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City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2012

Prepared by:
The Finance Department

Daniel R. Lynch
Finance Director

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INTRODUCTORY SECTION

The City of Dover is a member of the Delaware State Police and is a member of the Delaware State Fire Marshal's Office. The City is also a member of the Delaware State Police and is a member of the Delaware State Fire Marshal's Office. The City is also a member of the Delaware State Police and is a member of the Delaware State Fire Marshal's Office.

To the Honorable Mayor and members of the City Council:

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The CAFR covers all funds of the City of Dover that are administered by the City. The City has become obligated to administer in connection with its responsibility for providing services to its citizens. The City is also a member of the Delaware State Police and is a member of the Delaware State Fire Marshal's Office. The City is also a member of the Delaware State Police and is a member of the Delaware State Fire Marshal's Office.

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J. Michael Joyal, Jr.
City Manager

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City of Dover, New Hampshire
OFFICE OF THE CITY MANAGER

December 27, 2012

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, 2012.

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 the 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 ending June 30, 2012, 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, 2012, 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 improved very slightly except in specific sectors including advanced manufacturing and commercial construction, as well as a variety of services in architectural, cleaning, and fitness. General retail areas show small but consistent improvement. Economic Development activity continues to support existing business retention with some success despite the continued dearth of critically important credit and financing availability for local small businesses.

Through vigorous business relocation outreach coupled with stringent municipal spending restraint in the City's operations coupled with the approval of five Economic Revitalization Zone Districts have successfully brought forty-five new/expanded businesses and 435 new jobs to Dover.

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 unemployment in Dover well below that of New Hampshire, New England, and the surrounding communities as well as the Nation. Becoming the fastest growing city in New Hampshire has helped Dover statistics as well.

New Hampshire's GDP and labor force in moderate decline since 2008, has now stabilized to some degree. At the conclusion of the 2012 fiscal year, the labor force of Dover has continued to grow about 1% per year with minor variations below and above the trend line.

Dover's local unemployment rate is currently 5.1% which is 0.4% higher than this time last year. The seasonally adjusted unemployment rate, consistently lower than that of the U.S. (8.3%) and the State of New Hampshire (5.4%) was up slightly at the end of fiscal year 2012. The national unemployment rate decreased by 0.8% in the same period.

In combination with the current economic environment and unemployment levels, the median household income in Dover increased by an estimated 1.25% from \$61,680 in FY11 to \$62,451 in FY12.

The number of motor vehicle permits increased to 30,838 in FY12 as compared to 29,280 in FY 11. The number of building permits increased from 358 in FY11 to 381 in FY12 and the average permit value increased from \$55,440 to \$62,427. Despite a slowing in residential development in Dover and across the country, commercial property development has continued at a slow pace throughout the year.

Although the residential development has slowed somewhat, the City saw moderate commercial growth during fiscal year 2012. Planning efforts have continued in anticipation of future residential and multi-use development projects being undertaken. Changes to land use regulations have been put in place to encourage both community character as well as streamline the regulations and remove barriers to context sensitive development.

Residential sales continue to improve slightly and are stabilizing as low mortgage rates and declining prices (now up slightly) are somewhat offset by more stringent down payment and credit quality requirements from lenders. Foreclosed properties continue to add to the unsold housing inventory on the market. The slight improvement in sales has affected the number of residential projects coming before the Planning Board. Projects now tend to be smaller and more market specific than in recent years.

Some commercial development has begun, heavily weighted in the rehabilitation sector. Some new construction projects have begun as financing options permit.

Hospitality industry development exists in proximity to the Liberty Mutual and Measured Progress campuses at the northern edge of the City. Current occupancy rates are improving rapidly with full occupancy being intermittently experienced.

The Exit 9 location on the Spaulding Turnpike has continued to enjoy development activity. The 100,000 sq. ft. medical practices building has reached full occupancy and a new dental group building and a dialysis facility has started operations.

In the downtown city core, the Childrens' Museum of New Hampshire continues to attract approximately 100,000 visitors annually to Dover bringing added vibrancy, customer traffic, and new dollars to downtown businesses and restaurants. Recently, there has been development of retail space within the Cocheco Falls Mill across the street from the Museum. This development shows the potential growth in retail uses along the Washington Street Corridor.

To further expand the downtown, the City has taken advantage of rezoning efforts in 2009 to create a more flexible and innovative development environment through the addition of the Form Based Code style of zoning. This zoning encourages mixed uses, and places a higher emphasis on height, massing and placement of a building than on the uses contained within the building. To date the Planning Board has

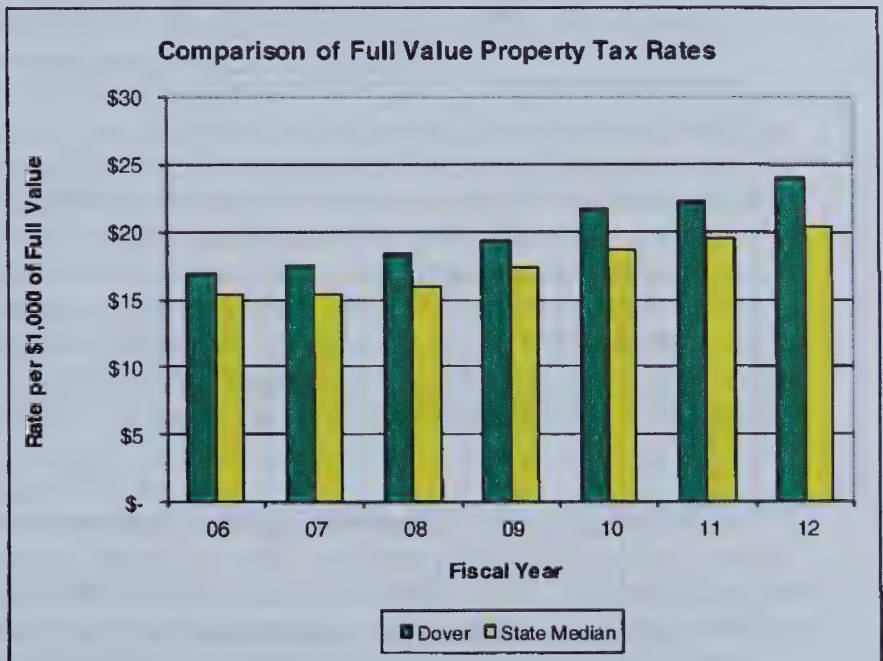
reviewed three projects, including a conversion of 120,000 square feet of office space in the Cochecho Falls Mill into one hundred twenty (120) unit residential units. The demolition of the former office space has begun to make way for the work to be completed. These units will have dramatic views of the downtown Dover including the waterfront and will be rented to individuals.

The integration of the Dover waterfront redevelopment into the downtown continues with the opening of the Tommy and Mary Makem Memorial Bridge, extending Washington Street, and upgrade of the River Street Pump station. These additions coupled with the continued work of Dickenson Development to engineer and ultimately permit the portion of privately financed project includes commitments to construct high end residential units, more than 30,000 square feet of new retail and office space, boating facilities and a restaurant along the riverfront.

In the Locust Street industrial park, three new electronics assembly and component businesses are in a formerly vacant building, bringing 65 new jobs.

In the Enterprise Park, one new relocation candidate company is considering available parcels owned by DBIDA and another has purchased a DBIDA owned building it formerly leased. The purchase of the Cocheco Falls Mill by a mill developer is complete and is expected to bring 120 apartments to the downtown core. Efforts are continuing to develop City core infill projects to four City-owned parking lots along with a public parking garage.

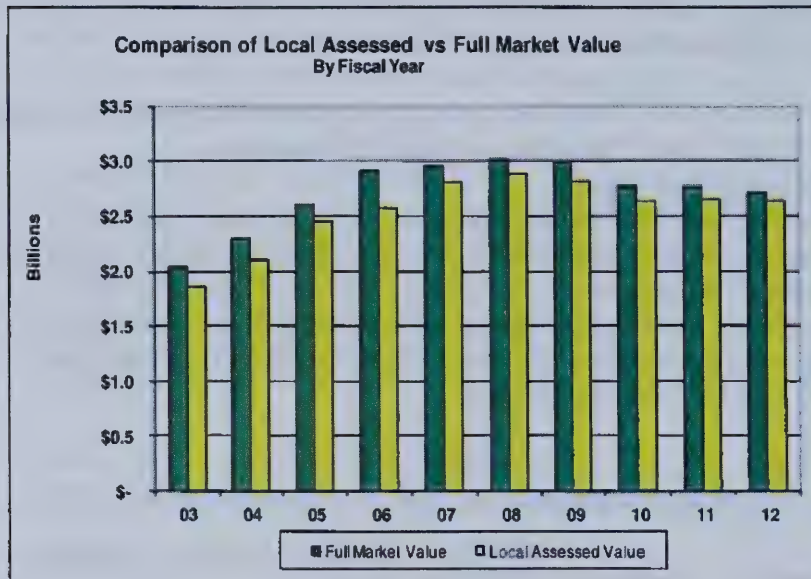
The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid-point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half 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 recent trends in the national credit market continue to impact real estate activity throughout New England. While New Hampshire and Dover, in particular, are not

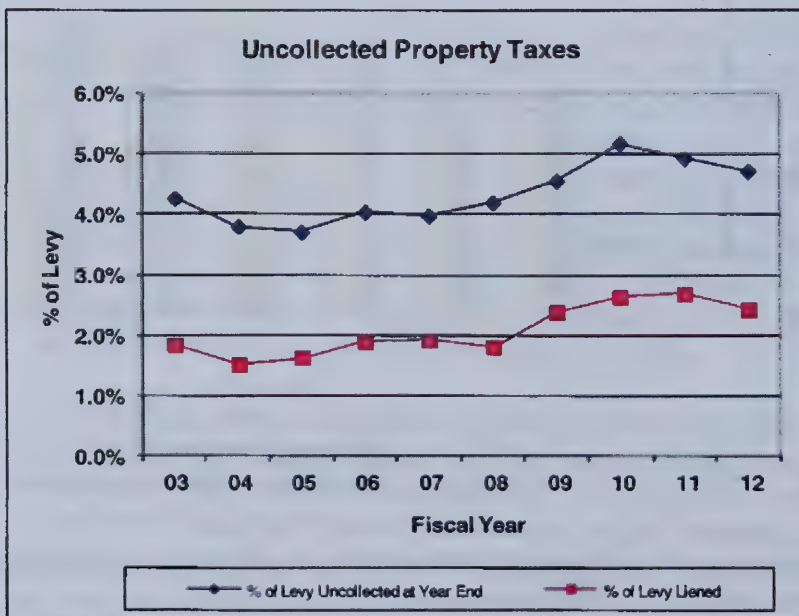
immune, the level of increase in real estate transactions during the past year has been relatively small. The real estate sales activity in Dover for FY12 was 742 transactions versus 740 for FY11. This level of activity represents transfers of 7.5% of taxable parcels during FY12 remaining stable with the level of 7.5% in FY11. In conjunction with this activity, the number of taxable parcels increased from 9,873 in FY11 to 9,899 in FY12, a less than 0.01% increase. The stable volume of taxable parcels in combination with a stabilization of property values has resulted in the estimated equalized property value per capita changing from \$92,051 for FY11 to \$89,532 in FY12, a decrease of 2.7% for the fiscal year.

Full market value as determined by the NH Department of Revenue Administration



decreased 2.1% during the fiscal year.

Assessed value as a ratio of full market value was 97.3%. In the second half of fiscal year 2012 the City's assessed property values appeared to be demonstrating stabilization in values based on sales data. As of April 1, 2012 the City's overall assessed values demonstrated a .71% increase in value over the prior year.



The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2012 decreased slightly to 4.7% as compared to 4.9% in FY11 (actual amount remaining unchanged at \$3.0 million). There were 355 parcels from the current tax levy with outstanding taxes that had a lien placed, down from 366 last year. The number of delinquent parcels

decreased by 11 or 4.8%. The dollar amount of the liens decreased slightly to 2.4% of the tax levy as compared to 2.7% for last year. The actual amount of the executed lien decreased 4.8% from \$1,641,606 to \$1,563,176.

Financial Position The City's General Fund ended Fiscal Year 2012 with an increase to its Unassigned Fund Balance of \$1,343,814 to \$7.28 million. The General Fund

unassigned fund balance at June 30, 2012 was 8.21% of the FY13 budget (8% is the minimum requirement of the City Financial Policies). The

Water Fund saw a decrease in

unrestricted net assets of \$0.47 million, from \$3,205,197 to \$2,733,914. The Sewer Fund saw an increase in unrestricted net assets of \$0.97 million, from \$3,327,964 to \$4,298,694.

| Unrestricted Net Assets | | |
|-------------------------|------------|------------|
| Fund | FY12 | FY11 |
| General | 7,285,807 | 5,941,993 |
| Water | 2,733,914 | 3,205,197 |
| Sewer | 4,298,694 | 3,327,964 |
| Total | 14,318,415 | 12,475,154 |

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 \$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 1.46 with Water and Sewer Funds of 1.42 and 2.07, 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, 2012 the City had utilized 54.9% of its statutory debt limit, the School District utilized 14.7% of its statutory debt limit, and the Water Fund had utilized 5.3% 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, 2012 the percent of the City's more conservative debt policy used was 84.5%, the School was 52.6%. General Fund net debt per capita is at \$2,288, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value is 2.45%. The General Fund's net debt service as a percent of budget is 10.1%. Although this measure is higher than the 10% recommended by policy, it is 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 21.5% being utilized. Net debt service to budget in the Water Fund is 28.9% and 22.1% 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 a set of 32 recommended financial policies. These adopted policies include maintaining all of the existing policy statements of 1996 with updates to several of the benchmark indices. In addition, several new policy statements are also included in the recommendations 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.

In FY2012 the City Manager, with the concurrence of the City Council, directed departments to manage expenditures to counter-balance both revenue shortfalls and increases in certain costs, while ensuring that operations resulted in a General Fund balance that is consistent with increasing the unassigned balance to 8% as prescribed by policy. The City Administration conducts 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 FY2012 the City was successful in contributing 5% 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 FY2012 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 ninth 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.

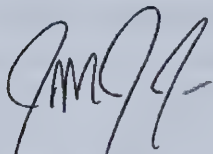
The Government Finance Officers Association of the United States and Canada (GFOA) awarded eight consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Dover, NH for its Comprehensive Annual Financial Report beginning for the fiscal year ended June 30, 2004 through June 30, 2011. 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,

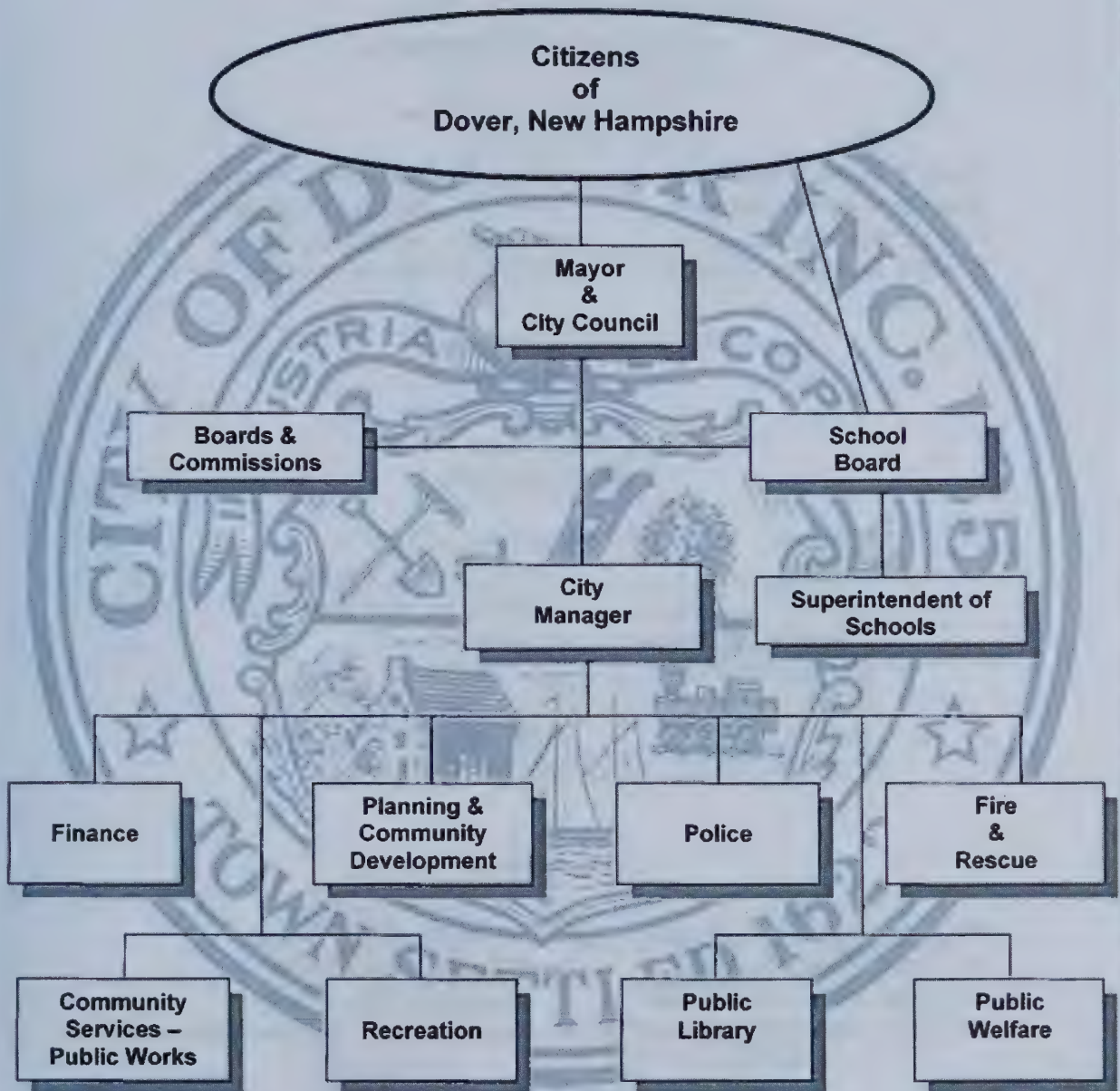


J. Michael Joyal, Jr.
City Manager



Daniel R. Lynch
Finance Director

City of Dover Organizational Chart





City of Dover

New Hampshire

FISCAL YEAR 2012

City Council Members

Mayor: Dean Trefethen

Ward 1: Edward Spuler

Ward 2: William Garrison

Ward 3: Michael Crago

Ward 4: Dorothea Hooper

Ward 5: Catherine Cheney

Ward 6: Michael Weeden

At Large: Robert Carrier

At Large: Karen Weston

City Manager

J. Michael Joyal, Jr.

Departments

Finance

Planning

Police

Fire and Rescue

Community Services

Public Library

Recreation

Public Welfare

Daniel R. Lynch

Christopher G. Parker

Anthony F. Colarusso, Jr.

Richard Driscoll

Douglas W. Steele, II

Cathy Beaudoin

Gary Bannon

Lena C. Nichols

School Board

At Large: Rocky D'Andrea

At Large: Kenneth Appel

At Large: Amanda Russell

At Large: Betsey Andrews Parker

At Large: Kathy Baker

At Large: Paul Butler

At Large: Doris Grady

Student Rep: Matthew Palczynski

Superintendent of Schools

Jean Briggs Badger

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Mouill

President

Jeffrey R. Enen

Executive Director

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**FINANCIAL
SECTION**

Independent Auditors' Report

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

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, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Dover's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire as of June 30, 2012, 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 conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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 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.

Macpage LLC

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Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Dover, New Hampshire's financial statements as a whole. The introductory section on pages 1 - 14, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the 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 express no opinion on them.

Macfage LLC

South Portland, Maine
December 27, 2012

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, 2012. 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 \$136,229,971 (i.e., net assets), a decrease of \$3,478,759 in comparison to the prior year.
- As of the close of the current fiscal year, total of assets of governmental activities exceeded liabilities by \$78,433,451 (i.e., net assets), a decrease of \$3,357,760 in comparison to the prior year.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$57,796,520, a decrease of \$120,999 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$23,023,350, an increase of \$4,167,106 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,285,807, an increase of \$1,343,814 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$90,544,288, a decrease of \$3,184,310 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 comprise 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 assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (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.

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 fiscal year 2010 the City changed the accounting in the DBIDA Fund for a building lease. The lease was formerly accounted for as a capital lease and starting in FY2010 the lease is reported as an operating lease. This resulted in capitalizing a building and related land improvements. In FY2012 the building and related land improvements were sold to the commercial business that occupied the facility.

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

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$136,229,971, a decrease of \$3,478,759 from the prior year.

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

| Amounts presented in 000s | <u>NET ASSETS</u> | | | | | |
|----------------------------|---------------------|-------------|----------------------|-------------|--------------|-------------|
| | <u>Governmental</u> | | <u>Business-Type</u> | | <u>Total</u> | |
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2011</u> | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | <u>2012</u> |
| Current and Other Assets | \$ 31,959 | \$ 36,309 | \$ 14,431 | \$ 16,469 | \$ 54,017 | \$ 52,778 |
| Capital Assets | 152,029 | 150,805 | 67,740 | 69,927 | 213,708 | 220,732 |
| Total Assets | \$ 183,988 | \$ 187,114 | \$ 82,171 | \$ 86,396 | \$ 267,725 | \$ 273,510 |
| Long-term Liabilities | \$ 93,487 | \$ 100,971 | \$ 22,190 | \$ 22,149 | \$ 115,677 | \$ 123,120 |
| Other Liabilities | 8,710 | 7,710 | 2,063 | 6,450 | 10,773 | 14,160 |
| Total Liabilities | \$ 102,197 | \$ 108,681 | \$ 24,253 | \$ 28,599 | \$ 126,450 | \$ 137,280 |
| Net Assets: | | | | | | |
| Invested in Capital Assets | \$ 84,864 | \$ 87,621 | \$ 50,765 | \$ 49,607 | \$ 135,629 | \$ 137,228 |
| Restricted | 3,756 | 3,832 | 1,694 | - | 5,450 | 3,832 |
| Unrestricted | (6,829) | (13,020) | 5,459 | 8,190 | (1,370) | (4,830) |
| Total Net Assets | \$ 81,791 | \$ 78,433 | \$ 57,918 | \$ 57,797 | \$ 139,709 | \$ 136,230 |

By far, the largest portion of net assets, \$137,228,424 or 101.7 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 assets \$3,831,773 represents resources that are subject to external restrictions on how they may be used. The remaining net balance (deficit) represents unrestricted net assets at the end of the fiscal year of \$(4,830,226).

The unrestricted net asset balance consists of a deficit of \$13,020,114 for governmental activities and a balance of \$8,189,888 for business-type activities.

The governmental activities net assets include the reflection of major liabilities of the Tolend Road Landfill mitigation of \$10,427,000, compensated absences of \$3,181,263 and other post employment benefits (OPEB) obligations of \$17,097,716.

The \$10,427,000 for Tolend Road Landfill mitigation represents the mitigation costs and the post mitigation maintenance and monitoring costs. This is an increase of \$7,868,621 from the prior year due to a revision in the estimate of post mitigation maintenance and monitoring costs. 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 \$3,181,263 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of \$14,310 from the prior year. The City has funded \$277,363 of the liability.

The \$17,097,716 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 seven 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 | 319 | \$ 156,107.91 |
| School | 366 | \$ 3,522.41 |
| Total | 685 | \$ 159,630.32 |

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

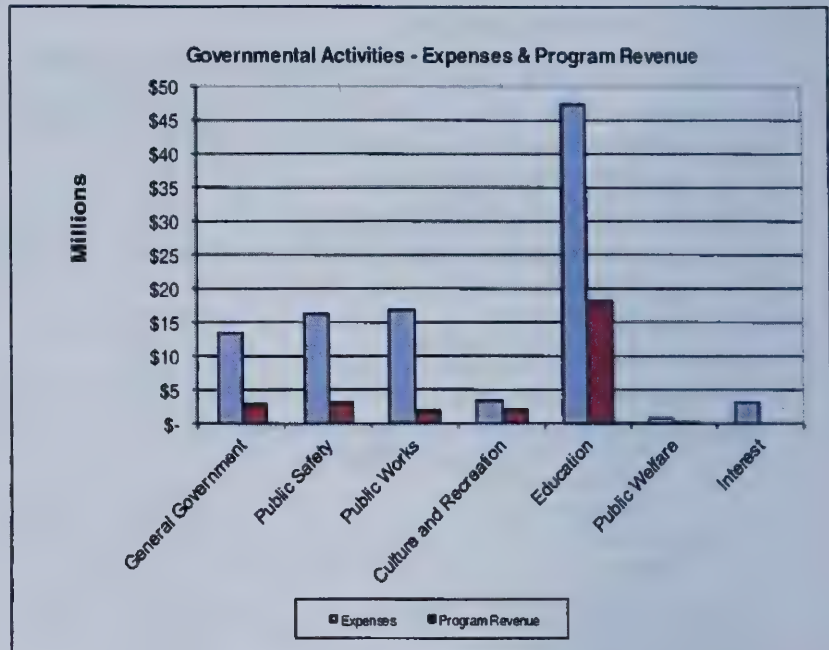
Financial Results The following is a summary of condensed government-wide financial data of changes in net assets for the current fiscal and prior fiscal years.

| Amounts presented in 000s | CHANGE IN NET ASSETS | | | | | |
|---------------------------------------|----------------------|-----------|---------------|-----------|------------|------------|
| | Governmental | | Business-Type | | Total | |
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 14,141 | \$ 13,560 | \$ 9,012 | \$ 8,929 | \$ 23,153 | \$ 22,489 |
| Operating grants and contributions | 15,095 | 14,060 | - | - | 15,095 | 14,060 |
| Capital grants and contributions | 719 | 660 | 78 | 28 | 797 | 688 |
| General revenues: | | | | | | |
| Property taxes | 61,573 | 65,534 | - | - | 61,573 | 65,534 |
| Motor vehicle registration | 3,533 | 3,711 | - | - | 3,533 | 3,711 |
| Penalties and interest on taxes | 358 | 417 | - | - | 358 | 417 |
| Investment income (loss) | 720 | (178) | 7 | 3 | 727 | (175) |
| Other | 99 | 285 | - | - | 99 | 285 |
| Gain (Loss) on sale of capital asset | - | - | - | 38 | - | 38 |
| Extraordinary Item | - | - | - | - | - | - |
| Total Revenues | 96,238 | 98,049 | 9,097 | 8,998 | 105,335 | 107,047 |
| Expenses: | | | | | | |
| General government | 13,154 | 13,361 | - | - | 13,154 | 13,361 |
| Public safety | 16,052 | 16,302 | - | - | 16,052 | 16,302 |
| Public works | 4,882 | 16,831 | - | - | 4,882 | 16,831 |
| Culture and recreation | 3,313 | 3,325 | - | - | 3,313 | 3,325 |
| Education | 48,790 | 47,520 | - | - | 48,790 | 47,520 |
| Public Welfare | 813 | 881 | - | - | 813 | 881 |
| Intergovernmental | - | - | - | - | - | - |
| Interest on long-term debt | 3,449 | 3,146 | 940 | 708 | 4,389 | 3,854 |
| Miscellaneous | - | - | - | - | - | - |
| Water operations (1) | - | - | 2,969 | 3,250 | 2,969 | 3,250 |
| Sewer operations (1) | - | - | 4,848 | 5,061 | 4,848 | 5,061 |
| DBIDA operations | - | - | 198 | 141 | 198 | 141 |
| Total Expenses | 90,453 | 101,366 | 8,955 | 9,160 | 99,408 | 110,526 |
| Change in Net Assets before Transfers | 5,785 | (3,317) | 142 | (162) | 5,927 | (3,479) |
| Transfers in (out) | (82) | (41) | 82 | 41 | - | - |
| Change in Net Assets | 5,703 | (3,358) | 224 | (121) | 5,927 | (3,479) |
| Net Assets - beginning of year | 76,088 | 81,791 | 57,694 | 57,918 | 133,782 | 139,709 |
| Net Assets - end of year | \$ 81,791 | \$ 78,433 | \$ 57,918 | \$ 57,797 | \$ 139,709 | \$ 136,230 |

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

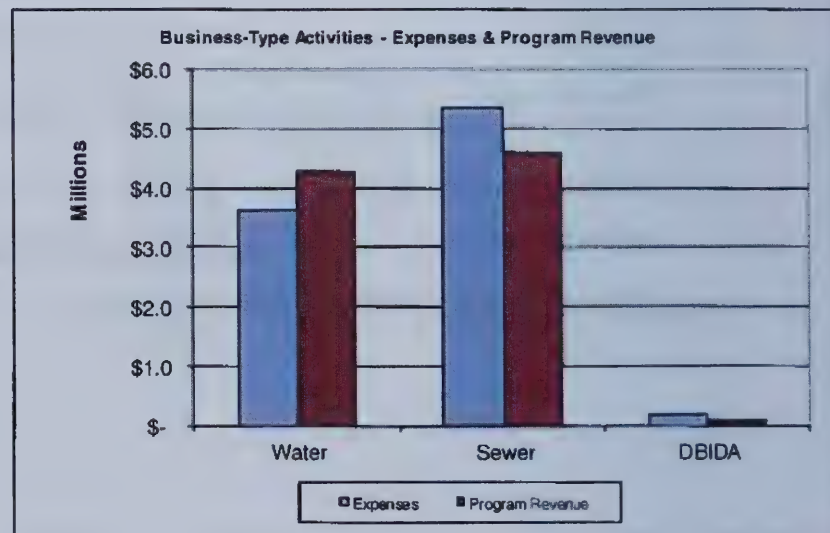
Governmental activities Governmental activities for the year resulted in a decrease in net assets of \$3,357,760. Governmental activities realized the following significant transactions:

- General Fund excess of revenues over expenditures of \$4.79 million.
- Acquisition of capital assets of \$5.02 million.
- An increase in the OPEB Liability of \$2.4 million.
- Debt service principal payments in excess of depreciation expense of \$1.5 million.
- Increase in the Landfill Liability of \$7.87 million.



