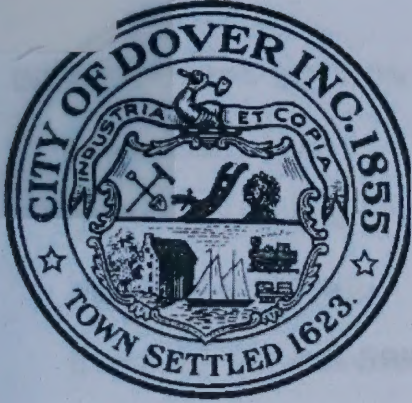


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City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015



CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

Prepared by:
The Finance Department

Daniel R. Lynch
Finance Director

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City Manager
Mayor, Council, etc.

January 18, 2016
To: City Council
From: City Manager
Subject: Introductory Section of the 2015-2016 Annual Financial Report

INTRODUCTORY SECTION

The City of Dover is pleased to present to you the 2015-2016 Annual Financial Report. This report provides a comprehensive overview of the City's financial performance over the past year. It is prepared in accordance with the requirements of the Delaware Revised Code and the City Charter. The report is organized into several sections, including the Introductory Section, the Financial Statements, and the Notes to the Financial Statements. The Introductory Section provides an overview of the City's financial position and the results of the audit. The Financial Statements provide a detailed breakdown of the City's revenues, expenses, and assets and liabilities. The Notes to the Financial Statements provide additional information about the City's financial position and the results of the audit.

The City of Dover is committed to providing high-quality services to our residents and businesses. We are proud of the progress we have made over the past year and look forward to continuing our efforts to improve the City's financial performance and the quality of life for our residents.

The City of Dover is committed to transparency and accountability in its financial operations. We believe that providing our residents and businesses with a clear and concise overview of the City's financial performance is essential to building trust and confidence in our government. We hope that this report provides you with the information you need to make informed decisions about the City's financial future.

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J. Michael Joyal, Jr.
City Manager
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City of Dover, New Hampshire
OFFICE OF THE CITY MANAGER

January 19, 2016

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, 2015.

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

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

The City's financial statements have been audited by Macpage, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unmodified opinion that the financial statements for the fiscal year ended June 30, 2015, 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 federal funding requirements, with special emphasis on internal controls and 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. According to the U.S. Census Bureau, the City has an estimated population of 30,808, a 2.7% increase over the last official census of April 2010 number of 29,987.

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, appropriation in the 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 continues to demonstrate improvement over past fiscal years through growth in many sectors. Advanced manufacturing clusters, computer and staffing services, mixed use/multi-unit residential construction and healthcare related businesses have expanded and continue to be attracted to Dover. Retail businesses experienced mixed, but mostly positive results. While some restaurants have closed or sold over the past year, Dover continues to attract new restaurants and brewpubs with some traditional restaurants experiencing the challenges of increased competition.

Economic development activity continues to support local business retention and expansion. Financing for small businesses and startups, though challenged with increased banking regulations and slightly higher interest rates has improved moderately in the last fiscal year.

Through consistent outreach efforts, supported by pro-business attitudes within city government, convenient services for businesses and developers, and Dover's enhanced quality of life, over 80 new or expanded businesses have been attracted to Dover with 720 employees during the past six years.

Dover has benefited by geographic factors which create a positive location of Dover to prosper economically. Dover is halfway between Portland, ME and Boston, MA, thirty minutes from the ocean and an hour from the mountains. From a transportation perspective, Dover is close to the I-95 corridor and serviced by the AMTRAK Downeaster transit system. The regional proximity to UNH, Pease Tradeport, and the Portsmouth Shipyard add stability and diversity to the region's economic mix and enhance Dover as a viable business location.

Between 2000 and 2010, Dover was the fastest growing city in New Hampshire. It continues to be an attractive community for a younger median age of population, and with families. Dover continues to show a 10.4% growth rate in households with children under the age of eighteen. The labor force of Dover has continued to grow about 1% per year with slight variations above and below that trend line.

Dover's local current unemployment rate is 3.1% which is 1.0% lower than this time last year. The City's unemployment rate has consistently been lower than that of the United States as a whole, (5.3%) and the State of New Hampshire (3.7%).

In combination with the current economic environment and unemployment levels the median per capita income in Dover was \$32,038, median household income was \$59,673, and median family income was \$80,110.

Mixed use, manufacturing, residential, and public facility development has increased sharply during the fiscal year. This includes new manufacturing, office, and storage buildings on Sixth Street. The development of a new Police Station combined with a public parking garage on part of the city's Orchard Street parking lot will add to the vibrancy of the downtown area. The garage is slated to open in November of 2015, with the Police Facility opening in March of 2016. The Cochecho Waterfront Development Advisory Committee is working on retaining a consultant to work with it to layout infrastructure plans and create a clean and developable parcel to market to the private sector for redevelopment. Smaller rehabilitation projects along Central Avenue have continued.

The First Street development, a \$12,250,000 mixed use development is underway and Phase 1, nearing total occupancy, is expected to provide a minimum of \$275,000 annual property tax revenue guaranteed for at least 24 years. The City continues to review opportunities to convert three other City owned parking lots into sites for redevelopment. These downtown infill projects will continue to keep the City core vibrant.

To assist with private redevelopment of properties in downtown, the City Council passed a resolution to enable the City Council to review applications under the State's Community Revitalization Tax Credit program. This program allows private property owners to take advantage of a tax relief period in the immediate years following a redevelopment.

The City Council approved a Land Development Agreement with prospective developers of property bounded by Washington, Chestnut and Locust Streets. This mixed use project will construct a new intersection at Washington and Chestnut Streets as well as create a building with a post redevelopment assessed value of over eight (8) million dollars.

The Dover Business and Industrial Development Authority continues to search for appropriate sites for a second business park development. The funding for this business park has been approved in the FY2015 CIP. A new park would add depth to Dover's non-residential market, and would allow for more diversity in footprints, so that Dover would continue to be an attractive location for businesses looking for development sites ranging from 25,000 square feet buildings to over 100,000 square feet. Currently, Dover has not fully taken advantage of this potential.

The Exit 9 corridor off the Spaulding Turnpike, in addition to the 100,000 square feet medical practice building in full occupancy, now has a large dental facility and a

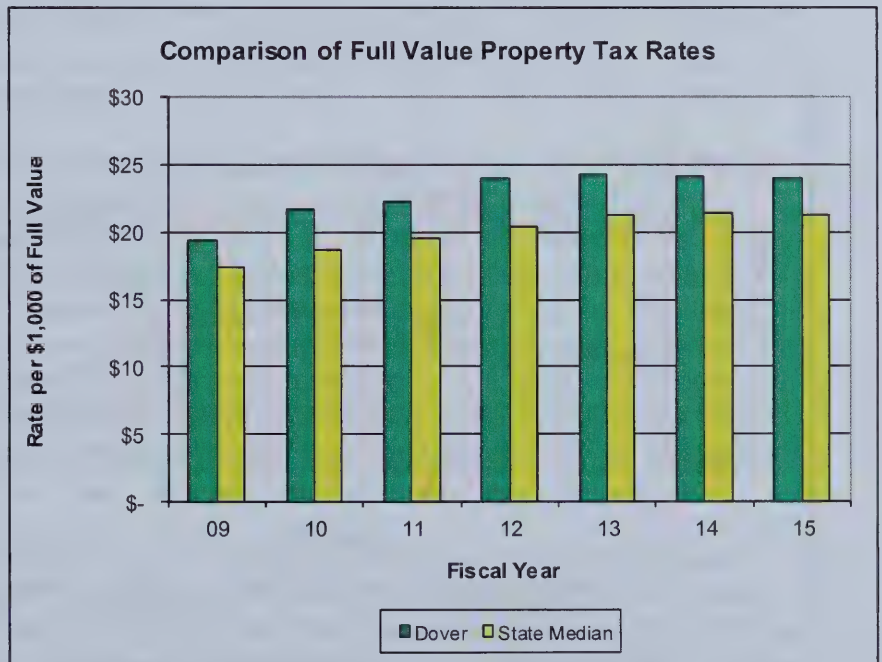
dialysis center in operation, both with significant business success and full employment. This corridor, anchored by Liberty Mutual, continues to attract larger commercial and industrial users to the City and continues to be a benchmark for economic development activities. Two small strip malls and a large storage facility are currently under construction.

In 2015, the City Council approved a Land Development Agreement with a property owner on Mast Road, leading to approximately 400,000 square feet of Planning Board approved industrial space. The Mast Road development is under construction for a phased Stonewall Kitchens complex that will cover 279,000 SF when complete as well as a Corrugated conversion building site for Rand-Whitney covering 129,000 SF. A third development of 80,000 SF is still pending.

The City Council also approved a Land Development Agreement for a former McIntosh property at 181 Silver Street. This public/private partnership will allow for the development of roadway infrastructure in association with a \$30 Million development incorporating a high-end assisted Living facility, a 5 story hotel, a medical practice building, a branch bank and a restaurant/coffee shop on the site.

The number of motor vehicle registrations was consistent with 31,187 in FY15 as compared to 30,991 in FY14. The number of building permits increased from 398 in FY14 to 484 in FY15 and the average permit value increased from \$94,970 to \$165,986.

The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the midpoint 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.

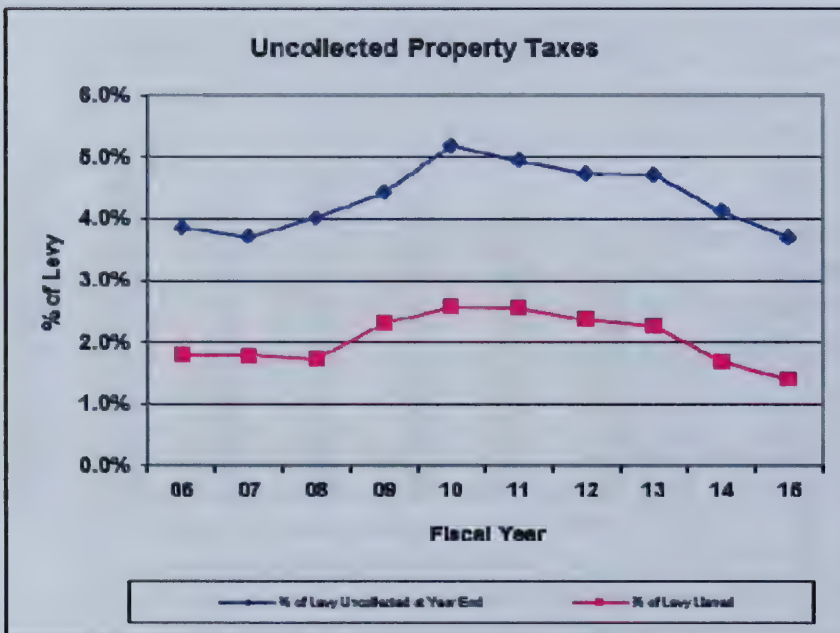
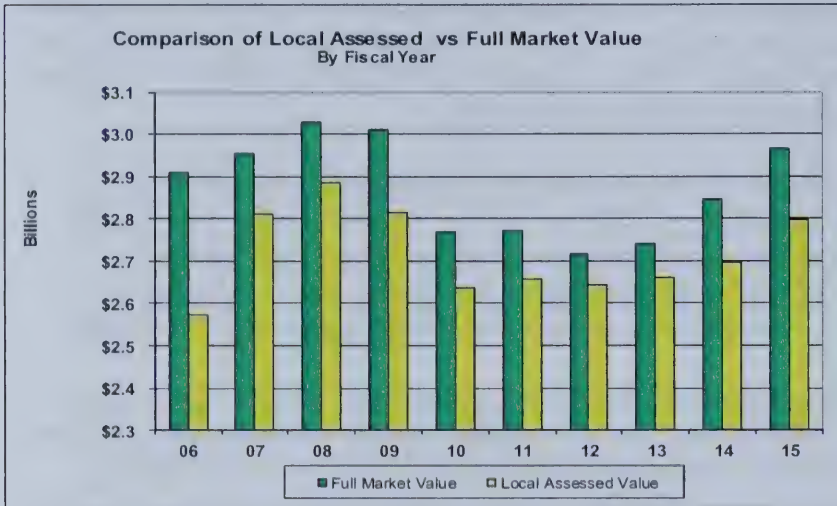


The real estate sales activity in Dover for FY2015 was 924 transactions versus 839 for FY2014. This level of activity represents transfers of 9.2% of taxable parcels

during FY15, slightly higher than the level of 8.4% in FY14. In conjunction with this activity, the number of taxable parcels increased from 10,026 in FY14 to 10,058 in FY15, less than a 1% increase. The volume of taxable parcels in combination with an increase of property values has resulted in the estimated equalized property value per capita changing from \$92,849 for FY14 to \$96,117 in FY15, an increase of 3.5% for the fiscal year.

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

increased 4.12% during the fiscal year. Assessed value as a ratio of full market value was 94.3%. In fiscal year 2015 the City's assessed property values appeared to have increased based on sales data. As of April 1, 2015 the City's overall assessed values demonstrated a 1.2% increase in value over the prior year.



The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2015 was 3.7% (the actual amount changed from \$2.8 million to \$2.6 million). There were 245 parcels from the current tax levy with outstanding taxes that had a lien placed, down from 280 last year. The number of delinquent parcels decreased by 35, or 12.5 percent and the actual amount of the lien changed from \$1,187,151 to \$1,011,252.

Financial Position The City's General Fund ended Fiscal Year 2015 with an increase to its Unassigned Fund Balance of \$2,036,569 to \$15.3 million. The General Fund unassigned fund balance at June 30, 2015 was 15.4% of the FY16 budget (8% is the minimum requirement of the City Financial Policies). The Water Fund saw a

Unrestricted Net Assets		
Fund	FY15	FY14
General	15,368,593	13,332,024
Water	959,344	2,000,569
Sewer	(6,739,530)	(4,259,083)
Total	9,588,407	11,073,510

decrease in unrestricted net assets of \$1,041,225, from \$2,000,569 to \$959,344. The Water Fund decrease is primarily the result of investments in capital assets during FY2015. The City's water infrastructure is undergoing a system wide upgrade. The Sewer Fund saw a decrease in unrestricted net assets of \$2.48 million, from a deficit of \$4,259,083 to a deficit of \$6,739,530. A significant portion of the decrease in unrestricted net assets of the Sewer Fund is the result of investments in capital assets during FY2015. The City's Waste Water Treatment Facility is currently undergoing a \$12 million upgrade.

Fiscal Year 2015 represents the sixth year since 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 cumulative operating results, inclusive of related debt obligations, were revenues in excess of expenditures of \$166,574 during this six year period.

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 1.61 with Water and Sewer Funds of 4.73 and 1.92, 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, 2015 the City had utilized 56.3% of its statutory debt limit, the School District utilized 20.7% 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, 2015 the percent of the City's more conservative debt policy used was 86.7%, the School was 74.1%. General Fund net debt per capita is at \$2,316, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value is 2.40%. The General Fund's net debt service as a percent of budget is 9.6%. This measure is

close to the 10% limit 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 49.3% being utilized. Net debt service to budget in the Water Fund is 32.6% and 23.9% within the Sewer Fund, within the 40% set by policy.

In May 2014 Moody's reaffirmed the City's May 2012 Aa3 rating. In May 2014 Standard & Poor's upgraded the rating of the City to AA+, previously the City was rated AA. In 2015 Standard & Poor's reaffirmed the City's AA+ rating.

Policy Monitoring, Long Term Financial Planning, and Responding to Economic Impacts

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

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

The City Manager and City Department Directors conduct an on-going evaluation of fiscal operations to insure that expenditures are managed in concert with revenues to ensure General Fund Balance is maintained consistent with City policy limit of 8%. In FY2015 the City complied with the General Fund Balance policy by achieving an Unassigned Fund Balance of 15.3%. In response to past U.S. economic declines and the national rating agencies placing importance on municipalities increasing operating reserves, the City managed fiscal operations to increase General Fund operating reserves in FY2015.

In FY2015 the City was successful in contributing 20% of the actuarially calculated OPEB Annual Required Contribution to an established OPEB irrevocable trust. This action is consistent with the City's financial policy objective for managing and prefunding the City's OPEB obligations. FY2015 represents the fourth year in a row that the City has pre-funded a percentage of the OPEB Annual Required Contribution. As of June 30, 2015, \$2.5 million was in the OPEB Trust. In Fiscal Year 2016 the City anticipates contributing \$1.1 million into the OPEB Trust.

In FY2015 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 continues to utilize a formal forecasting software application to aid in financial planning. The City utilizes 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. This is the twelfth 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 from 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.

In Fiscal Year 2015 the City implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, with respect to the State of New Hampshire Retirement System (NHRS).

Also in Fiscal Year 2015, the City implemented the provision of GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement

Date – an amendment of GASB Statement No. 68, with respect to the State of New Hampshire Retirement System (NHRS).

