source:

Audited Financial Statements

Notes:

(1) Recalculated Fiscal Year 2010 fund balances to show comparison of GASB Statement No. 54 to Fiscal Year 2011.

(2) Fiscal Year 2011 is the initial year of implementation of GASB Statement No. 54.

City of Dover, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|------------------------|--------------------|---------------------|-----------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 41,635,187 | \$ 44,425,858 | \$ 49,273,703 | \$ 51,923,895 | \$ 55,528,287 | \$ 58,276,107 | \$ 60,176,461 | \$ 61,609,630 | \$ 64,983,178 | \$ 66,991,169 |
| Licenses and permits | 4,254,976 | 4,379,423 | 4,746,999 | 4,704,073 | 4,458,346 | 4,347,705 | 4,230,271 | 4,706,025 | 4,485,076 | 5,177,215 |
| Intergovernmental | 8,277,017 | 6,779,512 | 6,748,901 | 7,577,132 | 6,914,873 | 10,778,255 | 11,704,972 | 8,669,775 | 8,154,896 | 8,155,189 |
| Current service charges | 3,682,668 | 6,696,041 | 5,552,867 | 5,699,435 | 7,272,458 | 7,092,059 | 6,880,432 | 7,689,502 | 7,341,861 | 7,056,148 |
| Education | 11,666,453 | 11,589,151 | 11,513,198 | 11,944,765 | 11,954,934 | 12,700,692 | 13,637,769 | 12,856,890 | 12,424,970 | 11,394,990 |
| Miscellaneous revenue | 1,427,204 | 1,597,921 | 2,185,844 | 3,221,740 | 2,456,173 | 2,238,920 | 651,276 | 1,392,214 | 692,808 | 992,739 |
| Total revenues | 70,943,506 | 75,467,906 | 80,021,512 | 85,071,040 | 88,585,071 | 95,433,738 | 97,281,181 | 96,924,036 | 98,082,789 | 99,767,450 |
| Expenditures | | | | | | | | | | |
| General government | \$ 3,682,989 | \$ 4,510,703 | \$ 4,403,947 | \$ 3,768,761 | \$ 4,667,786 | \$ 3,897,489 | \$ 4,254,050 | \$ 4,194,840 | \$ 4,047,895 | \$ 4,254,368 |
| Public safety | 10,453,530 | 11,220,754 | 12,244,120 | 12,527,349 | 12,315,515 | 12,983,903 | 14,529,070 | 14,169,409 | 13,961,389 | 14,674,961 |
| Public works | 4,774,012 | 5,488,069 | 5,396,712 | 6,620,093 | 5,396,667 | 6,087,921 | 8,677,677 | 4,456,543 | 5,371,344 | 3,001,813 |
| Culture and recreation | 2,232,117 | 2,207,717 | 2,596,284 | 3,164,802 | 2,724,950 | 3,799,731 | 3,713,823 | 3,558,306 | 3,577,308 | 3,605,724 |
| Education | 36,708,948 | 37,366,752 | 39,929,897 | 40,788,339 | 42,991,635 | 44,840,166 | 44,017,518 | 46,812,153 | 45,773,509 | 46,140,129 |
| Public Welfare | 1,475,210 | 1,171,342 | 1,271,139 | 1,422,465 | 1,067,523 | 1,129,423 | 1,205,134 | 1,220,988 | 1,307,385 | 1,432,589 |
| Intergovernmental | 4,639,183 | 4,336,892 | 5,454,815 | 5,750,204 | 5,922,221 | 6,772,323 | 7,030,640 | 7,033,271 | 7,303,817 | 7,521,254 |
| Capital outlay (1) | 5,393,035 | 6,952,065 | 10,748,911 | 17,072,862 | 14,066,205 | 13,032,244 | 11,501,504 | 11,934,296 | 5,015,237 | 8,711,942 |
| Debt service | | | | | | | | | | |
| Principal | 4,214,821 | 4,220,335 | 4,486,607 | 4,740,087 | 6,215,838 | 6,645,849 | 6,624,599 | 6,954,496 | 7,758,142 | 6,871,400 |
| Interest | 1,644,937 | 1,799,495 | 2,054,291 | 2,668,222 | 3,350,916 | 3,148,136 | 3,307,087 | 3,484,400 | 3,181,159 | 3,239,002 |
| Total expenditures | 75,216,782 | 79,274,123 | 88,586,723 | 98,523,184 | 98,719,256 | 102,337,185 | 104,861,102 | 103,818,702 | 97,297,185 | 99,453,182 |
| Excess of revenues | | | | | | | | | | |
| Over/(under) expenditures | (4,273,276) | (3,806,217) | (8,565,211) | (13,452,144) | (10,134,185) | (6,903,447) | (7,579,921) | (6,894,666) | 785,604 | 314,268 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Bond Issuance | \$ 6,065,000 | \$ 8,520,000 | \$ 16,428,000 | \$ 18,196,000 | - | \$ 8,545,000 | \$ 9,839,000 | \$ 250,000 | \$ 4,800,000 | \$ - |
| Bond Premium | - | - | - | 63,961 | - | - | 260,390 | - | 713,942 | 697,521 |
| Refunding Bond Issuance | - | - | - | - | - | - | 8,790,000 | - | 8,530,000 | - |
| Payment to Refunding Escrow | - | - | - | - | - | - | (9,050,390) | - | (9,192,189) | - |
| Transfers in | 1,040,165 | 1,148,898 | 1,161,973 | 1,183,029 | 1,093,416 | 1,498,009 | 1,178,796 | 1,513,089 | 1,594,601 | 1,891,438 |
| Transfers out | (1,122,840) | (1,139,298) | (1,135,069) | (1,183,029) | (1,093,416) | (2,685,841) | (1,308,796) | (2,525,138) | (3,064,852) | (3,666,379) |
| Total governmental activities | 5,982,325 | 8,529,600 | 16,454,904 | 18,259,961 | - | 7,357,368 | 9,709,000 | (762,049) | 3,381,502 | (1,077,420) |
| Net Change in fund balances | \$ 1,709,049 | \$ 4,723,383 | \$ 7,889,693 | \$ 4,807,817 | \$ (10,134,185) | \$ 453,921 | \$ 2,129,079 | \$ (7,656,715) | \$ 4,167,106 | \$ (763,152) |
| Debt Service as a percentage of non-capital outlay expenditures | 8.4% | 8.3% | 8.4% | 9.1% | 11.3% | 11.0% | 10.6% | 11.4% | 11.9% | 11.1% |

Data Source:
Audited Financial Statements

Notes

- (1) Capital outlay expenditures are presented within other function categories on page 39.
- (2) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.

City of Dover, New Hampshire

Changes in Fund Balances, General Fund

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---------------------------------------|---------------------|-------------------|---------------------|---------------------|--------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 41,525,541 | \$ 44,054,361 | \$ 48,791,940 | \$ 51,416,226 | \$ 55,152,120 | \$ 58,047,052 | \$ 59,716,911 | \$ 61,423,333 | \$ 64,887,292 | \$ 66,723,579 |
| Licenses and permits | 4,254,976 | 4,378,403 | 4,745,864 | 4,702,403 | 4,456,916 | 4,159,499 | 4,033,837 | 4,365,496 | 4,251,360 | 4,712,167 |
| Intergovernmental | 1,910,836 | 2,069,959 | 2,140,515 | 2,799,048 | 2,761,290 | 3,762,458 | 2,959,288 | 2,890,931 | 2,563,487 | 2,523,877 |
| Current service charges | 1,118,191 | 1,586,678 | 1,486,611 | 1,293,887 | 1,220,717 | 2,702,644 | 2,811,409 | 2,853,210 | 3,018,628 | 2,816,587 |
| Education | 11,666,453 | 11,589,151 | 11,513,198 | 11,944,765 | 11,954,934 | 12,700,692 | 13,637,769 | 12,856,890 | 12,424,970 | 11,394,990 |
| Miscellaneous revenue | 485,359 | 779,348 | 1,227,807 | 2,001,869 | 1,888,508 | 702,508 | 351,686 | 289,266 | 210,094 | 239,271 |
| Total revenues | 60,961,357 | 64,457,900 | 69,905,935 | 74,158,198 | 77,434,485 | 82,074,853 | 83,510,900 | 84,679,126 | 87,355,831 | 88,410,471 |
| Expenditures by Function | | | | | | | | | | |
| General government | \$ 3,518,072 | \$ 3,933,830 | \$ 3,710,777 | \$ 4,707,754 | 4,691,917 | 3,870,728 | \$ 3,935,300 | \$ 4,216,767 | \$ 4,082,660 | \$ 4,296,218 |
| Public safety | 9,249,045 | 9,975,122 | 10,907,760 | 11,303,843 | 11,396,359 | 12,444,070 | 12,548,669 | 12,653,659 | 12,277,684 | 13,181,881 |
| Public works | 3,931,571 | 4,594,796 | 4,316,164 | 4,626,565 | 4,665,096 | 4,846,815 | 4,897,654 | 5,115,274 | 5,308,473 | 5,221,520 |
| Culture and recreation | 2,087,301 | 2,123,434 | 2,202,084 | 2,284,641 | 2,301,415 | 3,256,539 | 3,131,978 | 3,034,671 | 2,979,609 | 2,917,619 |
| Education | 30,486,749 | 31,380,847 | 33,848,664 | 35,528,132 | 37,141,062 | 39,029,285 | 40,382,145 | 40,029,006 | 40,131,390 | 41,077,160 |
| Public Welfare | 730,727 | 785,254 | 638,330 | 604,200 | 658,979 | 687,415 | 693,536 | 783,832 | 847,807 | 864,401 |
| Intergovernmental | 4,639,183 | 4,336,892 | 5,454,815 | 5,750,204 | 5,922,221 | 6,772,323 | 7,030,640 | 7,033,271 | 7,303,817 | 7,521,254 |
| Debt service | | | | | | | | | | |
| Principal | 4,214,821 | 4,220,335 | 4,486,607 | 4,700,087 | 6,010,838 | 6,425,849 | 6,404,599 | 6,724,496 | 6,615,142 | 6,563,165 |
| Interest | 1,644,937 | 1,799,495 | 2,045,847 | 2,445,863 | 3,146,722 | 2,964,280 | 3,121,893 | 3,308,006 | 3,010,759 | 3,062,533 |
| Total expenditures | 60,502,406 | 63,150,004 | 67,611,048 | 71,951,289 | 75,934,609 | 80,297,304 | 82,146,414 | 82,898,982 | 82,557,341 | 84,705,751 |
| Excess of revenues | | | | | | | | | | |
| Over (under) expenditures | 458,951 | 1,307,896 | 2,294,887 | 2,206,909 | 1,499,876 | 1,777,549 | 1,364,486 | 1,780,144 | 4,798,490 | 3,704,720 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from borrowing | | | | | | | 8,790,000 | | 8,530,000 | |
| Bond Premium | | | | 63,961 | | | 260,390 | | 713,942 | |
| Payment to Refunding Escrow | | | | | | | (9,050,390) | | (9,192,189) | |
| Transfers in | 63,828 | 32,000 | 32,000 | 32,000 | 32,000 | - | 515,856 | 578,650 | 137,624 | 1,036,554 |
| Transfers out | (736,152) | (698,485) | (950,069) | (1,151,029) | (1,093,416) | (2,685,641) | (1,308,796) | (2,525,138) | (3,064,852) | (3,666,379) |
| Total governmental activities | (672,324) | (666,485) | (918,069) | (1,055,068) | (1,061,416) | (2,685,641) | (792,940) | (1,946,488) | (2,875,475) | (2,629,825) |
| Net Change in fund balances | \$ (213,373) | \$ 641,411 | \$ 1,376,818 | \$ 1,151,841 | \$ 438,460 | \$ (908,092) | \$ 571,546 | \$ (166,344) | \$ 1,923,015 | \$ 1,074,895 |

Data Source:

Audited Financial Statements

Notes

(1) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.