Business-Type Activities Business-type activities for the year resulted in a decrease in net assets of \$120,999 or 0.2%. Key elements of this change are as follows:

- The Water Fund increased net assets by \$416,469 or 2.1%. This consists mainly of operating activities resulting in income of \$1.0 million partially offset by a prior period adjustment of \$335,191.
- The Sewer Fund had a decrease in net assets of \$864,911 or 2.3%. This consists mainly of depreciation expense exceeding debt service principal payments by \$386,015; and an operating loss of \$488,702.



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.

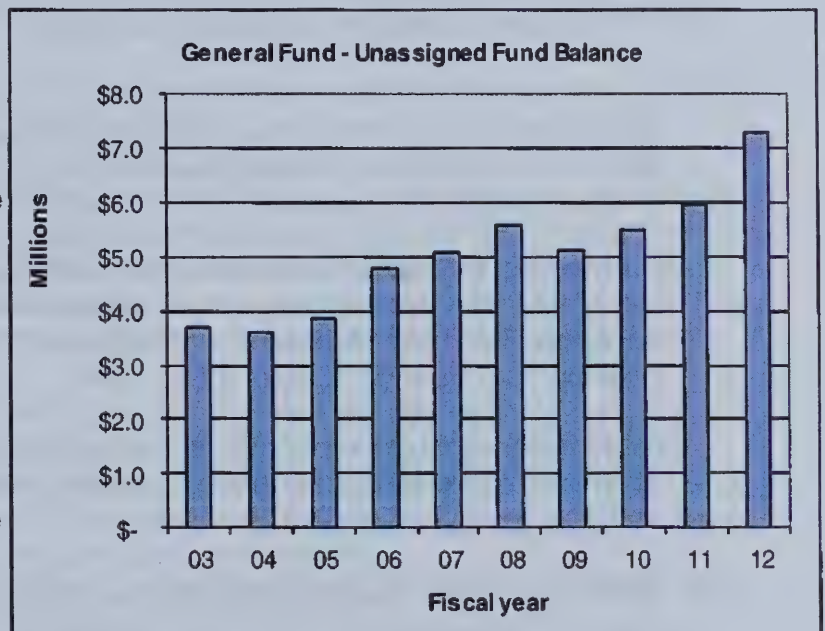
Governmental funds The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources 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 \$23,023,350, an increase of \$4,167,106 in comparison with the prior year. The General Fund change consists of an increase in the unassigned fund balance of \$1,343,814, an increase in committed and assigned balances of \$579,878, and a decrease of \$677 in nonspendable fund balance.

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

balance of the general fund was \$7,285,806, while total fund balance was \$10,333,906. 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 8.21 percent of total general fund expenditures, while total fund balance represents 11.64 percent of that same amount.



The unassigned fund balance of the general fund increased by \$1,343,814, or 22.6%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance of \$1,606,592 from excess of revenues and other sources over expenditures and other uses, consisting of \$394,318 of revenues under budget estimates (exclusive of Other Financing Sources) and \$1,949,157 of expenditures under budget estimates (exclusive of Other Financing Uses).

Revenue shortfalls consist mainly of \$54,240 in intergovernmental revenues, the major portion being a reduction in the City's allocation for State Highway Block Grant, \$27,109 in sales and service charges, \$180,415 in investment income revenue. Unencumbered appropriations consisted mainly of \$273,834 for General Government, \$667,690 for Public Works, \$280,092 for Culture and Recreation, and \$278,276 for Debt Service Interest. The School Department unencumbered appropriations of \$314,547 offset a shortfall of \$386,940 in education revenue, due mainly to a reduction in Tuition revenue.

- A decrease to fund balance of \$173,059 for an increase in deferred property tax revenue.
- A decrease to fund balance of \$16,781 for the increase in the reserve for advances to the McConnell Center Fund.
- An increase to fund balance of \$330,012 for a decrease 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 assets of the enterprise funds at the end of the year amounted to \$8,189,888. This amount consists of the Water Fund balance of \$2,733,914, the Sewer Fund of \$4,298,694, and the Dover Business and Industrial Development Fund (DBIDA) of \$1,157,280.

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 \$428,503. This consists of City Council adopted appropriations of \$33,164 for City retirement contributions, \$38,600 for School retirement contributions, \$104,200 for abatements, and \$252,737 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 2.2%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets Capital assets for governmental and business-type activities at year-end amounted to \$220,731,951 (net of accumulated depreciation), an increase of approximately \$953,512 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 | |
|----------------------------|-------------------------|------------|--------------------------|-----------|------------|------------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Land | \$ 14,169 | \$ 14,444 | \$ 1,990 | \$ 1,785 | \$ 16,159 | \$ 16,229 |
| Buildings and improvements | 70,457 | 75,454 | 20,729 | 17,980 | 91,186 | 93,434 |
| Machinery and equipment | 10,068 | 9,065 | 3,523 | 7,909 | 13,591 | 16,974 |
| Infrastructure | 27,232 | 32,803 | 37,862 | 42,090 | 65,094 | 74,893 |
| Construction in Progress | 30,102 | 19,039 | 3,636 | 162 | 33,738 | 19,201 |
| Total Assets | \$ 152,028 | \$ 150,805 | \$ 67,740 | \$ 69,926 | \$ 219,768 | \$ 220,731 |

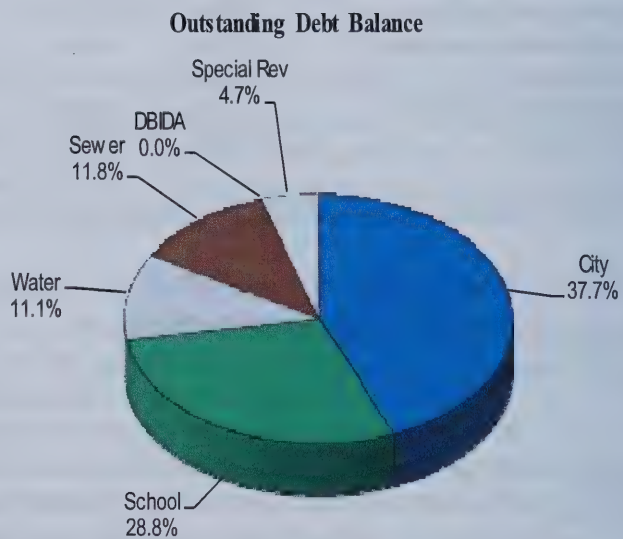
Major capital asset events during the current fiscal year included the following:

- The increase to Land of the governmental activities relates to a \$275,000 acquisition of Conservation Land.
- The increase to Building and improvements of the governmental activities relates mainly to energy efficiency improvements of \$1,828,050 performed at City Hall, Ice Arena and McConnell Center, as well as the completion of the Horne Street Elementary School improvements for \$4.2 million. These additions were offset by depreciation on older buildings/improvements.
- The governmental activities infrastructure change includes an addition of \$3.6 million in street improvement projects to include acceptance of Beacon Circle, \$3,446,309 for Washington Street – Cocheco River Bridge, and \$185,000 for the Thompson Pool Bathhouse. These additions were offset by depreciation on older infrastructure.
- The governmental activities construction in progress relates mainly to \$14,688,618 for the Tolend Road Landfill hazardous landfill mitigation project and \$3,590,591 for the Cocheco River Dredge Cell project.
- The decrease to Land and Buildings of the Business-type activities is the result of DBIDA sale of \$205,000 of Land and \$1,994,525 of Building to a commercial entity that was leasing the building.
- There were additions to Machinery and Equipment of the business-type activities of \$558,314 for WWTP Aeration Blowers, \$2,330,797 for Sludge Dewatering project, and \$2,182,729 for River Street Pump Station. These additions were offset by depreciation on older machinery and equipment.

- There were additions to business-type activities infrastructure improvements of \$1.4 million for sewer main improvements, \$3,212,366 for North End Water Pressure Zone infrastructure, and \$410,705 for water main improvements.
- The business-type activities construction in progress at the end of the year mainly relates to \$134,414 for the Applevale Water Main.

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

Long-term debt At the end of the current fiscal year, total long-term debt outstanding was \$90,544,288, a net decrease of \$3,184,310 over the previous fiscal year end. All the long-term debt was backed by the full faith and credit of the City except for the balance of an FY06 Dover Business and Industrial Development Authority flow through loan to a private firm from the NH Business Finance Authority. The Business Finance Authority loan was secured by a mortgage deed on property located in Enterprise Park. This property was sold in FY2012 and as part of the sales transaction the Business Finance Authority loan obligation was paid in full.



Long-term Debt (000s)

| | Governmental Activities | | Business-Type Activities | | Totals | |
|--------------------------|-------------------------|-----------|--------------------------|-----------|-----------|-----------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| General Obligation Bonds | \$ 72,238 | \$ 69,403 | \$ 19,292 | \$ 20,744 | \$ 91,530 | \$ 90,147 |
| Other Long Term Debt | 504 | 397 | 1,695 | - | 2,199 | 397 |
| Total Long-term Debt | \$ 72,742 | \$ 69,800 | \$ 20,987 | \$ 20,744 | \$ 93,729 | \$ 90,544 |

During fiscal year 2012, the City issued \$9,000,000 in general obligation bonds; \$4,800,000 related to governmental activities and \$4,200,000 related to business-type activities. The City bonds were rated Aa3 by Moody's Investors Service and AA by Standard and Poor's Rating Group. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. Competitive bids were solicited and the City received 4 bids on May 16, 2012. Robert W. Baird & Co., Inc. was awarded the bid at a true interest cost of 2.345

percent. The bonds were dated May 24, 2012 and mature June 15, 2032. Bonds maturing on or prior to June 15, 2022 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2023 shall be subject to redemption prior to maturity at the option of the City.

On May 24, 2012 the City issued \$8,530,000 in general obligation bonds to advance refund a portion of the City's \$14,280,000 capital improvement general obligation bonds issued June 15, 2003 and a portion of the City's \$9,832,000 capital improvement general obligation bonds issued June 15, 2004. The 2003 bonds were to mature June 15, 2024, with a true interest cost of 3.167 percent, in the aggregate principal amount of \$5,205,000 maturing in the years 2014 through 2024. The 2004 bonds were to mature June 15, 2025, with a true interest cost of 4.154 percent, in the aggregate principal amount of \$4,270,000 maturing in the years 2015 through 2025. The June 15, 2003 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2013 through June 15, 2024. The June 15, 2004 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2014 through June 15, 2025. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. The bonds were rated Aa3 by Moody's Investors Service and AA by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 4 bids on May 16, 2012. Robert W. Baird & Co., Inc was awarded the bid at a true interest cost of 2.345 percent. The refunding bonds were dated May 24, 2012 and mature June 15, 2024 and June 15, 2025 respectively. The refunding bonds are not subject to redemption prior to their stated maturity dates.

The proceeds of \$8,530,000, plus a \$79,221 cash contribution made by the City, \$898,000 in unspent bond proceeds from the June 15, 2003 general obligation bonds, and \$662,189 of reoffering premium after payment of \$181,643 in underwriting fees and other issuance costs, were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the June 15, 2003 general obligation bonds in the aggregate principal amount of \$5,205,000 and on the June 15, 2004 general obligation bonds in the aggregate principal amount of \$4,270,000. As a result, the June 15, 2003 general obligation bonds maturing on or after June 15, 2014 are considered to be defeased and the \$3,526,000 liability for those bonds has been removed from the general long-term debt account and the \$1,679,000 liability for those bonds has been removed from the business-type activity funds. Additional as a result, the June 15, 2004 general obligation bonds maturing on or after June 15, 2015 are considered to be defeased and the \$2,747,000 liability for those bonds has been removed from the general long-term debt account and the \$1,523,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the June 15, 2003 and June 15, 2004 general obligation bonds to reduce its total debt service payments over the next 14 years by almost \$608,339 and to obtain an economic gain of \$512,855 representing the difference between the present values of the debt service payments on the old and new debt.

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 | FY12 | FY13 | Increase (Decrease) | % Change |
|----------------------------|-------------------|-------------------|--------------------------------|-----------------|
| City | 34,257,924 | 35,001,079 | 743,155 | 2.2% |
| School | 45,714,121 | 46,252,919 | 538,798 | 1.2% |
| County | 7,303,817 | 7,521,254 | 217,437 | 3.0% |
| Total Budget | 87,275,862 | 88,775,252 | 1,499,390 | 1.7% |

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

| Property Tax Levies | FY12 | FY13 | Increase (Decrease) | % Change |
|----------------------------|-------------------|-------------------|--------------------------------|-----------------|
| City | 24,047,953 | 24,674,390 | 626,437 | 2.6% |
| School - Local | 26,608,346 | 27,124,864 | 516,518 | 1.9% |
| School - State | 6,389,999 | 6,568,079 | 178,080 | 2.8% |
| Total School | 32,998,345 | 33,692,943 | 694,598 | 2.1% |
| County | 7,303,817 | 7,521,254 | 217,437 | 3.0% |
| Total Tax Levy | 64,350,115 | 65,888,587 | 1,538,472 | 2.4% |

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 | FY12 | FY13 | Increase (Decrease) | % Change |
|---------------------------|--------------|--------------|--------------------------------|-----------------|
| City | 9.54 | 9.71 | 0.17 | 1.8% |
| School - Local | 10.26 | 10.38 | 0.12 | 1.2% |
| School - State | 2.50 | 2.55 | 0.05 | 2.0% |
| Total School | 12.76 | 12.93 | 0.17 | 1.3% |
| County | 2.82 | 2.88 | 0.06 | 2.1% |
| Total Tax Rate | 25.12 | 25.52 | 0.40 | 1.6% |

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 | | | Increase | % Change |
|---------------------|------------|------------|------------|----------|
| | FY12 | FY13 | (Decrease) | |
| Water Fund | 4,336,199 | 4,709,762 | 373,563 | 8.6% |
| Sewer Fund | 6,139,408 | 6,404,327 | 264,919 | 4.3% |
| Total Utility Funds | 10,475,607 | 11,114,089 | 638,482 | 6.1% |

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 | | | Increase | % Change |
|----------------|------|-------|------------|----------|
| | FY12 | FY13 | (Decrease) | |
| Water Fund | 3.97 | 4.36 | 0.39 | 9.8% |
| Sewer Fund | 5.43 | 5.78 | 0.35 | 6.4% |
| Combined Rates | 9.40 | 10.14 | 0.74 | 7.9% |

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 Assets

June 30, 2012

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------|-----------------------------|------------------------------|
| ASSETS | | | |
| Current: | | | |
| Cash and short-term investments | \$ 28,662,113 | \$ 7,368,549 | \$ 36,030,662 |
| Investments | 2,984,404 | | 2,984,404 |
| Receivables, net of allowance for uncollectibles: | | | |
| Property taxes | 4,392,786 | | 4,392,786 |
| User fees | | 3,582,313 | 3,582,313 |
| Departmental and other | 931,339 | | 931,339 |
| Intergovernmental | 1,633,670 | 461,648 | 2,095,318 |
| Internal balances | (3,251,167) | 3,251,167 | |
| Inventory | 130,307 | 394,039 | 524,346 |
| Other assets | 173,341 | | 173,341 |
| Total current assets | <u>35,656,793</u> | <u>15,057,716</u> | <u>50,714,509</u> |
| Noncurrent: | | | |
| Intergovernmental receivables, net | | 154,722 | 154,722 |
| Loans receivable, net | 652,678 | | 652,678 |
| Investment in land | | 1,256,731 | 1,256,731 |
| Capital assets: | | | |
| Land and construction in progress | 33,497,613 | 1,947,433 | 35,445,046 |
| Capital assets, net of accumulated depreciation | <u>117,307,876</u> | <u>67,979,029</u> | <u>185,286,905</u> |
| Total non-current assets | <u>151,458,167</u> | <u>71,337,915</u> | <u>222,796,082</u> |
| Total Assets | \$ <u>187,114,960</u> | \$ <u>86,395,631</u> | \$ <u>273,510,591</u> |
| LIABILITIES AND NET ASSETS | | | |
| Liabilities | | | |
| Current: | | | |
| Accounts payable | \$ 688,650 | \$ 355,549 | \$ 1,044,199 |
| Accrued liabilities | 3,785,792 | 133,345 | 3,919,137 |
| Retainage payable | 144,669 | 452,581 | 597,250 |
| Due to fiduciary funds | 1,742,754 | | 1,742,754 |
| Unearned revenue | | 5,508,676 | 5,508,676 |
| Other current liabilities | 1,348,496 | | 1,348,496 |
| Current portion of long-term liabilities: | | | |
| Claims liability | 421,130 | | 421,130 |
| Bonds and loans payable | 6,871,400 | 2,026,500 | 8,897,900 |
| Compensated absences | 112,172 | 17,000 | 129,172 |
| Total current liabilities | <u>15,115,063</u> | <u>8,493,651</u> | <u>23,608,714</u> |
| Noncurrent: | | | |
| Claims liability, net of current portion | 44,151 | | 44,151 |
| Bonds and loans payable, net of current portion | 62,928,488 | 18,717,900 | 81,646,388 |
| Compensated absences, net of current portion | 3,069,091 | 132,247 | 3,201,338 |
| Other post-employment benefits liability | 17,097,716 | 1,255,313 | 18,353,029 |
| Liability for hazardous waste-site cleanup | 10,427,000 | | 10,427,000 |
| Total non-current liabilities | <u>93,566,446</u> | <u>20,105,460</u> | <u>113,671,906</u> |
| Total Liabilities | 108,681,509 | 28,599,111 | 137,280,620 |
| Net Assets | | | |
| Invested in capital assets, net of related debt | 87,621,792 | 49,606,632 | 137,228,424 |
| Restricted for: | | | |
| Nonexpendable trust principal | 1,848,043 | | 1,848,043 |
| Expendable trust principal | 239,814 | | 239,814 |
| City and school department grants and projects | 1,743,916 | | 1,743,916 |
| Unrestricted (Deficit) | <u>(13,020,114)</u> | <u>8,189,888</u> | <u>(4,830,226)</u> |
| Total Net Assets | <u>78,433,451</u> | <u>57,796,520</u> | <u>136,229,971</u> |
| Total Liabilities and Net Assets | \$ <u>187,114,960</u> | \$ <u>86,395,631</u> | \$ <u>273,510,591</u> |

Statement of Activities

For the Year Ended June 30, 2012

| | Expenses | Program Revenues | | |
|---------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General government | \$ 13,361,225 | \$ 1,577,067 | \$ 1,206,128 | |
| Public safety | 16,301,615 | 2,295,257 | 743,743 | |
| Public works | 16,831,168 | 1,181,907 | 74,623 | \$ 659,266 |
| Culture and recreation | 3,325,068 | 1,994,066 | 49,897 | |
| Education | 47,519,865 | 6,298,841 | 11,969,137 | |
| Public welfare | 880,622 | 213,255 | 16,396 | 985 |
| Interest | 3,146,142 | | | |
| Total Governmental Activities | 101,365,705 | 13,560,393 | 14,059,924 | 660,251 |
| Business-Type Activities: | | | | |
| Water services | 3,618,587 | 4,272,878 | | |
| Sewer services | 5,345,924 | 4,572,478 | | 27,913 |
| DBIDA services | 195,493 | 83,157 | | |
| Total Business-Type Activities | 9,160,004 | 8,928,513 | | 27,913 |
| Total | \$ 110,525,709 | \$ 22,488,906 | \$ 14,059,924 | \$ 688,164 |

General Revenues:

Property tax

Motor vehicle registration tax

Penalties and interest

Unrestricted investment earnings (loss)

Gain (loss) on the disposal of capital assets

Other revenue

Transfers in (out)

Total general revenues

Change in Net Assets

Net Assets:

Beginning of year, as restated

End of year

Net (Expenses) Revenues and Changes in Net Assets

| Governmental Activities | Business- Type Activities | Total |
|----------------------------|---------------------------------|---------------------------|
| \$ (10,578,030) | | \$ (10,578,030) |
| (13,262,615) | | (13,262,615) |
| (14,915,372) | | (14,915,372) |
| (1,281,105) | | (1,281,105) |
| (29,251,887) | | (29,251,887) |
| (649,986) | | (649,986) |
| <u>(3,146,142)</u> | | <u>(3,146,142)</u> |
| <u>(73,085,137)</u> | | <u>(73,085,137)</u> |
| | \$ 654,291 | 654,291 |
| | (745,533) | (745,533) |
| | <u>(112,336)</u> | <u>(112,336)</u> |
| | <u>(203,578)</u> | <u>(203,578)</u> |
| <u>(73,085,137)</u> | <u>(203,578)</u> | <u>(73,288,715)</u> |
| 65,534,332 | | 65,534,332 |
| 3,710,058 | | 3,710,058 |
| 417,100 | | 417,100 |
| (177,927) | 3,146 | (174,781) |
| | 38,631 | 38,631 |
| 284,616 | | 284,616 |
| <u>(40,802)</u> | <u>40,802</u> | |
| <u>69,727,377</u> | <u>82,579</u> | <u>69,809,956</u> |
| (3,357,760) | (120,999) | (3,478,759) |
| <u>81,791,211</u> | <u>57,917,519</u> | <u>139,708,730</u> |
| <u>\$ 78,433,451</u> | <u>\$ 57,796,520</u> | <u>\$ 136,229,971</u> |

Governmental Funds

Balance Sheet

June 30, 2012

| | General | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and short-term investments | \$ 26,014,578 | \$ 2,647,534 | \$ 28,662,112 |
| Investments | | 2,984,404 | 2,984,404 |
| Receivables, net of allowance for uncollectibles: | | | |
| Taxes | 4,392,786 | | 4,392,786 |
| Departmental and other | 563,716 | 997,252 | 1,560,968 |
| Intergovernmental | 127,506 | 826,373 | 953,879 |
| Loans | | 652,678 | 652,678 |
| Due from other funds | | 11,276,802 | 11,276,802 |
| Advances to other funds | 546,484 | | 546,484 |
| Inventory | 3,144 | 66,315 | 69,459 |
| Other assets | 37,001 | | 37,001 |
| Total Assets | \$ 31,685,215 | \$ 19,451,358 | \$ 51,136,573 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 276,672 | \$ 334,579 | \$ 611,251 |
| Accrued liabilities | 3,174,392 | 319,341 | 3,493,733 |
| Retainage payable | 12,372 | 132,301 | 144,673 |
| Deferred revenues | 3,633,226 | 745,029 | 4,378,255 |
| Due to other funds | 12,838,739 | 4,684,180 | 17,522,919 |
| Advances from other fund | | 546,484 | 546,484 |
| Compensated absences | 67,412 | | 67,412 |
| Other liabilities | 1,348,496 | | 1,348,496 |
| Total Liabilities | 21,351,309 | 6,761,914 | 28,113,223 |
| Fund Balances: | | | |
| Nonspendable | 3,144 | 1,914,358 | 1,917,502 |
| Restricted | | 8,828,062 | 8,828,062 |
| Committed | 823,847 | 4,787,852 | 5,611,699 |
| Assigned | 2,221,109 | | 2,221,109 |
| Unassigned | 7,285,806 | (2,840,828) | 4,444,978 |
| Total Fund Balances | 10,333,906 | 12,689,444 | 23,023,350 |
| Total Liabilities and Fund Balances | \$ 31,685,215 | \$ 19,451,358 | \$ 51,136,573 |

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

June 30, 2012

| | |
|---|-----------------------------|
| Total governmental fund balances | \$ 23,023,350 |
| <ul style="list-style-type: none"> • Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 150,805,489 • Revenues are reported on the accrual basis of accounting and are not deferred until collection. 4,378,269 • 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 Assets. 902,891 • In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. (282,853) • Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds: <ul style="list-style-type: none"> Bonds payable (69,799,888) Compensated absences (3,069,091) Liability for hazardous waste-site cleanup (10,427,000) Other Post-Employment Benefits (OPEB) liability <u>(17,097,716)</u> | |
| Net assets of governmental activities | \$ <u>78,433,451</u> |

Governmental Funds

**Statement of Revenues, Expenditures and Changes
in Fund Balances**

For the Year Ended June 30, 2012

| | <u>General</u> | Nonmajor Governmental <u>Funds</u> | Total Governmental <u>Funds</u> |
|--|----------------------|--|---------------------------------------|
| Revenues: | | | |
| Taxes | \$ 64,887,292 | \$ 95,886 | \$ 64,983,178 |
| Licenses and permits | 4,251,360 | 233,716 | 4,485,076 |
| Intergovernmental | 2,563,487 | 5,591,409 | 8,154,896 |
| Current services | 3,018,628 | 4,323,233 | 7,341,861 |
| Education | 12,424,970 | | 12,424,970 |
| Miscellaneous | 210,094 | 482,714 | 692,808 |
| Total Revenues | <u>87,355,831</u> | <u>10,726,958</u> | <u>98,082,789</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 4,082,660 | 495,589 | 4,578,249 |
| Public safety | 12,277,684 | 2,021,774 | 14,299,458 |
| Public works | 5,308,473 | 3,516,589 | 8,825,062 |
| Culture and recreation | 2,979,609 | 887,328 | 3,866,937 |
| Education | 40,131,390 | 6,045,586 | 46,176,976 |
| Public welfare | 847,807 | 459,578 | 1,307,385 |
| Intergovernmental - County tax | 7,303,817 | | 7,303,817 |
| Debt service | 9,625,901 | 1,313,400 | 10,939,301 |
| Total Expenditures | <u>82,557,341</u> | <u>14,739,844</u> | <u>97,297,185</u> |
| Revenues over (under) expenditures | <u>4,798,490</u> | <u>(4,012,886)</u> | <u>785,604</u> |
| Other Financing Sources (Uses): | | | |
| Bond proceeds | | 4,800,000 | 4,800,000 |
| Refunding bond issued | 8,530,000 | | 8,530,000 |
| Refunding bond premium received | 713,942 | | 713,942 |
| Payment to refunding bond escrow agent | (9,192,189) | | (9,192,189) |
| Transfers in | 137,624 | 1,456,977 | 1,594,601 |
| Transfers out | (3,064,852) | | (3,064,852) |
| Total Other Financing Sources (Uses) | <u>(2,875,475)</u> | <u>6,256,977</u> | <u>3,381,502</u> |
| Net change in fund balances | 1,923,015 | 2,244,091 | 4,167,106 |
| Fund Balances, at Beginning of Year | <u>8,410,891</u> | <u>10,445,353</u> | <u>18,856,244</u> |
| Fund Balances, at End of Year | <u>\$ 10,333,906</u> | <u>\$ 12,689,444</u> | <u>\$ 23,023,350</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, 2012

| | | | | | | | | | | | | | | | | | | | | | |
|---|------------------------------|--------------------------|-----------|--------------|-------------|--|-----------|---------------------------|-------------|--------------------|-----------|--|--------|--|-------|--|-------------|----------------------------|-------------|--|----------|
| Net Changes in Fund Balances - Total Governmental Funds | \$ 4,167,106 | | | | | | | | | | | | | | | | | | | | |
| <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;">5,015,237</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(6,238,384)</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;">1,129,339</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>Proceeds from debt issued</td> <td style="text-align: right;">(4,800,000)</td> </tr> <tr> <td>Repayments of debt</td> <td style="text-align: right;">7,742,437</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. <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: right;">35,017</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;">2,588</td> </tr> <tr> <td>Increase in liability for hazardous waste-site cleanup</td> <td style="text-align: right;">(7,868,621)</td> </tr> <tr> <td>Increase in OPEB liability</td> <td style="text-align: right;">(2,445,196)</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;">(97,283)</td> </tr> </table> | | Capital outlay purchases | 5,015,237 | Depreciation | (6,238,384) | | 1,129,339 | Proceeds from debt issued | (4,800,000) | Repayments of debt | 7,742,437 | | 35,017 | Decrease in liability for compensated absences | 2,588 | Increase in liability for hazardous waste-site cleanup | (7,868,621) | Increase in OPEB liability | (2,445,196) | | (97,283) |
| Capital outlay purchases | 5,015,237 | | | | | | | | | | | | | | | | | | | | |
| Depreciation | (6,238,384) | | | | | | | | | | | | | | | | | | | | |
| | 1,129,339 | | | | | | | | | | | | | | | | | | | | |
| Proceeds from debt issued | (4,800,000) | | | | | | | | | | | | | | | | | | | | |
| Repayments of debt | 7,742,437 | | | | | | | | | | | | | | | | | | | | |
| | 35,017 | | | | | | | | | | | | | | | | | | | | |
| Decrease in liability for compensated absences | 2,588 | | | | | | | | | | | | | | | | | | | | |
| Increase in liability for hazardous waste-site cleanup | (7,868,621) | | | | | | | | | | | | | | | | | | | | |
| Increase in OPEB liability | (2,445,196) | | | | | | | | | | | | | | | | | | | | |
| | (97,283) | | | | | | | | | | | | | | | | | | | | |
| Changes in Net Assets of Governmental Activities | \$ <u>(3,357,760)</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, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| Revenues and Other Sources: | | | | |
| Taxes | \$ 63,683,847 | \$ 64,669,525 | \$ 64,888,852 | \$ 219,327 |
| Licenses and permits | 4,149,130 | 4,149,130 | 4,251,417 | 102,287 |
| Intergovernmental | 2,587,914 | 2,076,953 | 2,022,062 | (54,891) |
| Current services | 3,026,600 | 3,026,600 | 2,999,492 | (27,108) |
| Education | 12,800,610 | 12,754,376 | 12,367,437 | (386,939) |
| Miscellaneous | 502,297 | 502,317 | 286,424 | (215,893) |
| Transfers | 93,725 | 93,725 | 62,624 | (31,101) |
| Total Revenues | <u>86,844,123</u> | <u>87,272,626</u> | <u>86,878,308</u> | <u>(394,318)</u> |
| Other Sources | <u>75,000</u> | <u>75,000</u> | <u>9,318,942</u> | <u>9,243,942</u> |
| Total Revenues and Other Sources | <u>86,919,123</u> | <u>87,347,626</u> | <u>96,197,250</u> | <u>8,849,624</u> |
| Expenditures and Other Uses: | | | | |
| General Government | | | | |
| City Council | 357,044 | 363,844 | 363,770 | 74 |
| Executive | 771,813 | 765,013 | 714,244 | 50,769 |
| Finance | 1,594,571 | 1,593,371 | 1,523,765 | 69,606 |
| Planning | 451,089 | 452,289 | 452,205 | 84 |
| Miscellaneous general government | 779,563 | 883,565 | 730,264 | 153,301 |
| Total General Government | <u>3,954,080</u> | <u>4,058,082</u> | <u>3,784,248</u> | <u>273,834</u> |
| Public Safety | | | | |
| Police | 6,560,818 | 6,393,856 | 6,358,832 | 35,024 |
| Fire | 6,358,146 | 6,418,272 | 6,415,141 | 3,131 |
| Total Public Safety | <u>12,918,964</u> | <u>12,812,128</u> | <u>12,773,973</u> | <u>38,155</u> |
| Community Services - Public Works | <u>5,518,808</u> | <u>5,518,808</u> | <u>4,851,118</u> | <u>667,690</u> |
| Culture and Recreation | | | | |
| Recreation | 2,191,062 | 2,191,062 | 1,986,139 | 204,923 |
| Public Library | 1,056,980 | 1,056,980 | 981,810 | 75,170 |
| Total Culture and Recreation | <u>3,248,042</u> | <u>3,248,042</u> | <u>2,967,949</u> | <u>280,093</u> |
| Public welfare | <u>709,873</u> | <u>849,873</u> | <u>844,099</u> | <u>5,774</u> |
| Education | <u>41,638,606</u> | <u>41,677,206</u> | <u>41,362,659</u> | <u>314,547</u> |
| Debt Service | | | | |
| Principal | 6,662,120 | 6,662,120 | 6,615,141 | 46,979 |
| Interest | 3,242,057 | 3,242,057 | 3,010,759 | 231,298 |
| Total Debt Service | <u>9,904,177</u> | <u>9,904,177</u> | <u>9,625,900</u> | <u>278,277</u> |
| Intergovernmental - County tax | <u>7,051,080</u> | <u>7,303,817</u> | <u>7,303,817</u> | |
| Transfers | <u>1,975,493</u> | <u>1,975,493</u> | <u>1,884,706</u> | <u>90,787</u> |
| Total Expenditures | <u>86,919,123</u> | <u>87,347,626</u> | <u>85,398,469</u> | <u>1,949,157</u> |
| Other Uses | <u></u> | <u></u> | <u>9,192,189</u> | <u>(9,192,189)</u> |
| Total Expenditures and Other Uses | <u>86,919,123</u> | <u>87,347,626</u> | <u>94,590,658</u> | <u>(7,243,032)</u> |
| Revenues and other sources under expenditures and other uses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,606,592</u> | <u>\$ 1,606,592</u> |