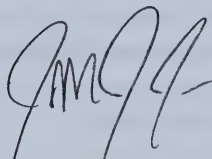
The Government Finance Officers Association of the United States and Canada (GFOA) awarded eleven consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Dover, NH for its Comprehensive Annual Financial Report beginning for the fiscal year ended June 30, 2004 through June 30, 2014. 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,

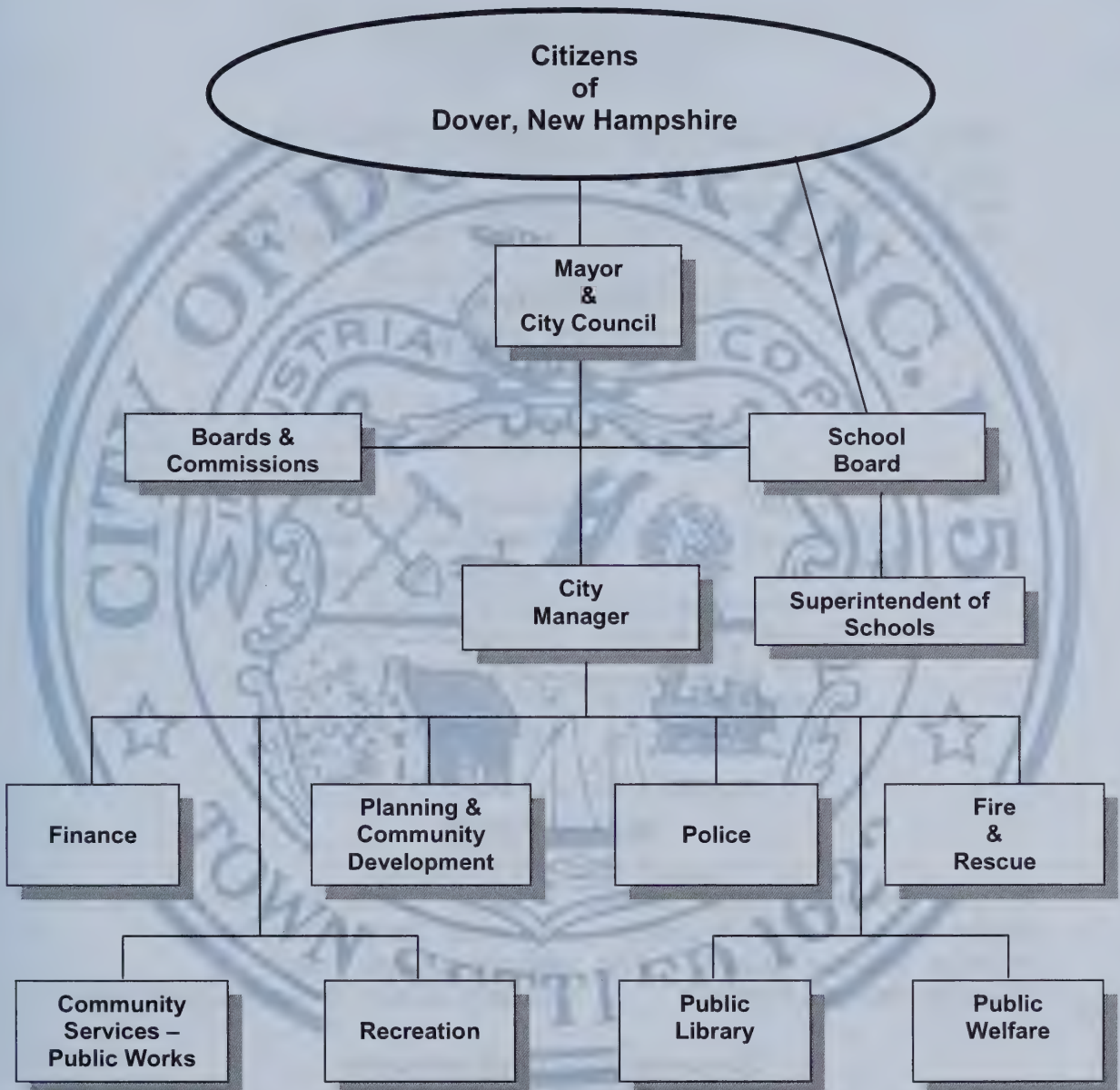


J. Michael Joyal, Jr.
City Manager



Daniel R. Lynch
Finance Director

City of Dover Organizational Chart





City of Dover

New Hampshire

FY2015

City Council Members

Mayor: Karen Weston

Ward 1: John O'Connor

Ward 2: William Garrison III

Ward 3: Deborah Thibodeaux

Ward 4: Dorothea Hooper

Ward 5: Catherine Cheney

Ward 6: Jason Gagnon

Deputy Mayor: Robert Carrier

At Large: Anthony McManus

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: Betsey Andrews Parker

At Large: Michelle Muffett-Lipinski

At Large: Amanda Russell

At Large: Kathleen Morrison

At Large: Carole Soule McCammon

At Large: Sarah Greenshields

At Large: Doris Grady

Student Liaison: Preston Massingham

Superintendent of Schools

Dr. Elaine Arbour



Government Finance Officers Association

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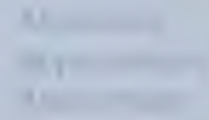
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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**FINANCIAL
SECTION**



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 1, 19, and 23, to the financial statements, the City of Dover, New Hampshire adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.



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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-33, the Schedule of funding Progress on page 82, the Schedule of Proportionate Share of the Net Pension Liability on page 83, and the Schedule of Contributions on page 84, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover, New Hampshire's financial statements. The introductory section on pages 1 - 11, supplementary statements and schedules on pages 91 - 140, and statistical tables on pages 143 - 168, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2016, on our consideration of City of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dover's internal control over financial reporting and compliance.

Macpage LLC

South Portland, Maine
January 19, 2016

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, 2015. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net position presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

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

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

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

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

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with adopted 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 Dover Business and Industrial Development Authority (DBIDA) operations. The operations of the arena were previously accounted for as an enterprise fund. In FY2009 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. The City uses an OPEB internal service fund to centrally account for the pay-as-you go retiree's 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. Fiscal Year 2015 represents the sixth year since the Arena Fund was dissolved into the General Fund. The Arena cumulative operating results, inclusive of related debt obligations, were revenues in excess of expenditures of \$166,574 during this six year period.

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*.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$100,267,148 (i.e., net position), an increase of \$4,959,961 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, total of assets of governmental activities exceeded liabilities by \$38,034,922 (i.e., net position), an increase of \$2,121,346 in comparison to the prior year, as restated.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$62,232,226, an increase of \$2,838,615 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$46,906,740, a decrease of \$9,609,117 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,368,593, an increase of \$2,036,569 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$100,099,720, a decrease of \$10,214,076 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$100,267,148, an increase of \$4,959,961 from the prior year, as restated.

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

Amounts presented in 000s	<u>NET POSITION</u>					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 64,678	\$ 70,334	\$ 18,115	\$ 20,256	\$ 82,793	\$ 90,590
Deferred Outflows	5,850	4,502	404	153	6,254	4,655
Capital Assets	162,507	153,011	75,073	70,637	237,580	223,648
Total Assets and Deferred Outflows	\$ 233,035	\$ 227,847	\$ 93,592	\$ 91,046	\$ 326,627	\$ 318,893
Long-term Liabilities	\$ 174,003	\$ 182,071	\$ 27,412	\$ 28,461	\$ 201,415	\$ 210,532
Deferred Inflows	6,793	-	228	-	7,021	-
Other Liabilities	14,205	9,862	3,720	3,191	17,925	13,053
Total Liabilities and Deferred Inflows	\$ 195,001	\$ 191,933	\$ 31,360	\$ 31,652	\$ 226,361	\$ 223,585
Net Position:						
Net Investment in Capital Assets	\$ 104,440	\$ 97,393	\$ 55,134	\$ 49,646	\$ 159,574	\$ 147,039
Restricted	5,113	4,804	11,744	12,740	16,857	17,544
Unrestricted (Deficit)	(71,518)	(66,283)	(4,646)	(2,992)	(76,164)	(69,275)
Total Net Position	\$ 38,035	\$ 35,914	\$ 62,232	\$ 59,394	\$ 100,267	\$ 95,308

By far, the largest portion of net position, \$159,574,090, reflects the City's investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less depreciation and any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$16,857,904 represents resources that are subject to external restrictions on how they may be used. The remaining net balance (deficit) represents unrestricted net position at the end of the fiscal year of \$(76,164,846).

The unrestricted net position balance consists of a deficit of \$71,518,206 for governmental activities and a deficit of \$4,645,640 for business-type activities. The governmental activities net position include the reflection of major liabilities of Bonds and Loans Payable of \$77,460,300, the Tolend Road Landfill mitigation of \$11,715,660, compensated absences of \$3,238,074, OPEB (Other post-

employment benefits) obligations of \$23,905,026, and Net pension liability of \$52,103,337, representing the City's estimated portion of the New Hampshire Retirement System's pension liability.

The \$11,715,660 for Tolend Road Landfill mitigation represents the post mitigation maintenance and monitoring costs. This estimated liability increased \$3,008,940 from the prior year. The post mitigation maintenance and monitoring costs represent an increase based upon estimates derived from actual costs incurred during the prior two fiscal year period of FY2015 and FY2014. The maintenance and monitoring costs of \$11,715,660 (30-year estimated cost) are expected to be financed within the annual operating budget, as needed.

The \$3,238,074 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of \$184,867 from the prior year. The City has funded \$42,458 of the liability.

The \$23,905,026 OPEB liability represents the portion of the liability accrued to the governmental funds. This liability is based upon 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 ten 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	342	\$ 135,027
School	489	\$ 2,113
Combined	831	\$ 137,140

In FY2014 the City established an irrevocable OPEB trust to pre-fund the City's actuarial determined liability. The City transferred an amount equal to 20% of the actuarial determined OPEB Annual Required Contribution (ARC) to the OPEB Trust during FY2015. As of June 30, 2015 the City has \$2,494,193 in assets in the OPEB Trust. The City plans to contribute 25% of the ARC to the OPEB Trust in FY2016.

Please refer to the Financial Statement footnote 16 and Required Supplemental Information for more on the OPEB liability.

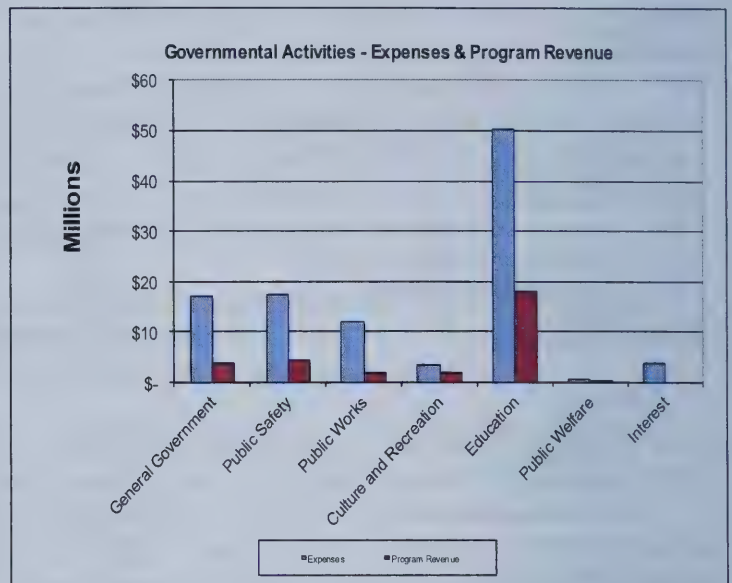
Financial Results The following is a summary of condensed government-wide financial data of changes in net position for the current fiscal and prior fiscal years.

	Activities		Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 15,004	\$ 14,792	\$ 11,487	\$ 10,669	\$ 26,491	\$ 25,461
Operating grants and contributions	14,649	14,168	-	-	14,649	14,168
Capital grants and contributions	707	790	1,287	751	1,994	1,541
General revenues:						
Property taxes	71,276	68,395	-	-	71,276	68,395
Motor vehicle registration	4,665	4,266	-	-	4,665	4,266
Penalties and interest on taxes	415	503	-	-	415	503
Investment income (loss)	188	538	19	-	207	538
Other	331	193	-	-	331	193
Total Revenues	<u>107,235</u>	<u>103,645</u>	<u>12,793</u>	<u>11,420</u>	<u>120,028</u>	<u>115,065</u>
Expenses:						
General government	16,958	15,183	-	-	16,958	15,183
Public safety	17,518	17,699	-	-	17,518	17,699
Public works	12,090	6,894	-	-	12,090	6,894
Culture and recreation	3,572	3,555	-	-	3,572	3,555
Education	50,402	47,547	-	-	50,402	47,547
Public Welfare	738	776	-	-	738	776
Interest on long-term debt	3,791	3,127	974	827	4,765	3,954
Water operations (1)	-	-	3,251	3,206	3,251	3,206
Sewer operations (1)	-	-	5,633	5,639	5,633	5,639
DBIDA operations	-	-	141	144	141	144
Total Expenses	<u>105,069</u>	<u>94,781</u>	<u>9,999</u>	<u>9,816</u>	<u>115,068</u>	<u>104,597</u>
Change in Net Position before Transfers	<u>2,166</u>	<u>8,864</u>	<u>2,794</u>	<u>1,604</u>	<u>4,960</u>	<u>10,468</u>
Transfers in (out)	<u>(45)</u>	<u>(1,316)</u>	<u>45</u>	<u>7</u>	<u>-</u>	<u>(1,309)</u>
Change in Net Position	<u>2,121</u>	<u>7,548</u>	<u>2,839</u>	<u>1,611</u>	<u>4,960</u>	<u>9,159</u>
Net Position - beginning of year, as restated	35,914	83,745	59,393	59,655	95,307	143,400
Net Position - end of year	<u>\$ 38,035</u>	<u>\$ 91,293</u>	<u>\$ 62,232</u>	<u>\$ 61,266</u>	<u>\$ 100,267</u>	<u>\$ 152,559</u>

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

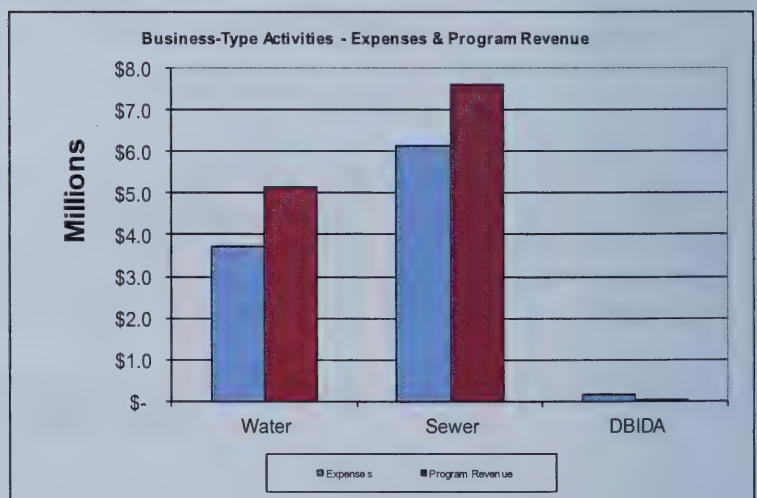
Governmental activities Governmental activities for the year resulted in an increase in net position of \$2,121,346. Governmental activities realized the following significant transactions:

- General Fund excess of revenues over expenditures of \$2.4 million.
- Acquisition of capital assets of \$16.1 million.
- An increase in the OPEB Liability of \$2.2 million.
- A decrease in the net pension liability of \$7.7 million.
- Increase in the landfill post-closure liability of \$3.0 million.
- Debt service principal payments in excess of depreciation expense of \$2.1 million.



Business-Type Activities Business-type activities for the year resulted in an increase in net position of \$2,838,615 or 4.8%. Key elements of this change are as follows:

- The Water Fund increased net position by \$1,403,531 or 6.1%. This consists mainly of operating activities resulting in income of \$1.8 million.
- The Sewer Fund had an increase in net position of \$1,441,692 or 4.1%. This consists mainly of an operating income of \$828,951, and capital contributions of \$1,197,753.



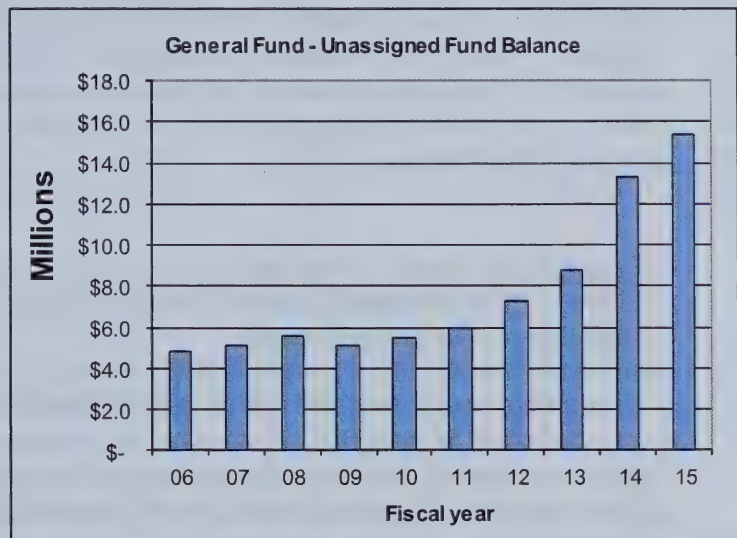
D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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 \$46,906,740, a decrease of \$9,609,117 in comparison with the prior year. The General Fund change consists of an increase in the unassigned fund balance of \$2,036,569 and an increase in non-spendable, committed and assigned balances of \$407,445.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,368,593, while total fund balance was \$18,549,093. 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 15.38 percent of total general fund expenditures, while total fund balance represents 18.57 percent of that same amount.



The unassigned fund balance of the general fund increased by \$2,036,569, or 15.28%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance of \$2,826,200 from excess of revenues and other sources over expenditures and other uses, consisting of \$1,628,249 of revenues over budget estimates (exclusive of Other Financing Sources) and \$1,080,752 of expenditures under budget estimates (exclusive of Other Financing Uses). Revenue items in excess of budget estimates consist mainly of \$434,347 in taxes and tax interest, \$114,955 for education grant reimbursements, \$614,008 for motor vehicle permits, and \$155,527 for

building permits. Revenue shortfalls consist mainly of \$184,861 in sales and service charges, \$46,300 in intergovernmental reimbursements. Unencumbered appropriations consisted mainly of \$310,711 for General Government, \$108,536 for Public Safety, \$234,321 for Public Works, \$112,055 for Culture and Recreation, \$125,880 for Public Welfare and \$121,879 for Debt Service. The School Department had unencumbered appropriations of \$67,368.

- An increase to fund balance of \$244,228 for a decrease in deferred property tax revenue.
- An increase to fund balance of \$31,253 for a decrease in the reserve for advances to the McConnell Center Fund.
- An increase to fund balance of \$127,363 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.

In FY 2014 the City Council adopted the City's FY2015 Capital Improvements Program. The FY15 Capital Improvement Projects Fund that was established to account for the Governmental Activities related projects, which includes a new police station and parking garage, is reported as a major fund in the FY2015 Financial Statements.

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 a deficit of \$4,646,640. This amount consists of the Water Fund with a balance of \$959,344, the Sewer Fund with a deficit of \$6,739,530, and the Dover Business and Industrial Development Fund (DBIDA) with a balance of \$1,133,546.

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 \$784,122. This consists of City Council adopted appropriations of \$216,218 for compensated absences (leave time) buy-downs, \$220,000 for additional Special Education Out of District costs,

\$8,820 for NH Moose Plate grant aid awarded to the City, \$261,987 for abatements, and \$77,097 increase for intergovernmental payment to the county.

Unspent General Fund appropriations were due to several factors including consistent monitoring and managing of expenditures and a year-end level of under-expenditures (including transfers) of approximately 1.1%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets Capital assets for governmental and business-type activities at year-end amounted to \$237,580,493 (net of accumulated depreciation), an increase of approximately \$13,932,463 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:

(net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 14,842	\$ 14,598	\$ 1,785	\$ 1,785	\$ 16,627	\$ 16,383
Buildings and improvements	72,225	72,949	15,391	16,254	87,616	89,203
Machinery and equipment	8,346	8,162	5,805	6,355	14,151	14,517
Infrastructure	30,983	31,541	43,270	42,553	74,253	74,094
Construction in Progress	36,113	25,761	8,824	3,690	44,937	29,451
Total Assets	\$ 162,509	\$ 153,011	\$ 75,075	\$ 70,637	\$ 237,584	\$ 223,648

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

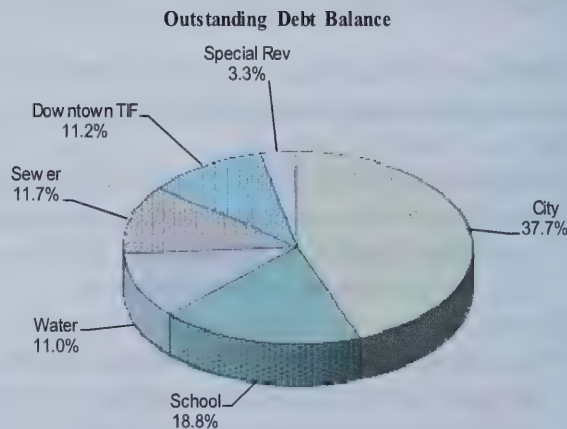
- Additions to Building and Improvements for governmental activities relates to renovations and repairs to the roof of City Hall.
- Purchases of Machinery and Equipment included Fire & Rescue cardiac equipment, Police department vehicle replacement, Fire & Rescue Self-contained breathing apparatus, Traffic signal upgrades, and acquisition of a Bobcat for sidewalk snow removal.
- The governmental activities infrastructure change includes additions for the completion of Applevale Avenue reconstruction, additional paving at Pine Hill Cemetery, Arena LED Lighting improvements, McConnell Center stained glass window refurbishment, sidewalk improvements and asphalt paving throughout the city and an additional phase of construction of the Berry Brook Watershed maintenance plan.
- The governmental activities construction in progress relates mainly to Public Works projects for the Tolend Road Landfill post-closure and mitigation

project, the Cocheco River Dredge Cell project. Street improvement projects in progress included Tolend and Watson roads and the reconstruction of Silver Street. The construction of a new police facility and a parking garage were in progress at the end of the fiscal year.