City of Dover, New Hampshire

Changes in Fund Balances, Special Revenue Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---------------------------------------|-------------------|--------------------|-------------------|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|-------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 109,646 | \$ 371,497 | \$ 481,763 | \$ 507,669 | 376,167 | \$ 229,055 | \$ 459,550 | \$ 186,297 | \$ 95,886 | \$ 267,590 |
| Licenses and permits | - | 1,020 | 1,135 | 1,670 | 1,430 | 188,206 | 196,434 | 340,529 | 233,716 | 465,048 |
| Intergovernmental | 5,875,326 | 4,573,196 | 4,282,636 | 4,627,585 | 4,153,583 | 4,403,292 | 6,479,642 | 5,757,869 | 5,535,460 | 5,241,734 |
| Current service charges | 2,338,255 | 3,338,544 | 4,026,256 | 4,226,685 | 4,843,301 | 4,389,415 | 4,069,023 | 4,225,664 | 4,319,465 | 4,239,561 |
| Education | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous revenue | 861,377 | 548,268 | 710,930 | 973,661 | 327,782 | 226,899 | 154,015 | 979,172 | 60,007 | 631,302 |
| Total revenues | 9,184,604 | 8,832,525 | 9,502,720 | 10,337,270 | 9,702,263 | 9,436,867 | 11,358,664 | 11,489,531 | 10,244,534 | 10,845,235 |
| Expenditures | | | | | | | | | | |
| General government | 164,917 | 576,873 | 693,170 | 1,029,501 | 609,614 | 91,089 | 378,836 | 326,691 | 490,534 | 216,318 |
| Public safety | 1,204,485 | 1,245,632 | 1,336,360 | 1,411,641 | 1,403,243 | 2,027,429 | 1,859,906 | 1,747,205 | 1,866,562 | 1,730,498 |
| Public works | 842,441 | 893,273 | 1,080,548 | 1,109,091 | 1,052,042 | 1,014,447 | 1,098,536 | 990,977 | 838,577 | 884,639 |
| Culture and recreation | 144,816 | 84,283 | 394,200 | 400,112 | 519,747 | 740,989 | 761,471 | 705,093 | 701,043 | 804,904 |
| Education | 6,220,199 | 5,985,905 | 6,081,233 | 5,917,742 | 5,855,883 | 6,046,817 | 6,922,299 | 6,628,473 | 5,943,857 | 5,474,992 |
| Public Welfare | 744,483 | 386,088 | 632,809 | 818,265 | 408,544 | 442,008 | 511,598 | 437,156 | 459,578 | 568,188 |
| Debt service | | | | | | | | | | |
| Principal | - | - | - | 40,000 | 205,000 | 220,000 | 220,000 | 230,000 | 245,000 | 308,235 |
| Interest | - | - | 8,444 | 206,359 | 204,194 | 183,856 | 185,194 | 176,394 | 170,400 | 176,469 |
| Total expenditures | 9,321,341 | 9,172,054 | 10,226,764 | 10,932,711 | 10,258,267 | 10,766,635 | 11,937,840 | 11,241,989 | 10,715,551 | 10,164,243 |
| Excess of Revenues | | | | | | | | | | |
| Over(under) expenditures | (136,737) | (339,529) | (724,044) | (595,441) | (556,004) | (1,329,768) | (579,176) | 247,542 | (471,017) | 680,992 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 676,337 | 733,299 | 943,713 | 1,207,020 | 1,061,416 | 1,398,009 | 1,107,940 | 962,102 | 1,215,884 | 1,352,958 |
| Transfers out | (86,688) | (440,813) | (185,000) | (87,991) | - | (477,588) | (45,000) | (143,970) | (352,193) | (1,436,074) |
| Total governmental activities | 589,649 | 292,486 | 758,713 | 1,119,029 | 1,061,416 | 920,421 | 1,062,940 | 818,132 | 863,691 | (83,116) |
| Net Change in Fund Balances | \$ 452,912 | \$ (47,043) | \$ 34,669 | \$ 523,588 | \$ 505,412 | \$ (409,347) | \$ 483,764 | \$ 1,065,674 | \$ 392,674 | \$ 597,876 |

Data Source

Audited Financial Statements

City of Dover, New Hampshire

Changes in Fund Balances, Capital Project Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|------------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | | | | | | | |
| Intergovernmental | \$ 490,855 | \$ 136,357 | \$ 325,750 | \$ 150,499 | \$ - | \$ 2,612,505 | \$ 2,266,042 | \$ 20,975 | \$ 55,949 | \$ 389,578 |
| Current service charges | 226,222 | 1,770,819 | 40,000 | 178,863 | 1,208,440 | - | - | 610,628 | 3,768 | - |
| Education | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous revenue | 80,468 | 270,305 | 247,107 | 246,210 | 239,883 | 1,309,513 | 145,575 | 123,776 | 422,707 | 122,166 |
| Total revenues | 797,545 | 2,177,481 | 612,857 | 575,572 | 1,448,323 | 3,922,018 | 2,411,617 | 755,379 | 482,424 | 511,744 |
| Expenditures | | | | | | | | | | |
| Capital outlay | 5,393,035 | 6,952,065 | 10,748,911 | 15,639,184 | 12,526,380 | 11,273,246 | 10,776,848 | 9,677,731 | 3,126,293 | 4,583,188 |
| Debt service | - | - | - | - | - | - | - | - | 898,000 | - |
| Principal | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | 898,000 | - |
| Total expenditures | 5,393,035 | 6,952,065 | 10,748,911 | 15,639,184 | 12,526,380 | 11,273,246 | 10,776,848 | 9,677,731 | 4,024,293 | 4,583,188 |
| Excess of Revenues | | | | | | | | | | |
| Over(under) expenditures | (4,595,490) | (4,774,584) | (10,136,054) | (15,063,612) | (11,078,057) | (7,351,228) | (8,365,231) | (8,922,352) | (3,541,869) | (4,071,444) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from borrowing | 6,065,000 | 8,520,000 | 16,428,000 | 18,196,000 | - | 8,545,000 | 9,839,000 | 250,000 | 4,800,000 | - |
| Bond Premium | - | - | - | - | - | - | - | - | - | 697,521 |
| Transfers in | 300,000 | 383,599 | 186,260 | - | - | 577,588 | - | 219,760 | 612,500 | 938,000 |
| Transfers out | (300,000) | - | - | - | - | - | (400,000) | (103,453) | (19,214) | - |
| Total governmental activities | 6,065,000 | 8,903,599 | 16,614,260 | 18,196,000 | - | 9,122,588 | 9,439,000 | 366,307 | 5,393,286 | 1,635,521 |
| Net Change in Fund Balances | \$ 1,469,510 | \$ 4,129,015 | \$ 6,478,206 | \$ 3,132,388 | \$ (11,078,057) | \$ 1,771,360 | \$ 1,073,769 | \$ (8,556,045) | \$ 1,851,417 | \$ (2,435,923) |

Data Source:

Audited Financial Statements

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Position
Last Ten Fiscal Years

| Fiscal Year | Revenue | | | | | Expenses | | | | | Increase (Decrease) Total Net Position | Total Net Position |
|-------------|-------------------|----------------------|--------------|--------------|---------------|--------------------------|--------------|------------------|---------------|--------------|--|--------------------|
| | Intergovernmental | Charges for Services | Other | Transfers In | Total | Operations & Maintenance | Depreciation | Interest Expense | Transfers Out | Total | | |
| 2013 | \$ 885,997 | \$ 9,265,928 | \$ 1,270,693 | \$ - | \$ 11,422,618 | \$ 5,469,938 | \$ 3,178,004 | \$ 817,676 | \$ 95,382 | \$ 9,561,000 | \$ 1,861,618 | \$ 58,480,781 |
| 2012 | - | 8,575,866 | 472,362 | - | 9,048,228 | 5,405,306 | 3,012,690 | 653,783 | 89,198 | 9,160,977 | (112,749) | 56,619,163 |
| 2011 | - | 8,548,760 | 378,992 | - | 8,927,752 | 5,069,692 | 2,748,164 | 823,894 | 47,880 | 8,689,630 | 238,122 | 56,731,912 |
| 2010 | - | 7,691,639 | 515,069 | - | 8,206,708 | 5,366,058 | 2,869,111 | 937,184 | - | 9,172,353 | (965,645) | 56,493,790 |
| 2009 | - | 7,729,875 | 781,269 | - | 8,511,144 | 5,113,860 | 2,708,927 | 1,012,204 | 1,607 | 8,836,598 | (325,454) | 57,459,438 |
| 2008 | - | 7,858,489 | 627,483 | - | 8,485,972 | 4,718,312 | 2,637,288 | 1,091,442 | - | 8,447,042 | 38,930 | 57,784,892 |
| 2007 | 552,375 | 6,863,012 | 369,070 | - | 7,784,457 | 4,685,872 | 2,512,605 | 1,149,966 | - | 8,348,443 | (563,986) | 54,972,706 |
| 2006 | 519,346 | 7,065,852 | 327,782 | - | 7,912,980 | 4,558,650 | 2,422,858 | 993,462 | 26,904 | 8,001,874 | (88,894) | 55,536,691 |
| 2005 | 612,578 | 6,880,875 | 363,769 | - | 7,857,220 | 4,407,360 | 2,302,636 | 717,284 | 9,599 | 7,436,879 | 420,341 | 55,625,585 |
| 2004 | 474,062 | 6,383,456 | 580,370 | 82,675 | 7,520,563 | 3,952,020 | 2,139,939 | 996,146 | - | 7,088,105 | 432,458 | 55,205,244 |