Proprietary Funds**Statement of Net Assets**

June 30, 2012

| | Business-Type Activities Enterprise Funds | | | | Governmental Activities |
|--|--|----------------------|---------------------|----------------------|------------------------------|
| | Water Fund | Sewer Fund | DBIDA Fund | Total | Internal Service Funds |
| ASSETS | | | | | |
| Current: | | | | | |
| Cash and short-term investments | \$ 3,776,750 | \$ 3,591,799 | \$ - | \$ 7,368,549 | |
| User fees, net of allowance for uncollectibles | | | | | |
| Billed | 1,010,052 | 1,023,248 | | 2,033,300 | |
| Unbilled | 787,702 | 761,311 | | 1,549,013 | |
| Departmental and other receivables | | | | | \$ 53,611 |
| Intergovernmental receivables | 20,629 | 441,019 | | 461,648 | |
| Due from other funds | 595,555 | 2,738,260 | | 3,333,815 | 1,252,196 |
| Prepaid expenses | | | | | 136,342 |
| Inventory | 302,821 | 91,218 | | 394,039 | 60,848 |
| Total current assets | <u>6,493,509</u> | <u>8,646,855</u> | <u>-</u> | <u>15,140,364</u> | <u>1,502,997</u> |
| Noncurrent: | | | | | |
| Investment in land | | | 1,256,731 | 1,256,731 | |
| Intergovernmental receivable | | 154,722 | | 154,722 | |
| Capital assets: | | | | | |
| Land and construction in progress | 822,944 | 1,103,910 | 20,579 | 1,947,433 | |
| Other capital assets, net of accumulated depreciation | <u>27,431,324</u> | <u>40,547,705</u> | <u>-</u> | <u>67,979,029</u> | <u>-</u> |
| Total noncurrent assets | <u>28,254,268</u> | <u>41,806,337</u> | <u>1,277,310</u> | <u>71,337,915</u> | <u>-</u> |
| Total Assets | <u>34,747,777</u> | <u>50,453,192</u> | <u>1,277,310</u> | <u>86,478,279</u> | <u>1,502,997</u> |
| LIABILITIES | | | | | |
| Current: | | | | | |
| Accounts payable | 245,712 | 108,290 | 1,547 | 355,549 | 79,560 |
| Accrued liabilities | 120,273 | 5,267 | 7,805 | 133,345 | 10,505 |
| Retainage payable | 238,022 | 214,559 | | 452,581 | |
| Unearned revenue | 2,765,040 | 2,743,636 | | 5,508,676 | |
| Due to other funds | | | 82,648 | 82,648 | |
| Current portion of long-term liabilities: | | | | | |
| Claims liability | | | | | 421,130 |
| Bonds payable | 978,000 | 1,048,500 | | 2,026,500 | |
| Compensated absences | 5,000 | 12,000 | | 17,000 | 44,760 |
| Total current liabilities | <u>4,352,047</u> | <u>4,132,252</u> | <u>92,000</u> | <u>8,576,299</u> | <u>555,955</u> |
| Noncurrent: | | | | | |
| Claims liability, net of current portion | | | | | 44,151 |
| Bonds payable, net of current portion | 9,105,800 | 9,612,100 | | 18,717,900 | |
| Compensated absences | 60,202 | 64,594 | 7,451 | 132,247 | |
| OPEB liability | 712,555 | 542,758 | | 1,255,313 | |
| Total noncurrent liabilities | <u>9,878,557</u> | <u>10,219,452</u> | <u>7,451</u> | <u>20,105,460</u> | <u>44,151</u> |
| Total Liabilities | <u>14,230,604</u> | <u>14,351,704</u> | <u>99,451</u> | <u>28,681,759</u> | <u>600,106</u> |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 17,783,259 | 31,802,794 | 20,579 | 49,606,632 | |
| Restricted for capital outlay | | | | | 100,212 |
| Unrestricted (deficit) | <u>2,733,914</u> | <u>4,298,694</u> | <u>1,157,280</u> | <u>8,189,888</u> | <u>802,679</u> |
| Total Net Assets | <u>\$ 20,517,173</u> | <u>\$ 36,101,488</u> | <u>\$ 1,177,859</u> | <u>\$ 57,796,520</u> | <u>\$ 902,891</u> |

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

For the Year Ended June 30, 2012

| | Business-Type Activities Enterprise Funds | | | Total | Governmental |
|--|--|----------------------|---------------------|----------------------|--|
| | Water Fund | Sewer Fund | DBIDA Fund | | Activities Internal Service Funds |
| Operating Revenues: | | | | | |
| Charges for services | \$ 4,147,280 | \$ 4,428,586 | | \$ 8,575,866 | \$ 1,453,261 |
| Investment fees | 69,499 | 143,892 | | 213,391 | |
| Other revenue | 56,099 | | \$ 83,157 | 139,256 | 330,649 |
| Total Operating Revenues | <u>4,272,878</u> | <u>4,572,478</u> | <u>83,157</u> | <u>8,928,513</u> | <u>1,783,910</u> |
| Operating Expenses: | | | | | |
| Personal services | 1,279,127 | 1,380,062 | 117,505 | 2,776,694 | 2,257,695 |
| Purchased services | 307,352 | 466,751 | 21,885 | 795,988 | 741,670 |
| Supplies | 597,892 | 749,928 | 1,816 | 1,349,636 | 123,217 |
| Minor equipment | 72,860 | 63,752 | | 136,612 | 40,500 |
| Depreciation | 837,175 | 2,175,515 | | 3,012,690 | |
| Other expenses | 155,142 | 225,172 | 96 | 380,410 | 250,959 |
| Total Operating Expenses | <u>3,249,548</u> | <u>5,061,180</u> | <u>141,302</u> | <u>8,452,030</u> | <u>3,414,041</u> |
| Operating Income (Loss) | <u>1,023,330</u> | <u>(488,702)</u> | <u>(58,145)</u> | <u>476,483</u> | <u>(1,630,131)</u> |
| Nonoperating Revenues (Expenses): | | | | | |
| Investment income | 1,607 | 1,536 | 3 | 3,146 | |
| Gain (loss) on the disposal of capital assets | 171,314 | (107,268) | (25,415) | 38,631 | |
| Interest expense | (369,039) | (284,744) | (54,191) | (707,974) | |
| Total Nonoperating Revenues (Expenses), Net | <u>(196,118)</u> | <u>(390,476)</u> | <u>(79,603)</u> | <u>(666,197)</u> | <u>-</u> |
| Transfers in (out) Intergovernmental Capital Contributions | <u>(75,552)</u> | <u>(13,646)</u> | <u>130,000</u> | <u>40,802</u> | <u>1,429,449</u> <u>103,399</u> |
| Change in Net Assets | 751,660 | (864,911) | (7,748) | (120,999) | (97,283) |
| Net Assets at Beginning of Year, as Restated | <u>19,765,513</u> | <u>36,966,399</u> | <u>1,185,607</u> | <u>57,917,519</u> | <u>1,000,174</u> |
| Net Assets at End of Year | <u>\$ 20,517,173</u> | <u>\$ 36,101,488</u> | <u>\$ 1,177,859</u> | <u>\$ 57,796,520</u> | <u>\$ 902,891</u> |

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2011

| | 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 | \$ 6,156,360 | \$ 6,279,655 | | \$ 12,436,015 | \$ 1,784,368 |
| Receipts from customers and users for investment fees | 125,598 | 143,892 | \$ 67,946 | 337,436 | |
| Payments to vendors and contractors | (694,863) | (1,433,065) | (23,446) | (2,151,374) | (2,391,930) |
| Payments of employee salaries and benefits | (1,269,473) | (1,415,991) | (113,962) | (2,799,426) | (864,546) |
| Receipts for interfund service provided | 434,913 | | | 434,913 | (35,514) |
| Payments for interfund service provided | | (1,144,672) | (197,928) | (1,342,600) | (25,226) |
| Net Change in Operating Activities | 4,752,535 | 2,429,819 | (267,390) | 6,914,964 | (1,532,848) |
| Cash Flows From Noncapital Financing Activities: | | | | | |
| Transfers in | | | 130,000 | 130,000 | 1,464,794 |
| Transfers out | (75,555) | (13,646) | | (89,201) | (35,345) |
| Intergovernmental subsidy | | | | | 103,399 |
| Net Change in Noncapital Financing Activities | (75,555) | (13,646) | 130,000 | 40,799 | 1,532,848 |
| Cash Flows From Capital and Related Financing Activities: | | | | | |
| Purchases of capital assets and land for investment | (3,754,055) | (3,335,174) | | (7,089,229) | |
| Capital contributions - federal and state grants | | 27,913 | | 27,913 | |
| Principal payments on bonds and notes | (250,200) | | (1,694,773) | (1,944,973) | |
| Proceeds from bonds | | 1,703,100 | | 1,703,100 | |
| Proceeds from sale of fixed assets | | | 1,905,322 | 1,905,322 | |
| Gain (loss) on disposition of capital assets | 171,314 | (107,268) | (25,415) | 38,631 | |
| Interest expense | (369,039) | (284,744) | (54,191) | (707,974) | |
| Net Change in Capital and Related Financing Activities | (4,201,980) | (1,996,173) | 130,943 | (6,067,210) | - |
| Cash Flows From Investing Activities: | | | | | |
| Investment income | 1,607 | 1,536 | 3 | 3,146 | |
| Net Change in Investing Activities | 1,607 | 1,536 | 3 | 3,146 | - |
| Net Change in Cash and Short-Term Investments | 476,607 | 421,536 | (6,444) | 891,699 | |
| Cash and Short-Term Investments, Beginning of Year | 3,300,143 | 3,170,263 | 6,444 | 6,476,850 | |
| Cash and Short-Term Investments, End of Year | \$ 3,776,750 | \$ 3,591,799 | \$ - | \$ 7,368,549 | \$ - |
| Reconciliation of Operating Income to Net Change In Operating Activities: | | | | | |
| Operating income (loss) | \$ 1,023,330 | \$ (488,702) | \$ (58,145) | \$ 476,483 | \$ (1,630,131) |
| Adjustments to reconcile operating income (loss) to net change in operating activities: | | | | | |
| Depreciation | 837,175 | 2,175,515 | | 3,012,690 | |
| Changes in assets and liabilities: | | | | | |
| User fees | (389,824) | (271,919) | | (661,743) | |
| Inventory | 4,602 | 799 | | 5,401 | (5,210) |
| Departmental and other receivables | (20,629) | 438,199 | | 417,570 | 458 |
| Interfund receivables and payables | 434,913 | (1,144,672) | (197,928) | (907,687) | (60,739) |
| Other assets | | | | | 1,910 |
| Accounts payable | 131,700 | (112,067) | 351 | 19,984 | 50,361 |
| Accrued liabilities | 1,181 | (17,821) | 1,302 | (15,338) | 109,268 |
| Unearned revenue | 2,419,533 | 1,684,789 | (15,211) | 4,089,111 | |
| Retainage payable | 214,360 | 63,262 | | 277,622 | |
| Compensated absences | 8,473 | (18,108) | 2,241 | (7,394) | 1,235 |
| OPEB liability | 87,721 | 120,544 | | 208,265 | |
| Net Change in Operating Activities | \$ 4,752,535 | \$ 2,429,819 | \$ (267,390) | \$ 6,914,964 | \$ (1,532,848) |

Fiduciary Funds

Statement of Fiduciary Net Assets

June 30, 2012

| | Agency Funds | Private Purpose Trust Funds |
|-----------------------------------|------------------|--------------------------------------|
| ASSETS | | |
| Cash and short term investments | \$ 296,883 | |
| Due from other funds | 961,734 | \$ 781,020 |
| Total Assets | <u>1,258,617</u> | <u>781,020</u> |
| LIABILITIES AND NET ASSETS | | |
| Other liabilities | <u>1,258,617</u> | |
| Total Liabilities | <u>1,258,617</u> | <u>-</u> |
| NET ASSETS | | |
| Total Net Assets Held in Trust | <u>\$ -</u> | <u>\$ 781,020</u> |

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2012

| | Private Purpose Trust Funds |
|------------------------|-----------------------------------|
| Additions: | |
| Investment earnings | \$ 58,298 |
| Total | <u>58,298</u> |
| Deductions: | |
| Disbursements by agent | <u>18,461</u> |
| Total deductions | <u>18,461</u> |
| Net increase | 39,837 |
| Net Assets: | |
| Beginning of year | <u>741,183</u> |
| End of year | <u>\$ 781,020</u> |

Notes to Financial Statements

June 30, 2012

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. As required by generally accepted accounting principles, these financial statements present the government and any applicable component units for which the government is considered to be financially accountable. In fiscal year 2012, it was determined that no entities met the required Governmental Accounting Standards Board (GASB) No. 39 criteria of component units.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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.

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.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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, 2012

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, 2012

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, 2012

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 2012.

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, 2012 was \$277,363. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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 assets.

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. The City Council has by resolution authorized the City's department heads to assign fund balance or authorized by provisions in the City Charter. |
| 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.

The City has no formal revenue spending policy for programs with multiple revenue sources. The Finance Officer uses resources in the following hierarchy unless otherwise directed by Statute or Council: bond proceeds, federal funds and State funds, local non-city funds, city funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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 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 new statement is effective for financial statement periods beginning after June 15, 2012. The City is currently assessing the impact of this statement on its financial statements.

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 new statement is effective for periods beginning after December 15, 2011. The City is currently assessing the impact of this statement on its 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 new statement is effective for periods beginning after December 15, 2012. The City is currently assessing the impact of this statement on its 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 report 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.

Notes to Financial Statements

June 30, 2012

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

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.

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) | \$87,355,831 | \$82,557,341 | \$ 4,798,490 |
| Other financing sources/uses (GAAP basis) | 9,381,566 | 12,257,041 | (2,875,475) |
| | <u>96,737,397</u> | <u>94,814,382</u> | <u>1,923,015</u> |
| Reverse beginning of year appropriation carryforwards from expenditures | | (876,748) | 876,748 |
| Reverse on-behalf payments | (539,864) | (539,864) | |
| Add end of year appropriation carryforwards to expenditures | | 1,823,019 | (1,823,019) |
| Less expenditures from reserves and carryovers | | (621,335) | 621,335 |
| Other adjustments | <u>(283)</u> | <u>(8,796)</u> | <u>8,513</u> |
| Budgetary Basis | <u>\$96,197,250</u> | <u>\$ 94,590,658</u> | <u>\$ 1,606,592</u> |

Notes to Financial Statements

June 30, 2012

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

| | |
|-------------------------|-------------|
| Internal Services Funds | |
| Fleet maintenance | \$ (16,026) |
| Workers Compensation | (380,739) |

Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2012:

| | | |
|------------------------------|--------------|-----|
| Nonmajor Governmental funds | | |
| Special Revenue Funds: | | |
| Community Development | \$ (260,957) | (A) |
| DOE Energy Efficiency | (130,466) | (A) |
| Police DHA Fund | (2,276) | (A) |
| Police DOT Fund | (12,863) | (A) |
| Homeland Security Fund | (92,846) | (A) |
| DHHS Assistance Programs | (52,563) | (A) |
| EPA Fund | (94,762) | (A) |
| Dover Main Street Fund | (3,203) | (A) |
| Police and Fire Detail | (18,606) | (A) |
| Tuition Programs | (6,228) | (A) |
| McConnell Center | (497,700) | (B) |
| Capital Project Funds: | | |
| CIP FY07 | (786,763) | (B) |
| CIP FY06 | (1,374) | (B) |
| CIP FY05 | (420,870) | (B) |
| CIP FY04 | (109,011) | (B) |
| CIP FY03, FY02, FY01 | (90,481) | (B) |
| Tolend Road Landfill Closure | (259,859) | (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, 2012

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, 2012, the City's bank balance of \$38,379,026 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.

Notes to Financial Statements

June 30, 2012

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Trust Funds - Continued

- 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.

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 2012 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, 2012 consisted of:

| | Fair Value | Investment Maturities (in Years) | | | |
|----------------------------------|--------------------|----------------------------------|------------------|--------------|--------------------|
| | | 1 - 5 | 6 - 10 | More than 10 | No Maturity |
| Corporate Bonds | \$ 453,539 | \$283,377 | \$170,162 | | |
| Bond Funds | 837,488 | | | | \$ 837,488 |
| Common Stock and Mutual Funds | 1,453,518 | | | | 1,453,518 |
| Money Market, less than one year | 239,859 | 239,859 | | | |
| Total Investments | \$2,984,404 | \$523,236 | \$170,162 | \$ - | \$2,291,006 |

Notes to Financial Statements

June 30, 2012

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 \$220,295—Aaa; Fixed income corporate bonds \$233,245—Aa thru A3; Bond funds \$14,667—Aaa and \$50,718 below Aaa, with 25% of these funds (33% of the non-Aaa portion) rated A1 or better.

As of June 30, 2012, 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, 2012

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Capital Reserve Funds - continued

In fiscal year 2012 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.

Notes to Financial Statements

June 30, 2012

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.

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, 2012 are comprised of (in thousands):

| | |
|---------------------------|-----------------|
| Unredeemed taxes: | |
| Levy of fiscal year 2012 | \$ 3,040 |
| Levy of fiscal year 2011 | 854 |
| Levy of fiscal year 2010 | 427 |
| Levy of fiscal year 2009 | 134 |
| Levy of fiscal year 2008 | 44 |
| Levy of fiscal year 2007 | 17 |
| Levy of fiscal year 2006 | 11 |
| Allowance for abatements | <u>(176)</u> |
| | 4,351 |
| Other taxes: | |
| Other miscellaneous taxes | <u>42</u> |
| | <u>\$ 4,393</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 | \$ 1,186,534 | \$ 89,075 | \$ 59,125 | \$ 926,739 | \$ 2,261,473 |
| Less allowance for doubtful accounts | <u>(700,505)</u> | | | - | <u>(700,505)</u> |
| | <u>\$ 486,029</u> | <u>\$ 89,075</u> | <u>\$ 59,125</u> | <u>\$ 926,739</u> | <u>\$ 1,560,968</u> |

Notes to Financial Statements

June 30, 2012

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$127,506 reported in the general fund represents tuition revenue received from area school districts in July and August. The balance of \$826,373 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

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 |
| 2013 | \$ 434,179 | \$ 6,840 | \$ 441,019 |
| 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 |
| Thereafter | 94,810 | 18,809 | 113,619 |
| | <u>\$ 588,901</u> | <u>\$ 47,113</u> | <u>\$ 636,014</u> |

In the Sewer Enterprise fund, the City has accrued \$6,840 of interest due in fiscal year 2012, along with all principal as Intergovernmental Receivables at June 30, 2012.

NOTE 7 – LOANS RECEIVABLE

Loans receivable of \$652,678 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, 2012 balances in interfund receivable and payable accounts:

Notes to Financial Statements

June 30, 2012

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

| Fund | Due From Other Funds | Due to Other Funds | Advance to Other Funds | Advance From Other Funds |
|-----------------------------|----------------------------|--------------------------|------------------------------|--------------------------------|
| General Fund | | \$ 12,838,739 | \$ 546,484 | |
| Nonmajor Governmental Funds | \$ 11,276,802 | 4,684,180 | | \$ 546,484 |
| Major Proprietary Funds: | | | | |
| Enterprise Funds: | | | | |
| Water | 595,555 | | | |
| Sewer | 2,738,260 | | | |
| DBIDA | | 82,648 | | |
| Nonmajor Proprietary Funds: | | | | |
| Internal Service Funds | 1,252,196 | | | |
| Fidiciary Funds: | | | | |
| Agency Funds | 961,734 | | | |
| Private Purpose Funds | 781,020 | | | |
| | <u>\$ 17,605,567</u> | <u>\$ 17,605,567</u> | <u>\$ 546,484</u> | <u>\$ 546,484</u> |

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, 2012 interfund transfers:

| Fund | Transfers In | Transfers Out |
|----------------------------------|---------------------|-----------------------|
| General Fund | \$ 137,624 | \$ (3,064,852) |
| Nonmajor Governmental Funds | 1,456,977 | |
| Major Proprietary Funds: | | |
| Enterprise Funds | | |
| Water | | (75,552) |
| Sewer | | (13,646) |
| DBIDA | 130,000 | |
| Nonmajor Proprietary Funds | | |
| Internal Service Funds | 1,429,449 | |
| Total Interfund Transfers | <u>\$ 3,154,050</u> | <u>\$ (3,154,050)</u> |

Notes to Financial Statements

June 30, 2012

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows (reported in thousands):

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|------------------------------|-------------------------|---------------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 103,298 | \$ 7,261 | | \$ 110,559 |
| Machinery, equipment and furnishings | 28,254 | 870 | \$ (367) | 28,757 |
| Infrastructure | 71,774 | 7,700 | | 79,474 |
| Total capital assets, being depreciated | <u>203,326</u> | <u>15,831</u> | <u>(367)</u> | <u>218,790</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | (32,841) | (2,233) | | (35,074) |
| Machinery, equipment and furnishings | (18,186) | (1,775) | 326 | (19,635) |
| Infrastructure | (44,542) | (2,231) | | (46,773) |
| Total accumulated depreciation | <u>(95,569)</u> | <u>(6,239)</u> | <u>326</u> | <u>(101,482)</u> |
| Total capital assets, being depreciated, net | <u>107,757</u> | <u>9,592</u> | <u>(41)</u> | <u>117,308</u> |
| Capital assets, not being depreciated: | | | | |
| Land | 14,169 | 275 | | 14,444 |
| Construction in progress | 30,101 | 3,270 | (14,319) | 19,052 |
| Total capital assets, not being depreciated | <u>44,270</u> | <u>3,545</u> | <u>(14,319)</u> | <u>33,496</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 152,028</u> | <u>\$ 13,137</u> | <u>\$ (14,360)</u> | <u>\$ 150,805</u> |
| | Beginning Balance | Increases | Decreases | Ending Balance |
| Business-Type Activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | \$ 41,701 | \$ 11 | \$ (2,397) | \$ 39,315 |
| Machinery, equipment and furnishings | 10,274 | 5,131 | (32) | 15,373 |
| Infrastructure | 60,408 | 5,502 | | 65,910 |
| Total capital assets, being depreciated | <u>112,383</u> | <u>10,662</u> | <u>(2,429)</u> | <u>120,598</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | (20,973) | (1,013) | 650 | (21,336) |
| Machinery, equipment and furnishings | (6,751) | (744) | 32 | (7,462) |
| Infrastructure | (22,546) | (1,274) | | (23,820) |
| Total accumulated depreciation | <u>(50,269)</u> | <u>(3,032)</u> | <u>682</u> | <u>(52,619)</u> |
| Total capital assets, being depreciated, net | <u>62,114</u> | <u>7,630</u> | <u>(1,747)</u> | <u>67,979</u> |
| Capital assets, not being depreciated: | | | | |
| Land | 1,990 | | (205) | 1,785 |
| Construction in progress | 3,636 | 7,175 | (10,649) | 162 |
| Total capital assets, not being depreciated | <u>5,626</u> | <u>7,175</u> | <u>(10,854)</u> | <u>1,947</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 67,740</u> | <u>\$ 14,805</u> | <u>\$ (12,601)</u> | <u>\$ 69,926</u> |

Notes to Financial Statements

June 30, 2012

NOTE 9 – CAPITAL ASSETS – CONTINUED

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

| | |
|--|------------------------|
| Governmental Activities: | |
| General government | \$ 229 |
| Public safety | 564 |
| Public works | 3,127 |
| Education | 1,798 |
| Culture and recreation | 519 |
| Public welfare | 2 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 6,239</u> |
| Business-Type Activities: | |
| Water | \$ 837 |
| Sewer | 2,176 |
| DBIDA | 19 |
| Total Depreciation Expense – Business-Type Activities | <u>\$ 3,032</u> |

Construction Commitments:

Active construction in progress at June 30, 2012 and commitments outstanding consist of the following:

| | Construction in Progress | Remaining Commitments |
|---|-----------------------------|----------------------------|
| Government Activities: | | |
| Tolend Road Landfill | \$ 11,179,593 | \$ 266,750 |
| Cocheco Dredge Cell | 3,590,591 | |
| Street Reconstruction – Applevale Area | | 1,922,851 |
| Tolend Road – Landfill Closure | 1,819,794 | |
| Tolend Road – Bellamy Plume Trust | 977,943 | |
| Tolend Road – BioRemediation | 711,288 | |
| TIP – Cocheco River Bridge | 696,568 | |
| Horne Street School Improvements | 56,717 | 215,862 |
| Street Improvements | | 292,624 |
| Silver Street Reconstruction | 2,700 | 202,300 |
| Various other construction projects | 17,329 | 520,787 |
| Total Governmental Activities | <u>\$ 19,052,522</u> | <u>\$ 3,421,174</u> |
| Business-Type Activities: | | |
| Water Main - North End Water Pressure | | \$ 1,268,962 |
| Sewer – WWTP Sludge Dewatering Equipment | | 996,105 |
| Water – Wellhead Protection | | 308,804 |
| Sewer – WWTP Outfall Improvements | \$ 162,597 | 14,000 |
| Sewer – Inflow and Infiltration Study | | 210,460 |
| WWTP – River Street Pump Upgrade - ARRA | | 202,904 |
| Water Main – Sixth Street | | 160,273 |
| Various other sewer construction projects | | 299,734 |
| Total Business-Type Activities | <u>\$ 162,597</u> | <u>\$ 3,461,242</u> |

Notes to Financial Statements

June 30, 2012

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable represents fiscal year 2012 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.

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, 2012 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.

New Bond Issued and Debt Refunding

During fiscal year 2012, the City issued \$9,000,000 in general obligation bonds; \$4,800,000 related to governmental activities and \$4,200,000 related to business-type activities. The City bonds were rated Aa3 by Moody's Investors Service and AA by Standard and Poor's Rating Group. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. Competitive bids were solicited and the City received 4 bids on May 16, 2012. Robert W. Baird & Co., Inc. was awarded the bid at a true interest cost of 2.345 percent. The bonds were dated May 24, 2012 and mature June 15, 2032. Bonds maturing on or prior to June 15, 2022 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2023 shall be subject to redemption prior to maturity at the option of the City.

On May 24, 2012 the City issued \$8,530,000 in general obligation bonds to advance refund a portion of the City's \$14,280,000 capital improvement general obligation bonds issued June 15, 2003 and a portion of the City's \$9,832,000 capital improvement general obligation bonds issued June 15, 2004. The 2003 bonds were to mature June 15, 2024, with a true interest cost of 3.167 percent, in the aggregate principal amount of \$5,205,000 maturing in the years 2014 through 2024. The 2004 bonds were to mature June 15, 2025, with a true interest cost of 4.154 percent, in the aggregate principal amount of \$4,270,000 maturing in the years 2015 through 2025. The June 15, 2003 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2013 through June 15, 2024. The June 15, 2004 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2014 through June 15, 2025. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. The bonds were rated Aa3 by Moody's Investors Service and AA by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 4 bids on May 16, 2012. Robert W. Baird & Co., Inc was awarded the bid at a true interest cost of 2.345 percent. The refunding bonds were dated May 24, 2012 and mature June 15, 2024 and June 15, 2025 respectively. The refunding bonds are not subject to redemption prior to their stated maturity dates.