- The increase to Land of the governmental activities relates to the acquisition of a conservation easement on County Farm Cross Road and the acceptance of a donation of land along Tolend Road.
- Increases to the Business-type activities infrastructure category include infrastructure improvements on Applevale, Lisa Beth, Atlantic and Gulf. The North End Water Pressure Zone Project and upgrades to Smith and Ireland wells, and sewer pumping stations improvements for River Street and Leighton Way.
- The additions to the Business-type activities Construction in Progress Improvements are for Water and Sewer Mains located on Silver Street, Keating and Birchwood, improvements for Water Systems Facilities upgrades, additional improvements at the Waste Water Treatment Plant and for the EPA/ NH Department of Environmental Services nitrate reduction and discharge permitting project.

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

Long-term debt At the end of fiscal year 2015, total long-term debt outstanding was \$100,099,720, a net decrease of \$10,214,076 over the previous fiscal year end. All the long term debt was backed by the full faith and credit of the City.



Long-term Debt (000s)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 77,193	\$ 85,963	\$ 18,185	\$ 20,677	\$ 95,378	\$ 106,640
Other Long Term Debt	267	181	4,454	3,492	4,721	3,673
Total Long-term Debt	\$ 77,460	\$ 86,144	\$ 22,639	\$ 24,169	\$ 100,099	\$ 110,313

In November 2014 the City issued \$4,425,000 in general obligation bonds to advance refund a portion of the City's \$10,740,000 capital improvement general obligation bonds issued June 15, 2005. The 2005 bonds matured June 15, 2026, with a true interest cost of 3.8405 percent, in the aggregate principal amount of \$4,805,000 maturing in the years 2016 through 2026. The June 15, 2005 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2016 through June 15, 2026. 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 AA+ by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 6 bids on November 6, 2014. UBS Financial Services was awarded the bid at a true interest cost of 1.744 percent. The refunding bonds were dated November 19, 2014 and mature July 1, 2025. The refunding bonds are not subject to redemption prior to their stated maturity dates.

The proceeds of \$4,425,000, plus \$651,561 of reoffering premium and after payment of \$79,228 in underwriting fees and other issuance costs, were used to purchase SLGS securities through the U.S. Treasury Department. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the June 15, 2005 general obligation bonds in the aggregate principal amount of \$4,805,000. As a result, the June 15, 2005 general obligation bonds maturing on or after June 15, 2016 are considered to be defeased and the \$3,910,000 liability for those bonds has been removed from the general long-term debt account and the \$895,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the June 15, 2005 general obligation bonds to reduce its total debt service payments over the next 11 years by almost \$524,398 and to obtain an economic gain of \$421,017 representing the difference between the present values of the debt service payments on the old and new debt.

On May 5, 2015 the City issued \$19,590,000 in general obligation bonds to advance refund a portion of the City's \$22,348,000 capital improvement general obligation bonds issued June 15, 2006 and a portion of the City's \$20,646,000 capital improvement general obligation bonds issued June 15, 2007. The 2006 bonds matured June 15, 2027, with a true interest cost of 4.231 percent, in the aggregate principal amount of \$11,490,000 maturing in the years 2017 through 2027. The 2007 bonds matured June 15, 2027, with a true interest cost of 4.50 percent, in the aggregate principal amount of \$9,445,000 maturing in the years 2018 through 2027.

The June 15, 2006 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2016 through June 15, 2027. The June 15, 2007 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2017 through June 15, 2027. 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 AA+ by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 5 bids on April 22, 2015. Hutchinson, Shockey, Erley & Co. was awarded the bid at a true interest cost of 2.0019 percent. The refunding bonds were dated May 5, 2015 and mature June 15, 2027. The refunding bonds are not subject to redemption prior to their stated maturity dates.

The proceeds of \$19,590,000, plus a \$456,603 cash contribution made by the City, and \$2,749,837 of reoffering premium after payment of \$226,696 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, 2006 general obligation bonds in the aggregate principal amount of \$11,490,000 and on the June 15, 2007 general obligation bonds in the aggregate principal amount of \$9,445,000. As a result, the June 15, 2006 general obligation bonds maturing on or after June 15, 2016 are considered to be defeased and the \$8,771,000 liability for those bonds has been removed from the general long-term debt account and the \$2,719,000 liability for those bonds has been removed from the business-type activity funds. Additionally as a result, the June 15, 2007 general obligation bonds maturing on or after June 15, 2017 are considered to be defeased and the \$8,320,000 liability for those bonds has been removed from the general long-term debt account and the \$1,125,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the June 15, 2006 and June 15, 2007 general obligation bonds to reduce its total debt service payments over the next 12 years by almost \$2,091,491 and to obtain an economic gain of \$1,850,505 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 12 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			Increase	% Change
	FY15	FY16	(Decrease)	
City	38,732,105	41,462,552	2,730,447	7.0%
School	48,129,104	50,379,684	2,250,580	4.7%
County	8,057,565	8,331,912	274,347	3.4%
Total Budget	94,918,774	100,174,148	5,255,374	5.5%

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

Property Tax Levies			Increase	% Change
	FY15	FY16	(Decrease)	
City	27,046,138	28,461,123	1,414,985	5.2%
School - Local	28,833,811	29,582,715	748,904	2.6%
School - State	6,710,193	6,789,922	79,729	1.2%
Total School	35,544,004	36,372,637	828,633	2.3%
County	8,057,565	8,331,912	274,347	3.4%
Total Tax Levy	70,647,707	73,165,672	2,517,965	3.6%

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			Increase	% Change
	FY15	FY16	(Decrease)	
City	10.09	10.47	0.38	3.8%
School - Local	10.50	10.65	0.15	1.4%
School - State	2.49	2.49	-	0.0%
Total School	12.99	13.14	0.15	1.2%
County	2.93	3.00	0.07	2.4%
Total Tax Rate	26.01	26.61	0.60	2.3%

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			
	FY15	FY16	(Decrease)	% Change
Water Fund	4,852,957	4,866,401	13,444	0.3%
Sewer Fund	7,158,576	7,331,712	173,136	2.4%
Total Utility Funds	12,011,533	12,198,113	186,580	1.6%

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			
	FY15	FY16	(Decrease)	% Change
Water Fund	4.69	4.77	0.08	1.7%
Sewer Fund	7.24	7.52	0.28	3.9%
Combined Rates	11.93	12.29	0.36	3.0%

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

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 52,479,316	\$ 9,931,260	\$ 62,410,576
Investments	6,094,790		6,094,790
Receivables, net of allowance for uncollectibles:			
Property taxes	3,502,299		3,502,299
User fees		3,465,351	3,465,351
Departmental and other	3,259,307		3,259,307
Intergovernmental	1,035,344	20,382	1,055,726
Internal balances	(2,871,236)	2,871,236	
Inventory	141,969	461,690	603,659
Other assets	236,744		236,744
Total current assets	<u>63,878,533</u>	<u>16,749,919</u>	<u>80,628,452</u>
Noncurrent:			
Intergovernmental receivables, net		108,725	108,725
Loans receivable, net	799,801		799,801
Investment in land		1,256,731	1,256,731
Capital assets:			
Land and construction in progress	50,954,706	10,608,544	61,563,250
Capital assets, net of accumulated depreciation	111,552,773	64,464,470	176,017,243
Total non-current assets	<u>163,307,280</u>	<u>76,438,470</u>	<u>239,745,750</u>
Total Assets	<u>227,185,813</u>	<u>93,188,389</u>	<u>320,374,202</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>5,850,126</u>	<u>403,963</u>	<u>6,254,089</u>
LIABILITIES AND NET POSITION			
Liabilities			
Current:			
Accounts payable	3,718,214	706,855	4,425,069
Accrued liabilities	4,631,298	158,478	4,789,776
Retainage payable	913,819	404,208	1,318,027
Due to fiduciary funds	4,212,545		4,212,545
Unearned revenue		2,450,408	2,450,408
Other current liabilities	728,654		728,654
Current portion of long-term liabilities:			
Claims liability	165,000		165,000
Bonds and loans payable	7,389,342	2,408,302	9,797,644
Compensated absences	116,580	17,000	133,580
Total current liabilities	<u>21,875,452</u>	<u>6,145,251</u>	<u>28,020,703</u>
Noncurrent:			
Claims liability, net of current portion	721,804		721,804
Bonds and loans payable, net of current portion	70,070,958	20,231,118	90,302,076
Bond premium	4,693,882	1,011,340	5,705,222
Compensated absences, net of current portion	3,121,494	117,347	3,238,841
Net pension liability	52,103,337	1,750,241	53,853,578
Other post-employment benefits liability	23,905,026	1,876,627	25,781,653
Liability for hazardous waste-site cleanup	11,715,660		11,715,660
Total non-current liabilities	<u>166,332,161</u>	<u>24,986,673</u>	<u>191,318,834</u>
Total Liabilities	<u>188,207,613</u>	<u>31,131,924</u>	<u>219,339,537</u>
DEFERRED INFLOWS OF RESOURCES	<u>6,793,404</u>	<u>228,202</u>	<u>7,021,606</u>
Net Position			
Net investment in capital assets	104,439,564	55,134,526	159,574,090
Restricted for:			
Nonexpendable trust principal	2,241,241		2,241,241
Expendable trust principal	206,390		206,390
City and school department grants and projects	2,665,933		2,665,933
Restricted for capital outlay		11,744,340	11,744,340
Unrestricted (deficit)	(71,518,206)	(4,646,640)	(76,164,846)
Total Net Position	<u>\$ 38,034,922</u>	<u>\$ 62,232,226</u>	<u>\$ 100,267,148</u>

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

Statement of Activities

For the Year Ended June 30, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 16,958,578	\$ 2,876,880	\$ 1,016,366	
Public safety	17,517,777	3,447,199	1,121,933	
Public works	12,089,715	1,191,460	15,202	\$ 707,009
Culture and recreation	3,572,041	1,766,250	32,723	
Education	50,402,542	5,708,992	12,448,336	
Public welfare	737,746	12,908	14,776	
Interest	3,790,619			
Total Governmental Activities	105,069,018	15,003,689	14,649,336	707,009
Business-Type Activities:				
Water services	3,701,217	5,071,805		89,074
Sewer services	6,156,907	6,413,239		1,197,753
DBIDA services	141,508	2,400		
Total Business-Type Activities	9,999,632	11,487,444	-	1,286,827
Total	\$ 115,068,650	\$ 26,491,133	\$ 14,649,336	\$ 1,993,836

General Revenues:

Property tax

Motor vehicle registration tax

Penalties and interest

Unrestricted investment earnings

Other revenue

Transfers in (out)

Total general revenues

Change in Net Position

Net Position:

Beginning of year, restated

End of year

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
\$ (13,065,332)		\$ (13,065,332)
(12,948,645)		(12,948,645)
(10,176,044)		(10,176,044)
(1,773,068)		(1,773,068)
(32,245,214)		(32,245,214)
(710,062)		(710,062)
(3,790,619)		(3,790,619)
<u>(74,708,984)</u>		<u>(74,708,984)</u>
	\$ 1,459,662	1,459,662
	1,454,085	1,454,085
	<u>(139,108)</u>	<u>(139,108)</u>
-	<u>2,774,639</u>	<u>2,774,639</u>
<u>(74,708,984)</u>	<u>2,774,639</u>	<u>(71,934,345)</u>
71,275,622		71,275,622
4,665,284		4,665,284
414,868		414,868
188,556	19,046	207,602
330,930		330,930
<u>(44,930)</u>	<u>44,930</u>	
<u>76,830,330</u>	<u>63,976</u>	<u>76,894,306</u>
2,121,346	2,838,615	4,959,961
<u>35,913,576</u>	<u>59,393,611</u>	<u>95,307,187</u>
<u>\$ 38,034,922</u>	<u>\$ 62,232,226</u>	<u>\$ 100,267,148</u>

Governmental Funds**Balance Sheet**

June 30, 2015

	General	CIP FY 15	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and short-term investments	\$ 47,007,206		\$ 5,472,110	\$ 52,479,316
Investments			6,094,790	6,094,790
Receivables, net of allowance for uncollectibles:				
Taxes	3,502,299			3,502,299
Departmental and other	2,020,974		959,220	2,980,194
Intergovernmental	2,812		1,276,677	1,279,489
Loans			799,801	799,801
Due from other funds		\$ 9,841,892	17,721,208	27,563,100
Advances to other funds	514,647			514,647
Inventory	2,910		66,161	69,071
Other assets	48,642		54,679	103,321
Total Assets	<u>\$ 53,099,490</u>	<u>\$ 9,841,892</u>	<u>\$ 32,444,646</u>	<u>\$ 95,386,028</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 779,007	\$ 1,937,335	\$ 980,555	\$ 3,696,897
Accrued liabilities	3,898,417		251,931	4,150,348
Retainage payable		533,439	380,379	913,818
Unearned revenues			1,823	1,823
Due to other funds	27,089,565		8,454,846	35,544,411
Advances from other fund			514,647	514,647
Compensated absences	73,780			73,780
Other liabilities	728,654			728,654
Total Liabilities	<u>32,569,423</u>	<u>2,470,774</u>	<u>10,584,181</u>	<u>45,624,378</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	1,980,974			1,980,974
Unavailable revenue - long-term receivables			873,936	873,936
Total Deferred Inflows of Resources	<u>1,980,974</u>	<u>-</u>	<u>873,936</u>	<u>2,854,910</u>
Fund Balances:				
Nonspendable	2,910		2,307,402	2,310,312
Restricted		7,371,118	14,010,875	21,381,993
Committed	548,143		8,648,520	9,196,663
Assigned	2,629,447			2,629,447
Unassigned	15,368,593		(3,980,268)	11,388,325
Total Fund Balances	<u>18,549,093</u>	<u>7,371,118</u>	<u>20,986,529</u>	<u>46,906,740</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 53,099,490</u>	<u>\$ 9,841,892</u>	<u>\$ 32,444,646</u>	<u>\$ 95,386,028</u>

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

June 30, 2015

Total Governmental Fund Balances	\$ 46,906,740
<ul style="list-style-type: none"> • Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 162,507,479 • Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. 2,854,910 • Deferred outflows/inflows of resources represent a consumption/acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure or revenue until then, and therefore, are not reported in the funds. (943,278) • Internal service funds are used by management to account for Dover net, central stores, fleet maintenance and OPEB workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 173,923 • In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. (465,153) • 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 (77,460,300) Bond premium (4,693,882) Compensated absences (3,121,494) Liability for hazardous waste-site cleanup (11,715,660) Other Post-Employment Benefits (OPEB) liability (23,905,026) Net pension liability <u>(52,103,337)</u> 	
Net Position of Governmental Activities	\$ <u>38,034,922</u>

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

For the Year Ended June 30, 2015

	General	CIP FY 15	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 71,659,054		\$ 275,664	\$ 71,934,718
Licenses and permits	5,659,413		582,486	6,241,899
Intergovernmental	2,629,382		4,530,208	7,159,590
Current services	3,150,043		4,840,191	7,990,234
Education	13,111,441			13,111,441
Miscellaneous	783,428		881,226	1,664,654
Total Revenues	<u>96,992,761</u>		<u>11,109,775</u>	<u>108,102,536</u>
Expenditures:				
Current:				
General government	4,628,669	\$ 185,247	191,211	5,005,127
Public safety	14,728,479	5,505,177	4,257,661	24,491,317
Public works	5,745,664	2,418,972	3,067,912	11,232,548
Culture and recreation	3,167,956		986,396	4,154,352
Education	44,021,229	595,439	5,391,237	50,007,905
Public welfare	719,391		393,934	1,113,325
Intergovernmental - County tax	8,057,565			8,057,565
Debt service	9,996,960		1,128,550	11,125,510
Total Expenditures	<u>91,065,913</u>	<u>8,704,835</u>	<u>15,416,901</u>	<u>115,187,649</u>
Revenues over (under) expenditures	<u>5,926,848</u>	<u>(8,704,835)</u>	<u>(4,307,126)</u>	<u>(7,085,113)</u>
Other Financing Sources (Uses):				
Capital lease proceeds	110,058			110,058
Transfers in	525,076		958,830	1,483,906
Transfers out	(4,117,968)			(4,117,968)
Refunding bonds issued	19,587,404			19,587,404
Premium received from refunding bonds	2,781,413			2,781,413
Cost of issuance on refunding bonds	(249,511)			(249,511)
Payment to refunding bond escrow agent	(22,119,306)			(22,119,306)
Total Other Financing Sources (Uses)	<u>(3,482,834)</u>	<u>-</u>	<u>958,830</u>	<u>(2,524,004)</u>
Net change in fund balances	2,444,014	(8,704,835)	(3,348,296)	(9,609,117)
Fund Balances, at Beginning of Year	<u>16,105,079</u>	<u>16,075,953</u>	<u>24,334,825</u>	<u>56,515,857</u>
Fund Balances, at End of Year	<u>\$ 18,549,093</u>	<u>\$ 7,371,118</u>	<u>\$ 20,986,529</u>	<u>\$ 46,906,740</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, 2015