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Position
Last Ten Fiscal Years

| Fiscal Year | Revenue | | | | | Expenses | | | | | Increase (Decrease) Total Net Position | Total Net Position |
|-------------|-------------------|----------------------|------------|--------------|--------------|--------------------------|--------------|------------------|---------------|--------------|--|--------------------|
| | Intergovernmental | Charges for Services | Other | Transfers In | Total | Operations & Maintenance | Depreciation | Interest Expense | Transfers Out | Total | | |
| 2013 | \$ 600,000 | \$ 4,392,738 | \$ 635,083 | \$ - | \$ 5,627,821 | \$ 2,292,515 | \$ 877,890 | \$ 428,263 | \$ 75,005 | \$ 3,673,673 | \$ 1,954,148 | \$ 22,471,821 |
| 2012 | - | 4,147,260 | 299,019 | - | 4,446,299 | 2,412,373 | 837,175 | 369,039 | 75,552 | 3,694,139 | 752,160 | 20,517,673 |
| 2011 | - | 4,221,145 | 118,455 | - | 4,339,600 | 2,227,709 | 741,785 | 444,874 | 42,059 | 3,456,427 | 883,173 | 19,765,513 |
| 2010 | - | 3,820,888 | 148,106 | - | 3,968,994 | 2,397,882 | 903,461 | 444,208 | - | 3,745,551 | 223,443 | 18,882,340 |
| 2009 | - | 3,876,794 | 129,488 | - | 4,006,282 | 2,310,328 | 575,562 | 476,735 | - | 3,362,625 | 643,657 | 18,658,901 |
| 2008 | - | 3,864,482 | 199,090 | - | 4,063,572 | 2,263,253 | 644,602 | 522,187 | - | 3,430,042 | 633,530 | 18,015,246 |
| 2007 | - | 3,241,820 | 182,180 | - | 3,424,000 | 2,219,625 | 637,400 | 447,753 | - | 3,304,778 | 119,222 | 16,110,202 |
| 2006 | - | 3,296,940 | 133,045 | - | 3,429,985 | 2,032,099 | 646,178 | 299,074 | 500 | 2,977,851 | 452,134 | 15,990,979 |
| 2005 | 15,000 | 3,056,682 | 150,305 | - | 3,221,987 | 1,990,737 | 602,372 | 186,733 | 6,500 | 2,786,342 | 435,645 | 15,538,845 |
| 2004 | - | 2,789,034 | 240,517 | 82,675 | 3,112,226 | 1,762,176 | 526,183 | 233,516 | - | 2,521,875 | 590,351 | 15,103,200 |

Sewer Fund Revenue, Expenses, and Changes in Fund Net Position
Last Ten Fiscal Years

| Fiscal Year | Revenue | | | | | Expenses | | | | | Increase (Decrease) Total Net Position | Total Net Position |
|-------------|-------------------|----------------------|------------|--------------|--------------|--------------------------|--------------|------------------|---------------|--------------|--|--------------------|
| | Intergovernmental | Charges for Services | Other | Transfers In | Total | Operations & Maintenance | Depreciation | Interest Expense | Transfers Out | Total | | |
| 2013 | \$ 285,997 | \$ 4,873,190 | \$ 635,610 | \$ - | \$ 5,794,797 | \$ 3,177,423 | \$ 2,300,114 | \$ 389,413 | \$ 20,377 | \$ 5,887,327 | \$ (92,530) | \$ 36,008,960 |
| 2012 | \$ - | 4,428,586 | 173,343 | - | 4,601,929 | 2,992,933 | 2,175,515 | 284,744 | 13,646 | 5,466,838 | (864,909) | 36,101,490 |
| 2011 | - | 4,327,615 | 260,537 | - | 4,588,152 | 2,841,983 | 2,006,379 | 379,020 | 5,821 | 5,233,203 | (645,051) | 36,966,399 |
| 2010 | - | 3,870,751 | 366,963 | - | 4,237,714 | 2,968,176 | 1,965,650 | 492,976 | - | 5,426,802 | (1,189,088) | 37,611,450 |
| 2009 | - | 3,853,081 | 651,781 | - | 4,504,862 | 2,803,532 | 2,133,365 | 535,469 | 1,607 | 5,473,973 | (969,111) | 38,800,537 |
| 2008 | - | 3,994,007 | 428,393 | - | 4,422,400 | 2,455,059 | 1,992,686 | 569,255 | - | 5,017,000 | (594,600) | 39,769,648 |
| 2007 | 552,375 | 3,621,192 | 186,890 | - | 4,360,457 | 2,466,247 | 1,875,205 | 702,213 | - | 5,043,665 | (683,208) | 38,862,504 |
| 2006 | 519,346 | 3,768,912 | 194,737 | - | 4,482,995 | 2,526,551 | 1,776,680 | 694,388 | 26,404 | 5,024,023 | (541,028) | 39,545,712 |
| 2005 | 597,576 | 3,824,193 | 213,464 | - | 4,635,233 | 2,416,623 | 1,700,264 | 530,551 | 3,099 | 4,650,537 | (15,304) | 40,086,740 |
| 2004 | 474,062 | 3,594,422 | 339,853 | - | 4,408,337 | 2,189,844 | 1,613,756 | 762,630 | - | 4,566,230 | (157,893) | 40,102,044 |

Data Source:
Audited Financial Reports

Notes:
(1) Total Net Assets as restated for Fiscal Year ending June 30, 2008. Restatement resulting from adjustment of capital asset values and accumulated depreciation for capital contributions.

City of Dover, New Hampshire

General Government Tax Revenues by Source Last Ten Fiscal Years

| Fiscal Year | Property Taxes | Current Use Penalties | Boat Tax | Yield Tax | Payment in Lieu of Tax | Excavation Tax | Tax Interest & Penalties | Total |
|-------------|----------------|-----------------------|-----------|-----------|------------------------|----------------|--------------------------|---------------|
| 2013 | \$ 66,181,631 | \$ 267,591 | \$ 18,283 | \$ 2,064 | \$ 76,435 | \$ 2,547 | \$ 442,619 | \$ 66,991,169 |
| 2012 | 64,367,156 | 95,886 | 20,449 | 7,717 | 68,428 | 9,892 | 413,650 | 64,983,178 |
| 2011 | 60,971,187 | 186,297 | 16,903 | 4,651 | 75,847 | 2,083 | 352,662 | 61,609,630 |
| 2010 | 59,336,642 | 459,550 | 17,366 | 1,560 | 54,384 | 3,600 | 303,359 | 60,176,461 |
| 2009 | 57,638,349 | 229,055 | 16,177 | 1,096 | 78,157 | 5,484 | 307,789 | 58,276,107 |
| 2008 | 54,815,889 | 376,170 | 17,595 | 15,319 | 33,579 | 3,581 | 266,157 | 55,528,290 |
| 2007 | 51,082,581 | 507,669 | 19,957 | 14,130 | 62,765 | 6,513 | 230,280 | 51,923,895 |
| 2006 | 48,502,622 | 481,763 | 22,389 | 628 | 63,553 | 7,112 | 195,636 | 49,273,703 |
| 2005 | 43,776,292 | 363,102 | 24,174 | 1,456 | 57,145 | 9,863 | 193,827 | 44,425,858 |
| 2004 | 41,200,107 | 108,017 | 26,275 | 4,651 | 68,874 | 8,700 | 218,562 | 41,635,187 |

Data Source:
Audited Internal Financial Statements

City of Dover, New Hampshire

Property Tax Levies and Collections

Last Ten Fiscal Years

| Fiscal Year | Property Tax Levied for Fiscal Year | Collected within the Fiscal Year of the Levy | | Balance at Fiscal Year End of Levy Year | Subsequent Tax Collections | Balance at end of Current Fiscal year | Total Collections to Date | | Number of Parcels | | |
|-------------|-------------------------------------|--|-----------|---|----------------------------|---------------------------------------|---------------------------|-----------|-------------------|--------|----------|
| | | Amount | % of Levy | | | | Amount | % of Levy | in Levy | Liened | % Liened |
| 2013 | \$ 66,147,949 | \$ 63,043,571 | 95.3% | \$ 3,104,378 | \$ - | \$ 3,104,378 | \$ 63,043,571 | 95.3% | 9,950 | 307 | 3.1% |
| 2012 | 64,548,459 | 61,508,390 | 95.3% | 3,040,069 | - | 802,679 | 61,508,390 | 95.3% | 9,899 | 355 | 3.6% |
| 2011 | 61,316,723 | 58,300,049 | 95.1% | 3,016,674 | 2,532,662 | 484,012 | 60,832,711 | 99.2% | 9,873 | 366 | 3.7% |
| 2010 | 59,722,532 | 56,637,028 | 94.8% | 3,085,504 | 2,961,808 | 123,696 | 59,598,836 | 99.8% | 9,825 | 417 | 4.2% |
| 2009 | 57,813,956 | 55,182,839 | 95.4% | 2,631,117 | 2,560,985 | 70,132 | 57,743,824 | 99.9% | 9,808 | 380 | 3.9% |
| 2008 | 55,140,420 | 52,827,214 | 95.8% | 2,313,206 | 2,284,479 | 28,727 | 55,111,693 | 99.9% | 9,685 | 295 | 3.0% |
| 2007 | 51,305,180 | 49,264,164 | 96.0% | 2,041,016 | 2,038,278 | 2,738 | 51,302,442 | 100.0% | 9,552 | 353 | 3.7% |
| 2006 | 48,838,109 | 46,864,721 | 96.0% | 1,973,388 | 1,973,302 | 86 | 48,838,023 | 100.0% | 9,187 | 278 | 3.0% |
| 2005 | 43,833,406 | 42,209,865 | 96.3% | 1,623,541 | 1,623,541 | - | 43,833,406 | 100.0% | 9,103 | 249 | 2.7% |
| 2004 | 41,081,332 | 39,523,636 | 96.2% | 1,557,696 | 1,557,696 | - | 41,081,332 | 100.0% | 9,009 | 262 | 2.9% |

Data Source:

Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

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

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property

Last Ten Fiscal Years

| Fiscal Year | Local Assessed Value (1) | | | Total Assessed Value | Less Exemptions to Assessed Value (1) | Total Taxable Assessed Value (1) | Total Direct Tax Rate per \$1,000 of Assessed Value | Estimated Full Value (2) | Ratio of Total Assessed Value to Total Estimated Full Value |
|-------------|--------------------------|-----------------------|---------------|----------------------|---------------------------------------|----------------------------------|---|--------------------------|---|
| | Residential | Commercial/Industrial | Utilities | | | | | | |
| 2013 | \$ 1,932,326,900 | \$ 690,054,300 | \$ 38,603,100 | \$ 2,660,984,300 | \$ 48,980,100 | \$ 2,612,004,200 | \$ 25.52 | \$ 2,746,252,625 | 96.9% |
| 2012 | 1,924,887,500 | 678,660,400 | 38,603,100 | 2,642,151,000 | 49,544,400 | 2,592,606,600 | 25.12 | 2,716,654,840 | 97.3% |
| 2011 | 1,948,881,800 | 673,620,000 | 35,415,000 | 2,657,916,800 | 51,381,750 | 2,606,535,050 | 23.75 | 2,774,177,802 | 95.8% |
| 2010 | 1,934,577,500 | 666,109,800 | 35,400,900 | 2,636,088,200 | 52,866,750 | 2,583,221,450 | 23.33 | 2,768,903,096 | 95.2% |
| 2009 | 2,094,567,000 | 685,319,200 | 35,303,500 | 2,815,189,700 | 51,608,150 | 2,763,581,550 | 21.10 | 3,009,995,763 | 93.5% |
| 2008 | 2,195,273,500 | 655,131,100 | 35,579,100 | 2,885,983,700 | 50,914,700 | 2,835,069,000 | 19.63 | 3,028,004,490 | 95.3% |
| 2007 | 2,178,722,000 | 597,125,300 | 34,773,700 | 2,810,621,000 | 45,808,500 | 2,764,812,500 | 18.72 | 2,954,382,748 | 95.1% |
| 2006 | 1,992,919,500 | 546,120,670 | 33,169,300 | 2,572,209,470 | 36,144,400 | 2,536,065,070 | 17.29 | 2,909,166,586 | 88.4% |
| 2005 | 1,881,960,500 | 545,071,520 | 33,003,800 | 2,460,035,820 | 30,528,200 | 2,429,507,620 | 16.42 | 2,599,843,962 | 94.6% |
| 2004 | 1,580,353,000 | 485,398,492 | 31,250,100 | 2,097,001,592 | 19,013,400 | 2,077,988,192 | 17.67 | 2,303,407,162 | 91.0% |