Notes to Financial Statements

June 30, 2012

NOTE 13 – LONG-TERM DEBT – CONTINUED

New Bond Issued and Debt Refunding – Continued

The proceeds of \$8,530,000, plus a \$79,221.30 cash contribution made by the City, \$898,000 in unspent bond proceeds from the June 15, 2003 general obligation bonds, and \$662,189 of reoffering premium after payment of \$181,643 in underwriting fees and other issuance costs, were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the June 15, 2003 general obligation bonds in the aggregate principal amount of \$5,205,000 and on the June 15, 2004 general obligation bonds in the aggregate principal amount of \$4,270,000. As a result, the June 15, 2003 general obligation bonds maturing on or after June 15, 2014 are considered to be defeased and the \$3,526,000 liability for those bonds has been removed from the general long-term debt account and the \$1,679,000 liability for those bonds has been removed from the business-type activity funds. Additional as a result, the June 15, 2004 general obligation bonds maturing on or after June 15, 2015 are considered to be defeased and the \$2,747,000 liability for those bonds has been removed from the general long-term debt account and the \$1,523,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the June 15, 2003 and June 15, 2004 general obligation bonds to reduce its total debt service payments over the next 14 years by almost \$608,339 and to obtain an economic gain of \$512,855 representing the difference between the present values of the debt service payments on the old and new debt.

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 assets 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 1997 | \$ 1,002,327 | 4.8400% | 8/15/12 | \$ 40,000 |
| Public improvements 1999 | 4,137,500 | 4.1900% | 1/15/13 | 440,000 |
| Public improvements 1999 | 2,179,901 | 5.5100% | 1/15/15 | 420,000 |
| New Middle School 1999 | 15,741,027 | 5.5800% | 1/15/20 | 4,267,119 |
| Public improvements 2002 | 2,240,600 | 4.2300% | 6/15/22 | 815,000 |
| Public improvements 2003 | 14,280,000 | 3.1688% | 6/15/24 | 915,000 |
| Public improvements 2004 | 9,816,000 | 4.1148% | 6/15/25 | 1,150,000 |
| Public improvements 2005 | 10,740,000 | 3.8405% | 6/15/26 | 6,680,000 |
| Public improvements 2006 | 22,348,000 | 4.2313% | 6/15/27 | 16,070,000 |
| Public improvements 2007 | 20,646,000 | 4.5000% | 6/15/27 | 14,965,000 |
| Public improvements 2008 | 9,970,000 | 4.0935% | 12/15/28 | 8,195,000 |
| Public improvements 2009 | 12,799,000 | 3.4417% | 4/1/30 | 11,225,000 |
| Public improvements refunding 2009 | 8,790,000 | 2.1535% | 6/30/21 | 7,435,000 |
| Public improvements refunding 2012 | 17,530,000 | 2.3433% | 6/15/32 | 17,530,000 |
| Total Bonds Payable | | | | 90,147,119 |
| Other Long-Term Debt: | | | | |
| State revolving loan – Tolend landfill | 1,271,357 | 3.5625% | 6/1/13 | 169,514 |
| CDFA Energy Improvement | 250,000 | 2.4700% | 12/31/20 | 227,655 |
| Total Other Debt Outstanding | | | | 397,169 |
| Total Long-Term Debt | | | | \$ 90,544,288 |

Notes to Financial Statements

June 30, 2012

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, 2012 are as follows:

| Governmental | Principal | Interest | Total |
|----------------------------------|----------------------|----------------------|-----------------------|
| 2013 | \$ 6,871,400 | \$ 3,239,002 | \$ 10,110,402 |
| 2014 | 6,682,110 | 3,032,426 | 9,714,536 |
| 2015 | 6,367,693 | 2,845,071 | 9,212,764 |
| 2016 | 6,144,418 | 2,653,558 | 8,797,976 |
| 2017 | 5,378,612 | 2,483,746 | 7,862,358 |
| 2018 - 2022 | 22,509,655 | 8,382,022 | 30,891,677 |
| 2023 - 2027 | 13,113,500 | 2,122,696 | 15,236,196 |
| 2028 - 2032 | 2,732,500 | 210,734 | 2,943,234 |
| | <u>69,799,888</u> | <u>24,969,255</u> | <u>94,769,143</u> |
| Business-Type | | | |
| 2013 | 2,026,500 | 774,067 | 2,800,567 |
| 2014 | 2,022,350 | 689,184 | 2,711,534 |
| 2015 | 1,974,150 | 619,265 | 2,593,415 |
| 2016 | 1,929,850 | 548,783 | 2,478,633 |
| 2017 | 1,729,950 | 480,906 | 2,210,856 |
| 2018 - 2022 | 6,602,600 | 1,594,682 | 8,197,282 |
| 2023 - 2027 | 3,486,500 | 570,776 | 4,057,276 |
| 2028 - 2032 | 972,500 | 92,543 | 1,065,043 |
| | <u>20,744,400</u> | <u>5,370,206</u> | <u>26,114,606</u> |
| Total Future Debt Service | <u>\$ 90,544,288</u> | <u>\$ 30,339,461</u> | <u>\$ 120,883,750</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, 2012 are as follows:

| Purpose | Amount |
|-------------------------------------|----------------------|
| Tolend Road Landfill Remediation | \$ 1,100,000 |
| Public Improvements - FY10 | 200,000 |
| Public Improvements - FY11 | 2,266,821 |
| Public Improvements - FY12 | 5,800,000 |
| Public Improvements - FY13 | 7,300,000 |
| Public Improvements - FY10 Broadway | 2,000,000 |
| Public Improvements - FY10 Sewer | 1,200,000 |
| Public Improvements - FY10 - Sewer | 279,157 |
| | <u>\$ 20,145,978</u> |

Notes to Financial Statements

June 30, 2012

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, 2012 and related limitations. These limits are based on the tax year 2011 base valuations for debt limits of \$2,714,253,993 provided by the State Department of Revenue Administration.

| Purpose | Percent of State Assessed Value | Maximum Debt Limit | Applicable Bonds Outstanding at June 30, 2012 |
|---------------------------|---------------------------------|--------------------|---|
| Municipal | 3% | \$ 81,427,620 | \$ 37,226,320 |
| School | 7% | 189,997,780 | 26,097,769 |
| Water | 10% | 271,425,399 | 10,083,800 |
| DBIDA - IP | 0% | 4,000,000 * | |
| DBIDA - IB | 0% | 1,000,000 | |
| DBIDA - Projects | 8% | 211,372,080 | |
| Not subject to limitation | 0% | | 17,136,399 |
| | | | <u>\$ 90,544,288</u> |

*Debt limit is set by special legislation.

Changes in General Long-Term Liabilities

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

| Governmental Activities | Total Balance 7/1/11 | Additions | Reductions | Total Balance 6/30/12 | Less Current Portion | Long-Term Portion 6/30/12 |
|--|----------------------|------------------|--------------------|-----------------------|----------------------|---------------------------|
| Claims liability | \$ 358 | \$ 744 | \$ (637) | \$ 465 | \$ (421) | \$ 44 |
| Bonds and loans payable | 72,742 | 13,330 | (15,272) | 69,800 | (6,871) | 62,929 |
| Other: | | | | | | |
| Compensated absences | 3,010 | 1,133 | (962) | 3,181 | (112) | 3,069 |
| OPEB liability | 14,652 | 3,663 | (1,217) | 17,098 | | 17,098 |
| Liability for hazardous waste-site cleanup | 2,559 | 9,389 | (1,521) | 10,427 | | 10,427 |
| | <u>\$ 93,321</u> | <u>\$ 28,259</u> | <u>\$ (20,609)</u> | <u>\$ 100,971</u> | <u>\$ (7,404)</u> | <u>\$ 93,567</u> |

| Business-Type Activities | Total Balance 7/1/11 | Additions | Reductions | Total Balance 6/30/12 | Less Current Portion | Long-Term Portion 6/30/12 |
|--------------------------|----------------------|-----------------|-------------------|-----------------------|----------------------|---------------------------|
| Bonds and loans payable | \$ 20,986 | \$ 7,390 | \$ (7,632) | \$ 20,744 | \$ (2,026) | \$ 17,718 |
| Other: | | | | | | |
| Compensated absences | 157 | 104 | (111) | 149 | (17) | 132 |
| OPEB liability | 1,047 | 281 | (74) | 1,255 | | 1,255 |
| | <u>\$ 22,190</u> | <u>\$ 7,775</u> | <u>\$ (7,817)</u> | <u>\$ 22,148</u> | <u>\$ (2,043)</u> | <u>\$ 20,105</u> |

Notes to Financial Statements

June 30, 2012

NOTE 13 – LONG-TERM DEBT – CONTINUED

Contingent Debt Obligation

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

The City received funding for 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 reimbursement until the loan agreements are finalized. As of June 30, 2012 the City has received \$2,409,421 of reimbursements related to these projects.

The City received funding for Water capital projects from the State of New Hampshire through a revolving renovation loan fund. The City will be obligated to repay the amount drawn over a period of 20 years plus interest at 3.27%. The reimbursements received by the City, upon project completion, will be converted to a loan payable obligation. As of June 30, 2012 the City has received \$2,696,458 of reimbursements related to these projects.

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, 2012, there are no outstanding defeased debt obligations.

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.

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.

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.

Notes to Financial Statements

June 30, 2012

NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS – CONTINUED

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.

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 ASSETS

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

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.

County Assessment

City's property tax assessment is 27% of Strafford County's total assessment. Strafford County had a \$533,432 unassigned General Fund Balance surplus on December 31, 2011, the most recent financial statements available.

Notes to Financial Statements

June 30, 2012

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 assets 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 Assets 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, 2012, the actuarial valuation date, approximately 221 retirees and 94 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, 2012

NOTE 17 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

Funding Policy and On-Behalf Payments – 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 |
|-------------|---------------|
| 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 |
| 2003 | 108,733 |

For the fiscal year ended June 30, 2012, \$539,864 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 2012 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, 2012, 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 required contribution (ARC) | \$ 4,223,243 |
| Interest on net OPEB obligation | 627,982 |
| Adjustment to ARC | (907,908) |
| Annual OPEB cost | 3,943,317 |
| Contributions made | (1,289,855) |
| Increase in net OPEB obligation | 2,653,462 |
| Net OPEB obligation - beginning of year | 15,699,567 |
| Net OPEB obligation - end of year | <u>\$ 18,353,029</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 |
|-------------------|--------------|------------------|---------------|
| 2012 | \$ 3,943,317 | 33% | \$ 18,353,029 |
| 2011 | 3,765,850 | 36% | 15,699,567 |
| 2010 | 3,765,850 | 28% | 13,298,066 |

Notes to Financial Statements

June 30, 2012

NOTE 17 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

The City's net OPEB obligation as of June 30, 2012 is recorded as a liability on the Statement of Net Assets.

Funded Status and Funding Progress

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

| | |
|---|----------------------|
| Actuarial accrued liability (AAL) | \$ 51,092,223 |
| Actuarial value of plan assets | |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 51,092,223</u> |
| Funded ratio (actuarial value of plan assets (AAL)) | <u>0%</u> |
| Covered payroll (active plan members) | <u>\$ 28,116,441</u> |
| UAAL as a percentage of covered payroll | <u>182%</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, 2012

NOTE 18 – SELF-INSURANCE – CONTINUED

Claims Liability

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

| | Year Ended June 30, 2012 | Year Ended June 30, 2011 |
|---|-----------------------------|-----------------------------|
| Unpaid claims, beginning of fiscal year | \$ 358,004 | \$ 326,324 |
| Claims incurred (including IBNRs) | 744,256 | 228,149 |
| Claims paid | <u>(636,979)</u> | <u>(196,469)</u> |
| Unpaid claims, end of fiscal year | <u>\$ 465,281</u> | <u>\$ 358,004</u> |

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$465,281 claims liability as of June 30, 2012, \$421,130 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-A:16 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.

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 2012 for the members, the City and the State.

Notes to Financial Statements

June 30, 2012

NOTE 20 – PENSION PLAN – CONTINUED

Funding Policy and On-Behalf Payments – Continued

| 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 |
|------------|--------------|--------------|--------------|
| 2012 | \$ 4,531,590 | \$ 2,686,809 | \$ 7,218,399 |
| 2011 | 3,892,913 | 2,064,465 | 5,623,359 |
| 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 |
| 2003 | 1,133,880 | 1,786,910 | 2,920,790 |

For the fiscal year ended June 30, 2012, 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, 2012 was \$8,085,810, accumulated depreciation was \$870,338 and the net book value was \$7,215,472. 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, 2012 is as follows:

| Year Ending | Amount |
|--------------|---------------------|
| 2013 | \$ 224,798 |
| 2014 | 172,158 |
| 2015 | 168,653 |
| 2016 | 158,409 |
| 2017 | 149,899 |
| Thereafter | 988,554 |
| Total | \$ 1,862,471 |

Notes to Financial Statements

June 30, 2012

NOTE 22 – FUND BALANCE

The following is a schedule of fund balance classifications for the governmental funds as of June 30, 2012:

| | General Fund | Nonmajor Governmental Funds |
|------------------------------------|---------------------|-----------------------------------|
| Nonspendable | | |
| Permanent funds | | \$ 1,848,043 |
| Inventory | \$ 3,144 | 66,315 |
| | <u>3,144</u> | <u>1,914,358</u> |
| Restricted | | |
| Permanent funds income | | 239,814 |
| Emergency management fund | | 399,302 |
| Conservation fund | | 365,916 |
| Capital projects funds | | 6,844,332 |
| Other grants and donations | | 978,698 |
| | | <u>8,828,062</u> |
| Committed | | |
| City benefit capital service | 217,360 | |
| School benefit capital reserve | 60,003 | |
| McConnell Center long-term advance | 546,484 | |
| Recreation programs funds | | 337,748 |
| Other special revenue funds | | 2,383,756 |
| Recreation field construction | | 746,616 |
| Capital purchases fund | | 693,907 |
| Other purposes | | 625,825 |
| | <u>823,847</u> | <u>4,787,852</u> |
| Assigned | | |
| Encumbrances – city | 942,861 | |
| Encumbrances – school | 891,961 | |
| Carryover appropriations | 386,287 | |
| | <u>2,221,109</u> | |
| Unassigned | 7,285,806 | (2,840,828) |
| Total Fund Balances | <u>\$10,333,906</u> | <u>\$ 12,689,444</u> |

NOTE 23 – NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets 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 assets 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 assets invested in capital assets, net of related debt was calculated as follows at June 30, 2012:

Notes to Financial Statements

June 30, 2012

NOTE 23 – NET ASSETS

| (In thousands) | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| Capital assets | \$ 252,287 | \$ 122,544 |
| Accumulated depreciation | (101,481) | (52,618) |
| Bonds payable, total | (69,800) | (20,744) |
| Unspent bond proceeds | 6,616 | 5,866 |
| Deferred revenue* | | (5,441) |
| Total invested in capital assets, net of related debt | <u>\$ 87,622</u> | <u>\$ 49,607</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.

NOTE 24 – PRIOR PERIOD ADJUSTMENT

A restatement was made to beginning net assets, as a result of the identification of revenue that should have been recorded as deferred revenue. The following schedules show the effect of the restatement on the net assets of Business-Type Activities and on the net assets of the Water Fund:

| (In thousands) | Business-Type Activities |
|--|-----------------------------|
| Beginning net assets, as previously stated | \$ 58,253 |
| Less: Deferred revenue adjustment | (335) |
| Beginning net assets, as restated | <u>\$ 57,918</u> |

| | Water Fund |
|--|------------------|
| Beginning net assets, as previously stated | \$ 20,101 |
| Less: Deferred revenue | (335) |
| Beginning net assets, as restated | <u>\$ 19,766</u> |

Schedule of Funding Progress Required Supplementary Information

June 30, 2012

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] |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 7/1/2012 | - | \$ 51,092,223 | \$ 51,092,223 | 0.0% | \$ 28,116,441 | 181.7% |
| 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 |
| 7/1/2006 | - | 31,256,403 | 31,256,403 | 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 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 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, 2012

Special Revenue Funds

| | Community Development Fund | CDBG Recovery Fund | 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 | | | \$ 236,205 | \$ 416,473 | |
| Due from other funds | | \$ 117,194 | 76,116 | 25,723 | |
| Inventory | | | | | |
| Total Assets | \$ - | \$ 117,194 | \$ 312,321 | \$ 442,196 | \$ - |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 16,442 | | \$ 85 | \$ 154 | |
| Accrued liabilities | 6,417 | | | | |
| Retainage payable | 2,404 | \$ 7,447 | | | \$ 41,838 |
| Deferred revenue | | | 236,411 | 415,711 | |
| Due to other funds | 235,694 | | | | 88,628 |
| Advance from other fund | | | | | |
| Compensated absences | | | | | |
| Total Liabilities | 260,957 | 7,447 | 236,496 | 415,865 | 130,466 |
| Fund Balances: | | | | | |
| Nonspendable | | | | | |
| Restricted | | 109,747 | 75,825 | 26,331 | |
| Committed | | | | | |
| Assigned | | | | | |
| Unassigned | (260,957) | | | | (130,466) |
| Total Fund Balances (Deficit) | (260,957) | 109,747 | 75,825 | 26,331 | (130,466) |
| Total Liabilities and Fund Balances | \$ - | \$ 117,194 | \$ 312,321 | \$ 442,196 | \$ - |

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 |
|-----------------------|------------------------------|-----------------------|-----------------------|--------------------------------|---------------------------|---------------------------------|------------------------------------|
| \$ 1,297 | | | | | | \$ 24,882 | |
| 76,344 | | | | | \$ 7,102 | 374,420 | \$ 36,879 |
| <u>\$ 77,641</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,102</u> | <u>\$ 399,302</u> | <u>\$ 36,879</u> |
| | | | | | | | |
| \$ 870 | | \$ 2,152 | | \$ 3,285 | \$ 315 | | |
| | \$ 92,846 | 124 | \$ 12,863 | 49,278 | | | |
| <u>870</u> | <u>92,846</u> | <u>2,276</u> | <u>12,863</u> | <u>52,563</u> | <u>315</u> | | <u>-</u> |
| | | | | | | | |
| 76,771 | | | | | 6,787 | 399,302 | \$ 36,879 |
| <u>76,771</u> | <u>(92,846)</u> | <u>(2,276)</u> | <u>(12,863)</u> | <u>(52,563)</u> | <u>6,787</u> | <u>399,302</u> | <u>36,879</u> |
| | | | | | | | |
| <u>\$ 77,641</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,102</u> | <u>\$ 399,302</u> | <u>\$ 36,879</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 | | | | | |
| Investments | | | | | |
| Departmental receivable | | | | | |
| Intergovernmental receivables | | | \$ 293,528 | \$ 437,276 | \$ 69,390 |
| Loans receivable | | | | | |
| Due from other funds | \$ 8,526 | | | | |
| Inventory | | | <u>34,084</u> | | |
| Total Assets | <u>\$ 8,526</u> | <u>\$ -</u> | <u>\$ 327,612</u> | <u>\$ 437,276</u> | <u>\$ 69,390</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | | | \$ 152 | | |
| Accrued liabilities | | | | \$ 149,945 | \$ 59,261 |
| Retainage payable | | | | | |
| Deferred revenue | | | | | 3,832 |
| Due to other funds | | \$ 94,762 | 29,592 | 284,141 | 1,936 |
| Advance from other fund | | | | | |
| Compensated absences | | | | | |
| Total Liabilities | <u>-</u> | <u>94,762</u> | <u>29,744</u> | <u>434,086</u> | <u>65,029</u> |
| Fund Balances: | | | | | |
| Nonspendable | | | 34,084 | | |
| Restricted | \$ 8,526 | | 263,784 | 3,190 | 4,361 |
| Committed | | | | | |
| Assigned | | | | | |
| Unassigned | | (94,762) | | | |
| Total Fund Balances (Deficit) | <u>8,526</u> | <u>(94,762)</u> | <u>297,868</u> | <u>3,190</u> | <u>4,361</u> |
| Total Liabilities and Fund Balances | <u>\$ 8,526</u> | <u>\$ -</u> | <u>\$ 327,612</u> | <u>\$ 437,276</u> | <u>\$ 69,390</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 |
|------------------------------|----------------------------------|------------------------------|-----------------------------|---------------------------|------------------|----------------------|---------------------------------------|
| | | | \$ 138,800 | | | | |
| \$ 3,743 | \$ 18,286 | \$ 57,730 | 8,961 | | | \$ 89,075 | \$ 59,125 |
| | 206,850 | | | \$ 47,303 | \$ 72,645 | 365,916 | 755,132 |
| | | | | | | | 32,231 |
| <u>\$ 3,743</u> | <u>\$ 225,136</u> | <u>\$ 57,730</u> | <u>\$ 147,761</u> | <u>\$ 47,303</u> | <u>\$ 72,645</u> | <u>\$ 454,991</u> | <u>\$ 846,488</u> |
| | \$ 3,799 | | \$ 962 | | | | \$ 73,672 |
| | | \$ 2,813 | 3,529 | | | | 1,994 |
| \$ 6,946 | | 73,523 | 4,314 | | | \$ 89,075 | 540,306 |
| <u>6,946</u> | <u>3,799.00</u> | <u>76,336</u> | <u>8,805</u> | <u>-</u> | <u>-</u> | <u>89,075</u> | <u>615,972</u> |
| | | | | | | | 32,231 |
| | 221,337 | | 138,956 | 47,303 | 72,645 | 365,916 | 198,285 |
| (3,203) | | (18,606) | | | | | |
| <u>(3,203)</u> | <u>221,337</u> | <u>(18,606)</u> | <u>138,956</u> | <u>47,303</u> | <u>72,645</u> | <u>365,916</u> | <u>230,516</u> |
| <u>\$ 3,743</u> | <u>\$ 225,136</u> | <u>\$ 57,730</u> | <u>\$ 147,761</u> | <u>\$ 47,303</u> | <u>\$ 72,645</u> | <u>\$ 454,991</u> | <u>\$ 846,488</u> |

Special Revenue Funds

| | McConnell Center Fund | Recreation Programs Fund | Recreation Field Maintenance Fund | Library Fines Fund | Tuition Programs Fund |
|--|-----------------------------|--------------------------------|--|--------------------------|-----------------------------|
| ASSETS | | | | | |
| Cash and short-term investments | | | | | |
| Investments | | | | | |
| Departmental receivable | \$ 64,261 | \$ 100 | | | \$ 853 |
| Intergovernmental receivables | | | | | |
| Loans receivable | | | | | |
| Due from other funds | | 350,088 | \$ 31,674 | \$ 29,118 | |
| Inventory | | | | | |
| Total Assets | <u>\$ 64,261</u> | <u>\$ 350,188</u> | <u>\$ 31,674</u> | <u>\$ 29,118</u> | <u>\$ 853</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 14,461 | \$ 5,504 | \$ 4,953 | \$ 3,906 | |
| Accrued liabilities | 1,016 | 6,936 | | | |
| Retainage payable | | | | | |
| Deferred revenue | | | | | |
| Due to other funds | | | | | \$ 7,081 |
| Advance from other fund | 546,484 | | | | |
| Compensated absences | | | | | |
| Total Liabilities | <u>561,961</u> | <u>12,440</u> | <u>4,953</u> | <u>3,906</u> | <u>7,081</u> |
| Fund Balances: | | | | | |
| Nonspendable | | | | | |
| Restricted | | | | 25,212 | |
| Committed | | 337,748 | 26,721 | | |
| Assigned | | | | | |
| Unassigned | (497,700) | | | | (6,228) |
| Total Fund Balances (Deficit) | <u>(497,700)</u> | <u>337,748</u> | <u>26,721</u> | <u>25,212</u> | <u>(6,228)</u> |
| Total Liabilities and Fund Balances | <u>\$ 64,261</u> | <u>\$ 350,188</u> | <u>\$ 31,674</u> | <u>\$ 29,118</u> | <u>\$ 853</u> |

| Special Revenue Funds | | | | | Capital Projects Funds | | | | |
|------------------------|-----------------------------------|------------------------|-----------------------------|----------------------|------------------------|-------------------|---------------------|-------------------|---------------------|
| Vocational Center Fund | School Alternative Education Fund | School Facilities Fund | Other Special Revenue Funds | Subtotals | CIP FY 13 | CIP FY 12 | CIP FY 11 | CIP FY10 | CIP FY09 |
| | | | \$ 1,944,827 | \$ 2,083,627 | | | | | |
| | | | 2,984,404 | 2,984,404 | | | | | |
| | \$ 7,284 | \$ 4,552 | 683,282 | 997,252 | | | | | |
| | | | | 826,373 | | | | | |
| | | | | 652,678 | | | | | |
| \$ 906 | 462,583 | 238,123 | | 3,282,642 | \$ 750,000 | \$ 887,676 | \$ 1,803,972 | \$ 264,509 | \$ 1,247,669 |
| | | | | 66,315 | | | | | |
| <u>\$ 906</u> | <u>\$ 469,867</u> | <u>\$ 242,675</u> | <u>\$ 5,612,513</u> | <u>\$ 10,893,291</u> | <u>\$ 750,000</u> | <u>\$ 887,676</u> | <u>\$ 1,803,972</u> | <u>\$ 264,509</u> | <u>\$ 1,247,669</u> |
| | \$ 747 | \$ 1,274 | \$ 2,341 | \$ 135,074 | \$ 2,700 | \$ 191,200 | | | |
| | 87,430 | | | 319,341 | | | | | |
| | | | | 51,689 | | 18,500 | \$ 32,346 | \$ 18,995 | \$ 8,634 |
| | | | | 745,029 | | | | | |
| | 361,134 | | 1,138,559 | 3,021,727 | | | | | |
| | | | | 546,484 | | | | | |
| <u>-</u> | <u>449,311</u> | <u>1,274</u> | <u>1,140,900</u> | <u>4,819,344</u> | <u>2,700</u> | <u>209,700</u> | <u>32,346</u> | <u>18,995</u> | <u>8,634</u> |
| | | | 1,848,043 | 1,914,358 | | | | | |
| | | | 239,814 | 1,983,730 | 747,300 | 677,976 | 1,771,626 | 245,514 | 1,239,035 |
| \$ 906 | 20,556 | 241,401 | 2,383,756 | 3,348,329 | | | | | |
| | | | | (1,172,470) | | | | | |
| <u>906</u> | <u>20,556</u> | <u>241,401</u> | <u>4,471,613</u> | <u>6,073,947</u> | <u>747,300</u> | <u>677,976</u> | <u>1,771,626</u> | <u>245,514</u> | <u>1,239,035</u> |
| <u>\$ 906</u> | <u>\$ 469,867</u> | <u>\$ 242,675</u> | <u>\$ 5,612,513</u> | <u>\$ 10,893,291</u> | <u>\$ 750,000</u> | <u>\$ 887,676</u> | <u>\$ 1,803,972</u> | <u>\$ 264,509</u> | <u>\$ 1,247,669</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 | \$ 1,767,980 | | | | | |
| Inventory | | | | | | |
| Total Assets | <u>\$ 1,767,980</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | | | | | | |
| Accrued liabilities | | | | | | |
| Retainage payable | \$ 1,837 | | | | | \$ 300 |
| Deferred revenue | | | | | | |
| Due to other funds | | \$ 786,763 | \$ 1,374 | \$ 420,870 | \$ 109,011 | 26,106 |
| Advance from other fund | | | | | | |
| Compensated absences | | | | | | |
| Total Liabilities | <u>1,837</u> | <u>786,763</u> | <u>1,374.00</u> | <u>420,870</u> | <u>109,011</u> | <u>26,406</u> |
| Fund Balances: | | | | | | |
| Nonspendable | | | | | | |
| Restricted | 1,766,143 | | | | | |
| Committed | | | | | | |
| Assigned | | | | | | |
| Unassigned | | (786,763) | (1,374) | (420,870) | (109,011) | (26,406) |
| Total Fund Balances (Deficit) | <u>1,766,143</u> | <u>(786,763)</u> | <u>(1,374)</u> | <u>(420,870)</u> | <u>(109,011)</u> | <u>(26,406)</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,767,980</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| Capital Projects Funds | | | | | | | Capital Projects Funds | |
|------------------------|------------------|-----------------|----------------------------|-----------------------|-------------------------------|------------------------|------------------------|----------------------|
| CIP FY02 | CIP FY01 | CIP FY00 | Tolend Rd Landfill Closure | Cochecho River Dredge | Recreation Field Construction | Capital Purchases Fund | Subtotals | Total |
| | | | | | | \$ 563,907 | \$ 563,907 | \$ 2,647,534 |
| | | | | | | | | 2,984,404 |
| | | | | | | | | 997,252 |
| | | | | | | | | 826,373 |
| | | | | | | | | 652,678 |
| | \$ 98,177 | | | \$ 298,561 | \$ 745,616 | 130,000 | 7,994,160 | 11,276,802 |
| | | | | | | | | 66,315 |
| <u>\$ -</u> | <u>\$ 98,177</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 298,561</u> | <u>\$ 745,616</u> | <u>\$ 693,907</u> | <u>\$ 8,558,067</u> | <u>\$ 19,451,358</u> |
| | | | \$ 5,605 | | | | \$ 199,505 | \$ 334,579 |
| | | | | | | | | 319,341 |
| | | | | | | | 80,612 | 132,301 |
| | | | | | | | | 745,029 |
| \$ 2,913 | | \$ 61,162 | 254,254 | | | | 1,662,453 | 4,684,180 |
| | | | | | | | | 546,484 |
| <u>2,913</u> | <u>-</u> | <u>61,162</u> | <u>259,859</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,942,570</u> | <u>6,761,914</u> |
| | \$ 98,177 | | | \$ 298,561 | | | | 1,914,358 |
| | | | | | \$ 745,616 | 693,907 | 6,844,332 | 8,828,062 |
| | | | | | | | 1,439,523 | 4,787,852 |
| (2,913) | | (61,162) | (259,859) | | | | (1,668,358) | (2,840,828) |
| <u>(2,913)</u> | <u>98,177</u> | <u>(61,162)</u> | <u>(259,859)</u> | <u>298,561</u> | <u>745,616</u> | <u>693,907</u> | <u>6,615,497</u> | <u>12,689,444</u> |
| <u>\$ -</u> | <u>\$ 98,177</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 298,561</u> | <u>\$ 745,616</u> | <u>\$ 693,907</u> | <u>\$ 8,558,067</u> | <u>\$ 19,451,358</u> |