Net Changes in Fund Balances - Total Governmental Funds	\$ (9,609,117)																
<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 style="margin-left: 20px;"> <tr> <td>Capital outlay purchases</td> <td style="text-align: right;">16,098,818</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(6,602,363)</td> </tr> </table> • Deferred outflows/inflows of resources represents a consumption/ acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure until then. (5,445,648) • 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 unearned revenue. (493,406) • 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 style="margin-left: 20px;"> <tr> <td>Repayments of debt</td> <td style="text-align: right;">8,684,388</td> </tr> <tr> <td>Bond premium</td> <td style="text-align: right;">(2,679,604)</td> </tr> </table> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due, this amount reflects the change in accrued interest. (110,492) • 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 style="margin-left: 20px;"> <tr> <td>Increase in liability for compensated absences</td> <td style="text-align: right;">(188,115)</td> </tr> <tr> <td>Increase in OPEB liability</td> <td style="text-align: right;">(2,213,219)</td> </tr> <tr> <td>Increase in liability for hazardous waste-site cleanup</td> <td style="text-align: right;">(3,008,940)</td> </tr> <tr> <td>Decrease in liability for pension expense</td> <td style="text-align: right;">7,779,144</td> </tr> </table> • Internal service funds are used by management to account for Dover net, central stores, fleet maintenance and OPEB workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities. (90,100) 	Capital outlay purchases	16,098,818	Depreciation	(6,602,363)	Repayments of debt	8,684,388	Bond premium	(2,679,604)	Increase in liability for compensated absences	(188,115)	Increase in OPEB liability	(2,213,219)	Increase in liability for hazardous waste-site cleanup	(3,008,940)	Decrease in liability for pension expense	7,779,144	
Capital outlay purchases	16,098,818																
Depreciation	(6,602,363)																
Repayments of debt	8,684,388																
Bond premium	(2,679,604)																
Increase in liability for compensated absences	(188,115)																
Increase in OPEB liability	(2,213,219)																
Increase in liability for hazardous waste-site cleanup	(3,008,940)																
Decrease in liability for pension expense	7,779,144																
Changes in Net Position of Governmental Activities	\$ <u>2,121,346</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Sources:				
Taxes	\$ 70,764,796	\$ 71,224,707	\$ 71,659,054	\$ 434,347
Licenses and permits	4,879,480	4,829,480	5,646,243	816,763
Intergovernmental	2,096,652	2,109,646	2,063,346	(46,300)
Current services	3,239,483	3,239,483	3,061,239	(178,244)
Education	12,385,101	12,805,100	13,111,439	306,339
Miscellaneous	663,625	588,625	884,858	296,233
Transfers	475,553	275,553	274,664	(889)
Total Revenues	<u>94,504,690</u>	<u>95,072,594</u>	<u>96,700,843</u>	<u>1,628,249</u>
Other Sources	75,000	291,218	250,412	(40,806)
Total Revenues and Other Sources	<u>94,579,690</u>	<u>95,363,812</u>	<u>96,951,255</u>	<u>1,587,443</u>
Expenditures and Other Uses:				
General Government				
City Council	372,192	372,192	385,560	(13,368)
Executive	810,105	810,105	858,583	(48,478)
Finance	1,632,713	1,641,533	1,597,807	43,726
Planning	512,334	512,334	481,308	31,026
Miscellaneous general government	922,975	1,401,180	1,103,375	297,805
Total General Government	<u>4,250,319</u>	<u>4,737,344</u>	<u>4,426,633</u>	<u>310,711</u>
Public Safety				
Police	7,420,749	7,420,749	7,281,915	138,834
Fire	7,502,246	7,502,246	7,532,542	(30,296)
Total Public Safety	<u>14,922,995</u>	<u>14,922,995</u>	<u>14,814,457</u>	<u>108,538</u>
Community Services - Public Works	6,036,576	6,036,576	5,802,255	234,321
Culture and Recreation				
Recreation	2,073,584	2,073,584	1,996,639	76,945
Public Library	1,109,966	1,109,966	1,074,856	35,110
Total Culture and Recreation	<u>3,183,550</u>	<u>3,183,550</u>	<u>3,071,495</u>	<u>112,055</u>
Public welfare	843,870	843,870	717,990	125,880
Education	44,236,755	44,456,755	44,389,387	67,368
Debt Service				
Principal	6,814,244	6,814,244	6,751,550	62,694
Interest	3,304,595	3,304,595	3,245,410	59,185
Total Debt Service	<u>10,118,839</u>	<u>10,118,839</u>	<u>9,996,960</u>	<u>121,879</u>
Intergovernmental - County tax	7,980,468	8,057,565	8,057,565	
Transfers	3,006,318	3,006,318	3,006,318	
Total Expenditures	<u>94,579,690</u>	<u>95,363,812</u>	<u>94,283,060</u>	<u>1,080,752</u>
Other Sources (Uses)				
Refunding bonds issued			19,587,404	19,587,404
Premium received from refunding bonds			2,781,413	2,781,413
Cost of issuance on refunding bonds			(249,511)	(249,511)
Payment to refunding bond escrow agent			(22,119,306)	(22,119,306)
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Sources (Uses)	<u>94,579,690</u>	<u>95,363,812</u>	<u>94,283,060</u>	<u>1,080,752</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,668,195</u>	<u>\$ 2,668,195</u>

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

Proprietary Funds

Statement of Net Position

June 30, 2015

	Business-Type Activities Enterprise Funds			Total	Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund		Internal Service Funds
ASSETS					
Current:					
Cash and short-term investments	\$ 5,091,672	\$ 4,839,588		\$ 9,931,260	
User fees, net of allowance for uncollectibles					
Billed	686,025	762,801		1,448,826	
Unbilled	948,857	1,067,668		2,016,525	
Departmental and other receivables					\$ 49,587
Intergovernmental receivables		20,382		20,382	
Due from other funds	1,042,760	1,935,402		2,978,162	897,531
Prepaid expenses					137,854
Inventory	363,070	98,620		461,690	72,903
Total current assets	<u>8,132,384</u>	<u>8,724,461</u>	<u>-</u>	<u>16,856,845</u>	<u>1,157,875</u>
Noncurrent:					
Investment in land			\$ 1,256,731	1,256,731	
Intergovernmental receivable		108,725		108,725	
Capital assets:					
Land and construction in progress	1,854,989	8,732,976	20,579	10,608,544	
Other capital assets, net of accumulated depreciation	<u>27,922,323</u>	<u>36,542,147</u>	<u>-</u>	<u>64,464,470</u>	<u>-</u>
Total noncurrent assets	<u>29,777,312</u>	<u>45,383,848</u>	<u>1,277,310</u>	<u>76,438,470</u>	<u>-</u>
Total Assets	<u>37,909,696</u>	<u>54,108,309</u>	<u>1,277,310</u>	<u>93,295,315</u>	<u>1,157,875</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>236,303</u>	<u>167,660</u>	<u>-</u>	<u>403,963</u>	<u>-</u>
LIABILITIES AND NET POSITION					
Liabilities					
Current:					
Accounts payable	298,151	408,140	564	706,855	38,538
Accrued liabilities	80,681	74,154	3,643	158,478	15,810
Retainage payable	71,964	332,244		404,208	
Unearned revenue	37,646	2,412,762		2,450,408	
Due to other funds			106,926	106,926	
Current portion of long-term liabilities:					
Claims liability					165,000
Bonds payable	1,150,071	1,258,231		2,408,302	
Compensated absences	5,000	12,000		17,000	42,800
Total current liabilities	<u>1,643,513</u>	<u>4,497,531</u>	<u>111,133</u>	<u>6,252,177</u>	<u>262,148</u>
Noncurrent:					
Claims liability, net of current portion					721,804
Bonds payable, net of current portion	9,814,929	10,416,189		20,231,118	
Bond premium	536,678	474,662		1,011,340	
Compensated absences	38,203	68,273	10,871	117,347	
Net pension liability	700,096	1,050,145		1,750,241	
Other post-employment benefits liability	1,007,769	868,858		1,876,627	
Total noncurrent liabilities	<u>12,097,675</u>	<u>12,878,127</u>	<u>10,871</u>	<u>24,986,673</u>	<u>721,804</u>
Total Liabilities	<u>13,741,188</u>	<u>17,375,658</u>	<u>122,004</u>	<u>31,238,850</u>	<u>983,952</u>
DEFERRED INFLOWS OF RESOURCES	<u>91,281</u>	<u>136,921</u>	<u>-</u>	<u>228,202</u>	<u>-</u>
Net Position					
Net investment in capital assets	20,151,999	34,961,948	20,579	55,134,526	
Restricted for capital outlay	3,202,187	8,540,972	1,181	11,744,340	144,054
Unrestricted (deficit)	959,344	(6,739,530)	1,133,546	(4,646,640)	29,869
Total Net Position	<u>\$ 24,313,530</u>	<u>\$ 36,763,390</u>	<u>\$ 1,155,306</u>	<u>\$ 62,232,226</u>	<u>\$ 173,923</u>

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

For the Year Ended June 30, 2015

	Business-Type Activities Enterprise Funds			Total	Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund		Internal Service Funds
Operating Revenues:					
Charges for services	\$ 4,827,712	\$ 6,111,377		\$ 10,939,089	\$ 1,820,228
Investment fees	120,248	209,239		329,487	
Other revenue	123,845	92,623	\$ 2,400	218,868	355,534
Total Operating Revenues	<u>5,071,805</u>	<u>6,413,239</u>	<u>2,400</u>	<u>11,487,444</u>	<u>2,175,762</u>
Operating Expenses:					
Personal services	1,168,671	1,620,647	126,620	2,915,938	3,094,918
Purchased services	286,180	490,495	16,663	793,338	378,302
Supplies	679,294	864,653	3,051	1,546,998	73,948
Minor equipment					102,394
Depreciation	883,272	2,363,437		3,246,709	
Other expenses	163,212	245,056	152	408,420	365,841
Total Operating Expenses	<u>3,180,629</u>	<u>5,584,288</u>	<u>146,486</u>	<u>8,911,403</u>	<u>4,015,403</u>
Operating Income (Loss)	<u>1,891,176</u>	<u>828,951</u>	<u>(144,086)</u>	<u>2,576,041</u>	<u>(1,839,641)</u>
Nonoperating Revenues (Expenses):					
Investment income	9,774	9,272		19,046	
Interest expense	(450,153)	(523,797)	4,978	(968,972)	
Bond issuance costs	(39,770)	(16,643)		(56,413)	
Total Nonoperating Revenues (Expenses), Net	<u>(480,149)</u>	<u>(531,168)</u>	<u>4,978</u>	<u>(1,006,339)</u>	<u>-</u>
Transfers In (Out)	(96,570)	(53,844)	132,500	(17,914)	1,501,819
Intergovernmental	<u>89,074</u>	<u>1,197,753</u>		<u>1,286,827</u>	<u>247,722</u>
Change in Net Position	1,403,531	1,441,692	(6,608)	2,838,615	(90,100)
Net Position at Beginning of Year, Restated	<u>22,909,999</u>	<u>35,321,698</u>	<u>1,161,914</u>	<u>59,393,611</u>	<u>264,023</u>
Net Position at End of Year	<u>\$ 24,313,530</u>	<u>\$ 36,763,390</u>	<u>\$ 1,155,306</u>	<u>\$ 62,232,226</u>	<u>\$ 173,923</u>

Proprietary Funds**Statement of Cash Flows**

For the Year Ended June 30, 2015

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund	Total
Cash Flows From Operating Activities:				
Receipts from customers and users for services	\$ 4,695,920	\$ 6,114,839		\$ 10,810,759
Receipts from customers and users for investment fees	244,093	301,862	\$ 2,400	548,355
Payments to vendors and contractors	(909,558)	(1,397,060)	(20,624)	(2,327,242)
Payments of employee salaries and benefits	(1,165,676)	(1,722,536)	(130,336)	(3,018,548)
Receipts for interfund service provided	559,027			559,027
Payments for interfund service provided		2,808,459	11,082	2,819,541
Net Change in Operating Activities	<u>3,423,806</u>	<u>6,105,564</u>	<u>(137,478)</u>	<u>9,391,892</u>
Cash Flows From Noncapital Financing Activities:				
Transfers in			132,500	132,500
Transfers out	(96,570)	(53,844)		(150,414)
Intergovernmental subsidy				247,722
Net Change in Noncapital Financing Activities	<u>(96,570)</u>	<u>(53,844)</u>	<u>132,500</u>	<u>(17,914)</u>
Cash Flows From Capital and Related Financing Activities:				
Activities:				
Purchases of capital assets and land for investment	(1,385,924)	(6,296,791)		(7,682,715)
Capital contributions - federal and state grants	89,074	1,197,753		1,286,827
Principal payments on bonds and notes	(1,169,191)	(1,257,029)		(2,426,220)
Proceeds from bonds		1,207,935		1,207,935
Net change in deferred inflows and outflows	87,711	132,495		220,206
Interest expense	(448,906)	(536,083)	4,978	(980,011)
Net Change in Capital and Related Financing Activities	<u>(2,827,236)</u>	<u>(5,551,720)</u>	<u>4,978</u>	<u>(8,373,978)</u>
Cash Flows From Investing Activities:				
Investment income	9,774	9,272		19,046
Net Change in Investing Activities	<u>9,774</u>	<u>9,272</u>	<u>-</u>	<u>19,046</u>
Net Change in Cash and Short-Term Investments	509,774	509,272		1,019,046
Cash and Short-Term Investments, Beginning of Year	<u>4,581,898</u>	<u>4,330,316</u>		<u>8,912,214</u>
Cash and Short-Term Investments, End of Year	<u>\$ 5,091,672</u>	<u>\$ 4,839,588</u>	<u>\$ -</u>	<u>\$ 9,931,260</u>
Reconciliation of Operating Income (Loss) to Net Change In Operating Activities:				
Operating income (loss)	\$ 1,891,176	\$ 828,951	\$ (144,086)	\$ 2,576,041
Adjustments to reconcile operating income (loss) to net change in operating activities:				
Depreciation	883,272	2,363,437		3,246,709
Changes in assets and liabilities:				
User fees	(115,984)	(116,108)		(232,092)
Inventory	4,814	(7,988)		(3,174)
Departmental and other receivables		15,948		15,948
Interfund receivables and payables	559,027	2,808,459	11,082	3,378,568
Other assets				23,486
Accounts payable	144,541	(111,382)	(758)	32,401
Accrued liabilities	3,697	16,536	(3,965)	16,268
Unearned revenue	(15,808)	103,622		87,814
Retainage payable	69,773	322,514		392,287
Compensated absences	9,185	(20,976)	249	(11,542)
Net pension liability	(104,693)	(169,420)		(274,113)
Other post-employment benefits liability	94,806	71,971		166,777
Net Change in Operating Activities	<u>\$ 3,423,806</u>	<u>\$ 6,105,564</u>	<u>\$ (137,478)</u>	<u>\$ 9,391,892</u>

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2015

	Agency Funds	Private Purpose Trust Funds	OPEB Irrevocable Trust Fund
ASSETS			
Cash and short term investments	\$ 379,139		
Due from other funds	840,108	\$ 878,244	\$ 2,494,193
Total Assets	<u>1,219,247</u>	<u>878,244</u>	<u>2,494,193</u>
LIABILITIES AND NET ASSETS			
Other liabilities	1,219,247		
Total Liabilities	<u>1,219,247</u>	<u>-</u>	<u>-</u>
NET Position			
Total Net Position Held in Trust	<u>\$ -</u>	<u>\$ 878,244</u>	<u>\$ 2,494,193</u>

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2015

	Private Purpose Trust Funds	OPEB Irrevocable Trust Fund
Additions:		
Investment earnings	\$ 50,923	\$ 93,202
Total	<u>50,923</u>	<u>93,202</u>
Deductions:		
Disbursements by agent	22,943	
Management Service		11,741
Total deductions	<u>22,943</u>	<u>11,741</u>
Net increase	27,980	81,461
Other Financing Sources and Uses		
Transfers in		<u>1,099,545</u>
Net Change in Fund Balance	27,980	1,181,006
Net Position:		
Beginning of year	<u>850,264</u>	<u>1,313,187</u>
End of year	<u>\$ 878,244</u>	<u>\$ 2,494,193</u>

Notes to Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Notes to Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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

The government reports the following major governmental funds:

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

The Capital Improvements Program for fiscal year 2015 (CIP FY15) is used to account for the revenue from the bond proceeds and related expenditures for authorized projects.

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

The government reports the following major proprietary funds:

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

Notes to Financial Statements

June 30, 2015

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 other post-employment benefits (OPEB) liability 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:
 - 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.
 - 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.
 - The OPEB Irrevocable Trust Fund is used to account for assets held by the City in a trustee capacity to provide for funding of the city's OPEB liability.

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, 2015

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.

Post-Employment Benefits Irrevocable Trust Fund

The City is the trustee, or fiduciary, for assets set aside and held in an irrevocable trust arrangement for the post-employment benefits. The City contributions to this fund are expensed to the OPEB Internal Service Fund.

Under New Hampshire RSA 31:19-c, the legislative body of a municipality that created an actuarial liability to pay other post-employment benefits (OPEB) to employees or officers after their termination of service may establish an irrevocable trust to pay those benefits. Deposits to any fund under such a trust and any earnings on those deposits shall be irrevocable and shall be held in trust for the exclusive benefit of the retirees and their beneficiaries in accordance with the terms of the plan. The trustees of any trust created pursuant to this section shall have the full power to invest, reinvest, and manage the assets of the trust. The trustees shall also diversify such investments so as to minimize the risk of larger losses unless under the circumstances it is clearly prudent not to do so.

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.

Notes to Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Interfund Receivables and Payables - Continued

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.

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 \$25,000 and an estimated useful life in excess of three 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 2015.

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 agreement, 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.

Notes to Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Compensated Absences - Continued

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, 2015 was \$102,640 held in cash accounts. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category. One item is deferred outflows related to the pension liability as is more fully disclosed in the pension footnote (Note 19) and the other item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Long-Term Obligations

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

Notes to Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Fund Balances

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

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

Notes to Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Use of Estimates

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

Recently Adopted Accounting Pronouncements

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 adoption of this statement is disclosed in Notes 19 and 23.

In November 2013, the GASB issued GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of GASB Statement No. 68 related to contributions made to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The new statement is effective for periods beginning after June 15, 2014. The adoption of this statement is disclosed in Notes 19 and 23.

Notes to Financial Statements

June 30, 2015

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

Budgetary Basis

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

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 sources	Expenditures and other uses	Revenues and other sources over expenditures and other uses
General Fund			
Revenues/expenditures (GAAP basis)	\$ 96,992,761	\$ 91,065,913	\$ 5,926,848
Other financing sources/uses (GAAP basis)	23,003,951	26,486,785	(3,482,834)
	119,996,712	117,552,698	2,444,014
Reverse beginning of year appropriation carryforwards from expenditures		(1,064,502)	1,064,502
Reverse on-behalf payments	(577,016)	(577,016)	
Add end of year appropriation carryforwards to expenditures		982,906	(982,906)
Less expenditures from reserves and carryovers		(133,948)	133,948
Refunding of bonds	(22,368,817)	(22,368,817)	
Other adjustments	(99,624)	(108,261)	8,637
Budgetary Basis	\$ 96,951,255	\$ 94,283,060	\$ 2,668,195

Notes to Financial Statements

June 30, 2015

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

Nonmajor Governmental Funds

Parking activity	\$ (862)
Police DHA fund	(31,878)
School cafeteria	(232,736)

Internal Service Funds

Workers compensation	\$ (322,992)
Fleet maintenance fund	(33,136)
OPEB fund	(22,565)

Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2015:

Nonmajor Governmental funds

Special Revenue Funds:

Community Development	\$ (496,942)	(A)
Economic Development Loan Fund	(61,701)	(A)
DOE Energy Efficiency	(10,416)	(A)
Police DHA Fund	(5,452)	(A)
Police DOT Fund	(12,044)	(A)
DHHS Assistance Programs	(23,709)	(A)
School Federal Aid Fund	(77,298)	(A)
McConnell Center	(477,870)	(B)
Recreation Field Maintenance Fund	(83,689)	(B)
Tuition Programs	(6,873)	(A)

Capital Project Funds:

CIP FY12	(381,914)	(B)
CIP FY10	(578,474)	(B)
CIP FY07	(469,543)	(B)
CIP FY06	(22,355)	(B)
CIP FY05	(420,870)	(B)
CIP FY04	(136,087)	(B)
CIP FY03, FY02, FY00	(120,472)	(B)
Tolend Road Landfill Closure	(594,559)	(B)

Internal Service Funds:

Workers Compensation Fund	(734,720)	(B)
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(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.