Data Sources:

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Principal Taxpayers

Current Year and Nine Years Ago

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>2013 Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Assessed Value</u> | <u>2004 Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Assessed Value</u> |
|--|-------------------------|------------------------------------|-------------|---|------------------------------------|-------------|---|
| Liberty Mutual Insurance Co | Insurance | \$ 70,130,800 | 1 | 2.68 % | \$ 24,392,300 | 1 | 1.17 % |
| Public Service Co of NH | Utility | 22,577,500 | 2 | 0.86 | 20,669,900 | 2 | 0.99 |
| 171 Watson Rd of Dover Holding Corp. | Scholastic Testing | 14,767,700 | 3 | 0.57 | - | - | - |
| The New Meadows Inc | Apartments | 13,933,400 | 4 | 0.53 | 11,408,000 | 3 | 0.55 |
| Fortuna North, LLC | Wholesale | 13,747,700 | 5 | 0.53 | - | - | - |
| Northern Utilities Inc | Gas Utility | 13,380,000 | 6 | 0.51 | 10,057,600 | 5 | 0.48 |
| 851 Central Ave LLC (Current) Shaw's(Previously) | Supermarket | 13,073,600 | 7 | 0.50 | 8,897,500 | 8 | 0.43 |
| Sawyers Mills Assoc Inc | Apartments | 9,730,500 | 8 | 0.37 | 7,645,100 | 9 | 0.37 |
| Dover Retirement Residence LLC | Retirement Community | 9,122,400 | 9 | 0.35 | - | - | - |
| Holgate Limited Partnership | Comm/Res Rentals | 7,391,800 | 10 | 0.28 | 9,881,900 | 6 | 0.48 |
| Goss (Current) Heidelberg (Previously) | Manufacturer | - | - | - | 10,952,100 | 4 | 0.53 |
| Dover Mills Partnership | Developer | - | - | - | 9,501,700 | 7 | 0.46 |
| Langdon Place of Dover | Retirement Community | - | - | - | 7,211,000 | 10 | 0.35 |
| Total Principal Taxpayers | | <u>\$ 187,855,400</u> | | <u>7.19 %</u> | <u>\$ 120,617,100</u> | | <u>5.80 %</u> |
| Total Net Assessed Taxable Value | | <u>\$ 2,612,004,200</u> | | | <u>\$ 2,077,988,192</u> | | |

Data Source:

City of Dover Tax Warrant

City of Dover, New Hampshire

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

| Fiscal Year | City Direct Rates | | | | | | | Overlapping Rate | Estimated Full Value Rate | |
|-------------|-------------------|-----------------------------------|----------------|------------------|------------------|--------------|--------------|------------------|---------------------------|----------|
| | City | Budgetary Use of Fund Balance (1) | Total City (2) | Local School (2) | State School (3) | Total School | Total Direct | County | Total | Rate |
| 2013 | \$ 9.71 | - | \$ 9.71 | \$ 10.38 | \$ 2.55 | \$ 12.93 | \$ 22.64 | \$ 2.88 | \$ 25.52 | \$ 24.24 |
| 2012 | 9.54 | \$ - | 9.54 | 10.26 | 2.50 | 12.76 | 22.30 | 2.82 | 25.12 | 23.94 |
| 2011 | 8.93 | - | 8.93 | 9.57 | 2.55 | 12.12 | 21.05 | 2.70 | 23.75 | 22.26 |
| 2010 | 8.55 | - | 8.55 | 9.54 | 2.52 | 12.06 | 20.61 | 2.72 | 23.33 | 21.70 |
| 2009 | 7.57 | - | 7.57 | 8.79 | 2.31 | 11.10 | 18.67 | 2.43 | 21.10 | 19.33 |
| 2008 | 7.23 | - | 7.23 | 8.02 | 2.31 | 10.33 | 17.56 | 2.07 | 19.63 | 18.33 |
| 2007 | 6.87 | (0.15) | 6.72 | 7.56 | 2.38 | 9.94 | 16.66 | 2.06 | 18.72 | 17.47 |
| 2006 | 7.04 | - | 7.04 | 7.66 | 2.59 | 10.25 | 17.29 | 2.13 | 19.42 | 16.88 |
| 2005 | 6.91 | - | 6.91 | 6.71 | 2.80 | 9.51 | 16.42 | 1.76 | 18.18 | 16.93 |
| 2004 | 7.48 | (0.05) | 7.43 | 5.87 | 4.37 | 10.24 | 17.67 | 2.21 | 19.88 | 17.85 |

Data Source:
NH State Department of Revenue Administration

Notes:

- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
- (2) Debt service is included in the City and Local School rates.
- (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Utility Fund Net Budget, Billable Volumes and Rates Last Ten Fiscal Years

| Fiscal Year | Amount to be Raised by Rates (1) | | Billable Volume Used for Setting Rates (2) | | Rates per HCF (4) | | |
|-------------|----------------------------------|--------------|--|-----------|-------------------|---------|----------|
| | Water | Sewer | Water | Sewer (3) | Water | Sewer | Combined |
| 2013 | \$ 4,361,056 | \$ 5,317,011 | 999,253 | 919,714 | \$ 4.36 | \$ 5.78 | \$ 10.14 |
| 2012 | 3,980,328 | 5,036,855 | 999,253 | 919,714 | 3.97 | 5.43 | 9.40 |
| 2011 | 3,926,131 | 4,706,175 | 999,253 | 933,000 | 3.93 | 5.04 | 8.97 |
| 2010 | 3,847,648 | 4,426,221 | 1,019,000 | 933,000 | 3.78 | 4.74 | 8.52 |
| 2009 | 3,817,555 | 4,182,454 | 1,019,000 | 927,000 | 3.75 | 4.51 | 8.26 |
| 2008 | 3,597,404 | 4,069,946 | 1,019,000 | 927,000 | 3.53 | 4.39 | 7.92 |
| 2007 | 3,179,280 | 4,023,180 | 1,019,000 | 927,000 | 3.12 | 4.34 | 7.46 |
| 2006 | 3,016,240 | 3,828,510 | 1,019,000 | 927,000 | 2.96 | 4.13 | 7.09 |
| 2005 | 2,730,920 | 3,717,270 | 1,019,000 | 927,000 | 2.68 | 4.01 | 6.69 |
| 2004 | 2,422,840 | 3,605,880 | 1,018,000 | 906,000 | 2.38 | 3.98 | 6.36 |

Data Source:
City of Dover Budget and Budget Resolutions

Notes:

- (1) Amount to be raised by rate equals the net budget, i.e., appropriations less other revenue sources.
- (2) Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
- (3) Sewer charges are based on the amount of water consumed.
- (4) One hundred cubic feet (HCF) equals 748 gallons.

City of Dover, New Hampshire

Dover's Share of the Strafford County Tax Apportionment

Last Ten Fiscal Years

(based on percentage of equalized value)

| Total Equalized Values | | | |
|------------------------|------------------|------------------|-------------|
| Tax Year | Dover | Strafford County | Dover's % |
| 2011 | \$ 2,716,654,840 | \$ 9,932,175,396 | 27.3520627% |
| 2010 | 2,776,723,718 | 10,188,669,097 | 27.2530562% |
| 2009 | 2,771,603,605 | 10,535,297,254 | 26.3077874% |
| 2008 | 3,012,848,041 | 11,251,423,584 | 26.7774830% |
| 2007 | 3,030,963,132 | 11,365,940,726 | 26.6670679% |
| 2006 | 2,957,658,251 | 11,428,976,216 | 25.8785931% |
| 2005 | 2,912,670,592 | 10,943,501,422 | 26.6155271% |
| 2004 | 2,603,256,233 | 9,798,715,231 | 26.5673221% |
| 2003 | 2,307,394,165 | 8,651,293,933 | 26.6710874% |
| 2002 | 2,036,499,998 | 7,464,648,336 | 27.2819282% |

| Apportionment of County Tax Levy | | | | |
|----------------------------------|-----------------|---------------|-------------------------|------------------------|
| Fiscal Year | County Tax Levy | Dover's Share | Dover's Share \$ Change | Dover's Share % Change |
| 2013 | \$ 27,497,936 | \$ 7,521,254 | \$ 217,437 | 3.0% |
| 2012 | 26,800,000 | 7,303,817 | 270,546 | 3.8% |
| 2011 | 26,744,561 | 7,033,271 | 2,631 | 0.0% |
| 2010 | 26,255,790 | 7,030,640 | 258,317 | 3.8% |
| 2009 | 25,395,827 | 6,772,323 | 850,102 | 14.4% |
| 2008 | 22,884,637 | 5,922,221 | 172,016 | 3.0% |
| 2007 | 21,604,701 | 5,750,205 | 295,390 | 5.4% |
| 2006 | 20,532,046 | 5,454,815 | 1,117,923 | 25.8% |
| 2005 | 16,260,649 | 4,336,892 | (302,291) | -6.5% |
| 2004 | 17,004,598 | 4,639,183 | 943,938 | 25.5% |

Data Sources:

NH Department of Revenue Administration Equalization Surveys

County Tax Warrants

Adopted Strafford County Budgets

City of Dover, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Debt at June 30 | | | | | | | | | | |
| City Depts. (Includes Arena) (1) | \$ 27,332,571 | \$ 30,982,814 | \$ 39,661,057 | \$ 45,784,300 | \$ 41,974,543 | \$ 48,729,256 | \$ 48,276,316 | \$ 44,001,511 | \$ 43,702,119 | \$ 39,269,915 |
| Hospital | - | - | - | - | - | - | - | - | - | - |
| School Dept. | 20,293,700 | 20,943,122 | 24,206,272 | 31,538,942 | 29,132,861 | 27,408,664 | 31,196,755 | 28,640,814 | 26,097,769 | 23,658,574 |
| Total Governmental Activities | 47,626,271 | 51,925,936 | 63,867,329 | 77,323,242 | 71,107,404 | 76,137,920 | 79,473,071 | 72,642,325 | 69,799,888 | 62,928,489 |
| Water Fund | 7,665,000 | 7,788,000 | 11,103,000 | 12,578,000 | 11,573,000 | 10,783,000 | 11,344,000 | 10,334,000 | 10,083,800 | 12,505,800 |
| Sewer Fund | 14,829,000 | 14,701,000 | 14,553,000 | 13,210,000 | 11,538,000 | 11,128,000 | 10,815,000 | 8,957,500 | 10,660,600 | 9,863,341 |
| Arena Fund | 3,785,920 | 3,542,430 | 3,298,940 | 3,055,450 | 2,813,960 | - | - | - | - | - |
| DBIDA Fund | - | - | 2,383,554 | 2,256,453 | 2,121,775 | 1,983,435 | 1,841,189 | 1,794,773 | - | - |
| Total Debt at June 30 | \$ 73,906,191 | \$ 77,957,366 | \$ 95,205,823 | \$ 108,423,145 | \$ 99,154,139 | \$ 100,012,355 | \$ 103,473,260 | \$ 93,728,598 | \$ 90,544,288 | \$ 85,297,630 |
| Base Value for Debt Limits (2) | \$ 2,336,696,368 | \$ 2,634,930,749 | \$ 2,944,329,836 | \$ 2,988,313,185 | \$ 3,060,293,656 | \$ 3,040,617,437 | \$ 2,768,903,096 | \$ 2,774,177,802 | \$ 2,714,253,993 | \$ 2,743,418,578 |
| Legal Debt Limits (% of Base Value) | | | | | | | | | | |
| City - 1.75% thru 1998, 3% 1999 on (3) | \$ 70,100,891 | \$ 79,047,922 | \$ 88,329,895 | \$ 89,649,396 | \$ 91,808,810 | \$ 91,218,523 | \$ 83,067,093 | \$ 83,225,334 | \$ 81,427,620 | \$ 82,302,557 |
| School - 7% (3) | 163,568,746 | 184,445,152 | 206,103,089 | 209,181,923 | 214,220,556 | 212,843,221 | 193,823,217 | 194,192,446 | 189,997,780 | 192,039,300 |
| Water - 10% (3) | 233,669,637 | 263,493,075 | 294,432,984 | 298,831,319 | 306,029,366 | 304,061,744 | 276,890,310 | 277,417,780 | 271,425,399 | 274,341,858 |
| DBIDA - Industrial Parks (4) | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| DBIDA - Industrial Buildings (5) | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| DBIDA - Industrial Project (6) | NA | NA | 205,776,758 | 224,849,680 | 230,847,080 | 225,185,544 | 210,859,736 | 212,606,024 | 211,372,080 | 211,372,080 |
| Debt Against Legal Debt Limits | | | | | | | | | | |
| City Depts. (Includes Arena) | 27,052,920 | 30,306,430 | 37,712,940 | 42,989,450 | 39,454,960 | 40,012,470 | 40,171,288 | 36,903,240 | 37,226,320 | 33,202,108 |
| School Dept. | 20,293,700 | 20,943,122 | 24,206,272 | 31,538,942 | 29,132,861 | 27,408,664 | 31,196,754 | 28,640,814 | 26,097,769 | 23,658,574 |
| Water Fund | 7,665,000 | 7,788,000 | 11,103,000 | 12,578,000 | 11,573,000 | 10,763,000 | 11,344,000 | 10,334,000 | 10,083,800 | 12,505,800 |
| DBIDA - Industrial Parks | 1,285,000 | 1,115,000 | 945,000 | 1,095,000 | 845,000 | 595,000 | 345,000 | 100,000 | - | - |
| DBIDA - Industrial Buildings | - | - | - | - | - | - | - | - | - | - |
| DBIDA - Industrial Project | - | - | 2,383,554 | 1,936,453 | 1,881,775 | 1,823,435 | 1,761,189 | 1,694,773 | - | - |
| Exempt from Legal Debt Limits (7) | 17,609,571 | 17,804,814 | 18,855,057 | 18,285,300 | 16,266,543 | 19,409,786 | 18,655,029 | 16,055,771 | 17,136,399 | 15,931,148 |
| Total Debt at June 30 | \$ 73,906,191 | \$ 77,957,366 | \$ 95,205,823 | \$ 108,423,145 | \$ 99,154,139 | \$ 100,012,355 | \$ 103,473,260 | \$ 93,728,598 | \$ 90,544,288 | \$ 85,297,630 |
| Unused Capacity of Legal Debt Limits | | | | | | | | | | |
| City Depts. | \$ 43,047,971 | \$ 48,741,492 | \$ 50,616,955 | \$ 46,659,946 | \$ 52,353,850 | \$ 51,206,053 | \$ 42,895,805 | \$ 46,322,094 | \$ 44,201,300 | \$ 49,100,449 |
| School Dept. | 143,275,046 | 163,502,030 | 181,896,817 | 177,642,981 | 185,087,695 | 185,434,557 | 162,626,463 | 165,551,632 | 163,900,011 | 168,380,726 |
| Water Fund | 226,004,637 | 255,705,075 | 283,329,984 | 286,253,319 | 294,456,366 | 293,298,744 | 265,546,310 | 267,083,780 | 261,341,599 | 261,836,058 |
| DBIDA - Industrial Parks | 2,715,000 | 2,885,000 | 3,055,000 | 2,905,000 | 3,155,000 | 3,405,000 | 3,655,000 | 3,900,000 | 4,000,000 | 4,000,000 |
| DBIDA - Industrial Buildings | 1,000,000 | 1,000,000 | - | - | - | - | - | - | - | - |
| DBIDA - Industrial Project | NA | NA | 203,393,203 | 222,913,227 | 228,965,305 | 223,362,109 | 209,098,547 | 210,911,251 | 211,372,080 | 211,372,080 |
| % of Legal Debt Limits Used | | | | | | | | | | |
| City Depts. | 38.6% | 38.3% | 42.7% | 48.0% | 43.0% | 43.9% | 48.4% | 44.3% | 45.7% | 40.3% |
| School Dept. | 12.4% | 11.4% | 11.7% | 15.1% | 13.6% | 12.9% | 16.1% | 14.7% | 13.7% | 12.3% |
| Water Fund | 3.3% | 3.0% | 3.8% | 4.2% | 3.8% | 3.5% | 4.1% | 3.7% | 3.7% | 4.6% |
| DBIDA - Industrial Parks | 32.1% | 27.9% | 23.6% | 27.4% | 21.1% | 14.9% | 8.6% | 2.5% | 0.0% | 0.0% |
| DBIDA - Industrial Buildings | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| DBIDA - Industrial Project | 0.0% | 0.0% | 1.2% | 0.9% | 0.8% | 0.8% | 0.8% | 0.8% | 0.0% | 0.0% |

Data Source
Audited Financial Statements

Notes:

- (1) In Fiscal Year 2009 the Arena Enterprise Fund was dissolved into the General Fund.
- (2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
- (3) Legal debt limit percentage rates set by NH State statute
- (4) Dover Business & Industrial Development Authority - Industrial Parks. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (5) Dover Business & Industrial Development Authority - Industrial Park Buildings. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (6) Dover Business & Industrial Development Authority - Bond Limit of general obligation of 8% of local assessed value.
- (7) Debt exempt from Debt limits consists of Hospital and Sewer debt, debt for hazardous waste remediation included in City Departments and debt for Public Parking Improvements as set per NH State statute.

City of Dover, New Hampshire

Ratios of Outstanding Debt by Debt Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities - General Obligation Debt | | | | Less Hospital Reimbursement | Less State School Aid | Tax Supported Debt | % of Net Debt to Assessed Value | Tax Supported Debt per capita (1) |
|-------------|---|----------|---------------|---------------|-----------------------------|-----------------------|--------------------|---------------------------------|-----------------------------------|
| | City Depts. | Hospital | School Dept. | Total | | | | | |
| 2013 | \$ 39,269,915 | \$ - | \$ 23,658,574 | \$ 62,928,489 | \$ - | \$ 7,491,870 | \$ 55,436,619 | 2.1% | \$ 1,816 |
| 2012 | 43,702,119 | - | 26,097,769 | 69,799,888 | - | 6,304,708 | 63,495,180 | 2.4% | 2,093 |
| 2011 | 44,101,511 | - | 28,640,814 | 72,742,325 | - | 6,919,599 | 65,822,726 | 2.5% | 2,182 |
| 2010 | 48,276,316 | - | 31,196,755 | 79,473,071 | - | 7,550,706 | 71,922,365 | 2.8% | 2,398 |
| 2009 | 48,729,256 | - | 27,408,664 | 76,137,920 | - | 8,194,361 | 67,943,559 | 2.5% | 2,310 |
| 2008 | 41,974,543 | - | 29,132,861 | 71,107,404 | - | 8,679,349 | 62,428,055 | 2.2% | 2,135 |
| 2007 | 45,784,300 | - | 31,538,942 | 77,323,242 | - | 8,883,991 | 68,439,251 | 2.5% | 2,347 |
| 2006 | 39,661,057 | - | 24,206,272 | 63,867,329 | - | 5,421,046 | 58,446,283 | 2.3% | 2,009 |
| 2005 | 30,982,814 | - | 20,943,122 | 51,925,936 | - | 4,240,639 | 47,685,297 | 2.0% | 1,660 |
| 2004 | 27,332,571 | - | 20,293,700 | 47,626,271 | - | 4,682,229 | 42,944,042 | 2.1% | 1,497 |

| Fiscal Year | Business-Type Activities - General Obligation Debt | | | | Total | Less State Sewer Aid | Net Debt | Net debt per capita (1) | % of Personal Income (2) |
|-------------|--|--------------|----------------|----------------|---------------|----------------------|---------------|-------------------------|--------------------------|
| | Water Fund | Sewer Fund | Arena Fund (3) | DBIDA Fund (4) | | | | | |
| 2013 | \$ 12,505,800 | \$ 9,863,341 | \$ - | \$ - | \$ 22,369,141 | \$ 154,726 | \$ 22,214,415 | \$ 728 | 2.3% |
| 2012 | 10,083,800 | 10,660,600 | - | - | 20,744,400 | 170,169 | 20,574,231 | 678 | 2.2% |
| 2011 | 10,334,000 | 8,957,500 | - | 1,694,773 | 20,986,273 | 1,008,275 | 19,977,998 | 662 | 2.2% |
| 2010 | 11,344,000 | 10,815,000 | - | 1,841,189 | 24,000,189 | 2,051,383 | 21,948,806 | 732 | 2.4% |
| 2009 | 10,763,000 | 11,128,000 | - | 1,983,435 | 23,874,435 | 3,057,565 | 20,816,870 | 708 | 2.4% |
| 2008 | 11,573,000 | 11,538,000 | 2,813,960 | 2,121,775 | 28,046,735 | 3,804,551 | 24,242,184 | 829 | 2.8% |
| 2007 | 12,578,000 | 13,210,000 | 3,055,450 | 2,256,453 | 31,099,903 | 4,141,071 | 26,958,832 | 924 | 3.2% |
| 2006 | 11,103,000 | 14,553,000 | 3,298,940 | 2,383,554 | 31,338,494 | 4,970,673 | 26,367,821 | 906 | 3.2% |
| 2005 | 7,788,000 | 14,701,000 | 3,542,430 | - | 26,031,430 | 5,800,276 | 20,231,154 | 704 | 2.6% |
| 2004 | 7,665,000 | 14,829,000 | 3,785,920 | - | 26,279,920 | 6,629,874 | 19,650,046 | 685 | 2.6% |