Non-Major Governmental Funds

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

For Fiscal Year Ended June 30, 2012

| | Special Revenue Funds | | | | |
|--|----------------------------------|--------------------------|-------------------------------|--------------------------------------|----------------------------------|
| | Community Development Fund | CDBG Recovery Fund | Housing Rehab Loan Fund | Economic Development Loan Fund | DOE Energy Efficiency Fund |
| Revenues: | | | | | |
| Taxes | | | | | |
| Licenses and permits | | | | | |
| Intergovernmental | \$ 396,640 | \$ 108,138 | | | \$ 12,614 |
| Current services | 30,834 | | \$ 1,629 | \$ 29,577 | |
| Miscellaneous | | | | | |
| Total Revenues | <u>427,474</u> | <u>108,138</u> | <u>1,629</u> | <u>29,577</u> | <u>12,614</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | | | | | |
| Public safety | | | | | |
| Public works | | | | | |
| Culture and recreation | | | | | |
| Education | | | | | |
| Public welfare | 407,567 | | 2,010 | 50,001 | |
| Debt service | | | | | |
| Total Expenditures | <u>407,567</u> | <u>-</u> | <u>2,010</u> | <u>50,001</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | 19,907 | 108,138 | (381) | (20,424) | 12,614 |
| Other Financing Sources: | | | | | |
| Bond proceeds | | | | | |
| Transfers in (out) | | | | | |
| Net change in fund balances | 19,907 | 108,138 | (381) | (20,424) | 12,614 |
| Fund Balances, Beginning (Deficit) | <u>(280,864)</u> | <u>1,609</u> | <u>76,206</u> | <u>46,755</u> | <u>(143,080)</u> |
| Fund Balances, Ending (Deficit) | <u>\$ (260,957)</u> | <u>\$ 109,747</u> | <u>\$ 75,825</u> | <u>\$ 26,331</u> | <u>\$ (130,466)</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 |
|-----------------------|------------------------------|-----------------------|-----------------------|--------------------------------|---------------------------|---------------------------------|
| \$ 267,469 | \$ 1,891 | \$ 130,000 | \$ 26,982 | \$ 139,360 | \$ 805 | \$ 69,355 |
| <u>267,469</u> | <u>1,891</u> | <u>130,000</u> | <u>26,982</u> | <u>139,360</u> | <u>805.00</u> | <u>69,355</u> |
| 271,990 | 461,525 | 144,913 | 45,207 | 152,388 | 23,330 | 39,038 |
| <u>271,990</u> | <u>461,525</u> | <u>144,913</u> | <u>45,207</u> | <u>152,388</u> | <u>23,330</u> | <u>39,038</u> |
| (4,521) | (459,634) | (14,913) | (18,225) | (13,028) | (22,525) | 30,317 |
| <u>161,194</u> | <u>349,382</u> | | | | | <u>10,387</u> |
| 156,673 | (110,252) | (14,913) | (18,225) | (13,028) | (22,525) | 40,704 |
| <u>(79,902)</u> | <u>17,406</u> | <u>12,637</u> | <u>5,362</u> | <u>(39,535)</u> | <u>29,312</u> | <u>358,598</u> |
| \$ <u>76,771</u> | \$ <u>(92,846)</u> | \$ <u>(2,276)</u> | \$ <u>(12,863)</u> | \$ <u>(52,563)</u> | \$ <u>6,787</u> | \$ <u>399,302</u> |

Special Revenue Funds

| | Radiology Emergency Response | DOI Fund | EPA Fund | School Cafeteria Fund | School Federal Aid Fund |
|--|------------------------------------|-----------------|--------------------|-----------------------------|-------------------------------|
| Revenues: | | | | | |
| Taxes | | | | | |
| Licenses and permits | | | | | |
| Intergovernmental | | | \$ 110,100 | \$ 669,082 | \$ 3,037,740 |
| Current services | | | | 769,700 | |
| Miscellaneous | | | | | |
| Total Revenues | <u>-</u> | <u>-</u> | <u>110,100</u> | <u>1,438,782</u> | <u>3,037,740</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | | | 177,944 | | |
| Public safety | | | | | |
| Public works | | | | | |
| Culture and recreation | | | | | |
| Education | | | | 1,376,547 | 3,021,567 |
| Public Welfare | | | | | |
| Debt service | | | | | |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>177,944</u> | <u>1,376,547</u> | <u>3,021,567</u> |
| Excess (deficiency) of revenues over expenditures | | | (67,844) | 62,235 | 16,173 |
| Other Financing Sources: | | | | | |
| Bond proceeds | | | | | |
| Transfers in (out) | | | 19,214 | | |
| Net change in fund balances | | | (48,630) | 62,235 | 16,173 |
| Fund Balances, Beginning (Deficit) | \$ 36,879 | \$ 8,526 | (46,132) | 235,633 | (12,983) |
| Fund Balances, Ending (Deficit) | <u>\$ 36,879</u> | <u>\$ 8,526</u> | <u>\$ (94,762)</u> | <u>\$ 297,868</u> | <u>\$ 3,190</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 |
|-----------------------|------------------------|----------------------------|------------------------|-----------------------|---------------------|------------------|
| \$ 536,089 | | | | | \$ 2,410 | \$ 30,000 |
| | \$ 35,059 | \$ 22,490 | \$ 245,337 | \$ 580,955 | | |
| | | | | 211 | 322 | 27,043 |
| <u>536,089</u> | <u>35,059</u> | <u>22,490</u> | <u>245,337</u> | <u>581,166</u> | <u>2,732</u> | <u>57,043</u> |
| | 32,157 | | | | | |
| | | 7,257 | 277,827 | 348,107 | | 23,119 |
| 528,245 | | | | | | |
| | | | | 8,206 | | |
| <u>528,245</u> | <u>32,157</u> | <u>7,257</u> | <u>277,827</u> | <u>356,313</u> | | <u>23,119</u> |
| 7,844 | 2,902 | 15,233 | (32,490) | 224,853 | 2,732 | 33,924 |
| | | | (67,500) | (209,693) | | |
| 7,844 | 2,902 | 15,233 | (99,990) | 15,160 | 2,732 | 33,924 |
| <u>(3,483)</u> | <u>(6,105)</u> | <u>206,104</u> | <u>81,384</u> | <u>123,796</u> | <u>44,571</u> | <u>38,721</u> |
| <u>\$ 4,361</u> | <u>\$ (3,203)</u> | <u>\$ 221,337</u> | <u>\$ (18,606)</u> | <u>\$ 138,956</u> | <u>\$ 47,303</u> | <u>\$ 72,645</u> |

Special Revenue Funds

| | Conservation Fund | Solid Waste Fund | McConnell Center Fund | Recreation Programs Fund | Field Maintenance Fund |
|--|----------------------|------------------------|-----------------------------|--------------------------------|------------------------------|
| Revenues: | | | | | |
| Taxes | \$ 95,886 | | | | |
| Licenses and permits | | | | | |
| Intergovernmental | | | | | |
| Current services | | \$ 880,248 | \$ 687,092 | \$ 292,521 | \$ 46,946 |
| Miscellaneous | 68 | 926 | | 11,947 | |
| Total Revenues | <u>95,954</u> | <u>881,174</u> | <u>687,092</u> | <u>304,468</u> | <u>46,946</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 280,433 | | | | |
| Public safety | | | | | |
| Public works | | 814,666 | | | |
| Culture and recreation | | | 293,962 | 336,968 | 23,126 |
| Education | | | | | |
| Public welfare | | | | | |
| Debt service | | | 407,194 | | |
| Total Expenditures | <u>280,433</u> | <u>814,666</u> | <u>701,156</u> | <u>336,968</u> | <u>23,126</u> |
| Excess (deficiency) of revenues over expenditures | (184,479) | 66,508 | (14,064) | (32,500) | 23,820 |
| Other Financing Sources: | | | | | |
| Bond proceeds | | | | | |
| Transfers in (out) | <u>(75,000)</u> | | <u>111,504</u> | <u>15,500</u> | |
| Net change in fund balances | (259,479) | 66,508 | 97,440 | (17,000) | 23,820 |
| Fund Balances, Beginning (Deficit) | <u>625,395</u> | <u>164,008</u> | <u>(595,140)</u> | <u>354,748</u> | <u>2,901</u> |
| Fund Balances, Ending (Deficit) | <u>\$ 365,916</u> | <u>\$ 230,516</u> | <u>\$ (497,700)</u> | <u>\$ 337,748</u> | <u>\$ 26,721</u> |

Special Revenue Funds

| Library Fines Fund | Tuition Programs Fund | Vocational Center Fund | Alternative Education Fund | School Facilities Fund | Other Special Revenue Funds | Subtotals |
|--------------------------|-----------------------------|------------------------------|----------------------------------|------------------------------|--------------------------------------|---------------------|
| | | | | | | \$ 95,886 |
| | | | | | \$ 231,306 | 233,716 |
| | | | | | | 5,535,460 |
| \$ 34,927 | \$ 155,543 | | \$ 353,282 | \$ 152,520 | | 4,319,465 |
| | | | | | 19,490 | 60,007 |
| <u>34,927</u> | <u>155,543</u> | <u>-</u> | <u>353,282</u> | <u>152,520</u> | <u>250,796</u> | <u>10,244,534</u> |
| | | | | | | 490,534 |
| | | | | | 79,118 | 1,866,562 |
| | | | | | 16,654 | 838,577 |
| 43,682 | | | | | 3,305 | 701,043 |
| | 165,899 | | 774,221 | 77,320 | 58 | 5,943,857 |
| | | | | | | 459,578 |
| | | | | | | 415,400 |
| <u>43,682</u> | <u>165,899</u> | <u>-</u> | <u>774,221</u> | <u>77,320</u> | <u>99,135</u> | <u>10,715,551</u> |
| | | | | | | |
| (8,755) | (10,356) | | (420,939) | 75,200 | 151,661 | (471,017) |
| | | | | | | |
| | | | 402,000 | | 146,703 | 863,691 |
| | | | | | | |
| (8,755) | (10,356) | | (18,939) | 75,200 | 298,364 | 392,674 |
| <u>33,967</u> | <u>4,128</u> | <u>\$ 906</u> | <u>39,495</u> | <u>166,201</u> | <u>4,173,249</u> | <u>5,681,273</u> |
| <u>\$ 25,212</u> | <u>\$ (6,228)</u> | <u>\$ 906</u> | <u>\$ 20,556</u> | <u>\$ 241,401</u> | <u>\$ 4,471,613</u> | <u>\$ 6,073,947</u> |

Capital Projects Fun

| | CIP FY 13 | CIP FY 12 | CIP FY 11 | CIP FY10 | CIP FY09 | CIP FY08 |
|--|-------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| Revenues: | | | | | | |
| Taxes | | | | | | |
| Licenses and permits | | | | | | |
| Intergovernmental | | 14,020 | | | | |
| Current services | | | | | | |
| Miscellaneous | | | | | | |
| Total Revenues | <u>-</u> | <u>14,020.00</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | | | | | \$ 5,055 | |
| Public safety | | \$ 140,002 | \$ 10,407 | 610 | | \$ 1,206 |
| Public works | \$ 2,700 | 404,167 | 143,432 | 548,781 | 329,741 | 82,797 |
| Culture and recreation | | 185,000 | | | | 1,285 |
| Education | | | 91,808 | | 9,921 | |
| Public welfare | | | | | | |
| Debt service | | | | | | |
| Total Expenditures | <u>2,700</u> | <u>729,169</u> | <u>245,647</u> | <u>549,391</u> | <u>344,717</u> | <u>85,288</u> |
| Excess (deficiency) of revenues over expenditures | (2,700) | (715,149) | (245,647) | (549,391) | (344,717) | (85,288) |
| Other Financing Sources: | | | | | | |
| Bond proceeds | 750,000 | 1,400,000 | 2,150,000 | | | |
| Transfers in (out) | | | 380,422 | | | |
| Net change in fund balances | <u>747,300</u> | <u>684,851</u> | <u>2,284,775</u> | <u>(549,391)</u> | <u>(344,717)</u> | <u>(85,288)</u> |
| Fund Balances, Beginning (Deficit) | | <u>(6,875)</u> | <u>(513,149)</u> | <u>794,905</u> | <u>1,583,752</u> | <u>1,851,431</u> |
| Fund Balances, Ending (Deficit) | <u>\$ 747,300</u> | <u>\$ 677,976</u> | <u>\$ 1,771,626</u> | <u>\$ 245,514</u> | <u>\$ 1,239,035</u> | <u>\$ 1,766,143</u> |

ds

Capital Projects Funds

| CIP FY07 | CIP FY06 | CIP FY05 | CIP FY04 | CIP FY03 | CIP FY02 | CIP FY01 | CIP FY00 |
|---------------------|-------------------|---------------------|----------------------------------|--------------------|-------------------|------------------|--------------------|
| \$ 41,929 | | | \$ 3,768 | | | | |
| <u>41,929</u> | <u>-</u> | <u>-</u> | <u>3,768</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | \$ 10,365 | \$ 145,716 | \$ 3,743 | \$ 41,208 | \$ 2,987 | | |
| <u>-</u> | <u>10,365</u> | <u>145,716</u> | <u>898,000</u> <u>901,743</u> | <u>41,208</u> | <u>2,987</u> | <u>-</u> | <u>-</u> |
| 41,929 | (10,365) | (145,716) | (897,975) | (41,208) | (2,987) | | (19,214) |
| <u>41,929</u> | <u>(10,365)</u> | <u>(145,716)</u> | <u>(897,975)</u> | <u>(41,208)</u> | <u>(2,987)</u> | | <u>(19,214)</u> |
| <u>(828,692)</u> | <u>8,991</u> | <u>(275,154)</u> | <u>788,964</u> | <u>14,802</u> | <u>74</u> | <u>\$ 98,177</u> | <u>\$ (41,948)</u> |
| <u>\$ (786,763)</u> | <u>\$ (1,374)</u> | <u>\$ (420,870)</u> | <u>\$ (109,011)</u> | <u>\$ (26,406)</u> | <u>\$ (2,913)</u> | <u>\$ 98,177</u> | <u>\$ (61,162)</u> |

Capital Projects Funds

| | Tolend Rd Landfill Closure | Cocheco River Dredge | Recreation Field Construction | Capital Purchases Fund | Subtotals | Total |
|--|----------------------------------|----------------------------|-------------------------------------|------------------------------|---------------------|----------------------|
| Revenues: | | | | | | |
| Taxes | | | | | | \$ 95,886 |
| Licenses and permits | | | | | | 233,716 |
| Intergovernmental | | | | | \$ 55,949 | 5,591,409 |
| Current services | | \$ | | | 3,768 | 4,323,233 |
| Miscellaneous | | | \$ 422,514 | \$ 193 | 422,707 | 482,714 |
| Total Revenues | <u>-</u> | <u></u> | <u>422,514</u> | <u>193</u> | <u>482,424</u> | <u>10,726,958</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | | | | | 5,055 | 495,589 |
| Public safety | | | | | 155,212 | 2,021,774 |
| Public works | \$ 959,551 | 5,811 | | | 2,678,012 | 3,516,589 |
| Culture and recreation | | | | | 186,285 | 887,328 |
| Education | | | | | 101,729 | 6,045,586 |
| Public welfare | | | | | | 459,578 |
| Debt service | | | | | 898,000 | 1,313,400 |
| Total Expenditures | <u>959,551</u> | <u>5,811</u> | <u></u> | <u>-</u> | <u>4,024,293</u> | <u>14,739,844</u> |
| Excess (deficiency) of revenues over expenditures | <u>(959,551)</u> | <u>(5,811)</u> | <u>422,514</u> | <u>193</u> | <u>(3,541,869)</u> | <u>(4,012,886)</u> |
| Other Financing Sources: | | | | | | |
| Bond proceeds | 500,000 | | | | 4,800,000 | 4,800,000 |
| Transfers in (out) | | | | 232,078 | 593,286 | 1,456,977 |
| Net change in fund balances | <u>(459,551)</u> | <u>(5,811)</u> | <u>422,514</u> | <u>232,271</u> | <u>1,851,417</u> | <u>2,244,091</u> |
| Fund Balances, Beginning (Deficit) | <u>199,692</u> | <u>304,372</u> | <u>323,102</u> | <u>461,636</u> | <u>4,764,080</u> | <u>10,445,353</u> |
| Fund Balances, Ending (Deficit) | <u>\$ (259,859)</u> | <u>\$ 298,561</u> | <u>\$ 745,616</u> | <u>\$ 693,907</u> | <u>\$ 6,615,497</u> | <u>\$ 12,689,444</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, 2012

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|------------------|---------------|--------------------------------|---|
| | Original | Final | | |
| Taxes | | | | |
| Property taxes | \$ 63,364,437 | \$ 64,350,115 | \$ 64,367,157 | \$ 17,042 |
| Boat tax | 15,000 | 15,000 | 20,449 | 5,449 |
| Yield tax | 1,500 | 1,500 | 7,717 | 6,217 |
| Payment in lieu of taxes | 57,000 | 57,000 | 68,427 | 11,427 |
| Excavation tax | 5,000 | 5,000 | 9,892 | 4,892 |
| Railroad tax | 910 | 910 | 1,560 | 650 |
| Tax interest and penalties | 240,000 | 240,000 | 413,650 | 173,650 |
| Total Taxes | 63,683,847 | 64,669,525 | 64,888,852 | 219,327 |
| Licenses and Permits | | | | |
| Health licenses and permits | 30,000 | 30,000 | 36,472 | 6,472 |
| Building permits | 275,000 | 275,000 | 289,243 | 14,243 |
| Peddlers and vendors licenses | 900 | 900 | 1,170 | 270 |
| Motor vehicle permits | 3,650,000 | 3,650,000 | 3,710,058 | 60,058 |
| Electrical permits | 70,000 | 70,000 | 79,790 | 9,790 |
| Plumbing permits | 65,000 | 65,000 | 57,166 | (7,834) |
| Trailer park permits | 175 | 175 | 150 | (25) |
| Fire and rescue permits | 2,900 | 2,900 | 26,308 | 23,408 |
| Dog licenses | 17,403 | 17,403 | 18,642 | 1,239 |
| Marriage license fees | 2,450 | 2,450 | 1,079 | (1,371) |
| Birth, death and marriage certificates | 22,002 | 22,002 | 18,890 | (3,112) |
| Miscellaneous licenses and permits | 11,600 | 11,600 | 11,251 | (349) |
| Miscellaneous service charges | | | 58 | 58 |
| Taxi licenses | 500 | 500 | 720 | 220 |
| Video and arcade licenses | 1,200 | 1,200 | 420 | (780) |
| Total Licenses and Permits | 4,149,130 | 4,149,130 | 4,251,417 | 102,287 |
| Intergovernmental | | | | |
| Rooms and meals distribution | 1,283,372 | 1,339,490 | 1,339,490 | |
| Federal grant reimbursement | 55,660 | 55,660 | 16,396 | (39,264) |
| State reimbursement | 17,200 | 50,364 | 43,715 | (6,649) |
| Shared revenue block grant | 600,243 | | | |
| Highway block grant | 578,479 | 578,479 | 558,497 | (19,982) |
| Miscellaneous Intergovernmental | 52,960 | 52,960 | 63,964 | 11,004 |
| Total Intergovernmental | 2,587,914 | 2,076,953 | 2,022,062 | (54,891) |

(continued)

(continued)

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|---|----------------------|----------------------|--------------------------------|---|
| | Original | Final | | |
| Current Services | | | | |
| Sales and service charges | \$ 1,173,490 | \$ 1,173,490 | \$ 1,209,849.0 | \$ 36,359 |
| Copy sales | 300 | 300 | 354 | 54 |
| Vending machine sales | 7,200 | 7,200 | 3,924 | (3,276) |
| Commissions | 5,050 | 5,050 | 4,426 | (624) |
| Ambulance services | 889,400 | 889,400 | 875,700 | (13,700) |
| Interment charges | 49,800 | 49,800 | 46,495 | (3,305) |
| Headstone foundations | 1,000 | 1,000 | 1,060 | 60 |
| Pro shop | 15,000 | 15,000 | 16,660 | 1,660 |
| Recreation charges | 350,490 | 350,490 | 322,636 | (27,854) |
| Non-resident charges | 65,120 | 65,120 | 59,068 | (6,052) |
| Food sales | 53,000 | 53,000 | 46,405 | (6,595) |
| Vending sales | 15,000 | 15,000 | 8,295 | (6,705) |
| Department overhead allocations | 370,300 | 370,300 | 370,300 | |
| Miscellaneous service charges | 31,450 | 31,450 | 34,320 | 2,870 |
| Total Current Services | <u>3,026,600</u> | <u>3,026,600</u> | <u>2,999,492</u> | <u>(27,108)</u> |
| Education | | | | |
| Education revenue | 7,275,910 | 7,267,026 | 7,191,845 | (75,181) |
| Federal grant reimbursement | 255,500 | 255,500 | 411,111 | 155,611 |
| Miscellaneous intergovernmental | 5,164,200 | 5,126,850 | 4,645,590 | (481,260) |
| Miscellaneous revenue | 105,000 | 105,000 | 118,891 | 13,891 |
| Total Education Income | <u>12,800,610</u> | <u>12,754,376</u> | <u>12,367,437</u> | <u>(386,939)</u> |
| Miscellaneous | | | | |
| Miscellaneous revenue | 13,400 | 13,420 | 14,276 | 856 |
| District court receipts | 25,000 | 25,000 | 12,850 | (12,150) |
| Miscellaneous fines and forfeits | 20,900 | 20,900 | 17,813 | (3,087) |
| Fundraising | 50,000 | 50,000 | 11,517 | (38,483) |
| Sale of city property | 39,375 | 39,375 | 49,780 | 10,405 |
| Investment income | 155,000 | 155,000 | (25,415) | (180,415) |
| Facilities rental | 196,622 | 196,622 | 201,760 | 5,138 |
| Interest on arrears | | | 1,309 | 1,309 |
| Equipment rental | 2,000 | 2,000 | 2,534 | 534 |
| Total Miscellaneous | <u>502,297</u> | <u>502,317</u> | <u>286,424</u> | <u>(215,893)</u> |
| Other Financing Sources | | | | |
| Transfers in | 93,725 | 93,725 | 62,624 | (31,101) |
| Proceeds from Refunding | 75,000 | 75,000 | 8,605,000 | 8,530,000 |
| Premium on Bonds Sold | | | 713,942 | 713,942 |
| Total Other Financing Sources | <u>168,725</u> | <u>168,725</u> | <u>9,381,566</u> | <u>9,212,841</u> |
| Total Revenues and Other Financing Sources | <u>\$ 86,919,123</u> | <u>\$ 87,347,626</u> | <u>\$ 96,197,250</u> | <u>\$ 8,849,624</u> |

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

For the Year Ended June 30, 2012

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-----------------------------|-----------------------------|--------------------------------|---|
| | Original | Final | | |
| General Government | | | | |
| City Council | \$ 357,044 | \$ 363,844 | \$ 363,770 | \$ 74 |
| Executive | 771,813 | 765,013 | 714,244 | 50,769 |
| Finance | 1,594,571 | 1,593,371 | 1,523,765 | 69,606 |
| Planning | 451,089 | 452,289 | 452,205 | 84 |
| Miscellaneous | 779,563 | 883,565 | 730,264 | 153,301 |
| Total General Government | <u>3,954,080</u> | <u>4,058,082</u> | <u>3,784,248</u> | <u>273,834</u> |
| Public Safety | | | | |
| Police | 6,560,818 | 6,393,856 | 6,358,832 | 35,024 |
| Fire and rescue | 6,358,146 | 6,418,272 | 6,415,141 | 3,131 |
| Total Public Safety | <u>12,918,964</u> | <u>12,812,128</u> | <u>12,773,973</u> | <u>38,155</u> |
| Public Works | | | | |
| Community Services - Public Works | 5,518,808 | 5,518,808 | 4,851,118 | 667,690 |
| Total Public Works | <u>5,518,808</u> | <u>5,518,808</u> | <u>4,851,118</u> | <u>667,690</u> |
| Culture and Recreation | | | | |
| Recreation | 2,191,062 | 2,191,062 | 1,986,139 | 204,923 |
| Public Library | 1,056,980 | 1,056,980 | 981,810 | 75,170 |
| Total Culture and Recreation | <u>3,248,042</u> | <u>3,248,042</u> | <u>2,967,949</u> | <u>280,093</u> |
| Public welfare | | | | |
| Public welfare | 709,873 | 849,873 | 844,099 | 5,774 |
| Total Public Welfare | <u>709,873</u> | <u>849,873</u> | <u>844,099</u> | <u>5,774</u> |
| Education | | | | |
| School Department | 41,638,606 | 41,677,206 | 41,362,659 | 314,547 |
| Total Education | <u>41,638,606</u> | <u>41,677,206</u> | <u>41,362,659</u> | <u>314,547</u> |
| Debt Service | | | | |
| Principal | 6,662,120 | 6,662,120 | 6,615,141 | 46,979 |
| Interest | 3,242,057 | 3,242,057 | 3,010,759 | 231,298 |
| Total Debt Service | <u>9,904,177</u> | <u>9,904,177</u> | <u>9,625,900</u> | <u>278,277</u> |
| Intergovernmental | | | | |
| County tax | 7,051,080 | 7,303,817 | 7,303,817 | - |
| Total Intergovernmental | <u>7,051,080</u> | <u>7,303,817</u> | <u>7,303,817</u> | <u>-</u> |
| Transfers | | | | |
| Transfer out | 1,975,493 | 1,975,493 | 1,884,706 | 90,787 |
| Total Transfers | <u>1,975,493</u> | <u>1,975,493</u> | <u>1,884,706</u> | <u>90,787</u> |
| Other Financing Uses | | | | |
| Total Other Financing Uses | <u> </u> | <u> </u> | <u>9,192,189</u> | <u>(9,192,189)</u> |
| Total Expenditures and Other Financing Uses | <u>\$ 86,919,123</u> | <u>\$ 87,347,626</u> | <u>\$ 94,590,658</u> | <u>\$ (7,243,032)</u> |
| Excess of revenues and other sources over expenditures and other uses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,606,592</u> | <u>\$ 1,606,592</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, 2012

| | Parking Activity | | Variance Positive (Negative) |
|---|-------------------|-----------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Charges for services | \$ 575,725 | \$ 580,956 | \$ 5,231 |
| Intergovernmental | | | |
| Miscellaneous | | 210 | 210 |
| Other financing sources | | | |
| Total Revenues | <u>575,725</u> | <u>581,166</u> | <u>5,441</u> |
| Expenditures: | | | |
| Public safety | 440,886 | 353,481 | 87,405 |
| Education | | | |
| Public works | | | |
| Culture and recreation | | | |
| Debt service | 45,081 | 8,206 | 36,875 |
| Other financing uses | <u>92,478</u> | <u>209,693</u> | <u>(117,215)</u> |
| Total Expenditures | <u>578,445</u> | <u>571,380</u> | <u>7,065</u> |
| Revenues and other financing sources over (under) expenditures | \$ <u>(2,720)</u> | \$ <u>9,786</u> | \$ <u>12,506</u> |

| Residential Solid Waste | | | Library Fines | | |
|-------------------------|-------------------|------------------------------------|-------------------|-------------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 950,663 | \$ 880,248 | \$ (70,415) | \$ 37,140 | \$ 35,727 | \$ (1,413) |
| | 926 | 926 | 39,492 | | (39,492) |
| <u>950,663</u> | <u>881,174</u> | <u>(69,489)</u> | <u>76,632</u> | <u>35,727</u> | <u>(40,905)</u> |
| 999,768 | 765,561 | 234,207 | 76,756 | 44,358 | 32,398 |
| <u>999,768</u> | <u>765,561</u> | <u>234,207</u> | <u>76,756</u> | <u>44,358</u> | <u>32,398</u> |
| \$ <u>(49,105)</u> | \$ <u>115,613</u> | \$ <u>164,718</u> | \$ <u>(124.0)</u> | \$ <u>(8,631)</u> | \$ <u>(8,507)</u> |

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

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2012

| | Tuition Programs | | Variance Positive (Negative) |
|---|------------------|--------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Charges for services | \$ 348,761 | \$ 155,543 | \$ (193,218) |
| Intergovernmental | | | |
| Miscellaneous revenue | | | |
| Other financing sources | | | |
| Total Revenues | <u>348,761</u> | <u>155,543</u> | <u>(193,218)</u> |
| Expenditures: | | | |
| Public safety | | | |
| Education | 348,761 | 165,898 | 182,863 |
| Public works | | | |
| Culture and recreation | | | |
| Debt service | | | |
| Total Expenditures | <u>348,761</u> | <u>165,898</u> | <u>182,863</u> |
| Revenues and other financing sources over (under) expenditures | \$ <u>-</u> | \$ <u>(10,355)</u> | \$ <u>(10,355)</u> |

| School Alternative Education | | | School Facilities | | |
|------------------------------|--------------------|------------------------------------|-------------------|------------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 476,000 | \$ 353,282 | \$ (122,718) | \$ 137,075 | \$ 152,520 | \$ 15,445 |
| <u>402,000</u> | <u>402,000</u> | <u>(122,718)</u> | <u>137,075</u> | <u>152,520</u> | <u>15,445</u> |
| <u>878,000</u> | <u>755,282</u> | <u>(122,718)</u> | <u>137,075</u> | <u>152,520</u> | <u>15,445</u> |
| 879,105 | 774,233 | 104,872 | 139,556 | 74,837 | 64,719 |
| <u>879,105</u> | <u>774,233</u> | <u>104,872</u> | <u>139,556</u> | <u>74,837</u> | <u>64,719</u> |
| <u>\$ (1,105)</u> | <u>\$ (18,951)</u> | <u>\$ (17,846)</u> | <u>\$ (2,481)</u> | <u>\$ 77,683</u> | <u>\$ 80,164</u> |