Notes to Financial Statements

June 30, 2015

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.

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 million 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% and 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, 2015, the City's bank balance of \$63,263,400 was fully insured or collateralized.

Trust Funds

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

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

Notes to Financial Statements

June 30, 2015

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling. The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. In fiscal year 2015 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, 2015 consisted of:

	Fair Value	Investment Maturities (in Years)			No Maturity
		1 - 5	6 - 10	More than 10	
Corporate Bonds	\$ 563,157	\$ 512,166	\$ 50,991		
Bond Funds	1,473,814				\$ 1,473,814
Common Stock and Mutual Funds	2,589,390				2,589,390
Money Market, less than one year	1,468,429	1,468,429			
Total Investments	\$ 6,094,790	\$ 1,980,595	\$ 50,991	\$ -	\$ 4,063,204

Notes to Financial Statements

June 30, 2015

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 \$235,408 — Aaa; Fixed income corporate bonds \$277,747 — Aa thru A3; Fixed income corporate bonds \$50,002 — other or not rated; Bond funds \$900,434 — Aaa and \$573,380 below Aaa or not rated, with 68% of these funds (17% of the non-Aaa portion) rated A1 or better.

As of June 30, 2015, 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, 2015

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Capital Reserve Funds – Continued

In fiscal year 2015 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 basis) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

Interest Rate Risk

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

City Funds

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

Trust Funds

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

Foreign Currency Risk

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

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

NOTE 4 – TAXES RECEIVABLE

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

Notes to Financial Statements

June 30, 2015

NOTE 4 – TAXES RECEIVABLE – CONTINUED

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

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years. Management has reviewed accounts receivable for collectability and has determined that an allowance for uncollectable accounts is necessary based on history and aging of individual accounts.

Taxes receivable at June 30, 2015 are comprised of (in thousands):

Unredeemed taxes:	
Levy of fiscal year 2015	\$ 2,609
Levy of fiscal year 2014	652
Levy of fiscal year 2013	162
Levy of fiscal year 2012	101
Levy of fiscal year 2011	174
Levy of fiscal year 2010	32
Levy of fiscal year 2009	1
Levy of fiscal year 2008	14
Allowance for uncollectibles	<u>(338)</u>
	3,407
Other taxes:	
Other miscellaneous taxes	95
	<u>\$ 3,502</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. Management has reviewed accounts receivable for collectability and has determined that an allowance for uncollectable accounts is necessary based on history and aging of individual accounts.

	Ambulance	Conservation Fund	Residential Solid Waste	Other	Total
Gross	\$ 1,507,069	\$ 72,210	\$ 59,919	\$ 2,184,980	\$ 3,824,178
Less allowance for doubtful accounts	<u>(843,984)</u>				<u>(843,984)</u>
	<u>\$ 663,085</u>	<u>\$ 72,210</u>	<u>\$ 59,919</u>	<u>\$ 2,184,980</u>	<u>\$ 2,980,194</u>

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

The balance of \$1,276,677 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

Notes to Financial Statements

June 30, 2015

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES – CONTINUED

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

Fiscal Year Ended June 30,	Reimbursement For		
	Principal	Interest	Total
2016	\$ 15,304	\$ 5,078	\$ 20,382
2017	13,915	4,458	18,373
2018	13,916	3,910	17,826
2019	10,860	3,358	14,218
2020	10,687	2,916	13,603
Thereafter	59,347	8,625	67,972
	<u>\$ 124,029</u>	<u>\$ 28,345</u>	<u>\$ 152,374</u>

In the Sewer Enterprise fund, the City has accrued \$5,078 of interest due in fiscal year 2015, along with all principal as intergovernmental receivables at June 30, 2015.

NOTE 7 – LOANS RECEIVABLE

Loans receivable of \$799,801 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 and 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, 2015 balances in interfund receivable and payable accounts:

Fund	Due From Other Funds	Due to Other Funds	Advance to Other Funds	Advance From Other Funds
General Fund		\$ 27,089,565	\$ 514,647	
CIP FY 15	\$ 9,841,892			
Nonmajor Governmental Funds	17,721,208	8,454,846		\$ 514,647
Major Proprietary Funds:				
Enterprise Funds:				
Water	1,042,760			
Sewer	1,935,402			
DBIDA		106,926		
Nonmajor Proprietary Funds:				
Internal Service Funds	897,531			
Fidiciary Funds:				
Agency Funds	840,108			
Private Purpose Funds	878,244			
OPEB Irrevocable Trust Fund	2,494,193			
	<u>\$ 35,651,338</u>	<u>\$ 35,651,337</u>	<u>\$ 514,647</u>	<u>\$ 514,647</u>

Notes to Financial Statements

June 30, 2015

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

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The following is an analysis of the June 30, 2015 interfund transfers:

Fund	Transfers In	Transfers Out
General Fund	\$ 525,076	\$ (4,117,968)
Nonmajor Governmental Funds	958,830	
Major Proprietary Funds:		
Enterprise Funds		
Water		(96,570)
Sewer		(53,844)
DBIDA	132,500	
Nonmajor Proprietary Funds		
Internal Service Funds	1,501,819	
OPEB Irrevocable Trust Fund	1,099,545	
Departmental Agency Funds	50,612	
Total Interfund Transfers	<u>\$ 4,268,382</u>	<u>\$ (4,268,382)</u>

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows (reported in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 112,630	\$ 1,715		\$ 114,345
Machinery, equipment and furnishings	29,175	2,020	\$ (934)	30,262
Infrastructure	83,144	1,811		84,955
Total capital assets, being depreciated	<u>224,950</u>	<u>5,546</u>	<u>(934)</u>	<u>229,562</u>
Less accumulated depreciation:				
Buildings and improvements	(39,681)	(2,439)		(42,120)
Machinery, equipment and furnishings	(21,013)	(1,793)	890	(21,916)
Infrastructure	(51,602)	(2,370)		(53,972)
Total accumulated depreciation	<u>(112,296)</u>	<u>(6,602)</u>	<u>890</u>	<u>(118,008)</u>
Total capital assets, being depreciated, net	<u>112,653</u>	<u>(1,056)</u>	<u>(44)</u>	<u>111,554</u>
Capital assets, not being depreciated:				
Land	14,598	244		14,842
Construction in progress	25,761	13,651	(3,299)	36,113
Total capital assets, not being depreciated	<u>40,359</u>	<u>13,895</u>	<u>(3,299)</u>	<u>50,955</u>
Governmental Activities Capital Assets, Net	<u>\$ 153,013</u>	<u>\$ 12,839</u>	<u>\$ (3,343)</u>	<u>\$ 162,509</u>

Notes to Financial Statements

June 30, 2015

NOTE 9 – CAPITAL ASSETS – CONTINUED

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 39,315			\$ 39,315
Machinery, equipment and furnishings	15,727	\$ 422	\$ (444)	15,705
Infrastructure	69,069	2,128		71,197
Total capital assets, being depreciated	<u>124,111</u>	<u>2,550</u>	<u>(444)</u>	<u>126,217</u>
Less accumulated depreciation:				
Buildings and improvements	(23,061)	(863)		(23,924)
Machinery, equipment and furnishings	(9,371)	(973)	444	(9,900)
Infrastructure	(26,516)	(1,411)		(27,927)
Total accumulated depreciation	<u>(58,949)</u>	<u>(3,247)</u>		<u>(61,751)</u>
Total capital assets, being depreciated, net	<u>65,163</u>	<u>(697)</u>		<u>64,466</u>
Capital assets, not being depreciated:				
Land	1,785			1,785
Construction in progress	3,690	7,491	(2,357)	8,824
Total capital assets, not being depreciated	<u>5,475</u>	<u>7,491</u>	<u>(2,357)</u>	<u>10,609</u>
Business-Type Activities Capital Assets, Net	<u>\$ 70,637</u>	<u>\$ 6,794</u>	<u>\$ (2,357)</u>	<u>\$ 75,075</u>

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

Governmental Activities:	
General government	\$ 270
Public safety	620
Public works	3,411
Education	1,798
Culture and recreation	501
Public welfare	2
Total Depreciation Expense - Governmental Activities	<u>\$ 6,602</u>
Business-Type Activities:	
Water	\$ 883
Sewer	2,364
Total Depreciation Expense – Business-Type Activities	<u>\$ 3,247</u>

Notes to Financial Statements

June 30, 2015

NOTE 9 – CAPITAL ASSETS – CONTINUED

Construction Commitments:

Active construction in progress at June 30, 2015 and commitments outstanding consist of the following:

	Construction in Progress	Remaining Commitments
Government Activities:		
Tolend Road Landfill	\$ 12,543,581	
Downtown Parking Facility - Buildings	5,588,182	\$ 5,968,121
Cochecho Dredge Cell	3,643,360	69,901
Tolend/Watson Road Improvements	3,506,965	994,007
Police – New Facility	2,386,974	7,185,797
PW – Street Reconstruction Silver Street	2,231,037	2,356,671
Tolend Road – Landfill Closure	1,819,794	
Street Reconstruction - Watson	1,291,777	60,223
Tolend Road – Bellamy Plume Trust	977,943	
Tolend Road – BioRemediation	788,983	
School - Dover High Sch Fac Impr	440,257	17,264
City Hall Improvements	203,542	
PW – Lisa Beth Drive & Circle Reconstruct	144,467	
School - Regional Voc Sch Fac Impr	131,736	7,675
Berry Brook Watershed Plan – Phase 3	113,520	119,565
Downtown Traffic Efficiency Imp	89,273	75,000
McConnell Building Improvements	79,076	
First Street Lot Tank Site Remediation	40,648	695
TIP - Traffic Signal Upgrades	34,025	
Garrison School Roof Replacement	18,000	485,280
PW - Street Reconstruction Nelson Street	17,114	20,636
Bridge Replacement – Whittier Street	13,722	110,580
Various other construction projects	8,937	85,959
Total Governmental Activities	<u>\$ 36,112,913</u>	<u>\$ 17,557,374</u>
Business-Type Activities:		
Sewer – WWTP Buildings	\$ 7,234,363	\$ 3,777,036
Water Main – Silver Street	855,166	542,929
WWTP – Facility Upgrade 2013 CIP	210,337	50,759
Water System Facilities Upgrade	152,450	535,971
WWTP – Evaluation NPDES Permit	108,018	
Water Main Replacement – Spaulding Turnpike	105,451	51,699
Sewer Main – Spaulding Turnpike	98,766	88,980
Water Meter Replacement	21,632	
Water – Wellhead Protection	14,289	
Sewer – Inflow & Infiltration		82,100
Sewer - Ela, Pearl, Silver Street		64,856
Water Main - Silver St Ext		121,125
Various other water construction projects	15,535	62,977
Various other sewer construction projects	7,701	75,789
Total Business-Type Activities	<u>\$ 8,823,708</u>	<u>\$ 5,454,221</u>

Remaining commitments are expected to be funded by bond proceeds.

Notes to Financial Statements

June 30, 2015

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable represents fiscal year 2015 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 and other related payroll liabilities at year-end.

NOTE 12 – LONG-TERM DEBT

Long-Term Debt Supporting Governmental Activities

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

General Obligation Bonds and Loans

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

Description	Original Issue Amount	Rate	Maturity Date	Balance
Bonds Payable:				
New Middle School 1999	\$15,741,027	5.5800%	1/15/20	\$ 2,417,834
Public improvements 2002	2,240,600	4.2300%	6/15/22	395,000
Public improvements 2006	22,348,000	4.2313%	6/15/27	1,160,000
Public improvements 2007	20,646,000	4.5000%	6/15/27	2,205,000
Public improvements 2008	9,970,000	4.0935%	12/15/28	6,450,000
Public improvements 2009	12,799,000	3.4417%	4/1/30	8,890,000
Public improvements refunding 2001	8,790,000	2.1535%	6/30/21	3,425,000
Public improvements refunding 2003 & 2004	17,530,000	2.3433%	6/15/32	13,760,000
Public Improvements	22,385,000	2.8090%	5/15/34	21,460,000
Public improvements - TIF	11,495,000	3.2670%	5/15/34	11,200,000
Public Improvements refunding 2005	4,425,000	1.7460%	7/1/25	4,425,000
Public Improvements refunding 2006 & 2007	19,590,000	2.0020%	6/15/27	19,590,000
Total Bonds Payable				95,377,834
Other Long-Term Debt				
CDFA Energy Improvement	250,000	2.4700%	12/31/20	157,250
State revolving loan – WWTP Aeration	279,157	1.7000%	2/1/22	195,410
State revolving loan – North End Pressure	3,400,000	2.7200%	11/1/32	3,111,630
Eversource SMART START	110,000	2.1200%	1/15/19	110,058
River Street Pump Station	1,207,935	3.1680%	3/1/34	1,147,538
Total Other Debt Outstanding				4,721,888
Total Long-Term Debt				\$100,099,720

Notes to Financial Statements

June 30, 2015

NOTE 12 – 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, 2015 are as follows:

Governmental	Principal	Interest	Total
2016	\$ 7,389,342	\$ 3,766,292	\$ 11,155,634
2017	6,689,892	3,444,188	10,134,080
2018	6,624,076	3,246,566	9,870,642
2019	6,311,219	3,047,361	9,358,579
2020	6,416,653	2,878,497	9,295,150
2021 – 2025	24,450,124	6,477,100	30,927,224
2026 – 2030	13,218,937	2,302,553	15,521,490
2031 - 2034	6,360,057	540,072	6,900,131
	<u>77,460,299</u>	<u>25,702,629</u>	<u>103,162,928</u>
Business-Type			
2016	2,408,302	845,832	3,254,134
2017	2,212,659	736,824	2,949,483
2018	2,188,454	661,689	2,850,143
2019	1,917,501	587,308	2,504,809
2020	1,857,903	524,472	2,382,374
2021 – 2025	6,960,766	1,693,766	8,654,532
2026 - 2030	3,739,476	551,876	4,291,351
2031 - 2034	1,354,359	83,831	1,438,191
	<u>22,639,421</u>	<u>5,685,598</u>	<u>28,325,019</u>
Total Future Debt Service	<u>\$100,099,720</u>	<u>\$ 31,388,227</u>	<u>\$ 131,487,947</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, 2015 are as follows:

Purpose	Amount
Parking lot Improvements	\$ 160,765
Public Improvements - FY12	755,000
Public Improvements - FY13	1,700,000
Public Improvements – FY14	12,060,607
Public Improvements – FY15	7,900,000
Public Improvements – FY16	32,958,633
	<u>\$ 55,535,005</u>

Notes to Financial Statements

June 30, 2015

NOTE 12 – 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, 2015 and related limitations. These limits are based on the tax year 2014 base valuations for debt limits of \$2,964,737,895 provided by the State Department of Revenue Administration.

Purpose	Percent of State Assessed Value	Maximum Debt Limit	Applicable Bonds Outstanding at June 30, 2015
Municipal	3%	\$ 88,942,137	\$ 40,803,023
School	7%	207,531,653	18,833,607
Water	10%	296,473,790	10,965,000
DBIDA - IP	0%	4,000,000 *	
DBIDA - IB	0%	1,000,000	
DBIDA - Projects	8%	215,785,444	
Not subject to limitation	0%		29,498,090
			<u>\$ 100,099,720</u>

*Debt limit is set by special legislation.

Changes in General Long-Term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities (in thousands):

Governmental Activities	Total Balance 7/1/14	Additions	Reductions	Total Balance 6/30/15	Less Current Portion	Long-Term Portion 6/30/15
Claims liability	\$ 578	\$ 494	\$ (185)	\$ 887	\$ (165)	\$ 722
Bonds and loans payable	86,145	110	(8,795)	77,460	(7,389)	70,071
Bond premium	2,014	2,781	(101)	4,694		4,694
Net Pension Liability	59,882		(7,779)	52,103		52,103
Other:						
Compensated absences	3,053	1,113	(928)	3,238	(117)	3,121
OPEB liability	21,692	3,307	(1,094)	23,905		23,905
Liability for hazardous waste-site cleanup	8,707	3,009		11,716		11,716
	<u>\$ 182,071</u>	<u>\$ 10,814</u>	<u>\$ (18,882)</u>	<u>\$ 174,003</u>	<u>\$ (7,671)</u>	<u>\$ 166,332</u>

Business-Type Activities

Bonds and loans payable	\$ 24,169	\$ 1,208	\$ (2,738)	\$ 22,639	\$ (2,408)	\$ 20,231
Bond premium	411	620	(20)	1,011		1,011
Net Pension Liability	2,024		(274)	1,750		1,750
Other:						
Compensated absences	146	122	(134)	134	(17)	117
OPEB liability	1,710	249	(82)	1,877		1,877
	<u>\$ 28,460</u>	<u>\$ 2,199</u>	<u>\$ (3,248)</u>	<u>\$ 27,411</u>	<u>\$ (2,425)</u>	<u>\$ 24,986</u>

Notes to Financial Statements

June 30, 2015

NOTE 12 – LONG-TERM DEBT – CONTINUED

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

Contingent Debt Obligation

The City received funding for a Sewer capital project from the State of New Hampshire through a revolving renovation loan fund for which up to fifteen percent of the amount drawn by the City will be covered by a Federal grant. The City will be obligated to repay the amount drawn over a period of 20 years plus interest at 2.72%. The City made the decision to defer the entire amount of the reimbursements until the loan agreement is finalized. As of June 30, 2015 the City has received \$2,325,786 of reimbursements related to the project. This project is expected to be completed during fiscal year 2016 and the city will then finalize a loan agreement with the State of New Hampshire.

Defeased Debt

On November 19, 2014, the City issued \$4,425,000 in general obligation bonds to advance refund a portion of the City's \$10,740,000 capital improvement general obligation bonds issued June 15, 2005. The 2005 bonds were to mature on June 15, 2026, with a true interest cost of 3.8405 percent, in the aggregate principal amount of \$4,805,000 maturing in the years 2016 through 2026. The June 15, 2005 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2016 through June 15, 2026. 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 AA+ by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 6 bids on November 6, 2014. UBS Financial Services was awarded the bid at a true interest cost of 1.744 percent. The refunding bonds were dated November 19, 2014 and mature July 1, 2025. The refunding bonds are not subject to redemption prior to their stated maturity dates.

The proceeds of \$4,425,000, plus \$651,561 of reoffering premium and after payment of \$79,228 in underwriting fees and other issuance costs, were used to purchase SLGS securities through the U.S. Treasury Department. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the June 15, 2005 general obligation bonds in the aggregate principal amount of \$4,805,000. As a result, the June 15, 2005 general obligation bonds maturing on or after June 15, 2016 are considered to be defeased and the \$3,910,000 liability for those bonds has been removed from the general long-term debt account and the \$895,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the June 15, 2005 general obligation bonds to reduce its total debt service payments over the next 11 years by almost \$524,398 and to obtain an economic gain of \$421,017 representing the difference between the present values of the debt service payments on the old and new debt. The reacquisition price exceeded the carrying amount of the old debt by \$192,334. This amount is being amortized over the remaining life of the refunding debt.