| Fiscal Year | Total | | Net Debt | Percentage of Net Debt to Actual Taxable Value of Property | Net Debt per capita (1) | Total Debt per capita (1) | Total Debt % of Personal Income (2) |
|-------------|--------------------|-------------------------|---------------|--|-------------------------|---------------------------|-------------------------------------|
| | Primary Government | Less State and Hospital | | | | | |
| 2013 | \$ 85,297,630 | \$ 7,646,596 | \$ 77,651,034 | 3.0% | \$ 2,544 | \$ 2,795 | 8.9% |
| 2012 | 90,544,288 | 6,474,877 | 84,069,411 | 3.2% | 2,771 | 2,984 | 9.7% |
| 2011 | 93,728,598 | 7,927,874 | 85,800,724 | 3.3% | 2,844 | 3,107 | 10.2% |
| 2010 | 103,473,260 | 9,602,089 | 93,871,171 | 3.6% | 3,130 | 3,451 | 11.5% |
| 2009 | 100,012,355 | 11,251,926 | 88,760,429 | 3.2% | 3,017 | 3,400 | 11.5% |
| 2008 | 99,154,139 | 12,483,900 | 86,670,239 | 3.1% | 2,965 | 3,392 | 11.3% |
| 2007 | 108,423,145 | 13,025,062 | 95,398,083 | 3.5% | 3,271 | 3,718 | 12.8% |
| 2006 | 95,205,823 | 10,391,719 | 84,814,105 | 3.3% | 2,915 | 3,272 | 11.6% |
| 2005 | 77,957,366 | 10,040,915 | 67,916,451 | 2.8% | 2,364 | 2,714 | 9.9% |
| 2004 | 73,906,191 | 11,312,103 | 62,594,088 | 3.0% | 2,182 | 2,576 | 9.7% |

Data Source:

Audited Financial Statements

Assessing Department MS-1 Reports

Notes:

- (1) Per capita ratio for FY2010 is based on 2010 U.S. Census data, all other years based on trended NH Office of Energy and Planning population estimates
- (2) Personal Income ratios based on 2010 US Census amounts and trended NH Office of Energy and Planning estimates.
- (3) In Fiscal Year 2009 the Arena Fund was dissolved into the General Fund
- (4) In Fiscal Year 2012 DBIDA General Obligation Debt was fully paid as part of a real estate sales transaction.

City of Dover, New Hampshire

Computation of Overlapping Debt Strafford County Long-Term Debt Last Ten Calendar Years

| Direct: City of Dover | | | |
|-----------------------|-------------------------------------|-------------------------------------|---------------------------------|
| End of Fiscal Year | General Obligation Debt Outstanding | Percentage Applicable to Government | Amount Applicable to Government |
| 2013 | \$ 62,928,489 | 100% | \$ 62,928,489 |
| 2012 | 69,799,888 | 100% | 69,799,888 |
| 2011 | 72,742,325 | 100% | 72,742,325 |
| 2010 | 79,473,071 | 100% | 79,473,071 |
| 2009 | 76,137,920 | 100% | 76,137,920 |
| 2008 | 71,107,404 | 100% | 71,107,404 |
| 2007 | 77,323,242 | 100% | 77,323,242 |
| 2006 | 63,897,329 | 100% | 63,897,329 |
| 2005 | 51,925,936 | 100% | 51,925,936 |
| 2004 | 47,626,271 | 100% | 47,626,271 |

| Overlapping: Strafford County | | | |
|-------------------------------|---|---|---------------------------------|
| End of Calendar Year | Net General Obligation Debt Outstanding (1) | Percentage Applicable to Government (2) | Amount Applicable to Government |
| 2012 | \$ 18,182,190 | 27.5839540% | \$ 5,015,367 |
| 2011 | 19,740,000 | 27.3520627% | 5,399,297 |
| 2010 | 21,535,000 | 27.2530562% | 5,868,946 |
| 2009 | 23,474,863 | 26.3077874% | 6,175,717 |
| 2008 | 21,027,839 | 26.7774830% | 5,630,726 |
| 2007 | 22,762,838 | 26.6670679% | 6,070,181 |
| 2006 | 24,495,948 | 25.8785931% | 6,339,207 |
| 2005 | 24,960,356 | 26.6155271% | 6,643,330 |
| 2004 | 26,361,597 | 26.5673221% | 7,003,570 |
| 2003 | 23,565,225 | 26.6710874% | 6,285,102 |

| Total Direct and Overlapping Debt | | | |
|-----------------------------------|---------------|------------------|--------------------------------|
| End of Fiscal Year | Direct Debt | Overlapping Debt | Total Applicable to Government |
| 2013 | \$ 62,928,489 | \$ 5,015,367 | \$ 67,943,856 |
| 2012 | 69,799,888 | 5,399,297 | 75,199,185 |
| 2011 | 72,742,325 | 5,868,946 | 78,611,271 |
| 2010 | 79,473,071 | 6,175,717 | 85,648,788 |
| 2009 | 76,137,920 | 5,630,726 | 81,768,646 |
| 2008 | 71,107,404 | 6,070,181 | 77,177,585 |
| 2007 | 77,323,242 | 6,339,207 | 83,662,449 |
| 2006 | 63,897,329 | 6,643,330 | 70,540,659 |
| 2005 | 51,925,936 | 7,003,570 | 58,929,506 |
| 2004 | 47,626,271 | 6,285,102 | 53,911,373 |

Data Sources:

(1) Strafford County Audited Financial Statements at calendar year end

(2) The percentage of the overlap is based on County apportionments determined by the NH Department of Revenue Administration. The City's apportionment is determined by the City's equalized property values as a percentage of the total equalized property values for all municipalities within Strafford County.

City of Dover, New Hampshire

Demographic Statistics

Last Ten Fiscal Years

| Fiscal Year | Population (1) | Median Family Income (2) | Estimated Total Personal Income (3) | Per Capita Personal Income (2) | City (4) | | Unemployment Rates (4) | | |
|-------------|----------------|--------------------------|-------------------------------------|--------------------------------|------------|-------------|------------------------|-------------|------|
| | | | | | Unemployed | Labor Force | City | State of NH | US |
| 2013 | 30,521 | \$ 80,830 | \$ 956,650,224 | \$ 31,344 | 750 | 18,110 | 4.2% | 5.1% | 7.3% |
| 2012 | 30,343 | 79,180 | 938,053,845 | 30,915 | 870 | 18,240 | 4.8% | 5.4% | 8.4% |
| 2011 | 30,165 | 77,509 | 919,610,190 | 30,486 | 860 | 17,740 | 4.8% | 5.2% | 9.3% |
| 2010 | 29,987 | 75,820 | 901,319,259 | 30,057 | 910 | 17,390 | 5.2% | 5.7% | 9.5% |
| 2009 | 29,417 | 73,943 | 871,566,876 | 29,628 | 1,072 | 17,580 | 6.1% | 6.8% | 9.8% |
| 2008 | 29,236 | 72,066 | 874,127,164 | 29,899 | 638 | 18,240 | 3.5% | 4.0% | 5.7% |
| 2007 | 29,161 | 70,189 | 848,410,134 | 29,094 | 579 | 17,550 | 3.3% | 4.0% | 5.0% |
| 2006 | 29,097 | 68,312 | 823,125,033 | 28,289 | 539 | 17,400 | 3.1% | 3.6% | 5.1% |
| 2005 | 28,728 | 66,435 | 789,560,352 | 27,484 | 504 | 16,442 | 3.1% | 3.8% | 5.5% |
| 2004 | 28,688 | 64,558 | 765,367,152 | 26,679 | 564 | 16,310 | 3.5% | 4.3% | 6.0% |

Data Sources:

- (1) 2010 data based on 2010 U.S. Census, all other years trended based on NH Office of State Planning population estimates.
- (2) 2010 data based on 2010 U.S. American Community Survey, all other years trended based on U.S. Census data.
- (3) Estimated based on trended population and per capita personal income.
- (4) US Bureau of Labor Statistic - calendar year annual averages not seasonally adjusted.
Reflects calendar year ending during fiscal year (mid-fiscal year).

City of Dover, New Hampshire

Principal Employers

Current Year and Nine Years Ago

| Employer | Type of Business | 2013 | | | 2004 | | |
|-------------------------------------|--------------------------------|---------------------|------|-------------------------------------|---------------------|------|-------------------------------------|
| | | Number of Employees | Rank | Percentage of Total City Employment | Number of Employees | Rank | Percentage of Total City Employment |
| Liberty Mutual Insurance Co | Insurance | 3,158 | 1 | 17.44 % | 1,204 | 2 | 7.38 % |
| City of Dover (FTEs) | Municipality | 798 | 2 | 4.41 | 870 | 3 | 5.33 |
| Wentworth Douglas Hospital | Hospital | 796 | 3 | 4.40 | 1,250 | 1 | 7.66 |
| Strafford County | County Government | 483 | 4 | 2.67 | | | |
| Measured Progress | Scholastic testing | 420 | 5 | 2.32 | | | |
| Vygon USA Manufacturing | Manufacturer - medical items | 111 | 6 | 0.61 | | | |
| GM Nameplate | Nameplates for auto/cosmetics | 98 | 7 | 0.54 | | | |
| Hirel Systems | Manufacturer - Electronics | 83 | 8 | 0.46 | | | |
| Dell Services (Perot Systems) | Defense Tech System Contractor | 77 | 9 | 0.43 | 130 | 9 | |
| Universal Recycling Technologies | Electronics Recycling | 53 | 10 | 0.29 | | | |
| Fosters Daily Democrat | Newspaper | | | - | 200 | 5 | 1.23 |
| Goss (previously Heidelberg Harris) | Manufacturer - Presses | | | | 600 | 4 | 3.68 |
| Electrocraft (EAD Motors) | Electric motors & fans | | | | 150 | 6 | 0.92 |
| MBNA | Telemarketing | | | | 147 | 7 | 0.90 |
| ATT | National Passport Center | | | | 130 | 8 | 0.80 |
| Fibre dyne | Manufacturer - Carbon Filters | | | | 90 | 10 | 0.55 |
| Total Principal Employers | | 6,077 | | 33.56 % | 4,771 | | 28.45 % |
| Total City Employment (1) | | 18,110 | | | 16,310 | | |

Data Source:

Final Official Statements for City of Dover bond issues and information provided by City's Economic Development Office.