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2012

| | McConnell Center | | Variance Positive (Negative) |
|--|-------------------|------------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Charges for services | \$ 679,301 | \$ 687,092 | \$ 7,791 |
| Intergovernmental | | | |
| Miscellaneous | | | |
| Other financing sources | 91,859 | 111,683 | 19,824 |
| Total Revenues | <u>771,160</u> | <u>798,775</u> | <u>27,615</u> |
| Expenditures: | | | |
| Public safety | | | |
| Education | | | |
| Public works | | | |
| Culture and recreation | 367,770 | 292,422 | 75,348 |
| Debt service | 407,194 | 407,194 | |
| Total Expenditures | <u>774,964</u> | <u>699,616</u> | <u>75,348</u> |
| Revenues and other financing source over (under) expenditures | \$ <u>(3,804)</u> | \$ <u>99,159</u> | \$ <u>102,963</u> |

| Police DHA Fund | | | School Cafeteria | | |
|--------------------|--------------------|------------------------------|------------------|------------------|------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$ 138,585 | \$ 130,000 | \$ (8,585) | \$ 974,000 | \$ 769,700 | \$ (204,300) |
| | | | 424,164 | 669,082 | 244,918 |
| <u>138,585</u> | <u>130,000</u> | <u>(8,585)</u> | <u>1,398,164</u> | <u>1,438,782</u> | <u>40,618</u> |
| 149,617 | 144,913 | 4,704 | 1,398,164 | 1,380,809 | 17,355 |
| <u>149,617</u> | <u>144,913</u> | <u>4,704</u> | <u>1,398,164</u> | <u>1,380,809</u> | <u>17,355</u> |
| \$ <u>(11,032)</u> | \$ <u>(14,913)</u> | \$ <u>(3,881)</u> | \$ <u>-</u> | \$ <u>57,973</u> | \$ <u>57,973</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, 2012

| | | Water Fund | |
|---|--------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Operating revenue | \$ 4,315,199 | \$ 4,147,280 | \$ (167,919) |
| Other | 21,000 | 56,099 | 35,099 |
| Total Operating Revenues | <u>4,336,199</u> | <u>4,203,379</u> | <u>(132,820)</u> |
| Operating Expenses: | | | |
| Personnel services | 1,212,863 | 1,276,811 | (63,948) |
| Purchased services | 312,425 | 315,238 | (2,813) |
| Supplies and materials | 656,547 | 600,944 | 55,603 |
| Minor equipment | 92,979 | 72,860 | 20,119 |
| Other | 173,660 | 155,142 | 18,518 |
| Depreciation | 946,000 | 837,175 | 108,825 |
| Total Operating Expenses | <u>3,394,474</u> | <u>3,258,170</u> | <u>136,304</u> |
| Operating Income (Loss) | <u>941,725</u> | <u>945,209</u> | <u>3,484</u> |
| Non-Operating Income (Expenses): | | | |
| Investment Income | | 71,106 | 71,106 |
| Gain (loss) on the disposal of capital assets | | 171,314 | 171,314 |
| Interest expense | (404,395) | (369,039) | 35,356 |
| Intergovernmental | | | |
| Total Non-Operating Income (Expenses) | <u>(404,395)</u> | <u>(126,619)</u> | <u>277,776</u> |
| Net Income (Loss) Before Transfers | <u>537,330</u> | <u>818,590</u> | <u>281,260</u> |
| Other Financing Sources and Uses: | | | |
| Use of retained earnings | | | |
| Transfers out | (550,552) | (550,552) | - |
| Total Other Financing Sources and Uses | <u>(550,552)</u> | <u>(550,552)</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ (13,222)</u> | <u>\$ 268,038</u> | <u>\$ 281,260</u> |

| | Sewer Fund | | |
|---|-----------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Operating revenue | \$ 5,048,527 | \$ 4,428,586 | \$ (619,941) |
| Other | 48,334 | - | (48,334) |
| Total Operating Revenues | <u>5,096,861</u> | <u>4,428,586</u> | <u>(668,275)</u> |
| Operating Expenses: | | | |
| Personnel services | 1,320,754 | 1,380,062 | (59,308) |
| Purchased services | 481,331 | 493,300 | (11,969) |
| Supplies and materials | 938,064 | 791,982 | 146,082 |
| Minor equipment | 135,299 | 92,180 | 43,119 |
| Other | 245,160 | 225,172 | 19,988 |
| Depreciation | 2,152,449 | 2,175,515 | (23,066) |
| Total Operating Expenses | <u>5,273,057</u> | <u>5,158,211</u> | <u>114,846</u> |
| Operating Income (Loss) | <u>(176,196)</u> | <u>(729,625)</u> | <u>(553,429)</u> |
| Non-Operating Income (Expenses): | | | |
| Investment Income | | 145,428 | 145,428 |
| Gain (loss) on the disposal of capital assets | | (107,268) | (107,268) |
| Interest expense | (479,723) | (284,744) | 194,979 |
| Intergovernmental | 46,742 | 27,913 | (18,829) |
| Total Non-Operating Income (Expenses) | <u>(432,981)</u> | <u>(218,671)</u> | <u>214,310</u> |
| Net Income (Loss) Before Transfers | <u>(609,177)</u> | <u>(948,296)</u> | <u>(339,119)</u> |
| Other Financing Sources and Uses: | | | |
| Use of retained earnings | | | |
| Transfers out | (433,646) | (433,646) | - |
| Total Other Financing Sources and Uses | <u>(433,646)</u> | <u>(433,646)</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ (1,042,823)</u> | <u>\$ (1,381,942)</u> | <u>\$ (339,119)</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 Assets

June 30, 2012

| | Dover Net Fund | Central Stores Fund | Fleet Maintenance Fund | Workers Compensation Fund | OPEB Fund | Total |
|--|----------------------|---------------------------|------------------------------|---------------------------------|-------------------|-------------------|
| ASSETS | | | | | | |
| Current: | | | | | | |
| Departmental and other receivables | \$ 49,554 | | \$ 4,057 | | | \$ 53,611 |
| Due from (to) other funds | 292,444 | \$ 46,717 | 30,700 | \$ 713,129 | \$ 169,206 | 1,252,196 |
| Prepaid expenses | | | | 20,000 | 116,342 | 136,342 |
| Inventory | | | 60,848 | | | 60,848 |
| Total Assets | <u>341,998</u> | <u>46,717</u> | <u>95,605</u> | <u>733,129</u> | <u>285,548</u> | <u>1,502,997</u> |
| LIABILITIES | | | | | | |
| Current: | | | | | | |
| Accounts payable | 43,499 | 592 | 10,606 | 24,863 | | 79,560 |
| Accrued liabilities | 4,010 | | 6,495 | | | 10,505 |
| Claims liability | | | | 421,130 | | 421,130 |
| Compensated absences | 19,200 | | 25,560 | | | 44,760 |
| Total Current Liabilities | <u>66,709</u> | <u>592</u> | <u>42,661</u> | <u>445,993</u> | <u>-</u> | <u>555,955</u> |
| Non-current: | | | | | | |
| Claims liability, net of current portion | | | | 44,151 | | 44,151 |
| Total Liabilities | <u>66,709</u> | <u>592</u> | <u>42,661</u> | <u>490,144</u> | <u>-</u> | <u>600,106</u> |
| NET ASSETS | | | | | | |
| Restricted for capital projects | 100,212 | | | | | 100,212 |
| Unrestricted | <u>175,077</u> | <u>46,125</u> | <u>52,944</u> | <u>242,985</u> | <u>285,548</u> | <u>802,679</u> |
| Total Net Assets | <u>\$ 275,289</u> | <u>\$ 46,125</u> | <u>\$ 52,944</u> | <u>\$ 242,985</u> | <u>\$ 285,548</u> | <u>\$ 902,891</u> |

Internal Service Funds

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

For Fiscal Year Ended June 30, 2012

| | Dover Net Fund | Central Stores Fund | Fleet Maintenance Fund | Workers Compensation Fund | OPEB Fund | Total |
|---|----------------------|---------------------------|------------------------------|---------------------------------|--------------------|--------------------|
| Operating Revenues: | | | | | | |
| Charges for services | \$ 259,030 | \$ 85,699 | \$ 720,857 | \$ 387,675 | | \$ 1,453,261 |
| Miscellaneous | 294,166 | | 36,483 | | | 330,649 |
| Total Operating Revenues | <u>553,196</u> | <u>85,699</u> | <u>757,340</u> | <u>387,675</u> | <u>-</u> | <u>1,783,910</u> |
| Operating Expenses: | | | | | | |
| Personal services | 348,812 | | 402,361 | 223,877 | \$ 1,282,645 | 2,257,695 |
| Purchased services | 145,545 | 53,053 | 7,361 | 535,711 | | 741,670 |
| Supplies | 68,769 | 37,675 | 16,773 | | | 123,217 |
| Minor equipment | 40,500 | | | | | 40,500 |
| Other expenses | | | 230,409 | 20,550 | | 250,959 |
| Total Operating Expenses | <u>603,626</u> | <u>90,728</u> | <u>656,904</u> | <u>780,138</u> | <u>1,282,645</u> | <u>3,414,041</u> |
| Operating Income (Loss) | <u>(50,430)</u> | <u>(5,029)</u> | <u>100,436</u> | <u>(392,463)</u> | <u>(1,282,645)</u> | <u>(1,630,131)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfer in (out) | (82) | | (35,263) | | 1,464,794 | 1,429,449 |
| Intergovernmental | | | | | 103,399 | 103,399 |
| Total Other Financing Sources (Uses) | <u>(82)</u> | <u></u> | <u>(35,263)</u> | <u></u> | <u>1,568,193</u> | <u>1,532,848</u> |
| Change in Net Assets | (50,512) | (5,029) | 65,173 | (392,463) | 285,548 | (97,283) |
| Net Assets at Beginning of Year | <u>325,801</u> | <u>51,154</u> | <u>(12,229)</u> | <u>635,448</u> | <u></u> | <u>1,000,174</u> |
| Net Assets at End of Year | <u>\$ 275,289</u> | <u>\$ 46,125</u> | <u>\$ 52,944</u> | <u>\$ 242,985</u> | <u>\$ 285,548</u> | <u>\$ 902,891</u> |

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2012

| | 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 | \$ 554,107 | \$ 85,699 | \$ 756,887 | \$ 387,675 | | \$ 1,784,368 |
| Payments to vendors and contractors | (222,970) | (92,132) | (262,785) | (531,398) | \$ (1,282,645) | (2,391,930) |
| Payments of employee salaries and benefits | (347,413) | | (400,534) | (118,599) | | (864,546) |
| Receipts for interfund service provided | 16,358 | 6,433 | (58,305) | | | (35,514) |
| Payments for interfund service provided | | | | 260,322 | (285,548) | (25,226) |
| Net Cash Provided By (Used For) Operating Activities | <u>82</u> | <u>-</u> | <u>35,263</u> | <u>-</u> | <u>(1,568,193)</u> | <u>(1,532,848)</u> |
| Cash Flows From Noncapital Financing Activities: | | | | | | |
| Transfer in | | | | | 1,464,794 | 1,464,794 |
| Transfer out | (82) | | (35,263) | | | (35,345) |
| intergovernmental subsidy | | | | | 103,399 | 103,399 |
| Net Cash Provided By Noncapital Financing Activities | <u>(82)</u> | <u>-</u> | <u>(35,263)</u> | <u>-</u> | <u>1,568,193</u> | <u>1,532,848</u> |
| Cash and Short Term Investments, Beginning of Year | | | | | | |
| Cash and Short Term Investments, End of Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities | | | | | | |
| Operating income (loss) | \$ (50,430) | \$ (5,029) | \$ 100,436 | \$ (392,463) | \$ (1,282,645) | \$ (1,630,131) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | | | |
| Changes in assets and liabilities: | | | | | | |
| Inventory | | | (5,210) | | | (5,210) |
| Departmental and other receivables | 911 | | (453) | | | 458 |
| Intefund receivables/payables | 16,358 | 6,433 | (58,305) | 260,323 | (285,548) | (60,739) |
| Other assets | | | 1,910 | | | 1,910 |
| Accounts payable | 31,844 | (1,404) | (4,942) | 24,863 | | 50,361 |
| Accrued liabilities | 598 | | 1,393 | 107,277 | | 109,268 |
| Compensated absences | 801 | | 434 | | | 1,235 |
| Net Cash Provided By (Used For) Operating Activities | <u>\$ 82</u> | <u>\$ -</u> | <u>\$ 35,263</u> | <u>\$ -</u> | <u>\$ (1,568,193)</u> | <u>\$ (1,532,848)</u> |

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Internal Service Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2012

| | Dover Net Fund | | |
|---|---------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Charges for services | \$ 257,977 | \$ 259,030 | \$ 1,053 |
| Other revenue | 259,201 | 294,166 | 34,965 |
| Total Operating Revenues | <u>517,178</u> | <u>553,196</u> | <u>36,018</u> |
| Operating Expenses: | | | |
| Personnel services | 379,692 | 348,810 | 30,882 |
| Purchased services | 289,278 | 171,041 | 118,237 |
| Supplies and materials | 91,268 | 75,911 | 15,357 |
| Minor equipment | 60,125 | 26,369 | 33,756 |
| Other | 84,848 | | 84,848 |
| Total Operating Expenses | <u>905,211</u> | <u>622,131</u> | <u>283,080</u> |
| Operating Income (Loss) | (388,033) | (68,935) | 319,098 |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | | | |
| Net Income (Loss) Before Transfers | <u>(388,033)</u> | <u>(68,935)</u> | <u>319,098</u> |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | 176,232 | | (176,232) |
| Transfers in | 24,000 | | (24,000) |
| Transfers out | (82) | (82) | |
| Total Other Financing Sources and Uses | <u>200,150</u> | <u>(82)</u> | <u>(200,232)</u> |
| Net Income (Loss) | <u>\$ (187,883)</u> | <u>\$ (69,017)</u> | <u>\$ 118,866</u> |

Central Stores Fund

| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
|---|-------------------|--------------------------------|------------------------------------|
| Operating Revenues: | | | |
| Charges for services | \$ 105,154 | \$ 85,699 | \$ (19,455) |
| Other revenue | | | |
| Total Operating Revenues | <u>105,154</u> | <u>85,699</u> | <u>(19,455)</u> |
| Operating Expenses: | | | |
| Personnel services | | | |
| Purchased services | 71,141 | 49,288 | 21,853 |
| Supplies and materials | 39,450 | 33,911 | 5,539 |
| Minor equipment | | | |
| Other | | | |
| Total Operating Expenses | <u>110,591</u> | <u>83,199</u> | <u>27,392</u> |
| Operating Income (Loss) | (5,437) | 2,500 | 7,937 |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | | | |
| Net Income (Loss) Before Transfers | <u>(5,437)</u> | <u>2,500</u> | <u>7,937</u> |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total Other Financing Sources and Uses | | | |
| Net Income (Loss) | <u>\$ (5,437)</u> | <u>\$ 2,500</u> | <u>\$ 7,937</u> |

| | Fleet Maintenance Fund | | |
|---|------------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Charges for services | \$ 649,704 | \$ 720,857 | \$ 71,153 |
| Other revenue | 36,483 | 36,483 | |
| Total Operating Revenues | <u>686,187</u> | <u>757,340</u> | <u>71,153</u> |
| Operating Expenses: | | | |
| Personnel services | 420,509 | 417,361 | 3,148 |
| Purchased services | 6,349 | 7,361 | (1,012) |
| Supplies and materials | 19,131 | 17,367 | 1,764 |
| Minor equipment | 5,000 | | 5,000 |
| Other | 205,483 | 230,409 | (24,926) |
| Total Operating Expenses | <u>656,472</u> | <u>672,498</u> | <u>(16,026)</u> |
| Operating Income (Loss) | 29,715 | 84,842 | 55,127 |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | | | |
| Net Income (Loss) Before Transfers | <u>29,715</u> | <u>84,842</u> | <u>55,127</u> |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | 5,173 | | (5,173) |
| Transfers in | | | |
| Transfers out | <u>(35,263)</u> | <u>(35,263)</u> | |
| Total Other Financing Sources and Uses | <u>(30,090)</u> | <u>(35,263)</u> | <u>(5,173)</u> |
| Net Income (Loss) | <u>\$ (375)</u> | <u>\$ 49,579</u> | <u>\$ 49,954</u> |

| | Workers Compensation Fund | | |
|---|---------------------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Charges for services | \$ 387,065 | \$ 387,675 | \$ 610 |
| Other revenue | | | |
| Total Operating Revenues | <u>387,065</u> | <u>387,675</u> | <u>610</u> |
| Operating Expenses: | | | |
| Personnel services | 338,045 | 223,877 | 114,168 |
| Purchased services | 44,132 | 535,389 | (491,257) |
| Supplies and materials | | | |
| Minor equipment | | | |
| Other | 16,900 | 20,550 | (3,650) |
| Total Operating Expenses | <u>399,077</u> | <u>779,816</u> | <u>(380,739)</u> |
| Operating Income (Loss) | (12,012) | (392,141) | (380,129) |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | | | |
| Net Income (Loss) Before Transfers | <u>(12,012)</u> | <u>(392,141)</u> | <u>(380,129)</u> |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | | | |
| Transfers out | | | |
| Total Other Financing Sources and Uses | | | |
| Net Income (Loss) | <u>\$ (12,012)</u> | <u>\$ (392,141)</u> | <u>\$ (380,129)</u> |

| | OPEB Fund | | |
|---|-------------|--------------------------------|------------------------------------|
| | Budget | Actual (Budgetary Basis) | Variance Positive (Negative) |
| Operating Revenues: | | | |
| Charges for services | | | |
| Other revenue | | | |
| Total Operating Revenues | | - | |
| Operating Expenses: | | | |
| Personnel services | 1,369,884 | 1,282,645 | 87,239 |
| Purchased services | | | |
| Supplies and materials | | | |
| Minor equipment | | | |
| Other | | | |
| Total Operating Expenses | 1,369,884 | 1,282,645 | 87,239 |
| Operating Income (Loss) | (1,369,884) | (1,282,645) | (87,239) |
| Non-Operating Income (Expenses) | | | |
| Intergovernmental | - | 103,399 | (103,399) |
| Net Income (Loss) Before Transfers | (1,369,884) | (1,179,246) | (190,638) |
| Other Financing Sources and Uses | | | |
| Use of retained earnings | | | |
| Transfers in | 1,369,884 | 1,464,794 | (94,910) |
| Transfers out | | | |
| Total Other Financing Sources and Uses | 1,369,884 | 1,464,794 | (94,910) |
| Net Income (Loss) | - | 285,548 | (285,548) |

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, 2012

| | Performance Deposits | Chamber of Commerce | Department Agency | School Agency | Total |
|---------------------------------|--------------------------|------------------------|-------------------------|--------------------------|----------------------------|
| ASSETS | | | | | |
| Cash and short-term investments | | | | \$ 296,883 | \$ 296,883 |
| Due from other funds | \$ <u>908,476</u> | \$ <u>3,083</u> | \$ <u>34,213</u> | <u>15,962</u> | <u>961,734</u> |
| Total Assets | \$ <u><u>908,476</u></u> | \$ <u><u>3,083</u></u> | \$ <u><u>34,213</u></u> | \$ <u><u>312,845</u></u> | \$ <u><u>1,258,617</u></u> |
| LIABILITIES | | | | | |
| Other liabilities | \$ <u>908,476</u> | \$ <u>3,083</u> | \$ <u>34,213</u> | \$ <u>312,845</u> | \$ <u>1,258,617</u> |
| Total Liabilities | \$ <u><u>908,476</u></u> | \$ <u><u>3,083</u></u> | \$ <u><u>34,213</u></u> | \$ <u><u>312,845</u></u> | \$ <u><u>1,258,617</u></u> |

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

For the Fiscal Year Ended June 30, 2012

| | Balance July 1, 2011 | Additions | Deductions | Balance June 30, 2012 |
|---------------------------------|----------------------------|---------------------|---------------------|-----------------------------|
| Performance Deposits | | | | |
| Assets - due from other funds | \$ <u>831,007</u> | \$ <u>209,601</u> | \$ <u>(132,132)</u> | \$ <u>908,476</u> |
| Liabilities - other liabilities | \$ <u>831,007</u> | \$ <u>209,601</u> | \$ <u>(132,132)</u> | \$ <u>908,476</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>27,716</u> | \$ <u>43,624</u> | \$ <u>(37,127)</u> | \$ <u>34,213</u> |
| Liabilities - other liabilities | \$ <u>27,716</u> | \$ <u>54,114</u> | \$ <u>(47,617)</u> | \$ <u>34,213</u> |
| School Agency | | | | |
| Assets - cash | \$ 247,960 | \$ 755,421 | \$ (706,498) | \$ 296,883 |
| Assets - due from other funds | 8,668 | 21,823 | (14,529) | 15,962 |
| Total Assets | \$ <u>256,628</u> | \$ <u>777,244</u> | \$ <u>(721,027)</u> | \$ <u>312,845</u> |
| Liabilities - other liabilities | \$ <u>256,628</u> | \$ <u>777,244</u> | \$ <u>(721,027)</u> | \$ <u>312,845</u> |
| Totals | | | | |
| Assets - cash | \$ 247,960 | \$ 755,421 | \$ (706,498) | \$ 296,883 |
| Assets - due from other funds | 870,474 | 275,048 | (183,788) | 961,734 |
| Total Assets | \$ <u>1,118,434</u> | \$ <u>1,030,469</u> | \$ <u>(890,286)</u> | \$ <u>1,258,617</u> |
| Liabilities - other liabilities | \$ <u>1,118,434</u> | \$ <u>1,040,959</u> | \$ <u>(900,776)</u> | \$ <u>1,258,617</u> |

Private Purpose Trust Funds

Combining Statement of Fiduciary Net Assets

June 30, 2012

| | Cemetery | Parks and Recreation | Welfare | School | Total |
|--------------------------------|--------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| ASSETS | | | | | |
| Due from other funds | \$ <u>188,621</u> | \$ <u>48,101</u> | \$ <u>125,245</u> | \$ <u>419,053</u> | \$ <u>781,020</u> |
| Total Assets | \$ <u><u>188,621</u></u> | \$ <u><u>48,101</u></u> | \$ <u><u>125,245</u></u> | \$ <u><u>419,053</u></u> | \$ <u><u>781,020</u></u> |
| NET ASSETS | | | | | |
| Total Net Assets Held in Trust | \$ <u><u>188,621</u></u> | \$ <u><u>48,101</u></u> | \$ <u><u>125,245</u></u> | \$ <u><u>419,053</u></u> | \$ <u><u>781,020</u></u> |

Private Purpose Trust Funds

Combining Statement of Changes in Fiduciary Net Assets

For Fiscal Year Ended June 30, 2012

| | Cemetery | Parks and Recreation | Welfare | School | Total |
|------------------------|--------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| Additions: | | | | | |
| Investment income | \$ <u>8,100</u> | \$ <u>1,915</u> | \$ <u>11,713</u> | \$ <u>36,570</u> | \$ <u>58,298</u> |
| Total Additions | <u>8,100</u> | <u>1,915</u> | <u>11,713</u> | <u>36,570</u> | <u>58,298</u> |
| Deductions: | | | | | |
| Disbursements by agent | <u>2,751</u> | <u>285</u> | <u>876</u> | <u>14,549</u> | <u>18,461</u> |
| Total Deductions | <u>2,751</u> | <u>285</u> | <u>876</u> | <u>14,549</u> | <u>18,461</u> |
| Net Increase | 5,349 | 1,630 | 10,837 | 22,021 | 39,837 |
| Net Assets: | | | | | |
| Beginning of Year | <u>183,272</u> | <u>46,471</u> | <u>114,408</u> | <u>397,032</u> | <u>741,183</u> |
| End of Year | \$ <u><u>188,621</u></u> | \$ <u><u>48,101</u></u> | \$ <u><u>125,245</u></u> | \$ <u><u>419,053</u></u> | \$ <u><u>781,020</u></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 -153 |
| 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. | 154 -155 |
| 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. | 156 -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 Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Governmental Activities | | | | | | | | | | |
| Invested in capital assets, net of related debt (1) | \$ 47,842,554 | \$ 50,841,722 | \$ 53,992,080 | \$ 56,387,047 | \$ 57,412,322 | \$ 60,502,720 | \$ 76,016,355 | \$ 80,024,915 | \$ 84,864,320 | \$ 87,821,792 |
| Restricted | 449,317 | 487,560 | 135,140 | 135,519 | 220,907 | 706,857 | 239,781 | 357,330 | 3,755,675 | 3,831,773 |
| Unrestricted | (3,376,708) | (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) |
| Total governmental activities net assets | \$ 44,915,163 | \$ 46,353,110 | \$ 49,079,028 | \$ 56,857,318 | \$ 59,776,700 | \$ 62,764,686 | \$ 71,832,213 | \$ 76,065,888 | \$ 81,791,211 | \$ 78,433,451 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 50,262,498 | \$ 49,960,529 | \$ 49,129,988 | \$ 49,120,227 | \$ 49,735,238 | \$ 51,471,577 | \$ 46,561,358 | \$ 48,633,637 | \$ 50,765,070 | \$ 49,806,832 |
| Restricted | 908,920 | 1,548,748 | 2,961,035 | 2,628,641 | 3,619,684 | 5,830,120 | 6,388,298 | 6,692,028 | 1,694,773 | - |
| Unrestricted | 3,890,445 | 3,777,256 | 3,499,041 | 3,591,882 | 1,527,399 | (2,037,985) | 5,702,564 | 2,967,829 | 5,792,867 | 8,189,888 |
| Total business-type activities net assets | \$ 55,061,863 | \$ 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 |
| Primary government | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 98,105,052 | \$ 100,802,251 | \$ 103,122,066 | \$ 105,507,274 | \$ 107,147,560 | \$ 111,974,297 | \$ 122,579,713 | \$ 128,658,552 | \$ 135,629,380 | \$ 137,228,424 |
| Restricted | 1,358,237 | 2,016,308 | 3,096,175 | 2,764,160 | 3,840,571 | 6,336,777 | 8,628,079 | 7,049,358 | 5,450,448 | 3,831,773 |
| Unrestricted | 513,737 | (1,178,916) | (1,549,151) | 3,926,634 | 3,870,870 | (482,678) | 1,276,641 | (1,928,526) | (1,035,917) | (4,830,226) |
| Total primary government net assets | \$ 99,977,026 | \$ 101,609,643 | \$ 104,669,090 | \$ 112,198,068 | \$ 114,659,001 | \$ 117,828,398 | \$ 130,484,433 | \$ 133,779,382 | \$ 140,043,921 | \$ 136,229,971 |

Notes

(1) Net assets invested in capital assets, net of related debt were restated for FY03 and FY04.