On May 5, 2015 the City issued \$19,590,000 in general obligation bonds to advance refund a portion of the City's \$22,348,000 capital improvement general obligation bonds issued June 15, 2006 and a portion of the City's \$20,646,000 capital improvement general obligation bonds issued June 15, 2007. The 2006 bonds were to mature on June 15, 2027, with a true interest cost of 4.231 percent, in the aggregate principal amount of \$11,490,000 maturing in the years 2017 through 2027. The 2007 bonds were to mature on June 15, 2027, with a true interest cost of 4.500 percent, in the aggregate principal amount of \$9,445,000 maturing in the years 2018 through 2027. The June 15, 2006 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2016 through June 15, 2027. The June 15, 2007 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2017 through June 15, 2027. 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 AA+ by Standard and Poor's Rating Group.

Notes to Financial Statements

June 30, 2015

NOTE 12 – LONG-TERM DEBT – CONTINUED

Competitive bids were solicited and the City received 5 bids on April 22, 2015. Hutchinson, Shockey, Erley & Co. was awarded the bid at a true interest cost of 2.0019 percent. The refunding bonds were dated May 5, 2015 and mature June 15, 2027. The refunding bonds are subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2026 are subject to redemption at the option of the City.

The proceeds of \$19,590,000, plus a \$456,603 cash contribution made by the City, and \$2,749,837 of reoffering premium after payment of \$226,696 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, 2006 general obligation bonds in the aggregate principal amount of \$11,490,000 and on the June 15, 2007 general obligation bonds in the aggregate principal amount of \$9,445,000. As a result, the June 15, 2006 general obligation bonds maturing on or after June 15, 2016 are considered to be defeased and the \$8,771,000 liability for those bonds has been removed from the general long-term debt account and the \$2,719,000 liability for those bonds has been removed from the business-type activity funds. Additional as a result, the June 15, 2007 general obligation bonds maturing on or after June 15, 2017 are considered to be defeased and the \$8,320,000 liability for those bonds has been removed from the general long-term debt account and the \$1,125,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the June 15, 2006 and June 15, 2007 general obligation bonds to reduce its total debt service payments over the next 12 years by almost \$2,091,491 and to obtain an economic gain of \$1,850,505 representing the difference between the present values of the debt service payments on the old and new debt. The reacquisition price exceeded the carrying amount of the old debt by \$1,178,141. This amount is being amortized over the remaining life of the refunding debt.

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

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

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, 2015

NOTE 13 – 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.

The groundwater extraction system has been operational for two years. The annual operations and maintenance costs for FY2013 and FY2014 were about \$680,000 annually with the City being responsible for 42.68% or \$290,224. Therefore, the City adjusted the landfill closure liability to reflect an estimate of \$8,706,720 for 30 year estimate of post closure operations of the groundwater extraction and sewer conveyance systems. The estimated cost for FY2016 is \$915,000 with Dover's share of 42.68% being \$390,522. Therefore, as of June 30, 2015 the City adjusted the landfill closure liability to reflect an estimate of \$11,715,660 for 30 year estimate of post closure costs. The City is expecting to fund its share of post closure costs through the annual operating budget.

The City and other PRPs completed an evaluation to determine the need to continue to operate the northwest air sparge system for another year. The remediation achieved a dramatic reduction in contaminants as it was intended to accomplish. The City and other PRPs submitted a proposal to the EPA to decommission the northwest air sparge system. EPA approved the proposal and the northwest remediation system has been decommissioned.

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 14 – RESTRICTED NET POSITION

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

NOTE 15 – 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 approximately 28% of Strafford County's total assessment. Strafford County had a \$2,291,611 unassigned General Fund Balance surplus on December 31, 2014, the most recent financial statements available.

Notes to Financial Statements

June 30, 2015

NOTE 16 – POST-EMPLOYMENT HEALTH CARE

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

Plan Description

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

As of the start of the fiscal year, approximately 244 retirees and 80 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, 2015

NOTE 16 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

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

Fiscal Year	Net City Cost
2015	\$1,630,768
2014	1,595,468
2013	1,403,878
2012	1,278,503
2011	952,117
2010	699,188
2009	655,613
2008	562,787
2007	499,660
2006	401,268

For the fiscal year ended June 30, 2015, \$577,016 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 2015 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, 2015, the amount actually contributed to the plan and the change in the City's net OPEB obligation based on an actuarial valuation as of July 1, 2013.

Annual OPEB Costs and Net OPEB Obligation – Continued

Annual required contribution (ARC)	\$ 4,177,179
Interest on net OPEB obligation	936,066
Adjustment to ARC	(1,557,419)
Annual OPEB cost	3,555,826
Contributions made	(1,175,830)
Increase in net OPEB obligation	2,379,996
Net OPEB obligation - beginning of year	23,401,657
Net OPEB obligation - end of year	<u>\$ 25,781,653</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
2015	\$3,555,826	33%	\$25,781,653
2014	3,435,166	31%	23,401,657
2013	4,062,499	35%	21,013,752
2012	3,943,317	33%	18,353,029

The City's net OPEB obligation as of June 30, 2015 is recorded as a liability on the Statement of Net Position.

Notes to Financial Statements

June 30, 2015

NOTE 16 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2015, based on the July 1, 2013 actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 47,212,552
Actuarial value of plan assets	
Unfunded actuarial accrued liability (UAAL)	<u>\$ 47,212,552</u>
Funded ratio (actuarial value of plan assets (AAL))	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 33,332,217</u>
UAAL as a percentage of covered payroll	<u>142%</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, 2013 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 5.0%. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis.

NOTE 17 – SELF-INSURANCE

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Effective July 1, 2104, the City is insured for workers' compensation through the Public Risk Management Exchange (Primex). Any claims incurred prior to July 1, 2014 are covered under the City's self-insured worker's compensation program. Under the terms of its insurance coverage, the City is liable for \$500,000 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, 2015

NOTE 17 – SELF-INSURANCE – CONTINUED

Claims Liability

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

	Year Ended June 30, 2015	Year Ended June 30, 2014
Unpaid claims, beginning of fiscal year	\$ 578,281	\$ 534,071
Claims incurred (including IBNRs)	493,908	912,208
Claims paid	<u>(185,385)</u>	<u>(867,998)</u>
Unpaid claims, end of fiscal year	<u>\$ 886,804</u>	<u>\$ 578,281</u>

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$886,804 claims liability as of June 30, 2015, approximately \$165,000 is estimated to be due within one year.

NOTE 18 – 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 19 – PENSION PLAN

The City follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – and amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

Plan Description

Full-time employees participate in the State of New Hampshire Retirement System (the System), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation. The plan covers 471 participating employers.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the System's annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

Notes to Financial Statements

June 30, 2015

NOTE 19 – PENSION PLAN - CONTINUED

Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by $\frac{1}{4}$ of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earned compensation and/or service.

Employee membership data related to the Plan, as of June 30, 2014 was as follows:

Retired plan members currently receiving benefits	31,054
Inactive members entitled to but not yet receiving benefits	9,399
Active members	<u>48,307</u>
	<u>88,760</u>

For the year ended June 30, 2015, the City's total payroll for all employees was \$44,298,814. Total covered payroll was \$35,731,344. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers, 11.55% for police and 11.80% for fire. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 10.77% to 27.74% of covered compensation. The City's contribution to the System for the year ended June 30, 2015 was \$4,929,300, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Notes to Financial Statements

June 30, 2015

NOTE 19 – PENSION PLAN - CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a liability of \$53,853,578 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2013, the City's proportion was 1.438 percent.

At the most recent measurement date of June 30, 2014, the City's proportion was 1.435 percent, which was a decrease of .003 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$3,622,925. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments		\$ 6,890,610
Changes in proportion and differences between contributions and proportionate share of contributions		130,996
Contributions subsequent to the measurement date	\$ 4,929,300	
Total	<u>\$ 4,929,300</u>	<u>\$ 7,021,606</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources (netted when necessary) related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(1,751,083)
2017	(1,751,083)
2018	(1,751,083)
2019	(1,751,083)
2020	(17,274)
Total	<u><u>\$(7,021,606)</u></u>

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.0 percent per year
Salary increases	3.75 - 5.8 percent average, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Notes to Financial Statements

June 30, 2015

NOTE 19 – PENSION PLAN - CONTINUED

Mortality rates were based on the RP-2000 mortality table, projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for woman for mortality improvements.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2005 – June 30, 2010.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation Percentage		Weighted Average Average Long- Term Expected Real Rate of Return	
Large Cap Equities	22.50	%	3.25	%
Small/Mid Cap Equities	7.50		3.25	
Total domestic equities	30.00			
Intl Equities (unhedged)	13.00		4.25	
Emerging Intl Equities	7.00		6.50	
Total international equities	20.00			
Core Bonds	18.00		-0.47	
High-Yield Bonds	1.50		1.50	
Global Bonds (unhedged)	5.00		-1.75	
Emerging Market Debt (external)	0.50		2.00	
Total fixed income	25.00			
Private equity	5.00		5.75	
Private debt	5.00		5.00	
Real estate	10.00		3.25	
Opportunistic	5.00		2.50	
Total alternative investments	25.00			
Total	100.00	%		

Notes to Financial Statements

June 30, 2015

NOTE 19 – PENSION PLAN - CONTINUED

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
\$70,933,923	\$53,853,578	\$39,443,748

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

NOTE 20 - DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The following is a summary of deferred outflows of resources and deferred inflows of resources as reported in the statement of net position as of June 30, 2015:

	Governmental Activities	Business-Type Activities
Deferred outflows from the pension plan	\$ 4,769,098	\$ 160,202
Deferred outflows from deferred loss on refunding	1,081,028	243,761
Total deferred outflows	<u>\$ 5,850,126</u>	<u>\$ 403,963</u>
Deferred inflows from the pension plan	<u>\$ 6,793,404</u>	<u>\$ 228,202</u>

Notes to Financial Statements

June 30, 2015

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, 2015 was \$8,285,290, accumulated depreciation was \$1,759,520 and the net book value was \$6,526,370. Approximately 40% 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, 2015 is as follows:

Years Ending,	Amount
2016	\$ 260,307
2017	265,736
2018	243,928
2019	220,211
2020	209,305
Thereafter	1,163,030
Total	<u>\$ 2,362,517</u>

NOTE 22 – FUND BALANCE

The following is a schedule of fund balance classifications for the governmental funds as of June 30, 2015:

	General Fund	CIP FY15	Nonmajor Governmental Funds
Nonspendable			
Permanent funds			\$ 2,241,241
Inventory	\$ 2,910		66,161
	<u>2,910</u>		<u>2,307,402</u>
Restricted			
Permanent funds income			206,390
Capital projects funds		\$7,371,118	11,138,552
Special revenue funds			2,665,933
		<u>7,371,118</u>	<u>14,010,875</u>
Committed			
City benefit capital reserve	42,458		
School benefit capital reserve	60,182		
McConnell Center long-term advance	445,503		
Recreation programs funds			291,986
Other special revenue funds			3,798,275
Recreation field construction			1,045,480
Capital purchases fund			2,725,735
Recreation and school funds			787,044
	<u>548,143</u>		<u>8,648,520</u>
Assigned			
Encumbrances – city	1,333,006		
Encumbrances – school	461,380		
Carryover appropriations	835,061		
	<u>2,629,447</u>		
Unassigned	<u>15,368,593</u>		<u>(3,980,268)</u>
Total Fund Balances	<u>\$18,549,093</u>	<u>\$7,371,118</u>	<u>\$ 20,986,529</u>

Notes to Financial Statements

June 30, 2015

NOTE 23 – NET POSITION

Net Position Invested in Capital Assets

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable adding back any unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net position invested in capital assets, net of related debt was calculated as follows at June 30, 2015:

(In thousands)	Governmental Activities	Business-Type Activities
Capital assets	\$ 280,517	\$ 136,825
Accumulated depreciation	(118,009)	(61,752)
Bonds payable, total	(77,460)	(22,639)
Unspent bond proceeds	19,392	5,027
Unearned revenue*		(2,326)
Total invested in capital assets, net of related debt	<u>\$ 104,440</u>	<u>\$ 55,135</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 unearned revenue and will be converted to a loan payable obligation upon completions of the projects. Refer to Note 12 for additional information.

Restatement of Beginning Equity

Beginning net position was adjusted as a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, during the year ended June 30, 2014. Beginning net position was reduced by \$57,252,259 as a result of the implementation of this new accounting standard.

Net position at July 1, 2014 was restated to reflect the following adjustments:

	Governmental Activities	Business-Type Activities
Net position		
as previously reported	\$ 91,293,686	\$ 61,265,760
GASB No. 68	(55,380,110)	(1,872,149)
Net position/fund balance, as restated	<u>\$ 35,913,576</u>	<u>\$ 59,393,611</u>

NOTE 24 – SUBSEQUENT EVENTS

In August 2015, the City Council appropriated and authorized bonding of \$49,700,000 for the Dover High School and Regional Career Technical Center improvements. The state will fund \$13,500,000 for this project and the remaining \$23,300,000 will be funded by authorized but unissued bond funds. The total estimated construction cost for the project is \$86,500,000.

On December 9, 2015 the City Council authorized bonding of \$32,783,000 for constructions projects expected to begin in budget year 2017. These projects include Garrison Elementary School renovation, Oak street railroad bridge replacement, water and sewer system upgrades and improvements.

Schedule of Funding Progress Required Supplementary Information

June 30, 2015

Other Post-Employment Benefits							
Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial	Unfunded	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as
			Accrued Liability (AAL) (b)	AAL (UAAL) (b-a)			a Percentage of Covered Payroll [(b-a)/c]
2015	7/1/2013	-	\$ 47,212,552	\$ 47,430,729	0.0%	\$ 33,332,217	141.6%
2014	7/1/2013	-	\$ 45,430,729	\$ 45,430,729	0.0%	\$ 28,154,247	161.4%
2013	7/1/2011	-	53,119,414	53,119,414	0.0%	28,800,566	184.4%
2012	7/1/2011	-	51,087,625	51,087,625	0.0%	29,071,289	175.7%
2011	7/1/2010	-	42,239,664	42,239,664	0.0%	31,709,755	133.2%
2010	7/1/2010	-	42,171,618	42,171,618	0.0%	29,100,644	144.9%
2009	7/1/2009	-	42,669,587	42,669,587	0.0%	28,725,197	148.5%
2008	7/1/2009	-	40,449,724	40,449,724	0.0%	27,170,669	148.9%
2007	7/1/2008	-	33,584,481	33,584,481	0.0%	N/A	N/A
2006	7/1/2008	-	31,256,403	31,256,403	0.0%	N/A	N/A

N/A – Not available at time of publication.

Schedule of Proportionate Share of Net Pension Liability Required Supplementary Information

June 30, 2015

State of New Hampshire Retirement System

Fiscal Year	Valuation Date	City Proportion of the Net Pension Liability	City Proportionate Share of the Net Pension Liability	Covered Employee Payroll	City Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	7/1/2014	\$53,853,578	1.435%	\$ 35,731,344	150.7%	66.32%

Schedule of Contributions Required Supplementary Information

June 30, 2015

State of New Hampshire Retirement System

Fiscal Year	Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	7/1/2014	\$4,929,300	\$ 4,929,300	\$0	\$35,731,344	13.8%

Combining Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

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

Special Revenue Funds are established for the following purposes:

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

- **Emergency Management Fund** – To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.
- **Radiological Emergency Response** – To account for grant proceeds related to emergency preparedness for Seabrook radiological response.
- **DOI Fund** – To account for grant proceeds from the U.S. Department of Interior for various programs.
- **Department of Commerce - Coastal Programs:** To account for grant proceeds from the U.S. Department of Commerce National Oceanic & Atmospheric Administration (NOAA) Coastal Management Program to promote floodplain awareness and management.
- **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.
- **Downtown Dover TIF** – To account for funds collected in accordance with the tax increment financing plan established in March 2014 for repayment of bonds issued for construction of the Orchard Street Parking Garage and other capital improvements within the district as approved by City Council.
- **Tuition Programs Fund** – To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- **Vocational Center Fund** – To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- **School Alternative Education Fund** – To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- **School Facilities Fund** – To account for gate receipts used toward the cost of facility maintenance and upgrades.
- **Other Special Revenue Funds** – To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

Capital Project Funds

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

- **CIP FY13** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2013 of the Capital Improvements Program.
- **CIP FY12** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2012 of the Capital Improvements Program.
- **CIP FY11** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2011 of the Capital Improvements Program.
- **CIP FY10** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2010 of the Capital Improvements Program.
- **CIP FY09** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2009 of the Capital Improvements Program.
- **CIP FY08** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.
- **CIP FY07** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.
- **CIP FY06** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.
- **CIP FY05** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.
- **CIP FY04** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.

- **CIP FY03** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.
- **CIP FY02** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.
- **CIP FY01** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.
- **CIP FY00** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.
- **Tolend Road Landfill Closure** – To account for the revenues from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.
- **Cocheco River Dredge** – To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.
- **Recreation Field Construction** – To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.
- **Capital Purchases Fund** – To account for revenue transferred from the general fund for the purpose of capital acquisitions.