Notes

(1) US Bureau of Labor Statistics calendar year annual average ending during fiscal year.

City of Dover, New Hampshire

Operating Indicators by Function

Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|---|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Finance | | | | | | | | | | |
| Taxable property parcels assessed | 9,009 | 9,103 | 9,187 | 9,552 | 9,685 | 9,808 | 9,825 | 9,873 | 9,899 | 9,950 |
| Property transfers processed | 1,194 | 1,170 | 1,198 | 977 | 781 | 712 | 689 | 740 | 742 | 904 |
| Motor vehicles registered | 30,622 | 30,775 | 30,210 | 30,247 | 29,840 | 27,665 | 28,334 | 29,280 | 30,838 | 30,516 |
| Inspection Services Division | | | | | | | | | | |
| Number of inspections conducted (1) | 637 | 623 | 782 | 1,214 | 1,278 | 4,227 | 5,112 | 4,598 | 5,203 | 6,211 |
| Building Permits Issued | 654 | 572 | 531 | 522 | 398 | 349 | 396 | 358 | 381 | 436 |
| Estimated construction value in millions | \$ 55.95 | \$ 45.88 | \$ 53.58 | \$ 74.20 | \$ 53.51 | \$ 33.74 | \$ 29.82 | \$ 47.90 | \$ 23.78 | \$ 50.08 |
| Police (2) | | | | | | | | | | |
| Physical arrests | 1,252 | 1,245 | 1,349 | 1,469 | 1,213 | 908 | 789 | 844 | 819 | 923 |
| Traffic violations | 1,466 | 1,313 | 1,400 | 1,319 | 1,686 | 1,326 | 1,138 | 1,134 | 1,217 | 1,194 |
| Parking violations | 8,472 | 8,374 | 8,499 | 10,507 | 8,522 | 7,795 | 7,720 | 6,679 | 10,336 | 8,420 |
| Fire and Rescue | | | | | | | | | | |
| Calls answered | 4,794 | 5,147 | 5,021 | 5,085 | 5,146 | 5,018 | 5,549 | 5,347 | 5,242 | 5,215 |
| Emergency Responses | 3,038 | 3,197 | 3,200 | 3,712 | 3,923 | 3,844 | 4,244 | 4,859 | 4,609 | 4,833 |
| Fires extinguished | 104 | 72 | 101 | 101 | 152 | 277 | 306 | 286 | 353 | 328 |
| Emergency medical responses | 2,144 | 2,224 | 2,175 | 2,441 | 2,692 | 2,349 | 2,614 | 2,945 | 2,880 | 2,873 |
| Community services - Public Works | | | | | | | | | | |
| Refuse collected (tons) | 5,000 | 4,996 | 5,853 | 5,267 | 5,407 | 4,919 | 3,941 | 3,546 | 3,884 | 4,061 |
| Recycling (tons) | 2,060 | 2,823 | 3,017 | 4,255 | 3,036 | 2,532 | 2,518 | 2,493 | 2,472 | 2,529 |
| Streets resurfaced (miles) | 6.0 | 4.5 | 13.1 | 8.0 | 2.6 | 6.9 | 3.0 | 2.9 | 3.7 | 22.3 |
| Public Library | | | | | | | | | | |
| Volumes in collections | 101,114 | 99,321 | 100,247 | 103,884 | 104,004 | 107,701 | 104,639 | 104,974 | 101,715 | 99,937 |
| Total volumes borrowed | 274,052 | 270,692 | 278,396 | 279,332 | 290,402 | 299,346 | 288,512 | 296,225 | 291,515 | 293,757 |
| Public Welfare - General Assistance | | | | | | | | | | |
| Number of contacts | 3,328 | 3,935 | 4,956 | 4,010 | 4,763 | 4,987 | 6,362 | 6,308 | 6,293 | 5,791 |
| Assisted cases | 610 | 650 | 698 | 664 | 685 | 685 | 1,651 | 1,924 | 1,982 | 1,839 |
| Water system: | | | | | | | | | | |
| Water main breaks | NA | 4 | 2 | 13 | 18 | 16 | 16 | 1 | 4 | 12 |
| Daily average consumption (millions of gallons) | 2.2 | 2.3 | 2.3 | 2.3 | 2.3 | 2.5 | 2.8 | 3.0 | 3.1 | 3.1 |
| Peak daily consumption (millions of gallons) | 3.2 | 3.4 | 3.4 | 3.6 | 3.6 | 3.5 | 3.2 | 3.7 | 4.1 | 3.6 |
| Sewage System: | | | | | | | | | | |
| Daily average treatment (millions of gallons) | 2.7 | 2.6 | 2.8 | 2.8 | 2.9 | 3.1 | 2.6 | 2.5 | 2.5 | 2.4 |

Data Source:

Various city departments

Notes

(1) In FY 2009 the Building Inspection Division and Fire Inspection Division were combined into one Division.

(2) Calendar year ending during the fiscal year

City of Dover, New Hampshire

Capital Asset Statistics by Function Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|---|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Police | | | | | | | | | | |
| Number of stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of patrol units | 10 | 10 | 10 | 10 | 10 | 9 | 9 | 9 | 9 | 9 |
| Fire and Rescue | | | | | | | | | | |
| Number of stations | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| Number of ladder trucks | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of pumpers | 4 | 4 | 4 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Number of support vehicles | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Number of ambulances | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Community Services - Public Works | | | | | | | | | | |
| Miles of streets | 131 | 131 | 132 | 132 | 133 | 133 | 133 | 133 | 133 | 133 |
| Miles of storm drains | 57 | 64 | 65 | 67 | 67 | 69 | 69 | 69 | 69 | 70 |
| Number of street lights | 1,836 | 1,770 | 1,773 | 1,773 | 1,777 | 1,776 | 1,776 | 1,771 | 1,771 | 1,776 |
| Number of bridges | 11 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 | 12 |
| Recreation: | | | | | | | | | | |
| Community centers | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of parks | 17 | 18 | 18 | 18 | 18 | 25 | 25 | 25 | 25 | 25 |
| Park acreage | 250 | 274 | 274 | 274 | 274 | 235 | 235 | 235 | 235 | 235 |
| Playgrounds | 11 | 11 | 12 | 12 | 12 | 15 | 15 | 15 | 15 | 15 |
| Baseball/softball fields | 10 | 10 | 10 | 10 | 10 | 6 | 6 | 6 | 6 | 6 |
| Football/soccer fields | 7 | 7 | 7 | 7 | 7 | 2 | 2 | 2 | 2 | 2 |
| Swimming pools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Tennis courts | 9 | 9 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 10 |
| Indoor gyms | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Indoor ice skating sheets | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Water system: | | | | | | | | | | |
| Miles of water mains | 134 | 148 | 149 | 151 | 155 | 153 | 153 | 153 | 155 | 157 |
| Number of service connections | 7,900 | 7,993 | 8,040 | 8,124 | 8,156 | 8,218 | 8,270 | 8,321 | 8,490 | 8,500 |
| Storage capacity in gallons (millions of gallons) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 |
| Maximum daily capacity of plant (millions of gallons) | 3.4 | 3.4 | 3.4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Number of fire hydrants | 960 | 967 | 1,050 | 1,093 | 1,107 | 1,107 | 1,107 | 1,130 | 1,156 | 1,156 |
| Sewage System: | | | | | | | | | | |
| Miles of sanitary sewers | 112 | 117 | 117 | 120 | 120 | 120 | 120 | 122 | 122 | 123 |
| Number of treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of service connections | 6,700 | 7,154 | 7,215 | 7,332 | 7,398 | 7,464 | 7,542 | 7,569 | 7,786 | 7,829 |
| Maximum daily capacity of treatment (millions of gallons) | 4.7 | 4.7 | 4.7 | 4.7 | 4.7 | 4.7 | 4.7 | 4.7 | 4.7 | 4.7 |

Data Source:
Various city departments

City of Dover, New Hampshire

City Government Employees by Function - Full Time Equivalents Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Government | | | | | | | | | | |
| Executive (1) | 11.4 | 13.5 | 12.6 | 12.9 | 13.7 | 12.7 | 8.0 | 8.1 | 7.8 | 8.1 |
| Finance (1) | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 20.0 | 20.0 | 20.0 | 20.3 |
| Planning (2) | 10.0 | 10.0 | 10.6 | 10.6 | 9.6 | 5.5 | 4.8 | 5.5 | 5.5 | 5.5 |
| Total General Government | 37.4 | 39.5 | 39.2 | 39.5 | 39.3 | 34.2 | 32.8 | 33.6 | 33.3 | 33.9 |
| Public Safety | | | | | | | | | | |
| Police - Sworn Officers | 54.6 | 54.6 | 55.7 | 52.6 | 50.5 | 48.4 | 47.4 | 47.4 | 47.4 | 47.4 |
| Police - Non-sworn employees | 24.0 | 24.5 | 25.6 | 27.1 | 27.6 | 25.6 | 26.8 | 29.4 | 29.4 | 28.7 |
| Total Police Department | 78.7 | 79.1 | 81.3 | 79.7 | 78.1 | 74.0 | 74.2 | 76.8 | 76.8 | 76.1 |
| Fire and Rescue (2) | 50.3 | 50.3 | 54.6 | 54.6 | 54.6 | 61.1 | 61.7 | 61.7 | 61.4 | 60.5 |
| Total Public Safety | 128.9 | 129.5 | 135.8 | 134.3 | 132.7 | 135.1 | 135.9 | 138.5 | 138.2 | 136.6 |
| Public Works | | | | | | | | | | |
| General Fund functions | 43.5 | 43.4 | 43.8 | 39.4 | 38.5 | 36.6 | 37.3 | 35.6 | 34.6 | 34.5 |
| Water | 13.5 | 13.5 | 13.5 | 13.0 | 13.0 | 13.0 | 11.0 | 10.5 | 10.5 | 10.5 |
| Sewer | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 17.0 | 17.0 | 15.0 | 15.0 |
| Fleet maintenance | 5.9 | 6.0 | 6.0 | 5.7 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Total Public Works | 78.9 | 78.9 | 79.3 | 74.2 | 72.5 | 70.6 | 70.3 | 68.1 | 65.1 | 65.0 |
| Culture and Recreation | | | | | | | | | | |
| Recreation | 33.8 | 34.4 | 33.5 | 33.1 | 34.9 | 34.8 | 36.2 | 34.4 | 34.4 | 32.7 |
| Public Library | 15.6 | 15.5 | 15.8 | 15.8 | 14.8 | 13.8 | 13.5 | 13.4 | 13.4 | 13.9 |
| Total Culture and Recreation | 49.3 | 49.9 | 49.2 | 48.9 | 49.7 | 48.6 | 49.7 | 47.8 | 47.8 | 46.6 |
| Public Welfare | | | | | | | | | | |
| Welfare | 5.4 | 5.3 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 |
| Total Public Welfare | 5.4 | 5.3 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 |
| Total All Functions | 299.9 | 303.0 | 306.4 | 299.5 | 297.0 | 291.3 | 291.5 | 290.8 | 287.2 | 284.9 |
| Percent of Total | | | | | | | | | | |
| General Government | 12.5% | 13.0% | 12.8% | 13.2% | 13.2% | 11.7% | 11.2% | 11.6% | 11.6% | 11.9% |
| Public Safety | 43.0% | 42.7% | 44.3% | 44.8% | 44.7% | 46.4% | 46.6% | 47.6% | 48.1% | 47.9% |
| Public Works | 26.3% | 26.0% | 25.9% | 24.8% | 24.4% | 24.2% | 24.1% | 23.4% | 22.7% | 22.8% |
| Culture and Recreation | 16.5% | 16.5% | 16.1% | 16.3% | 16.7% | 16.7% | 17.1% | 16.4% | 16.6% | 16.4% |
| Public Welfare | 1.8% | 1.7% | 0.9% | 0.9% | 0.9% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Data Source:

Budgeted Positions per City of Dover Budget. Full time equivalent based on 40 hours per week.