City of Dover, New Hampshire

Changes in Net Assets

Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 3,745,857 | \$ 3,809,832 | \$ 4,833,784 | \$ 3,670,881 | \$ 3,834,147 | \$ 4,926,090 | \$ 3,177,368 | \$ 3,483,369 | \$ 6,120,731 | \$ 6,057,406 |
| Public safety | 9,713,495 | 10,657,493 | 10,284,604 | 12,865,808 | 13,974,489 | 14,090,578 | 16,154,098 | 17,405,207 | 16,052,207 | 16,301,615 |
| Public works | 7,995,930 | 6,738,382 | 6,972,709 | 9,128,400 | 8,380,719 | 8,289,627 | 10,621,805 | 11,922,320 | 4,861,919 | 16,831,188 |
| Culture and recreation | 2,985,494 | 2,911,587 | 2,349,885 | 2,862,727 | 3,855,755 | 3,468,304 | 3,669,804 | 3,498,168 | 3,313,255 | 3,325,088 |
| Education | 36,502,911 | 37,408,903 | 37,715,317 | 41,198,155 | 42,505,294 | 45,032,173 | 45,829,648 | 45,268,003 | 48,789,847 | 47,519,865 |
| Public Welfare | 360,133 | 1,481,363 | 1,156,328 | 1,310,008 | 1,445,035 | 1,099,641 | 740,125 | 861,608 | 813,196 | 860,622 |
| Intergovernmental | 3,695,246 | 4,639,183 | 4,336,892 | 5,454,815 | 5,750,204 | 5,922,221 | 5,732,323 | 7,030,640 | 7,033,271 | 7,303,817 |
| Interest | 1,492,822 | 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 |
| Miscellaneous | 318,758 | - | - | - | - | - | - | - | - | - |
| Total governmental activities expenses | 67,080,646 | 69,294,516 | 69,465,226 | 78,618,899 | 82,358,217 | 85,927,425 | 90,196,214 | 92,756,959 | 90,453,309 | 101,365,705 |
| Business-type activities: | | | | | | | | | | |
| Water services | 2,326,346 | 2,521,875 | 2,779,842 | 2,977,351 | 3,304,778 | 3,430,042 | 3,362,625 | 3,745,551 | 3,414,368 | 3,618,587 |
| Sewer services | 4,327,587 | 4,586,230 | 4,547,438 | 4,997,619 | 5,043,665 | 5,017,000 | 5,472,366 | 5,426,802 | 5,227,362 | 5,345,924 |
| Arena services | 1,151,200 | 1,262,538 | 1,314,389 | 1,418,234 | 1,481,949 | 1,427,762 | 39,516 | - | - | - |
| DBIDA services | 7,098 | 7,894 | 5,879 | 81,943 | 144,500 | 138,441 | 177,886 | 298,878 | 312,954 | 195,493 |
| Total business-type activities expenses | 7,812,211 | 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 |
| Total primary government expenses | \$ 74,892,857 | \$ 77,653,053 | \$ 78,212,774 | \$ 88,094,046 | \$ 92,333,109 | \$ 95,940,670 | \$ 99,248,607 | \$ 102,228,190 | \$ 99,408,013 | \$ 110,525,709 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 1,484,034 | \$ 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 |
| Public safety | 1,235,206 | 808,821 | 437,825 | 603,642 | 1,275,129 | 1,336,480 | 1,794,657 | 1,872,986 | 2,339,389 | 2,295,257 |
| Public works | 869,876 | 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 |
| Culture and recreation | 403,968 | 718,942 | 501,361 | 591,904 | 659,630 | 650,656 | 1,242,867 | 1,463,061 | 1,757,855 | 1,994,066 |
| Education | 9,004,003 | 12,951,805 | 13,493,145 | 13,630,851 | 14,030,649 | 14,070,236 | 14,929,866 | 7,167,991 | 6,379,842 | 6,298,881 |
| Public Welfare | 6,230 | 11,749 | 196,645 | 138,057 | 55,182 | 180,465 | 82,006 | 81,955 | 214,171 | 213,255 |
| Miscellaneous | 54,573 | - | - | - | - | - | - | - | - | - |
| Total charges for services | 13,058,890 | 16,621,630 | 18,851,890 | 17,879,898 | 18,875,803 | 20,323,732 | 20,218,448 | 13,902,671 | 14,140,566 | 13,580,393 |
| Operating grants and contributions | 9,116,737 | 6,724,481 | 6,294,743 | 6,081,057 | 7,100,398 | 6,582,484 | 9,279,478 | 18,091,830 | 15,094,852 | 14,059,924 |
| Capital grants and contributions | 1,691,918 | 1,768,318 | 919,502 | 1,213,101 | 970,772 | 1,026,815 | 2,993,635 | 904,887 | 719,491 | 650,251 |
| Total governmental activities program revenues | 23,865,543 | 25,114,429 | 26,066,135 | 25,154,064 | 26,946,971 | 27,933,031 | 32,492,961 | 32,899,388 | 29,954,908 | 28,280,568 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water services | 3,158,780 | 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 |
| Sewer services | 4,196,982 | 3,928,891 | 4,019,804 | 3,934,859 | 3,787,878 | 4,129,003 | 4,060,736 | 4,095,345 | 4,506,884 | 4,572,478 |
| Arena services | 783,190 | 1,062,556 | 1,202,974 | 1,284,746 | 1,461,474 | 1,568,828 | - | - | - | - |
| DBIDA services | - | - | 250 | 44,701 | 268,973 | 138,353 | 129,235 | 175,787 | 168,854 | 83,157 |
| Total charges for services | 8,138,952 | 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 |
| Operating grants and contributions | 512,554 | 474,067 | 612,576 | 538,839 | 552,375 | 240,877 | 424,092 | - | 77,679 | 27,913 |
| Capital grants and contributions | 8,651,508 | 8,493,023 | 9,032,831 | 9,189,743 | 9,429,909 | 10,088,623 | 8,600,175 | 8,366,864 | 9,424,434 | 8,956,426 |
| Total business-type activities program revenues | \$ 32,517,049 | \$ 33,607,452 | \$ 35,088,966 | \$ 34,343,907 | \$ 36,376,880 | \$ 38,021,654 | \$ 41,092,736 | \$ 41,266,252 | \$ 39,379,403 | \$ 37,236,994 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Governmental activities | \$ (43,215,303) | \$ (44,180,087) | \$ (43,408,091) | \$ (53,464,835) | \$ (55,412,246) | \$ (57,994,394) | \$ (57,703,653) | \$ (59,857,571) | \$ (60,498,400) | \$ (73,085,137) |
| Business-type activities | | | | | | | | | | |
| Business-type activities | 839,295 | 134,486 | 285,283 | (285,404) | (544,983) | 75,378 | (452,218) | (1,104,367) | 469,790 | (203,578) |
| Total primary government net expense | \$ (42,376,008) | \$ (44,045,601) | \$ (43,122,808) | \$ (53,750,239) | \$ (55,957,228) | \$ (57,919,016) | \$ (58,155,871) | \$ (60,961,938) | \$ (60,028,610) | \$ (73,288,715) |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 38,969,984 | \$ 41,202,971 | \$ 44,469,792 | \$ 49,806,220 | \$ 52,129,249 | \$ 55,835,213 | \$ 58,469,588 | \$ 60,266,022 | \$ 61,572,865 | \$ 65,534,332 |
| Motor vehicle registration tax | 3,719,894 | 3,844,146 | 3,923,934 | 3,968,820 | 3,927,660 | 3,803,303 | 3,692,119 | 3,567,586 | 3,533,202 | 3,710,058 |
| Penalties, interest and other taxes | 196,283 | 218,578 | 8,419 | 4,391 | 16,009 | 28,037 | 8,354 | 307,005 | 358,594 | 417,900 |
| Unrestricted investment income/(loss) | 244,495 | 334,854 | 433,788 | 1,008,421 | 1,611,976 | 1,110,037 | 16,604 | (108,998) | 719,992 | (177,927) |
| Other revenue | 223,362 | 100,160 | 123,533 | 232,575 | 447,325 | 208,790 | 494,196 | 207,849 | 98,780 | 284,616 |
| Gain (Loss) on sale of capital assets | - | - | (40,109) | - | - | - | - | - | - | - |
| Extraordinary item | - | - | (2,793,947) | 6,395,994 | - | - | - | - | - | - |
| Transfers, net | 14,524 | (62,675) | 9,589 | 26,904 | - | - | (1,227,259) | (130,000) | (82,120) | (40,802) |
| Total governmental activities | 43,368,342 | 45,618,034 | 46,135,009 | 61,243,125 | 58,331,626 | 60,982,380 | 61,473,802 | 64,109,464 | 66,201,293 | 69,727,377 |
| Business-type activities: | | | | | | | | | | |
| Investment income | 11,042 | 7,509 | 27,845 | 52,496 | 86,533 | 106,033 | 40,213 | 15,641 | 7,309 | 3,146 |
| Other Revenue | - | - | - | 10,500 | - | - | - | - | - | - |
| Gain (Loss) on sale of capital assets | - | - | - | - | - | - | - | - | - | 38,631 |
| Transfers, net | (14,524) | 82,675 | (9,589) | (26,904) | - | - | 1,227,259 | 130,000 | 82,120 | 40,802 |
| Total business-type activities | (3,482) | 90,184 | 18,246 | 36,092 | 86,533 | 106,033 | 1,267,472 | 145,641 | 89,429 | 87,579 |
| Total primary government | \$ 43,364,860 | \$ 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 |
| Change in Net Assets | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Governmental activities | \$ 153,239 | \$ 1,437,947 | \$ 2,725,916 | \$ 7,778,290 | \$ 2,919,382 | \$ 2,987,986 | \$ 3,770,149 | \$ 4,251,893 | \$ 5,702,893 | \$ (3,357,760) |
| Business-type activities | | | | | | | | | | |
| Business-type activities | 835,813 | 224,670 | 303,529 | (249,312) | (458,450) | 181,411 | 815,254 | (958,726) | 559,219 | (120,999) |
| Total primary government | \$ 989,052 | \$ 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) |

City of Dover, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 | Fiscal Year 2007 | 2008 | 2009 | 2010 (1) | 2011 (2) | 2012 |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 2,428,326 | \$ 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 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | 732,278 | 806,786 | 823,847 |
| Assigned | - | - | - | - | - | - | - | 1,785,338 | 1,658,291 | 2,221,108 |
| Unassigned | - | - | - | - | - | - | - | 5,473,996 | 5,941,993 | 7,285,807 |
| Unreserved | 3,709,521 | 3,593,044 | 3,867,587 | 4,796,633 | 5,068,952 | 5,584,935 | 5,114,311 | - | - | - |
| Total General Fund | \$ 6,137,847 | \$ 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 |
| All Other Governmental funds | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,587,830 | \$ 1,846,692 | \$ 1,914,358 |
| Restricted Special Revenues | - | - | - | - | - | - | - | 4,365,197 | 1,955,496 | 1,983,730 |
| Restricted Capital Projects | - | - | - | - | - | - | - | 13,874,051 | 5,645,164 | 6,844,332 |
| Committed - Special Revenues | - | - | - | - | - | - | - | 895,930 | 3,086,889 | 3,348,329 |
| Committed - Capital Projects | - | - | - | - | - | - | - | 322,107 | 784,738 | 1,439,523 |
| Unassigned - Special Revenue | - | - | - | - | - | - | - | (1,215,514) | (1,207,470) | (1,172,470) |
| Unassigned - Capital Projects | - | - | - | - | - | - | - | (1,312,766) | (1,665,817) | (1,668,358) |
| Reserved | 2,243,139 | 3,168,322 | 2,890,235 | 7,269,317 | 11,055,514 | 8,181,128 | 5,914,151 | - | - | - |
| Unreserved, reported in | | | | | | | | | | |
| Special Revenue Funds | 3,669,786 | 4,283,723 | 3,228,880 | 4,137,741 | 4,839,885 | 5,344,127 | 4,727,590 | - | - | - |
| Capital Project Funds | 4,081,977 | 4,465,278 | 9,880,180 | 11,105,112 | 10,272,747 | 2,070,246 | 6,315,773 | - | - | - |
| Total All Other Governmental funds | \$ 9,994,902 | \$ 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 |

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)

| | 2003 | 2004 | 2005 | 2006 | Fiscal Year 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------|--------------------|---------------------|-----------------------|---------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$39,127,067 | \$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 |
| Licenses and permits | 4,096,208 | 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 |
| Intergovernmental | 7,028,720 | 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 |
| Current service charges | 3,986,260 | 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 |
| Education | 11,740,906 | 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 |
| Miscellaneous revenue | 1,060,772 | 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 |
| Total revenues | 67,039,934 | 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 |
| Expenditures | | | | | | | | | | |
| General government | \$ 3,362,579 | \$ 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 |
| Public safety | 9,669,513 | 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 |
| Public works | 5,278,348 | 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 |
| Culture and recreation | 2,026,355 | 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 |
| Education | 34,643,006 | 36,706,948 | 37,366,752 | 39,929,897 | 40,788,339 | 42,991,635 | 44,840,166 | 44,017,518 | 46,812,153 | 45,773,509 |
| Public Welfare | 1,181,469 | 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 |
| Intergovernmental | 3,695,246 | 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 |
| Capital outlay (1) | 7,471,290 | 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 |
| Debt service | | | | | | | | | | |
| Principal | 3,998,487 | 4,214,621 | 4,220,335 | 4,486,607 | 4,740,087 | 6,215,838 | 6,645,849 | 6,624,599 | 6,954,496 | 7,758,142 |
| Interest | 1,524,218 | 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 |
| Total expenditures | 72,850,509 | 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 |
| Excess of revenues | | | | | | | | | | |
| Over/(under) expenditures | (5,810,575) | (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 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Bond Issuance | \$ 9,159,000 | \$ 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 |
| Refunding Bond Issuance | - | - | - | - | - | - | - | 8,790,000 | - | 8,530,000 |
| Payment to Refunding Escrow | - | - | - | - | - | - | - | (9,050,390) | - | (9,192,189) |
| Transfers in | 944,509 | 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 |
| Transfers out | (929,985) | (1,122,840) | (1,139,298) | (1,135,069) | (1,183,029) | (1,093,416) | (2,685,641) | (1,308,796) | (2,525,138) | (3,064,852) |
| Total governmental activities | 9,173,524 | 5,982,325 | 8,529,600 | 16,454,904 | 18,259,961 | - | 7,357,368 | 9,709,000 | (762,049) | 3,381,502 |
| Net Change in fund balances | \$ 3,362,949 | \$ 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 |
| Debt Service as a percentage of non-capital outlay expenditures | 8.4% | 8.4% | 8.3% | 8.4% | 9.1% | 11.3% | 11.0% | 10.6% | 11.4% | 11.9% |

Data Source:
Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

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 | | | | | | | | | |
|---------------------------------------|-------------------|---------------------|-------------------|---------------------|---------------------|--------------------|---------------------|-------------------|---------------------|---------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 38,649,599 | \$ 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 |
| Licenses and permits | 4,096,208 | 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 |
| Intergovernmental | 1,914,757 | 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 |
| Current service charges | 1,124,299 | 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 |
| Education | 11,740,906 | 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 |
| Miscellaneous revenue | 478,202 | 485,359 | 779,348 | 1,227,807 | 2,001,869 | 1,888,508 | 702,508 | 351,686 | 289,266 | 210,094 |
| Total revenues | 58,003,971 | 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 |
| Expenditures by Function | | | | | | | | | | |
| General government | \$ 2,946,305 | \$ 3,518,072 | \$ 3,933,830 | \$ 3,710,777 | \$ 4,707,754 | 4,691,917 | 3,870,728 | \$ 3,935,300 | \$ 4,216,767 | \$ 4,062,660 |
| Public safety | 8,500,956 | 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 |
| Public works | 4,451,367 | 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 |
| Culture and recreation | 1,973,218 | 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 |
| Education | 29,199,879 | 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 |
| Public Welfare | 653,336 | 730,727 | 785,254 | 638,330 | 604,200 | 658,979 | 687,415 | 693,536 | 783,832 | 847,607 |
| Intergovernmental | 3,695,246 | 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 |
| Debt service | | | | | | | | | | |
| Principal | 3,998,487 | 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 |
| Interest | 1,524,218 | 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 |
| Total expenditures | 56,943,012 | 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 |
| Excess of revenues | | | | | | | | | | |
| Over(under) expenditures | 1,060,959 | 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 |
| 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 | 49,595 | 63,828 | 32,000 | 32,000 | 32,000 | 32,000 | - | 515,858 | 578,650 | 137,624 |
| Transfers out | (677,190) | (736,152) | (698,485) | (950,069) | (1,151,029) | (1,093,416) | (2,685,641) | (1,308,796) | (2,525,138) | (3,064,852) |
| Total governmental activities | (627,595) | (672,324) | (666,485) | (918,069) | (1,055,068) | (1,061,416) | (2,685,641) | (792,940) | (1,946,488) | (2,875,475) |
| Net Change in fund balances | \$ 433,364 | \$ (213,373) | \$ 641,411 | \$ 1,376,818 | \$ 1,151,841 | \$ 438,460 | \$ (908,092) | \$ 571,546 | \$ (166,344) | \$ 1,923,015 |

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 | | | | | | | | | |
|---------------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 477,468 | \$ 109,646 | \$ 371,497 | \$ 481,763 | \$ 507,669 | 378,167 | \$ 229,055 | \$ 459,550 | \$ 186,297 | \$ 95,886 |
| Licenses and permits | - | - | 1,020 | 1,135 | 1,670 | 1,430 | 188,206 | 196,434 | 340,529 | 233,716 |
| Intergovernmental | 4,613,018 | 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 |
| Current service charges | 2,644,338 | 2,338,255 | 3,338,544 | 4,026,256 | 4,226,685 | 4,843,301 | 4,389,415 | 4,069,023 | 4,225,684 | 4,319,465 |
| Education | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous revenue | 559,833 | 861,377 | 548,268 | 710,930 | 973,661 | 327,782 | 226,899 | 154,015 | 979,172 | 60,007 |
| Total revenues | 8,294,655 | 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 |
| Expenditures | | | | | | | | | | |
| General government | 416,274 | 164,917 | 576,873 | 693,170 | 1,029,501 | 609,614 | 91,089 | 378,836 | 326,891 | 490,534 |
| Public safety | 1,168,557 | 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 |
| Public works | 826,979 | 842,441 | 893,273 | 1,080,548 | 1,109,091 | 1,052,042 | 1,014,447 | 1,098,536 | 990,977 | 838,577 |
| Culture and recreation | 53,137 | 144,816 | 84,283 | 394,200 | 400,112 | 519,747 | 740,989 | 761,471 | 705,093 | 701,043 |
| Education | 5,443,127 | 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 |
| Public Welfare | 528,133 | 744,483 | 386,088 | 632,809 | 818,265 | 408,544 | 442,008 | 511,598 | 437,156 | 459,578 |
| Debt service | | | | | | | | | | |
| Principal | - | - | - | - | 40,000 | 205,000 | 220,000 | 220,000 | 230,000 | 245,000 |
| Interest | - | - | - | 8,444 | 206,359 | 204,194 | 183,856 | 185,194 | 176,394 | 170,400 |
| Total expenditures | 8,436,207 | 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 |
| Excess of revenues | | | | | | | | | | |
| Over/(under) expenditures | (141,552) | (136,737) | (339,529) | (724,044) | (595,441) | (556,004) | (1,329,768) | (579,176) | 247,542 | (471,017) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 671,648 | 676,337 | 733,299 | 943,713 | 1,207,020 | 1,061,416 | 1,398,009 | 1,107,940 | 862,102 | 1,215,884 |
| Transfers out | (252,795) | (86,688) | (440,813) | (185,000) | (87,991) | - | (477,588) | (45,000) | (143,970) | (352,193) |
| Total governmental activities | 418,853 | 589,649 | 292,486 | 758,713 | 1,119,029 | 1,061,416 | 920,421 | 1,062,940 | 818,132 | 863,691 |
| Net Change in fund balances | \$ 277,301 | \$ 452,912 | \$ (47,043) | \$ 34,669 | \$ 523,588 | \$ 505,412 | \$ (409,347) | \$ 483,764 | \$ 1,065,674 | \$ 392,674 |

Data Source
Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

Changes in Fund Balances, Capital Project Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 | Fiscal Year 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|----------------------|---------------------|
| Revenues | | | | | | | | | | |
| Intergovernmental | \$ 500,945 | \$ 490,855 | \$ 136,357 | \$ 325,750 | \$ 150,499 | \$ - | \$ 2,612,505 | \$ 2,266,042 | \$ 20,975 | \$ 55,949 |
| Current service charges | 217,625 | 226,222 | 1,770,819 | 40,000 | 178,863 | 1,208,440 | - | - | 610,528 | 3,788 |
| Education | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous revenue | 22,737 | 80,468 | 270,305 | 247,107 | 246,210 | 239,883 | 1,309,513 | 145,575 | 123,776 | 422,707 |
| Total revenues | 741,307 | 797,545 | 2,177,481 | 612,857 | 575,572 | 1,448,323 | 3,922,018 | 2,411,617 | 755,379 | 482,424 |
| Expenditures | | | | | | | | | | |
| Capital outlay | 7,471,290 | 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 |
| Debt service | - | - | - | - | - | - | - | - | - | 888,000 |
| Principal | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | 7,471,290 | 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 |
| Excess of revenues | | | | | | | | | | |
| Over/(under) expenditures | (6,729,983) | (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) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from borrowing | 9,159,000 | 8,065,000 | 8,520,000 | 16,428,000 | 18,196,000 | - | 8,545,000 | 9,839,000 | 250,000 | 4,800,000 |
| Transfers in | 223,266 | 300,000 | 383,599 | 186,260 | - | - | 577,588 | - | 219,760 | 612,500 |
| Transfers out | - | (300,000) | - | - | - | - | - | (400,000) | (103,453) | (19,214) |
| Total governmental activities | 9,382,266 | 8,065,000 | 8,903,599 | 16,614,260 | 18,196,000 | - | 9,122,588 | 9,439,000 | 366,307 | 5,393,286 |
| Net Change in fund balances | \$ 2,652,283 | \$ 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 |

Data Source:
Audited Financial Statements

City of Dover, New Hampshire

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

| Fiscal Year | Revenue | | | | | Expenses | | | | | Increase (Decrease) Total Net Assets | Total Net Assets |
|-------------|-------------------|----------------------|------------|--------------|--------------|--------------------------|--------------|------------------|---------------|--------------|--------------------------------------|------------------|
| | Intergovernmental | Charges for Services | Other | Transfers In | Total | Operations & Maintenance | Depreciation | Interest Expense | Transfers Out | Total | | |
| 2012 | \$ - | \$ 8,575,866 | \$ 471,860 | \$ - | \$ 9,047,726 | \$ 5,405,306 | \$ 3,012,890 | \$ 653,783 | \$ 89,198 | \$ 9,160,977 | \$ (113,251) | \$ 56,618,661 |
| 2011 | - | 8,548,780 | 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 | - | 8,206,706 | 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 (3) |
| 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 | 993,482 | 26,904 | 8,001,874 | (88,894) | 55,536,691 |
| 2005 | 612,576 | 6,880,875 | 363,769 | - | 7,857,220 | 4,407,360 | 2,302,638 | 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 (1) |
| 2003 | 512,554 | 6,957,737 | 409,066 | - | 7,879,359 | 3,560,102 | 2,087,337 | 1,008,474 | 14,524 | 6,666,438 | 1,210,921 | 54,772,785 (2) |

Includes Water and Sewer Funds

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

| Fiscal Year | Revenue | | | | | Expenses | | | | | Increase (Decrease) Total Net Assets | Total Net Assets |
|-------------|-------------------|----------------------|------------|--------------|--------------|--------------------------|--------------|------------------|---------------|--------------|--------------------------------------|------------------|
| | Intergovernmental | Charges for Services | Other | Transfers In | Total | Operations & Maintenance | Depreciation | Interest Expense | Transfers Out | Total | | |
| 2012 | \$ - | \$ 4,147,280 | \$ 298,519 | \$ - | \$ 4,445,799 | \$ 2,412,373 | \$ 837,175 | \$ 369,039 | \$ 75,552 | \$ 3,694,139 | \$ 751,660 | \$ 20,517,173 |
| 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 (2) |
| 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 |
| 2003 | - | 3,040,583 | 121,338 | - | 3,161,921 | 1,611,453 | 501,377 | 213,516 | - | 2,326,346 | 835,575 | 14,512,849 (1) |

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

| Fiscal Year | Revenue | | | | | Expenses | | | | | Increase (Decrease) Total Net Assets | Total Net Assets |
|-------------|-------------------|----------------------|------------|--------------|--------------|--------------------------|--------------|------------------|---------------|--------------|--------------------------------------|------------------|
| | Intergovernmental | Charges for Services | Other | Transfers In | Total | Operations & Maintenance | Depreciation | Interest Expense | Transfers Out | Total | | |
| 2012 | \$ - | \$ 4,428,586 | \$ 173,341 | \$ - | \$ 4,601,927 | \$ 2,992,933 | \$ 2,175,515 | \$ 284,744 | \$ 13,646 | \$ 5,466,838 | \$ (864,911) | \$ 36,101,488 |
| 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 | 1,965,850 | 492,975 | - | 5,426,802 | (1,189,088) | 37,811,450 |
| 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 | 1,992,886 | 569,255 | - | 5,017,000 | (594,600) | 39,769,646 (2) |
| 2007 | 552,375 | 3,621,192 | 186,890 | - | 4,360,457 | 2,466,247 | 1,875,205 | 702,213 | - | 5,043,665 | (683,208) | 38,962,504 |
| 2006 | 519,346 | 3,768,912 | 194,737 | - | 4,482,995 | 2,526,551 | 1,776,880 | 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 |
| 2003 | 512,554 | 3,917,154 | 287,730 | - | 4,717,438 | 1,948,649 | 1,585,960 | 792,958 | 14,524 | 4,342,091 | 375,347 | 40,259,937 (1) |

Data Source:
Audited Financial Reports

Notes:

- (1) Beginning in Fiscal Year 2003 includes Capital Reserve Funds which were previously considered Trust Funds.
- (2) 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 |
|-------------|----------------|-----------------------|-----------|-----------|------------------------|----------------|--------------------------|---------------|
| 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 |
| 2003 | 38,345,800 | 475,838 | 22,759 | 4,945 | 71,298 | 10,143 | 196,283 | 39,127,067 |

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 |
| 2012 | \$ 64,548,459 | \$ 61,508,390 | 95.3% | \$ 3,040,069 | \$ - | \$ 3,040,069 | 61,508,390 | 95.3% | 9,899 | 355 | 3.6% |
| 2011 | 81,316,723 | 58,300,049 | 95.1% | 3,018,674 | 2,163,367 | 853,307 | 60,463,416 | 98.6% | 9,873 | 366 | 3.7% |
| 2010 | 59,722,532 | 56,637,028 | 94.8% | 3,085,504 | 2,658,597 | 426,907 | 59,295,625 | 99.3% | 9,825 | 417 | 4.2% |
| 2009 | 57,813,956 | 55,182,839 | 95.4% | 2,631,117 | 2,496,577 | 134,540 | 57,679,416 | 99.8% | 9,808 | 380 | 3.9% |
| 2008 | 55,140,420 | 52,827,214 | 95.8% | 2,313,206 | 2,269,259 | 43,947 | 55,096,473 | 99.9% | 9,685 | 295 | 3.0% |
| 2007 | 51,305,180 | 49,264,164 | 96.0% | 2,041,016 | 2,024,053 | 16,963 | 51,288,217 | 100.0% | 9,552 | 353 | 3.7% |
| 2006 | 48,838,109 | 46,864,721 | 96.0% | 1,973,388 | 1,962,172 | 11,216 | 48,826,893 | 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% |
| 2003 | 38,378,893 | 36,736,461 | 95.7% | 1,642,433 | 1,642,433 | - | 38,378,893 | 100.0% | 8,888 | 310 | 3.5% |

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 deeded.

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 | | | | | | |
| 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% |
| 2003 | 1,359,533,470 | 471,810,672 | 31,250,100 | 1,862,594,242 | 10,271,000 | 1,852,323,242 | 18.89 | 2,033,558,594 | 91.6% |

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

| Taxpayer | Type of Business | 2012 | | Percentage of | | 2003 | | Percentage of | |
|---|----------------------|-------------------------|------|----------------------|----------|-------------------------|------|----------------------|----------|
| | | Assessed Value | Rank | Total Assessed Value | % | Assessed Value | Rank | Total Assessed Value | % |
| Liberty Mutual Insurance Co | Insurance | \$ 70,165,700 | 1 | 2.71 | % | \$ 24,267,000 | 1 | 1.31 | % |
| Public Service Co of NH | Utility | 22,577,500 | 2 | 0.87 | | 20,669,900 | 2 | 1.12 | |
| The New Meadows Inc | Apartments | 15,151,300 | 3 | 0.58 | | 11,381,100 | 3 | 0.61 | |
| 171 Watson Rd of Dover Holding Corp. | Scholastic Testing | 14,768,600 | 4 | 0.57 | | - | - | - | |
| Fortuna North, LLC | Wholesale | 13,762,700 | 5 | 0.53 | | - | - | - | |
| Northern Utilities Inc | Gas Utility | 13,380,000 | 6 | 0.52 | | 10,057,600 | 6 | 0.54 | |
| NP Dover LLC (Current) Shaw's(Previously) | Supermarket | 11,021,600 | 7 | 0.43 | | 11,055,500 | 4 | 0.60 | |
| Sawyers Mills Assoc Inc | Apartments | 9,730,500 | 8 | 0.38 | | 7,282,700 | 9 | 0.39 | |
| Dover Retirement Residence LLC | Retirement Community | 8,224,800 | 9 | 0.32 | | - | - | - | |
| Cochecho Mills Holdings LLC | Developer | 7,924,100 | 10 | 0.31 | | - | - | - | |
| Goss (Current) Heidelberg (Previously) | Manufacturer | - | - | - | | 10,952,100 | 5 | 0.59 | |
| Dover Mills Partnership | Developer | - | - | - | | 9,501,700 | 7 | 0.51 | |
| Holgate Limited Partnership | Comm/Res Rentals | - | - | - | | 9,255,600 | 8 | 0.50 | |
| Langdon Place of Dover | Retirement Community | - | - | - | | 7,211,000 | 10 | 0.39 | |
| Total Principal Taxpayers | | \$ 186,706,800 | | 7.20 | % | \$ 121,634,200 | | 6.57 | % |
| Total Net Assessed Taxable Value | | \$ 2,592,606,600 | | | | \$ 1,852,323,242 | | | |

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 | |
| 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 |
| 2003 | 8.03 | (0.13) | 7.90 | 6.08 | 4.91 | 10.99 | 18.89 | 1.97 | 20.86 | 18.90 |

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 |
| 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 |
| 2003 | 2,202,550 | 3,357,000 | 1,015,000 | 900,000 | 2.17 | 3.73 | 5.90 |

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 | | | | Apportionment of County Tax Levy | | | | |
|------------------------|------------------|-------------------|-------------|----------------------------------|-----------------|---------------|-------------------------|------------------------|
| Tax Year | Dover | Strafford County | Dover's % | Fiscal Year | County Tax Levy | Dover's Share | Dover's Share \$ Change | Dover's Share % Change |
| 2010 | \$ 2,776,723,718 | \$ 10,188,669,097 | 27.2530562% | 2012 | \$ 26,800,000 | \$ 7,303,817 | \$ 270,546 | 3.8% |
| 2009 | 2,771,603,605 | 10,535,297,254 | 26.3077874% | 2011 | 26,744,561 | 7,033,271 | 2,631 | 0.0% |
| 2008 | 3,012,848,041 | 11,251,423,584 | 26.7774830% | 2010 | 26,255,790 | 7,030,640 | 258,317 | 3.8% |
| 2007 | 3,030,963,132 | 11,365,940,726 | 26.6670679% | 2009 | 25,395,827 | 6,772,323 | 850,102 | 14.4% |
| 2006 | 2,957,658,251 | 11,428,976,216 | 25.8785931% | 2008 | 22,884,637 | 5,922,221 | 172,016 | 3.0% |
| 2005 | 2,912,670,592 | 10,943,501,422 | 26.6155271% | 2007 | 21,604,701 | 5,750,205 | 295,390 | 5.4% |
| 2004 | 2,603,256,233 | 9,798,715,231 | 26.5673221% | 2006 | 20,532,046 | 5,454,815 | 1,117,923 | 25.8% |
| 2003 | 2,307,394,165 | 8,651,293,933 | 26.6710874% | 2005 | 16,260,649 | 4,336,892 | (302,291) | -6.5% |
| 2002 | 2,036,499,998 | 7,464,648,336 | 27.2819282% | 2004 | 17,004,598 | 4,639,183 | 943,938 | 25.5% |
| 2001 | 1,794,028,135 | 6,480,835,631 | 27.6820496% | 2003 | 13,348,887 | 3,695,245 | 28,626 | 0.8% |