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2015

	Special Revenue Funds					
	Community Development Fund	CDBG Recovery Fund	Housing and Urban Development	Housing Rehab Loan Fund	Economic Development Loan Fund	DOE Energy Efficiency Fund
ASSETS						
Cash and short-term investments						
Investments						
Departmental receivable						
Intergovernmental receivables						
Loans receivable				\$ 247,577	\$ 552,224	
Due from other funds	\$ 131,086	\$ 2,974		312,393		
Inventory						
Other						
Total Assets	\$ 131,086	\$ 2,974	\$ 559,970	\$ 552,224	\$	\$
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 74,354			\$ 83	\$ 156	
Accrued liabilities	2,515					
Retainage payable						
Unearned revenue						
Due to other funds	420,073				61,546	\$ 10,416
Advance from other fund						
Compensated absences						
Total Liabilities	496,942			83	61,702	10,416
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - long-term receivables				247,577	552,223	
Fund Balances:						
Nonspendable						
Restricted	\$ 131,086	\$ 2,974		312,310		
Committed						
Assigned						
Unassigned	\$ (496,942)				(61,701)	(10,416)
Total Fund Balances (Deficit)	(496,942)	131,086	2,974	312,310	(61,701)	(10,416)
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 131,086	\$ 2,974	\$ 559,970	\$ 552,224	\$	\$

Special Revenue Funds

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund	Radiological Emergency Response
	\$ 242,717					\$ 97,248	
\$ 168,743					\$ 139,041	333,267	\$ 36,879
<u>\$ 168,743</u>	<u>\$ 242,717</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 139,041</u>	<u>\$ 430,515</u>	<u>\$ 36,879</u>
\$ 10,717	\$ 852	\$ 1,428 1,032		\$ 1,912		\$ 437	
	225,352	2,992	\$ 12,044	21,797			
<u>10,717</u>	<u>226,204</u>	<u>5,452</u>	<u>12,044</u>	<u>23,709</u>	<u></u>	<u>437</u>	<u></u>
158,026	16,513				\$ 139,041	430,078	\$ 36,879
<u>158,026</u>	<u>16,513</u>	<u>(5,452)</u> <u>(5,452)</u>	<u>(12,044)</u> <u>(12,044)</u>	<u>(23,709)</u> <u>(23,709)</u>	<u>139,041</u>	<u>430,078</u>	<u>36,879</u>
<u>\$ 168,743</u>	<u>\$ 242,717</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 139,041</u>	<u>\$ 430,515</u>	<u>\$ 36,879</u>

Special Revenue Funds

	DOI Fund	Department of Commerce	EPA Fund	School Cafeteria Fund	School Federal Aid Fund	School Special Programs Fund
ASSETS						
Cash and short-term investments				\$ 43,419		
Investments						
Departmental receivable				3,919	\$ 1,169	
Intergovernmental receivables				52,657	884,055	
Loans receivable						
Due from other funds	\$ 8,526		\$ 32,990	326,842		\$ 56,668
Inventory				28,964		
Other		\$ 4,679				
Total Assets	\$ 8,526	\$ 4,679	\$ 32,990	\$ 455,801	\$ 885,224	\$ 56,668
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable			\$ 1,062	\$ 95,847		
Accrued liabilities					\$ 136,736	
Retainage payable						
Unearned revenue				1,823		
Due to other funds					825,786	
Advance from other fund						
Compensated absences						
Total Liabilities			1,062	97,670	962,522	
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - long-term receivables						
Fund Balances:						
Nonspendable				28,964		
Restricted	\$ 8,526	\$ 4,679	31,928	329,167		\$ 56,668
Committed						
Assigned						
Unassigned					(77,298)	
Total Fund Balances (Deficit)	8,526	4,679	31,928	358,131	(77,298)	56,668
Total Liabilities and Fund Balances	\$ 8,526	\$ 4,679	\$ 32,990	\$ 455,801	\$ 885,224	\$ 56,668

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
			\$ 50,486				
	\$ 5,243	\$ 91,600	26			\$ 72,210	\$ 59,919
	210,884	6,189		\$ 56,951	\$ 122,299	513,717	960,780
\$ 50,000							37,197
<u>\$ 50,000</u>	<u>\$ 216,127</u>	<u>\$ 97,789</u>	<u>\$ 50,512</u>	<u>\$ 56,951</u>	<u>\$ 122,299</u>	<u>\$ 585,927</u>	<u>\$ 1,057,896</u>
\$ 458		\$ 6,775	\$ 7,890 4,135	\$ 224	\$ 516 4,371	\$ 586	\$ 52,470 2,040
49,348			14,141				540,306
<u>49,806</u>		<u>6,775</u>	<u>26,166</u>	<u>224</u>	<u>4,887</u>	<u>586</u>	<u>594,816</u>
						74,136	
							37,197
194	\$ 216,127	91,014	24,346	56,727	117,412	511,205	425,883
<u>194</u>	<u>216,127</u>	<u>91,014</u>	<u>24,346</u>	<u>56,727</u>	<u>117,412</u>	<u>511,205</u>	<u>463,080</u>
<u>\$ 50,000</u>	<u>\$ 216,127</u>	<u>\$ 97,789</u>	<u>\$ 50,512</u>	<u>\$ 56,951</u>	<u>\$ 122,299</u>	<u>\$ 585,927</u>	<u>\$ 1,057,896</u>

	Special Revenue Funds						
	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Downtown Dover TIF Fund	Tuition Programs Fund	Vocational Center Fund
ASSETS							
Cash and short-term investments							
Investments							
Departmental receivable	\$ 58,180	\$ 1,175		\$ 259			
Intergovernmental receivables							
Loans receivable							
Due from other funds		321,017		15,556	\$ 2,121		\$ 906
Inventory							
Other							
Total Assets	\$ 58,180	\$ 322,192	\$	\$ 15,815	2,121	\$	\$ 906
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 19,048	\$ 16,231	\$ 14,812	\$ 2,363			
Accrued liabilities	2,355	13,975					
Retainage payable							
Unearned revenue							
Due to other funds			68,877		\$ 6,873		
Advance from other fund	514,647						
Compensated absences							
Total Liabilities	536,050	30,206	83,689	2,363		6,873	
DEFERRED INFLOW OF RESOURCES							
Unavailable revenue - long-term receivables							
Fund Balances:							
Nonspendable							
Restricted				13,452	\$ 2,121		
Committed		291,986					\$ 906
Assigned							
Unassigned	(477,870)		(83,689)			(6,873)	
Total Fund Balances (Deficit)	(477,870)	291,986	(83,689)	13,452	2,121	(6,873)	906
Total Liabilities and Fund Balances	\$ 58,180	\$ 322,192	\$	\$ 15,815	\$ 2,121	\$	\$ 906

Special Revenue Funds				Capital Projects Funds					
School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals	CIP FY 14	CIP FY 13	CIP FY 12	CIP FY 11	CIP FY10	CIP FY09
		\$ 2,777,972	\$ 2,871,877						
		6,094,790	6,094,790						
\$ 10,429		655,091	959,220						
			1,276,677						
			799,801						
443,303	\$ 323,086		4,526,218	\$ 8,269,614	\$ 391,442		\$ 694,741		\$ 655,500
			66,161						
			54,679						
<u>\$ 453,732</u>	<u>\$ 323,086</u>	<u>\$ 9,527,853</u>	<u>\$ 16,649,423</u>	<u>8,269,614</u>	<u>\$ 391,442</u>	<u>\$</u>	<u>\$ 694,741</u>	<u>\$</u>	<u>\$ 655,500</u>
\$ 686	\$ 15,886	\$ 6,076	\$ 309,494	\$ 513,446			\$ 5,587	\$ 126,667	\$ 14,538
62,556	841		251,931						
			1,823	149,763	\$ 176,240			37,128	16,227
361,134		3,275,871	5,896,556			\$ 381,914		414,679	
			514,647						
<u>424,376</u>	<u>16,727</u>	<u>3,281,947</u>	<u>6,974,451</u>	<u>663,209</u>	<u>176,240</u>	<u>381,914</u>	<u>5,587</u>	<u>578,474</u>	<u>30,765</u>
			873,936						
		2,241,241	2,307,402						
		206,390	2,872,323	7,606,405	215,202		689,154		624,735
29,356	306,359	3,798,275	4,877,305						
			(1,255,994)			(381,914)		(578,474)	
<u>29,356</u>	<u>306,359</u>	<u>6,245,906</u>	<u>8,801,036</u>	<u>7,606,405</u>	<u>215,202</u>	<u>(381,914)</u>	<u>689,154</u>	<u>(578,474)</u>	<u>624,735</u>
<u>\$ 453,732</u>	<u>\$ 323,086</u>	<u>\$ 9,527,853</u>	<u>\$ 16,649,423</u>	<u>8,269,614</u>	<u>\$ 391,442</u>	<u>\$</u>	<u>\$ 694,741</u>	<u>\$</u>	<u>\$ 655,500</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	\$ 1,666,904					
Inventory						
Other						
Total Assets	\$ 1,666,904	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						
Accrued liabilities						
Retainage payable						
Unearned revenue						
Due to other funds		\$ 469,543	\$ 22,355	\$ 420,870	\$ 136,087	\$ 31,591
Advance from other fund						
Compensated absences						
Total Liabilities		469,543	22,355	420,870	136,087	31,591
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - long-term receivables						
Fund Balances:						
Nonspendable						
Restricted	\$ 1,666,904					
Committed						
Assigned						
Unassigned		(469,543)	(22,355)	(420,870)	(136,087)	(31,591)
Total Fund Balances (Deficit)	1,666,904	(469,543)	(22,355)	(420,870)	(136,087)	(31,591)
Total Liabilities and Fund Balances	\$ 1,666,904	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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
						\$ 2,600,233	\$ 2,600,233	\$ 5,472,110
								6,094,790
								959,220
								1,276,677
								799,801
	\$ 98,177			\$ 245,580	\$ 1,047,530	125,502	13,194,990	17,721,208
								66,161
								54,679
\$	\$ 98,177	\$	\$	\$ 245,580	\$ 1,047,530	\$ 2,725,735	\$ 15,795,223	\$ 32,444,646
			\$ 1,168	\$ 7,605	\$ 2,050		\$ 671,061	\$ 980,555
\$ 1,021							380,379	251,931
26,698	\$ 61,162		593,391				2,558,290	380,379
								1,823
								8,454,846
								514,647
<u>27,719</u>	<u>61,162</u>	<u>594,559</u>	<u>7,605</u>	<u>2,050</u>			<u>3,609,730</u>	<u>10,584,181</u>
								873,936
	\$ 98,177			237,975			11,138,552	2,307,402
					1,045,480	\$ 2,725,735	3,771,215	14,010,875
								8,648,520
<u>(27,719)</u>	<u>(61,162)</u>	<u>(594,559)</u>	<u>237,975</u>	<u>1,045,480</u>	<u>2,725,735</u>	<u>(2,724,274)</u>	<u>(3,980,268)</u>	
<u>(27,719)</u>	<u>98,177</u>	<u>(61,162)</u>	<u>(594,559)</u>	<u>237,975</u>	<u>1,045,480</u>	<u>2,725,735</u>	<u>12,185,493</u>	<u>20,986,529</u>
\$	\$ 98,177	\$	\$	\$ 245,580	\$ 1,047,530	\$ 2,725,735	\$ 15,795,223	\$ 32,444,646

Non-Major Governmental Funds

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

For Fiscal Year Ended June 30, 2015

	Special Revenue Funds					
	Community Development Fund	CDBG Recovery Fund	Housing and Urban Development	Housing Rehab Loan Fund	Economic Development Loan Fund	DOE Energy Efficiency Fund
Revenues:						
Taxes						
Licenses and permits						
Intergovernmental	\$ 94,732		\$ 10,000			
Current services	3,240			\$ 234,494	\$ 52,677	
Miscellaneous	1,285					
Total Revenues	<u>99,257</u>		<u>10,000</u>	<u>234,494</u>	<u>52,677</u>	
Expenditures:						
Current:						
General government						
Public safety						
Public works						\$ 382
Culture and recreation						
Education						
Public welfare	333,934				60,000	
Debt service						
Total Expenditures	<u>333,934</u>				<u>60,000</u>	<u>382</u>
Excess (deficiency) of revenues over expenditures	(234,677)		10,000	234,494	(7,323)	(382)
Other Financing Sources:						
Bond proceeds						
Bond premium						
Transfers in (out)						
Net change in fund balances	(234,677)		10,000	234,494	(7,323)	(382)
Fund Balances, Beginning (Deficit)	<u>(262,265)</u>	\$ <u>131,086</u>	<u>(7,026)</u>	<u>77,816</u>	<u>(54,378)</u>	<u>(10,034)</u>
Fund Balances, Ending (Deficit)	\$ <u>(496,942)</u>	\$ <u>131,086</u>	\$ <u>2,974</u>	\$ <u>312,310</u>	\$ <u>(61,701)</u>	\$ <u>(10,416)</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
\$ 12,987	\$ 80,698	\$ 60,000	\$ 271,343	\$ 132,435	\$ 125,000	\$ 100,923
<u>12,987</u>	<u>80,698</u>	<u>60,000</u>	<u>271,343</u>	<u>132,435</u>	15,935	<u>100,923</u>
					<u>140,935</u>	
10,286	65,112	100,830	255,819	154,671	4,610	107,522 26,834
<u>10,286</u>	<u>65,112</u>	<u>100,830</u>	<u>255,819</u>	<u>154,671</u>	<u>4,610</u>	<u>134,356</u>
2,701	15,586	(40,830)	15,524	(22,236)	136,325	(33,433)
	<u>6,000</u>	<u>49,347</u>		<u>16,020</u>		<u>52,939</u>
2,701	21,586	8,517	15,524	(6,216)	136,325	19,506
<u>155,325</u>	<u>(5,073)</u>	<u>(13,969)</u>	<u>(27,568)</u>	<u>(17,493)</u>	<u>2,716</u>	<u>410,572</u>
\$ <u>158,026</u>	\$ <u>16,513</u>	\$ <u>(5,452)</u>	\$ <u>(12,044)</u>	\$ <u>(23,709)</u>	\$ <u>139,041</u>	\$ <u>430,078</u>

Special Revenue Funds

	Radiological Emergency Response	DOI Fund	Department of Commerce	EPA Fund	School Cafeteria Fund	School Federal Aid Fund
Revenues:						
Taxes						
Licenses and permits						
Intergovernmental			\$ 9,359	\$ (1,010)	\$ 732,037	\$ 2,633,265
Current services					828,169	64,103
Miscellaneous						
Total Revenues			9,359	(1,010)	1,560,206	2,697,368
Expenditures:						
Current:						
General government			4,680	18,249		
Public safety						
Public works						
Culture and recreation						
Education					1,662,416	2,871,883
Public Welfare						
Debt service						
Total Expenditures			4,680	18,249	1,662,416	2,871,883
Excess (deficiency) of revenues over expenditures			4,679	(19,259)	(102,210)	(174,515)
Other Financing Sources:						
Bond proceeds						
Bond premium						
Transfers in (out)				28,162		
Net change in fund balances			4,679	8,903	(102,210)	(174,515)
Fund Balances, Beginning (Deficit)	\$ 36,879	\$ 8,526		23,025	460,341	97,217
Fund Balances, Ending (Deficit)	\$ 36,879	\$ 8,526	4,679	\$ 31,928	\$ 358,131	\$ (77,298)

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
\$ 57,073	\$ 7,830				\$ 2,760	
17,158	(780)	\$ 1,184	\$ 527,449	\$ 638,657	19,616	\$ 138,160
<u>74,231</u>	<u>7,050</u>	<u>1,184</u>	<u>527,449</u>	<u>638,683</u>	<u>41,091</u>	<u>151,629</u>
	4,172		384,324	440,259	31,877	125,313
		3,850				
22,463						
<u>22,463</u>	<u>4,172</u>	<u>3,850</u>	<u>384,324</u>	<u>523,255</u>	<u>31,877</u>	<u>125,313</u>
51,768	2,878	(2,666)	143,125	115,428	9,214	26,316
			(63,000)	(111,135)		
51,768	2,878	(2,666)	80,125	4,293	9,214	26,316
4,900	(2,684)	218,793	10,889	20,053	47,513	91,096
<u>\$ 56,668</u>	<u>\$ 194</u>	<u>\$ 216,127</u>	<u>\$ 91,014</u>	<u>\$ 24,346</u>	<u>\$ 56,727</u>	<u>\$ 117,412</u>

	Special Revenue Funds				
	Conservation Fund	Residential Solid Waste Fund	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund
Revenues:					
Taxes	\$ 176,168				
Licenses and permits					
Intergovernmental	400	\$ 6,986			
Current services		940,639	\$ 656,730	\$ 394,833	\$ 26,308
Miscellaneous	1,656	660		4,812	
Total Revenues	<u>178,224</u>	<u>948,285</u>	<u>656,730</u>	<u>399,645</u>	<u>26,308</u>
Expenditures:					
Current:					
General government	164,110				
Public safety			97		
Public works		860,651			
Culture and recreation			421,773	450,290	49,379
Education					
Public welfare					
Debt service			404,694		
Total Expenditures	<u>164,110</u>	<u>860,651</u>	<u>826,564</u>	<u>450,290</u>	<u>49,379</u>
Excess (deficiency) of revenues over expenditures	14,114	87,634	(169,834)	(50,645)	(23,071)
Other Financing Sources:					
Bond proceeds					
Bond premium					
Transfers in (out)	<u>(75,000)</u>		<u>137,353</u>	<u>(35,111)</u>	
Net change in fund balances	(60,886)	87,634	(32,481)	(85,756)	(23,071)
Fund Balances, Beginning (Deficit)	<u>572,091</u>	<u>375,446</u>	<u>(445,389)</u>	<u>377,742</u>	<u>(60,618)</u>
Fund Balances, Ending (Deficit)	<u>\$ 511,205</u>	<u>\$ 463,080</u>	<u>\$ (477,870)</u>	<u>\$ 291,986</u>	<u>\$ (83,689)</u>

Special Revenue Funds

Library Fines Fund	Downtown Dover TIF Fund	Tuition Programs Fund	Vocational Center Fund	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals
	\$ 99,496					\$ 579,726	\$ 275,664
							582,486
							4,491,834
\$ 32,714		\$ 102,408		\$ 153,683	\$ 166,525		4,840,191
	202,000					390,704	649,262
<u>32,714</u>	<u>301,496</u>	<u>102,408</u>		<u>153,683</u>	<u>166,525</u>	<u>970,430</u>	<u>10,839,437</u>
							191,211
						44,035	1,724,658
						16,489	908,303
36,216						15,847	973,505
		103,743		568,819	153,966	2,501	5,385,791
	640,860						393,934
<u>36,216</u>	<u>640,860</u>	<u>103,743</u>		<u>568,819</u>	<u>153,966</u>	<u>78,872</u>	<u>1,128,550</u>
							1,128,550
(3,502)	(339,364)	(1,335)		(415,136)	12,559	891,558	133,485
							133,485
	340,000			392,700		(462,445)	275,830
(3,502)	636	(1,335)		(22,436)	12,559	429,113	409,315
16,954	1,485	(5,538)	\$ 906	51,792	293,800	5,816,793	8,391,721
<u>\$ 13,452</u>	<u>\$ 2,121</u>	<u>\$ (6,873)</u>	<u>\$ 906</u>	<u>\$ 29,356</u>	<u>\$ 306,359</u>	<u>\$ 6,245,906</u>	<u>\$ 8,801,036</u>

Capital Projects Funds

	CIP FY 14	CIP FY 13	CIP FY 12	CIP FY 11	CIP FY10	CIP FY09
Revenues:						
Taxes						
Licenses and permits						
Intergovernmental	\$ 38,374					
Current services						
Miscellaneous						\$ 5,446
Total Revenues	<u>38,374</u>					<u>5,446</u>
Expenditures:						
Current:						
General government						
Public safety	1,768,291	\$ 602,329		\$ 16,787	\$ 2,010	138,384
Public works	767,112	379,840			379,430	176,434
Culture and recreation	1,000				11,891	
Education						5,446
Public welfare						
Debt service						
Total Expenditures	<u>2,536,403</u>	<u>982,169</u>		<u>16,787</u>	<u>393,331</u>	<u>320,264</u>
Excess (deficiency) of revenues over expenditures	(2,498,029)	(982,169)		(16,787)	(393,331)	(314,818)
Other Financing Sources:						
Bond proceeds						
Bond premium						
Transfers in (out)						
Net change in fund balances	(2,498,029)	(982,169)		(16,787)	(393,331)	(314,818)
Fund Balances, Beginning (Deficit)	<u>10,104,434</u>	<u>1,197,371</u>	<u>\$ (381,914)</u>	<u>705,941</u>	<u>(185,143)</u>	<u>939,553</u>
Fund Balances, Ending (Deficit)	<u>\$ 7,606,405</u>	<u>\$ 215,202</u>	<u>\$ (381,914)</u>	<u>\$ 689,154</u>	<u>\$ (578,474)</u>	<u>\$ 624,735</u>