Notes

(1) The City Clerk Office was transferred from Executive Department to Finance Department in FY10.

(2) The Building Inspection Division of the Planning Department was transferred to the Fire and Rescue Department in FY09.

City of Dover, New Hampshire

School Building Information Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Garrison Elementary | | | | | | | | | | |
| Square feet | 49,678 | 55,178 | 65,938 | 65,938 | 65,938 | 65,938 | 65,938 | 65,938 | 65,938 | 65,938 |
| Teachers | 31.3 | 24.9 | 25.5 | 31.5 | 31.5 | 33.7 | 34.4 | 28.3 | 27.3 | 27.3 |
| Capacity | 612.5 | 672.5 | 672.5 | 672.5 | 672.5 | 672.5 | 672.5 | 672.5 | 672.5 | 672.5 |
| Enrollment | 428.0 | 400.0 | 379.0 | 512.0 | 523.0 | 541.0 | 536.0 | 555.0 | 452.0 | 469.0 |
| Horne Street Elementary | | | | | | | | | | |
| Square feet | 48,236 | 48,236 | 48,236 | 48,236 | 48,236 | 48,236 | 48,236 | 58,223 | 58,223 | 58,223 |
| Teachers | 23.8 | 26.4 | 24.4 | 22.4 | 22.4 | 25.5 | 24.2 | 28.3 | 28.3 | 28.3 |
| Capacity | 612.5 | 612.5 | 612.5 | 612.5 | 612.5 | 612.5 | 612.5 | 620.5 | 620.5 | 620.5 |
| Enrollment | 435.0 | 447.0 | 474.0 | 358.0 | 370.0 | 365.0 | 370.0 | 400.0 | 507.0 | 516.0 |
| Woodman Park Elementary | | | | | | | | | | |
| Square feet | 73,108 | 73,108 | 73,108 | 105,178 | 105,178 | 105,178 | 105,178 | 105,178 | 105,178 | 105,178 |
| Teachers | 27.5 | 29.8 | 30.8 | 32.3 | 32.3 | 28.9 | 30.6 | 32.3 | 31.3 | 31.3 |
| Capacity | 477.5 | 477.5 | 477.5 | 594.0 | 594.0 | 594.0 | 594.0 | 594.0 | 594.0 | 594.0 |
| Enrollment | 479.0 | 460.0 | 454.0 | 468.0 | 482.0 | 506.0 | 537.0 | 575.0 | 596.0 | 617.0 |
| Totals All Elementary Schools | | | | | | | | | | |
| Square feet | 171,022 | 176,522 | 187,282 | 219,352 | 219,352 | 219,352 | 219,352 | 229,339 | 229,339 | 229,339 |
| Teachers | 82.6 | 81.1 | 80.7 | 86.2 | 86.2 | 88.1 | 89.2 | 88.9 | 86.9 | 86.9 |
| Capacity | 1,702.5 | 1,762.5 | 1,762.5 | 1,879.0 | 1,879.0 | 1,879.0 | 1,879.0 | 1,887.0 | 1,887.0 | 1,887.0 |
| Enrollment | 1,342.0 | 1,307.0 | 1,307.0 | 1,338.0 | 1,375.0 | 1,412.0 | 1,443.0 | 1,530.0 | 1,555.0 | 1,602.0 |
| Dover Middle School | | | | | | | | | | |
| Square feet | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 |
| Teachers | 73.5 | 67.7 | 75.0 | 72.9 | 72.9 | 67.7 | 66.4 | 67.7 | 66.7 | 66.7 |
| Capacity | 1,380.0 | 1,380.0 | 1,380.0 | 1,380.0 | 1,380.0 | 1,380.0 | 1,380.0 | 1,380.0 | 1,380.0 | 1,380.0 |
| Enrollment | 1,142.0 | 1,098.0 | 1,082.0 | 1,109.0 | 1,116.0 | 1,094.0 | 1,077.0 | 1,084.0 | 1,089.0 | 1,115.0 |
| Dover High School | | | | | | | | | | |
| Square feet | 234,670 | 234,670 | 234,670 | 234,670 | 234,670 | 234,670 | 234,670 | 234,670 | 234,670 | 234,670 |
| Teachers | 107.4 | 110.6 | 110.4 | 116.8 | 116.8 | 116.8 | 112.8 | 113.3 | 107.3 | 107.3 |
| Capacity | 1,760.0 | 1,760.0 | 1,760.0 | 1,760.0 | 1,760.0 | 1,760.0 | 1,760.0 | 1,760.0 | 1,760.0 | 1,760.0 |
| Enrollment | 1,742.0 | 1,658.0 | 1,866.0 | 1,779.0 | 1,692.0 | 1,728.0 | 1,649.0 | 1,573.0 | 1,480.0 | 1,396.0 |
| Totals All Schools | | | | | | | | | | |
| Square feet | 580,712 | 586,212 | 596,972 | 629,042 | 629,042 | 629,042 | 629,042 | 639,029 | 639,029 | 639,029 |
| Teachers | 263.5 | 259.4 | 266.1 | 275.9 | 275.9 | 272.6 | 268.4 | 269.9 | 260.9 | 260.9 |
| Capacity | 4,842.5 | 4,902.5 | 4,902.5 | 5,019.0 | 5,019.0 | 5,019.0 | 5,019.0 | 5,027.0 | 5,027.0 | 5,027.0 |
| Enrollment | 4,226.0 | 4,063.0 | 4,255.0 | 4,226.0 | 4,183.0 | 4,234.0 | 4,169.0 | 4,187.0 | 4,124.0 | 4,113.0 |
| Food Service - All Schools | | | | | | | | | | |
| Number Meals Served | 352,406 | 351,783 | 333,139 | 340,863 | 335,834 | 341,272 | 355,209 | 356,754 | 363,718 | 345,427 |
| Avg Daily Participation | 1,958 | 1,954 | 1,851 | 1,894 | 1,866 | 1,896 | 1,973 | 1,993 | 2,021 | 1,939 |

Data Source:
School Department - as of official NH Department of Education reporting date: Oct 1st

City of Dover, New Hampshire

School Department Operating Statistics

Last Ten Fiscal Years

| Fiscal Year | Operating Budget (1) | Debt Service (1) | Total Budget | Enrollment (2) | Cost per Pupil | Percentage Change | Teaching Staff | Pupil/Teacher Ratio | Attendance Percentage |
|-------------|----------------------|------------------|---------------|----------------|----------------|-------------------|----------------|---------------------|-----------------------|
| 2013 | \$ 42,264,590 | \$ 3,988,329 | \$ 46,252,919 | 4,113 | \$ 11,246 | 1.4% | 260.9 | 15.8 | 94.9% |
| 2012 | 41,677,206 | 4,075,515 | 45,752,721 | 4,124 | 11,094 | 3.9% | 260.9 | 15.8 | 94.8% |
| 2011 | 40,468,900 | 4,245,221 | 44,714,121 | 4,187 | 10,679 | -0.2% | 269.9 | 15.5 | 94.7% |
| 2010 | 40,699,081 | 3,934,140 | 44,633,221 | 4,169 | 10,706 | 5.5% | 268.4 | 15.5 | 94.6% |
| 2009 | 39,216,997 | 3,761,337 | 42,978,334 | 4,234 | 10,151 | 2.1% | 272.6 | 15.5 | 94.6% |
| 2008 | 37,912,706 | 3,689,854 | 41,602,560 | 4,183 | 9,946 | 7.8% | 275.0 | 15.2 | 95.2% |
| 2007 | 36,203,218 | 2,799,270 | 39,002,488 | 4,226 | 9,229 | 6.2% | 275.9 | 15.3 | 94.6% |
| 2006 | 34,363,074 | 2,598,888 | 36,961,962 | 4,255 | 8,687 | 2.3% | 266.1 | 16.0 | 94.5% |
| 2005 | 32,065,504 | 2,448,119 | 34,513,623 | 4,063 | 8,495 | 8.0% | 259.4 | 15.7 | 95.2% |
| 2004 | 30,922,459 | 2,316,331 | 33,238,790 | 4,226 | 7,865 | 1.3% | 263.0 | 16.1 | 94.8% |

Data Source:

Budget information from City Adopted Budget and non-financial information provided by the School Department.

Notes:

- (1) Budget is for the General Fund only and excludes grant funds and cafeteria fund.
- (2) Enrollment is based on start of year census.

City of Dover, New Hampshire

School Educational and Service Information Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|------------------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Dover High School | | | | | | | | | | |
| Senior Enrollment (1) | 357 | 355 | 353 | 411 | 393 | 391 | 382 | 350 | 363 | 327 |
| Status of Seniors (2) | | | | | | | | | | |
| Graduated | 352 | 336 | 335 | 372 | 366 | 352 | 378 | 337 | 345 | 336 |
| Enrolled in four-year college | 143 | 141 | 140 | 167 | 162 | 180 | 177 | 158 | 153 | 141 |
| Enrolled in two-year college | 68 | 74 | 60 | 76 | 84 | 70 | 88 | 63 | 74 | 104 |
| Enlisted in Armed Forces | 16 | 10 | 10 | 5 | 18 | 10 | 14 | 11 | 9 | 7 |
| Post-secondary, workforce or other | 125 | 104 | 125 | 124 | 102 | 92 | 99 | 105 | 109 | 84 |
| SAT Mean Scores | | | | | | | | | | |
| Verbal | 515 | 518 | 503 | 518 | 512 | 497 | 500 | 495 | 509 | 509 |
| Math | 511 | 516 | 504 | 520 | 517 | 507 | 508 | 501 | 511 | 521 |
| % of Seniors taking test | 65% | 65% | 62% | 61% | 62% | 63% | 60% | 61% | 66% | 63% |

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

NOTES:

(1) As of Official DOE Reporting Date: Oct 1st. Enrollment includes tuition students.

(2) As of end of fiscal year.