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 | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Debt at June 30 | | | | | | | | | | |
| City Depts. (Includes Arena) (1) | \$ 25,708,328 | \$ 27,332,571 | \$ 30,982,914 | \$ 39,861,057 | \$ 45,784,300 | \$ 41,974,543 | \$ 48,729,256 | \$ 48,278,316 | \$ 44,001,511 | \$ 43,702,119 |
| Hospital | - | - | - | - | - | - | - | - | - | - |
| School Dept. | 20,067,764 | 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 |
| Total Governmental Activities | 45,776,092 | 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 |
| Water Fund | 5,985,649 | 7,885,000 | 7,788,000 | 11,103,000 | 12,578,000 | 11,573,000 | 10,783,000 | 11,344,000 | 10,334,000 | 10,083,800 |
| Sewer Fund | 15,058,000 | 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 |
| Arena Fund | 4,034,410 | 3,785,920 | 3,542,430 | 3,298,940 | 3,055,450 | 2,813,960 | - | - | - | - |
| DBIDA Fund | - | - | - | 2,383,554 | 2,296,453 | 2,121,775 | 1,983,435 | 1,841,189 | 1,794,773 | - |
| Total Debt at June 30 | \$ 70,852,151 | \$ 73,908,191 | \$ 77,957,368 | \$ 95,205,823 | \$ 108,423,145 | \$ 99,154,139 | \$ 100,012,355 | \$ 103,473,260 | \$ 93,728,598 | \$ 90,544,288 |
| Base Value for Debt Limits (2) | | | | | | | | | | |
| | \$2,065,144,579 | \$2,336,696,368 | \$2,634,930,749 | \$2,944,329,836 | \$2,988,313,185 | \$3,080,293,656 | \$3,040,617,437 | \$2,768,903,096 | \$2,774,177,802 | \$2,714,253,993 |
| Legal Debt Limits (% of Base Value) | | | | | | | | | | |
| City - 1 75% thru 1998, 3% 1999 on (3) | \$ 81,954,337 | \$ 70,100,891 | \$ 79,047,822 | \$ 88,329,895 | \$ 89,649,396 | \$ 91,808,810 | \$ 91,218,523 | \$ 83,067,093 | \$ 83,225,334 | \$ 81,427,620 |
| School - 7% (3) | 144,560,121 | 183,568,746 | 184,445,152 | 206,103,069 | 209,181,923 | 214,220,556 | 212,843,221 | 193,823,217 | 194,182,446 | 189,997,780 |
| Water - 10% (3) | 208,514,458 | 233,889,637 | 263,493,075 | 294,432,984 | 298,831,319 | 306,029,366 | 304,061,744 | 276,890,310 | 277,417,780 | 271,425,399 |
| 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 | NA | 205,778,758 | 224,849,860 | 230,847,080 | 225,185,544 | 210,859,736 | 212,606,024 | 211,372,080 |
| Debt Against Legal Debt Limits | | | | | | | | | | |
| City Depts. (Includes Arena) | 25,855,410 | 27,052,920 | 30,308,430 | 37,712,940 | 42,989,450 | 39,454,960 | 40,012,470 | 40,171,288 | 36,903,240 | 37,226,320 |
| School Dept. | 20,067,764 | 20,293,700 | 20,943,122 | 24,206,272 | 31,538,942 | 29,132,861 | 27,408,664 | 31,186,754 | 28,640,814 | 26,097,769 |
| Water Fund | 5,985,649 | 7,885,000 | 7,788,000 | 11,103,000 | 12,578,000 | 11,573,000 | 10,783,000 | 11,344,000 | 10,334,000 | 10,083,800 |
| DBIDA - Industrial Parks | 1,455,000 | 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 | 1,894,773 | - |
| Exempt from Legal Debt Limits (7) | 17,488,328 | 17,809,571 | 17,804,814 | 18,855,057 | 18,285,300 | 16,266,543 | 19,409,786 | 18,655,029 | 18,055,771 | 17,138,399 |
| Total Debt at June 30 | \$ 70,852,151 | \$ 73,908,191 | \$ 77,957,368 | \$ 95,205,823 | \$ 108,423,145 | \$ 99,154,139 | \$ 100,012,355 | \$ 103,473,260 | \$ 93,728,598 | \$ 90,544,288 |
| Unused Capacity of Legal Debt Limits | | | | | | | | | | |
| City Depts. | \$ 38,098,927 | \$ 43,047,971 | \$ 48,741,492 | \$ 50,816,955 | \$ 46,659,946 | \$ 52,353,850 | \$ 51,206,053 | \$ 42,895,805 | \$ 46,322,094 | \$ 44,201,300 |
| School Dept. | 124,492,357 | 143,275,048 | 163,502,030 | 181,896,817 | 177,842,981 | 185,087,695 | 185,434,557 | 162,626,463 | 165,551,632 | 163,900,011 |
| Water Fund | 200,528,809 | 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 |
| DBIDA - Industrial Parks | 2,545,000 | 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 |
| DBIDA - Industrial Buildings | 1,000,000 | 1,000,000 | 1,000,000 | - | - | - | - | - | - | - |
| DBIDA - Industrial Project | NA | NA | NA | 203,393,203 | 222,913,227 | 228,965,305 | 223,382,109 | 209,068,547 | 210,911,251 | 211,372,080 |
| % of Legal Debt Limits Used | | | | | | | | | | |
| City Depts. | 41.7% | 38.6% | 38.3% | 42.7% | 48.0% | 43.0% | 43.9% | 48.4% | 44.3% | 45.7% |
| School Dept. | 13.9% | 12.4% | 11.4% | 11.7% | 15.1% | 13.6% | 12.9% | 16.1% | 14.7% | 13.7% |
| Water Fund | 2.9% | 3.3% | 3.0% | 3.8% | 4.2% | 3.8% | 3.5% | 4.1% | 3.7% | 3.7% |
| DBIDA - Industrial Parks | 36.4% | 32.1% | 27.9% | 23.6% | 27.4% | 21.1% | 14.9% | 8.6% | 2.5% | 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% | 0.0% | 1.2% | 0.9% | 0.8% | 0.8% | 0.8% | 0.8% | 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 | Total | | | | | |
| 2012 | \$ 43,702,119 | \$ - | \$ 28,097,769 | \$ 69,799,888 | \$ - | \$ 6,304,708 | \$ 63,495,180 | 2.4% | \$ 2,082 | |
| 2011 | 44,101,511 | - | 28,640,814 | 72,742,325 | - | 6,919,589 | 65,822,728 | 2.5% | 2,195 | |
| 2010 | 48,276,316 | - | 31,196,755 | 79,473,071 | - | 7,550,706 | 71,922,365 | 2.8% | 2,433 | |
| 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 | |
| 2003 | 25,708,328 | - | 20,067,764 | 45,776,092 | - | 5,120,525 | 40,655,567 | 2.2% | 1,435 | |

| 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) | Total | | | | | |
| 2012 | \$ 10,083,800 | \$ 10,660,600 | \$ - | \$ - | \$ 20,744,400 | \$ 170,169 | \$ 20,574,231 | \$ 675 | 2.2% | |
| 2011 | 10,334,000 | 8,957,500 | - | 1,694,773 | 20,986,273 | 1,008,275 | 19,977,998 | 666 | 2.2% | |
| 2010 | 11,344,000 | 10,815,000 | - | 1,841,189 | 24,000,189 | 2,051,383 | 21,948,806 | 742 | 2.4% | |
| 2009 | 10,763,000 | 11,128,000 | - | 1,983,435 | 23,874,435 | 3,057,565 | 20,816,870 | 708 | 2.3% | |
| 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 | 7,786,000 | 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% | |
| 2003 | 5,985,649 | 15,056,000 | 4,034,410 | - | 25,076,059 | 7,459,482 | 17,616,577 | 681 | 2.6% | |

| Fiscal Year | Total | | | Percentage of Net Debt to Actual Taxable Value of Property | Net Debt per capita (1) | Total Debt per capita (1) | % of Personal Income (2) |
|-------------|--------------------|-------------------------|---------------|--|-------------------------|---------------------------|--------------------------|
| | Primary Government | Less State and Hospital | Net Debt | | | | |
| 2012 | \$ 90,544,288 | \$ 6,474,877 | \$ 84,069,411 | 3.2% | \$ 2,756 | \$ 2,969 | 9.6% |
| 2011 | 93,728,598 | 7,927,874 | 85,800,724 | 3.3% | 2,861 | 3,126 | 10.1% |
| 2010 | 103,473,260 | 9,602,089 | 93,871,171 | 3.6% | 3,175 | 3,500 | 11.1% |
| 2009 | 100,012,355 | 11,251,926 | 88,760,429 | 3.2% | 3,017 | 3,400 | 11.1% |
| 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% |
| 2003 | 70,852,151 | 12,580,007 | 58,272,144 | 3.1% | 2,057 | 2,501 | 9.7% |

Data Source:
Audited Financial Statements
Assessing Department MS-1 Reports

Notes:

- (1) Per capita ratio for FY2011 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 trended 2000 US Census amounts.
- (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 |
|--------------------|-------------------------------------|-------------------------------------|---------------------------------|
| 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 |
| 2003 | 45,776,092 | 100% | 45,776,092 |

Overlapping: Strafford County

| End of Calendar Year | Net General Obligation Debt Outstanding (1) | Percentage Applicable to Government (2) | Amount Applicable to Government |
|----------------------|---|---|---------------------------------|
| 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 |

Data Sources:

- (1) Strafford County Audited Financial Statements at calendar year end
- (2) NH Department of Revenue Administration

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 |
| 2012 | 30,500 | \$ 80,994 | \$ 946,415,000 | \$ 31,030 | 890 | 18,430 | 4.8% | 5.4% | 8.4% |
| 2011 | 29,987 | 77,740 | 925,968,573 | 30,879 | 860 | 17,740 | 4.8% | 5.2% | 9.3% |
| 2010 | 29,563 | 75,820 | 931,500,567 | 31,509 | 910 | 17,390 | 5.2% | 5.7% | 9.5% |
| 2009 | 29,417 | 73,943 | 903,219,568 | 30,704 | 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% |
| 2003 | 28,329 | 62,681 | 732,984,546 | 25,874 | 564 | 15,987 | 3.5% | 4.7% | 5.8% |

Data Sources:

- (1) 2011 data based on 2010 U.S. Census, all other years trended based on 2005 NH Office of State Planning population estimates.
- (2) 2011 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 | 2012 | | | 2003 | | |
|------------------------------------|--------------------------------|---------------------|------|-------------------------------------|---------------------|------|-------------------------------------|
| | | Number of Employees | Rank | Percentage of Total City Employment | Number of Employees | Rank | Percentage of Total City Employment |
| Liberty Mutual Insurance Co | Insurance | 2,753 | 1 | 14.94 % | 1,210 | 1 | 7.68 % |
| City of Dover (FTEs) | Municipality | 800 | 2 | 4.34 | 870 | 3 | 5.53 |
| Wenworth Douglas Hospital | Hospital | 796 | 3 | 4.32 | 1,204 | 2 | 7.65 |
| Strafford County | County Government | 483 | 4 | 2.62 | | | |
| Measured Progress | Scholastic testing | 473 | 5 | 2.57 | | | |
| Churchill Medical Systems | Manufacturer - medical kits | 151 | 6 | 0.82 | | | |
| Park Nameplate | Nameplates for auto/cosmetics | 98 | 7 | 0.53 | | | |
| Hirel Systems | Manufacturer - Electronics | 83 | 8 | 0.45 | | | |
| Fosters Daily Democrat | Newspaper | 78 | 9 | 0.42 | 200 | 5 | 1.27 |
| Dell Services (Perot Systems) | Defense Tech System Contractor | 77 | 10 | 0.42 | 131 | 8 | 0.83 |
| Goss (previously Heidelberg Hamis) | Manufacturer - Presses | | | | 600 | 4 | 3.81 |
| Electrocraft (EAD Motors) | Electric motors & fans | | | | 150 | 6 | 0.95 |
| MBNA | Telemarketing | | | | 147 | 7 | 0.93 |
| ATT | National Passport Center | | | | 130 | 9 | 0.83 |
| FibreDyne | Manufacturer - Carbon Filters | | | | 90 | 10 | 0.57 |
| Total Principal Employers | | 5,792 | | 31.43 % | 4,732 | | 30.05 % |
| Total City Employment (1) | | 18,430 | | | 15,746 | | |

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 | | | | | | | | | |
|---|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Finance | | | | | | | | | | |
| Taxable property parcels assessed | 8,888 | 9,009 | 9,103 | 9,187 | 9,552 | 9,685 | 9,808 | 9,825 | 9,873 | 9,899 |
| Property transfers processed | 1,146 | 1,194 | 1,170 | 1,198 | 977 | 781 | 712 | 689 | 740 | 742 |
| Motor vehicles registered | 29,990 | 30,622 | 30,775 | 30,210 | 30,247 | 29,840 | 27,665 | 28,334 | 29,280 | 30,838 |
| Inspection Services Division | | | | | | | | | | |
| Number of inspections conducted (1) | 640 | 637 | 623 | 782 | 1,214 | 1,278 | 4,227 | 5,112 | 4,598 | 5,203 |
| Building Permits Issued | 629 | 654 | 572 | 531 | 522 | 398 | 349 | 396 | 358 | 381 |
| Estimated construction value in millions | \$ 42.87 | \$ 55.95 | \$ 45.88 | \$ 53.58 | \$ 74.20 | \$ 53.51 | \$ 33.74 | \$ 29.82 | \$ 47.90 | \$ 23.78 |
| Police (2) | | | | | | | | | | |
| Physical arrests | 1,585 | 1,252 | 1,245 | 1,349 | 1,489 | 1,213 | 908 | 789 | 844 | 819 |
| Traffic violations | 1,603 | 1,466 | 1,313 | 1,400 | 1,319 | 1,686 | 1,326 | 1,138 | 1,134 | 1,217 |
| Parking violations | 7,983 | 8,472 | 8,374 | 8,499 | 10,507 | 8,522 | 7,795 | 7,720 | 6,679 | 10,336 |
| Fire and Rescue | | | | | | | | | | |
| Calls answered | 5,077 | 4,794 | 5,147 | 5,021 | 5,085 | 5,146 | 5,018 | 5,549 | 5,347 | 5,242 |
| Emergency Responses | 2,797 | 3,038 | 3,197 | 3,200 | 3,712 | 3,923 | 3,844 | 4,244 | 4,859 | 4,609 |
| Fires extinguished | 135 | 104 | 72 | 101 | 101 | 152 | 277 | 306 | 286 | 353 |
| Emergency medical responses | 1,949 | 2,144 | 2,224 | 2,175 | 2,441 | 2,692 | 2,349 | 2,614 | 2,945 | 2,880 |
| Community services - Public Works | | | | | | | | | | |
| Refuse collected (tons) | 4,880 | 5,000 | 4,996 | 5,853 | 5,267 | 5,407 | 4,919 | 3,941 | 3,546 | 3,884 |
| Recycling (tons) | 2,875 | 2,060 | 2,823 | 3,017 | 4,255 | 3,036 | 2,532 | 2,518 | 2,493 | 2,472 |
| Streets resurfaced (miles) | 5.5 | 6.0 | 4.5 | 13.1 | 8.0 | 2.6 | 6.9 | 3.0 | 2.9 | 3.7 |
| Public Library | | | | | | | | | | |
| Volumes in collections | 99,992 | 101,114 | 99,321 | 100,247 | 103,884 | 104,004 | 107,701 | 104,639 | 104,974 | 101,715 |
| Total volumes borrowed | 267,448 | 274,052 | 270,692 | 278,396 | 279,332 | 290,402 | 299,346 | 288,512 | 296,225 | 291,515 |
| Public Welfare - General Assistance | | | | | | | | | | |
| Number of contacts | 2,421 | 3,328 | 3,935 | 4,956 | 4,010 | 4,763 | 4,987 | 6,362 | 6,308 | 6,293 |
| Assisted cases | 580 | 610 | 650 | 698 | 664 | 685 | 685 | 1,651 | 1,924 | 1,982 |
| Water system: | | | | | | | | | | |
| Water main breaks | NA | NA | 4 | 2 | 13 | 18 | 16 | 16 | 1 | 11 |
| Daily average consumption (millions of gallons) | 2.2 | 2.2 | 2.3 | 2.3 | 2.3 | 2.3 | 2.5 | 2.8 | 3.0 | 3.1 |
| Peak daily consumption (millions of gallons) | 3.4 | 3.2 | 3.4 | 3.4 | 3.6 | 3.6 | 3.5 | 3.2 | 3.7 | 4.1 |
| Sewage System: | | | | | | | | | | |
| Daily average treatment (millions of gallons) | 2.7 | 2.7 | 2.6 | 2.8 | 2.8 | 2.9 | 3.1 | 2.6 | 2.5 | 2.5 |

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 | | | | | | | | | |
|---|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Police | | | | | | | | | | |
| Number of stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of patrol units | 10 | 10 | 10 | 10 | 10 | 10 | 9 | 9 | 9 | 9 |
| Fire and Rescue | | | | | | | | | | |
| Number of stations | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Number of ladder trucks | 2 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of pumpers | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 4 | 4 | 4 |
| Number of support vehicles | 5 | 5 | 5 | 5 | 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 | 131 | 132 | 132 | 133 | 133 | 133 | 133 | 133 |
| Miles of storm drains | 57 | 57 | 64 | 65 | 67 | 67 | 69 | 69 | 69 | 69 |
| Number of street lights | 1,831 | 1,836 | 1,770 | 1,773 | 1,773 | 1,777 | 1,776 | 1,776 | 1,771 | 1,771 |
| Number of bridges | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 |
| Recreation: | | | | | | | | | | |
| Community centers | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of parks | 16 | 17 | 18 | 18 | 18 | 18 | 25 | 25 | 25 | 25 |
| Park acreage | 236 | 250 | 274 | 274 | 274 | 274 | 235 | 235 | 235 | 235 |
| Playgrounds | 10 | 11 | 11 | 12 | 12 | 12 | 15 | 15 | 15 | 15 |
| Baseball/softball fields | 8 | 10 | 10 | 10 | 10 | 10 | 6 | 6 | 6 | 6 |
| Football/soccer fields | 5 | 7 | 7 | 7 | 7 | 7 | 2 | 2 | 2 | 2 |
| Swimming pools | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Tennis courts | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 10 | 10 | 10 |
| Indoor gyms | 2 | 2 | 2 | 2 | 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 | 133 | 134 | 148 | 149 | 151 | 155 | 153 | 153 | 153 | 155 |
| Number of service connections | 7,656 | 7,900 | 7,993 | 8,040 | 8,124 | 8,156 | 8,218 | 8,270 | 8,321 | 8,490 |
| Storage capacity in gallons (millions of gallons) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 |
| Maximum daily capacity of plant (millions of gallons) | 3.4 | 3.4 | 3.4 | 3.4 | 4 | 5 | 5 | 5 | 5 | 5 |
| Number of fire hydrants | 960 | 960 | 967 | 1,050 | 1,093 | 1,107 | 1,107 | 1,107 | 1,130 | 1,156 |
| Sewage System: | | | | | | | | | | |
| Miles of sanitary sewers | 112 | 112 | 117 | 117 | 120 | 120 | 120 | 120 | 122 | 122 |
| Number of treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of service connections | 6,488 | 6,700 | 7,154 | 7,215 | 7,332 | 7,398 | 7,464 | 7,542 | 7,569 | 7,786 |
| 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 | 5 |

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 | | | | | | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| General Government | | | | | | | | | | |
| Executive (1) | 12.7 | 11.4 | 13.5 | 12.6 | 12.9 | 13.7 | 12.7 | 8.0 | 8.1 | 7.8 |
| Finance (1) | 15.7 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 20.0 | 20.0 | 20.0 |
| Planning (2) | 9.5 | 10.0 | 10.0 | 10.6 | 10.6 | 9.6 | 5.5 | 4.8 | 5.5 | 5.5 |
| Total General Government | 37.8 | 37.4 | 39.5 | 39.2 | 39.5 | 39.3 | 34.2 | 32.8 | 33.6 | 33.3 |
| Public Safety | | | | | | | | | | |
| Police - Sworn Officers | 54.6 | 54.6 | 54.6 | 55.7 | 52.6 | 50.5 | 48.4 | 47.4 | 47.4 | 47.4 |
| Police - Non-sworn employees | 24.0 | 24.0 | 24.5 | 25.6 | 27.1 | 27.6 | 25.6 | 26.8 | 29.4 | 29.4 |
| Total Police Department | 78.7 | 78.7 | 79.1 | 81.3 | 79.7 | 78.1 | 74.0 | 74.2 | 76.8 | 76.8 |
| Fire and Rescue (2) | 48.9 | 50.3 | 50.3 | 54.6 | 54.6 | 54.6 | 61.1 | 61.7 | 61.7 | 61.4 |
| Total Public Safety | 127.6 | 128.9 | 129.5 | 135.8 | 134.3 | 132.7 | 135.1 | 135.9 | 138.5 | 138.2 |
| Public Works | | | | | | | | | | |
| General Fund functions (3) | 44.6 | 43.5 | 43.4 | 43.8 | 39.4 | 38.5 | 36.6 | 37.3 | 35.6 | 34.6 |
| Water | 13.5 | 13.5 | 13.5 | 13.5 | 13.0 | 13.0 | 13.0 | 11.0 | 10.5 | 10.5 |
| Sewer (4) | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 17.0 | 17.0 | 15.0 |
| Fleet maintenance | 5.9 | 5.9 | 6.0 | 6.0 | 5.7 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Total Public Works | 80.0 | 78.9 | 78.9 | 79.3 | 74.2 | 72.5 | 70.6 | 70.3 | 68.1 | 65.1 |
| Culture and Recreation | | | | | | | | | | |
| Recreation (3) | 36.5 | 33.8 | 34.4 | 33.5 | 33.1 | 34.9 | 34.8 | 36.2 | 34.4 | 34.4 |
| Public Library | 15.7 | 15.6 | 15.5 | 15.8 | 15.8 | 14.8 | 13.8 | 13.5 | 13.4 | 13.4 |
| Total Culture and Recreation | 52.1 | 49.3 | 49.9 | 49.2 | 48.9 | 49.7 | 48.6 | 49.7 | 47.8 | 47.8 |
| Public Welfare | | | | | | | | | | |
| Welfare (5) | 5.4 | 5.4 | 5.3 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 |
| Total Public Welfare | 5.4 | 5.4 | 5.3 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 |
| Total All Functions | 302.9 | 299.9 | 303.0 | 306.4 | 299.5 | 297.0 | 291.3 | 291.5 | 290.8 | 287.2 |
| Percent of Total | | | | | | | | | | |
| General Government | 12.5% | 12.5% | 13.0% | 12.8% | 13.2% | 13.2% | 11.7% | 11.2% | 11.6% | 11.6% |
| Public Safety | 42.1% | 43.0% | 42.7% | 44.3% | 44.8% | 44.7% | 46.4% | 46.6% | 47.6% | 48.1% |
| Public Works | 26.4% | 26.3% | 26.0% | 25.9% | 24.8% | 24.4% | 24.2% | 24.1% | 23.4% | 22.7% |
| Culture and Recreation | 17.2% | 16.5% | 16.5% | 16.1% | 16.3% | 16.7% | 16.7% | 17.1% | 16.4% | 16.6% |
| Public Welfare | 1.8% | 1.8% | 1.7% | 0.9% | 0.9% | 0.9% | 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.
- (3) A reorganization of personnel occurred in 1996 concentrating maintenance workers to Public Works.
- (4) The operations of the Wastewater Treatment Plant were taken over from a private firm in 2000 after a 5 year contract.
- (5) The Youth Resource Div of Public Welfare was transferred to the Police Department in FY06.

City of Dover, New Hampshire

School Building Information Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Garrison Elementary | | | | | | | | | | |
| Square feet | 49,678 | 49,678 | 55,178 | 65,938 | 65,938 | 65,938 | 65,938 | 65,938 | 65,938 | 65,938 |
| Teachers | 30.0 | 31.3 | 24.9 | 25.5 | 31.5 | 31.5 | 33.7 | 34.4 | 28.3 | 27.3 |
| Capacity | 612.5 | 612.5 | 672.5 | 672.5 | 672.5 | 672.5 | 672.5 | 672.5 | 672.5 | 672.5 |
| Enrollment | 440.0 | 428.0 | 400.0 | 379.0 | 512.0 | 523.0 | 541.0 | 536.0 | 555.0 | 452.0 |
| Horne Street Elementary | | | | | | | | | | |
| Square feet | 48,236 | 48,236 | 48,236 | 48,236 | 48,236 | 48,236 | 48,236 | 48,236 | 58,223 | 58,223 |
| Teachers | 25.3 | 23.8 | 26.4 | 24.4 | 22.4 | 22.4 | 25.5 | 24.2 | 28.3 | 28.3 |
| Capacity | 612.5 | 612.5 | 612.5 | 612.5 | 612.5 | 612.5 | 612.5 | 612.5 | 620.5 | 620.5 |
| Enrollment | 391.0 | 435.0 | 447.0 | 474.0 | 358.0 | 370.0 | 365.0 | 370.0 | 400.0 | 507.0 |
| Woodman Park Elementary | | | | | | | | | | |
| Square feet | 73,108 | 73,108 | 73,108 | 73,108 | 105,178 | 105,178 | 105,178 | 105,178 | 105,178 | 105,178 |
| Teachers | 33.0 | 27.5 | 29.8 | 30.8 | 32.3 | 32.3 | 28.9 | 30.6 | 32.3 | 31.3 |
| Capacity | 477.5 | 477.5 | 477.5 | 477.5 | 594.0 | 594.0 | 594.0 | 594.0 | 594.0 | 594.0 |
| Enrollment | 462.0 | 479.0 | 460.0 | 454.0 | 468.0 | 482.0 | 506.0 | 537.0 | 575.0 | 596.0 |
| Totals All Elementary Schools | | | | | | | | | | |
| Square feet | 171,022 | 171,022 | 176,522 | 187,282 | 219,352 | 219,352 | 219,352 | 219,352 | 219,352 | 219,352 |
| Teachers | 88.3 | 82.6 | 81.1 | 80.7 | 88.2 | 86.2 | 88.1 | 89.2 | 88.9 | 86.9 |
| Capacity | 1,702.5 | 1,702.5 | 1,762.5 | 1,762.5 | 1,879.0 | 1,879.0 | 1,879.0 | 1,879.0 | 1,887.0 | 1,897.0 |
| Enrollment | 1,293.0 | 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 |
| Dover Middle School (1) | | | | | | | | | | |
| Square feet | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 | 175,020 |
| Teachers | 69.2 | 73.5 | 67.7 | 75.0 | 72.9 | 72.9 | 67.7 | 66.4 | 67.7 | 66.7 |
| Capacity (2) | 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 | 1,137.0 | 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 |
| Dover High School | | | | | | | | | | |
| Square feet | 226,735 | 226,735 | 226,735 | 226,735 | 226,735 | 226,735 | 226,735 | 226,735 | 226,735 | 226,735 |
| Teachers | 106.8 | 107.4 | 110.6 | 110.4 | 116.8 | 116.8 | 116.8 | 112.8 | 113.3 | 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 | 1,682.0 | 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 |
| Totals All Schools | | | | | | | | | | |
| Square feet | 572,777 | 572,777 | 578,277 | 589,037 | 621,107 | 621,107 | 621,107 | 621,107 | 621,107 | 621,107 |
| Teachers | 264.3 | 263.5 | 259.4 | 266.1 | 275.9 | 275.9 | 272.6 | 268.4 | 269.9 | 260.9 |
| Capacity (2) | 4,842.5 | 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 |
| Enrollment | 4,112.0 | 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 |
| Food Service - All Schools | | | | | | | | | | |
| Number Meals Served | 341,679 | 352,406 | 351,783 | 333,139 | 340,863 | 335,834 | 341,272 | 355,209 | 358,754 | 363,718 |
| Avg Daily Participation | 1,898 | 1,958 | 1,954 | 1,851 | 1,894 | 1,866 | 1,896 | 1,973 | 1,993 | 2,021 |

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

- Notes**
- (1) In 2001 a new Middle School replaced the Junior High School/Middle School. Grades changed from 6th through 8th to 5th through 8th.
 - (2) Capacity of old Middle School is not known.

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 |
|-------------|----------------------|------------------|---------------|----------------|----------------|-------------------|----------------|---------------------|-----------------------|
| 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% |
| 2003 | 29,751,613 | 2,178,843 | 31,930,456 | 4,112 | 7,765 | 5.0% | 264.3 | 15.6 | 95.0% |

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 | | | | | | | | | |
|------------------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Dover High School | | | | | | | | | | |
| Senior Enrollment (1) | 344 | 357 | 355 | 353 | 411 | 393 | 391 | 382 | 350 | 363 |
| Status of Seniors (2) | | | | | | | | | | |
| Graduated | 333 | 352 | 336 | 335 | 372 | 366 | 352 | 378 | 337 | 345 |
| Enrolled in four-year college | 160 | 143 | 141 | 140 | 167 | 162 | 180 | 177 | 158 | 153 |
| Enrolled in two-year college | 57 | 68 | 74 | 60 | 76 | 84 | 70 | 88 | 63 | 74 |
| Enlisted in Armed Forces | 11 | 16 | 10 | 10 | 5 | 18 | 10 | 14 | 11 | 9 |
| Post-secondary, workforce or other | 105 | 125 | 104 | 125 | 124 | 102 | 92 | 99 | 105 | 109 |
| SAT Mean Scores | | | | | | | | | | |
| Verbal | 519 | 515 | 518 | 503 | 518 | 512 | 497 | 500 | 495 | 509 |
| Math | 518 | 511 | 516 | 504 | 520 | 517 | 507 | 508 | 501 | 511 |
| % of Seniors taking test | 65% | 65% | 65% | 62% | 61% | 62% | 63% | 60% | 61% | 66% |

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.

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