Capital Projects Funds

	CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03	CIP FY02	CIP FY01	CIP FY00
\$	5,202				18,295		10,212		
	3,907								
	<u>9,109</u>				<u>18,295</u>		<u>10,212</u>		
	(9,109)				(18,295)		(10,212)		
	<u>(9,109)</u>				<u>(18,295)</u>		<u>(10,212)</u>		
	<u>1,676,013</u>	<u>\$ (469,543)</u>	<u>\$ (22,355)</u>	<u>\$ (420,870)</u>	<u>(117,792)</u>	<u>\$ (31,591)</u>	<u>(17,507)</u>	<u>\$ 98,177</u>	<u>\$ (61,162)</u>
\$	<u>1,666,904</u>	<u>\$ (469,543)</u>	<u>\$ (22,355)</u>	<u>\$ (420,870)</u>	<u>\$ (136,087)</u>	<u>\$ (31,591)</u>	<u>\$ (27,719)</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						\$ 275,664
Licenses and permits						582,486
Intergovernmental					\$ 38,374	4,530,208
Current services						4,840,191
Miscellaneous			\$ 221,937	\$ 4,581	231,964	881,226
Total Revenues			<u>221,937</u>	<u>4,581</u>	<u>270,338</u>	<u>11,109,775</u>
Expenditures:						
Current:						
General government						191,211
Public safety					2,533,003	4,257,661
Public works	\$ 370,150	\$ 45,129	9,100		2,159,609	3,067,912
Culture and recreation					12,891	986,396
Education					5,446	5,391,237
Public welfare						393,934
Debt service						1,128,550
Total Expenditures	<u>370,150</u>	<u>45,129</u>	<u>9,100</u>		<u>4,710,949</u>	<u>15,416,901</u>
Excess (deficiency) of revenues over expenditures	(370,150)	(45,129)	212,837	4,581	(4,440,611)	(4,307,126)
Other Financing Sources:						
Bond proceeds						
Bond premium						
Transfers in (out)				683,000	683,000	958,830
Net change in fund balances	(370,150)	(45,129)	212,837	687,581	(3,757,611)	(3,348,296)
Fund Balances, Beginning (Deficit)	<u>(224,409)</u>	<u>283,104</u>	<u>832,643</u>	<u>2,038,154</u>	<u>15,943,104</u>	<u>24,334,825</u>
Fund Balances, Ending (Deficit)	<u>\$ (594,559)</u>	<u>\$ 237,975</u>	<u>\$ 1,045,480</u>	<u>\$ 2,725,735</u>	<u>\$ 12,185,493</u>	<u>\$ 20,986,529</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes				
Property taxes	\$ 70,162,796	\$ 70,647,707	\$ 71,132,392	\$ 484,685
Boat tax	20,000	20,000	19,844	(156)
Yield tax	2,000	2,000	19,447	17,447
Payment in lieu of taxes	75,000	75,000	67,975	(7,025)
Excavation tax	5,000	5,000	7,127	2,127
Tax interest and penalties	500,000	475,000	412,269	(62,731)
Total Taxes	70,764,796	71,224,707	71,659,054	434,347
Licenses and Permits				
Health licenses and permits	38,000	38,000	49,886	11,886
Building permits	490,000	465,000	611,874	146,874
Peddlers and vendors licenses	900	900	420	(480)
Motor vehicle permits	4,075,000	4,050,000	4,664,008	614,008
Electrical permits	100,000	100,000	101,801	1,801
Plumbing permits	120,000	120,000	126,853	6,853
Trailer park permits	175	175	150	(25)
Fire and rescue permits	3,200	3,200	25,586	22,386
Dog licenses	17,403	17,403	18,399	996
Marriage license fees	2,450	2,450	1,233	(1,217)
Birth, death and marriage certificates	22,002	22,002	34,449	12,447
Miscellaneous licenses and permits	8,650	8,650	8,799	149
Miscellaneous service charges			15	15
Taxi licenses	500	500	2,440	1,940
Video and arcade licenses	1,200	1,200	330	(870)
Total Licenses and Permits	4,879,480	4,829,480	5,646,243	816,763
Intergovernmental				
Rooms and meals distribution	1,459,583	1,459,583	1,459,583	
Federal grant reimbursement	49,500	49,500	3,436	(46,064)
State reimbursement	11,432	11,432	31,035	19,603
Highway block grant	502,688	506,862	511,542	4,680
Miscellaneous Intergovernmental	73,449	82,269	57,750	(24,519)
Total Intergovernmental	2,096,652	2,109,646	2,063,346	(46,300)

(continued)

(continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current Services				
Sales and service charges	\$ 1,171,441	\$ 1,171,441	\$ 1,097,232	\$ (74,209)
Copy sales	350	350	184	(166)
Vending machine sales	4,000	4,000	2,945	(1,055)
Commissions	5,050	5,050	4,143	(907)
Ambulance services	1,100,000	1,100,000	1,060,408	(39,592)
Interment charges	49,800	49,800	37,570	(12,230)
Headstone foundations	4,000	4,000	5,958	1,958
Pro shop	15,000	15,000	13,922	(1,078)
Recreation charges	354,032	354,032	305,823	(48,209)
Non-resident charges	51,210	51,210	47,208	(4,002)
Food sales	44,000	44,000	43,079	(921)
Vending sales	10,000	10,000	9,440	(560)
Department overhead allocations	397,500	397,500	397,500	
Miscellaneous service charges	33,100	33,100	35,827	2,727
Total Current Services	<u>3,239,483</u>	<u>3,239,483</u>	<u>3,061,239</u>	<u>(178,244)</u>
Education				
Tuition	8,074,497	8,074,497	8,193,478	118,981
Federal grant reimbursement	477,500	477,500	592,938	115,438
State intergovernmental	3,581,072	4,001,071	3,999,460	(1,611)
Miscellaneous revenue	252,032	252,032	325,563	73,531
Total Education Income	<u>12,385,101</u>	<u>12,805,100</u>	<u>13,111,439</u>	<u>306,339</u>
Miscellaneous				
Miscellaneous revenue	244,888	244,888	466,665	221,777
District court receipts	25,000	25,000	5,576	(19,424)
Miscellaneous fines and forfeits	15,500	15,500	16,175	675
Fundraising	13,000	13,000	5,500	(7,500)
Sale of city property	44,875	44,875	29,668	(15,207)
Investment income	100,000	25,000	106,702	81,702
Facilities rental	218,362	218,362	249,269	30,907
Interest on arrears			3,388	3,388
Equipment rental	2,000	2,000	1,915	(85)
Total Miscellaneous	<u>663,625</u>	<u>588,625</u>	<u>884,858</u>	<u>296,233</u>
Other Financing Sources				
Transfers in	475,553	275,553	274,664	(889)
Refunding bonds issued			19,587,404	19,587,404
Premium received from refunding bonds			2,781,413	2,781,413
Other financing sources	75,000	291,218	250,412	(40,806)
Total Other Financing Sources	<u>550,553</u>	<u>566,771</u>	<u>22,893,893</u>	<u>22,327,122</u>
Total Revenues and Other Financing Sources	<u>\$ 94,579,690</u>	<u>\$ 95,363,812</u>	<u>\$ 119,320,072</u>	<u>\$ 23,956,260</u>

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

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government				
City Council	\$ 372,192	\$ 372,192	\$ 385,560	\$ (13,368)
Executive	810,105	810,105	858,583	(48,478)
Finance	1,632,713	1,641,533	1,597,807	43,726
Planning	512,334	512,334	481,308	31,026
Miscellaneous	922,975	1,401,180	1,103,375	297,805
Total General Government	<u>4,250,319</u>	<u>4,737,344</u>	<u>4,426,633</u>	<u>310,711</u>
Public Safety				
Police	7,420,749	7,420,749	7,281,915	138,834
Fire and rescue	7,502,246	7,502,246	7,532,542	(30,296)
Total Public Safety	<u>14,922,995</u>	<u>14,922,995</u>	<u>14,814,457</u>	<u>108,538</u>
Public Works				
Community Services - Public Works	6,036,576	6,036,576	5,802,255	234,321
Total Public Works	<u>6,036,576</u>	<u>6,036,576</u>	<u>5,802,255</u>	<u>234,321</u>
Culture and Recreation				
Recreation	2,073,584	2,073,584	1,996,639	76,945
Public Library	1,109,966	1,109,966	1,074,856	35,110
Total Culture and Recreation	<u>3,183,550</u>	<u>3,183,550</u>	<u>3,071,495</u>	<u>112,055</u>
Public welfare				
Public welfare	843,870	843,870	717,990	125,880
Total Public Welfare	<u>843,870</u>	<u>843,870</u>	<u>717,990</u>	<u>125,880</u>
Education				
School Department	44,236,755	44,456,755	44,389,387	67,368
Total Education	<u>44,236,755</u>	<u>44,456,755</u>	<u>44,389,387</u>	<u>67,368</u>
Debt Service				
Principal	6,814,244	6,814,244	6,751,550	62,694
Interest	3,304,595	3,304,595	3,245,410	59,185
Total Debt Service	<u>10,118,839</u>	<u>10,118,839</u>	<u>9,996,960</u>	<u>121,879</u>
Intergovernmental				
County tax	7,980,468	8,057,565	8,057,565	
Total Intergovernmental	<u>7,980,468</u>	<u>8,057,565</u>	<u>8,057,565</u>	
Transfers				
Transfer out	3,006,318	3,006,318	3,006,318	
Total Transfers	<u>3,006,318</u>	<u>3,006,318</u>	<u>3,006,318</u>	
Other Financing Uses				
Cost of issuance on refunding bonds			249,511	(249,511)
Payment to refunding bond escrow agent			22,119,306	(22,119,306)
Total Other Financing Uses			<u>22,368,817</u>	<u>(22,368,817)</u>
Total Expenditures and Other Financing Uses	<u>\$ 94,579,690</u>	<u>\$ 95,363,812</u>	<u>\$ 116,651,877</u>	<u>\$ (21,288,065)</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$</u>	<u>\$</u>	<u>\$ 2,668,195</u>	<u>\$ 2,668,195</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, 2015

	Parking Activity		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 627,936	\$ 638,682	\$ 10,746
Intergovernmental			
Miscellaneous			
Other financing sources			
	<u>627,936</u>	<u>638,682</u>	<u>10,746</u>
Total Revenues	<u>627,936</u>	<u>638,682</u>	<u>10,746</u>
Expenditures:			
Public safety	494,714	439,374	55,340
Education			
Public works			
Culture and recreation			
Debt service	89,013	82,996	6,017
Other financing uses	<u>48,916</u>	<u>111,135</u>	<u>(62,219)</u>
	<u>632,643</u>	<u>633,505</u>	<u>(862)</u>
Total Expenditures	<u>632,643</u>	<u>633,505</u>	<u>(862)</u>
Revenues and other financing sources over (under) expenditures	\$ <u>(4,707)</u>	\$ <u>5,177</u>	\$ <u>9,884</u>

Residential Solid Waste			Library Fines		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 930,000	\$ 940,639	\$ 10,639	\$ 34,900	\$ 32,714	\$ (2,186)
9,556	6,986	(2,570)			
	660	660			
<u>52,557</u>		<u>(52,557)</u>	<u>23,952</u>		<u>(23,952)</u>
<u>992,113</u>	<u>948,285</u>	<u>(43,828)</u>	<u>58,852</u>	<u>32,714</u>	<u>(26,138)</u>
1,097,856	795,811	302,045	58,852	36,216	22,636
<u>1,097,856</u>	<u>795,811</u>	<u>302,045</u>	<u>58,852</u>	<u>36,216</u>	<u>22,636</u>
\$ <u>(105,743)</u>	\$ <u>152,474</u>	\$ <u>258,217</u>	\$ <u></u>	\$ <u>(3,502)</u>	\$ <u>(3,502)</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2015

	Tuition Programs		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 147,044	\$ 102,408	\$ (44,636)
Intergovernmental			
Miscellaneous revenue			
Other financing sources			
Total Revenues	<u>147,044</u>	<u>102,408</u>	<u>(44,636)</u>
Expenditures:			
Public safety			
Education	147,044	103,743	43,301
Public works			
Culture and recreation			
Debt service			
Total Expenditures	<u>147,044</u>	<u>103,743</u>	<u>43,301</u>
Revenues and other financing sources over (under) expenditures	<u>\$</u>	<u>\$ (1,335)</u>	<u>\$ (1,335)</u>

School Alternative Education			School Facilities		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 263,682	\$ 148,388	\$ (115,294)	\$ 172,131	\$ 166,526	\$ (5,605)
	5,297	5,297			
400,000	392,700	(7,300)			
<u>663,682</u>	<u>546,385</u>	<u>(117,297)</u>	<u>172,131</u>	<u>166,526</u>	<u>(5,605)</u>
663,682	569,007	94,675	172,555	153,542	19,013
<u>663,682</u>	<u>569,007</u>	<u>94,675</u>	<u>172,555</u>	<u>153,542</u>	<u>19,013</u>
<u>\$</u>	<u>\$ (22,622)</u>	<u>\$ (22,622)</u>	<u>\$ (424)</u>	<u>\$ 12,984</u>	<u>\$ 13,408</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2015

	McConnell Center		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 670,081	\$ 656,730	\$ (13,351)
Intergovernmental			
Miscellaneous			
Other financing sources	138,069	138,069	
Total Revenues	<u>808,150</u>	<u>794,799</u>	<u>(13,351)</u>
Expenditures:			
Public safety			
Education			
Public works			
Culture and recreation	442,922	398,006	44,916
Debt service	404,694	404,694	
Total Expenditures	<u>847,616</u>	<u>802,700</u>	<u>44,916</u>
Revenues and other financing source over (under) expenditures	\$ <u>(39,466)</u>	\$ <u>(7,901)</u>	\$ <u>31,565</u>

Police DHA Fund			School Cafeteria		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 109,347	\$ 41,091	\$ (68,256)	\$ 872,919	\$ 822,627	\$ (50,292)
			652,000	736,642	84,642
				936	936
<u>109,347</u>	<u>41,091</u>	<u>(68,256)</u>	<u>1,524,919</u>	<u>1,560,205</u>	<u>35,286</u>
109,347	31,878	77,469	1,524,919	1,757,655	(232,736)
<u>109,347</u>	<u>31,878</u>	<u>77,469</u>	<u>1,524,919</u>	<u>1,757,655</u>	<u>(232,736)</u>
<u>\$</u>	<u>\$ 9,213</u>	<u>\$ 9,213</u>	<u>\$</u>	<u>\$ (197,450)</u>	<u>\$ (197,450)</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.

Proprietary Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2015

		Water Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,782,457	\$ 4,827,712	\$ 45,255
Other	70,500	123,845	53,345
Total Operating Revenues	<u>4,852,957</u>	<u>4,951,557</u>	<u>98,600</u>
Operating Expenses:			
Personnel services	1,148,897	1,168,671	(19,774)
Purchased services	373,575	327,758	45,817
Supplies and materials	657,281	679,658	(22,377)
Minor equipment	252,050	141,663	110,387
Other	194,000	163,212	30,788
Depreciation	1,179,480	883,272	296,208
Total Operating Expenses	<u>3,805,283</u>	<u>3,364,234</u>	<u>441,049</u>
Operating Income (Loss)	<u>1,047,674</u>	<u>1,587,323</u>	<u>539,649</u>
Non-Operating Income (Expenses):			
Investment Income		130,022	130,022
Interest expense	(516,457)	(450,153)	66,304
Intergovernmental		89,074	89,074
Total Non-Operating Income (Expenses)	<u>(516,457)</u>	<u>(231,057)</u>	<u>285,400</u>
Net Income (Loss) Before Transfers	<u>531,217</u>	<u>1,356,266</u>	<u>825,049</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(96,570)	(96,570)	
Total Other Financing Sources and Uses	<u>(96,570)</u>	<u>(96,570)</u>	
Net Income (Loss)	<u>\$ 434,647</u>	<u>\$ 1,259,696</u>	<u>\$ 825,049</u>

	Sewer Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 6,153,201	\$ 6,111,377	\$ (41,824)
Other	65,124	92,623	27,499
Total Operating Revenues	<u>6,218,325</u>	<u>6,204,000</u>	<u>(14,325)</u>
Operating Expenses:			
Personnel services	1,712,115	1,620,647	91,468
Purchased services	659,480	448,442	211,038
Supplies and materials	834,719	864,209	(29,490)
Minor equipment	234,218	102,358	131,860
Other	276,100	245,056	31,044
Depreciation	2,420,114	2,363,437	56,677
Total Operating Expenses	<u>6,136,746</u>	<u>5,644,149</u>	<u>492,596</u>
Operating Income (Loss)	<u>81,579</u>	<u>559,851</u>	<u>478,271</u>
Non-Operating Income (Expenses):			
Investment Income		218,511	218,511
Interest expense	(654,853)	(523,797)	131,056
Intergovernmental	948,375	1,197,753	249,378
Total Non-Operating Income (Expenses)	<u>293,522</u>	<u>892,467</u>	<u>598,945</u>
Net Income (Loss) Before Transfers	<u>375,101</u>	<u>1,452,318</u>	<u>1,077,216</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(53,844)	(53,844)	
Total Other Financing Sources and Uses	<u>(53,844)</u>	<u>(53,844)</u>	
Net Income (Loss)	<u>\$ 321,257</u>	<u>\$ 1,398,474</u>	<u>\$ 1,077,216</u>

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Internal Service Funds

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

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

June 30, 2015

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
ASSETS						
Current:						
Departmental and other receivables	\$ 43,700		\$ 5,887			\$ 49,587
Due from (to) other funds	607,091	\$ 47,977	115,572	\$ 132,188	\$ (5,297)	897,531
Prepaid expenses			1,514	20,000	116,340	137,854
Inventory			72,903			72,903
Total Assets	<u>650,791</u>	<u>47,977</u>	<u>195,876</u>	<u>152,188</u>	<u>111,043</u>	<u>1,157,875</u>
LIABILITIES						
Current:						
Accounts payable	11,201	3,226	24,007	104		38,538
Accrued liabilities	8,241		7,569			15,810
Claims liability				165,000		165,000
Compensated absences	19,822		22,978			42,800
Total Current Liabilities	<u>39,264</u>	<u>3,226</u>	<u>54,554</u>	<u>165,104</u>		<u>262,148</u>
Non-current:						
Claims liability, net of current portion				721,804		721,804
Total Liabilities	<u>39,264</u>	<u>3,226</u>	<u>54,554</u>	<u>886,908</u>		<u>983,952</u>
NET Position						
Restricted for capital projects	144,054					144,054
Unrestricted	<u>467,473</u>	<u>44,751</u>	<u>141,322</u>	<u>(734,720)</u>	<u>111,043</u>	<u>29,869</u>
Total Net Position	<u>\$ 611,527</u>	<u>\$ 44,751</u>	<u>\$ 141,322</u>	<u>\$ (734,720)</u>	<u>\$ 111,043</u>	<u>\$ 173,923</u>

Internal Service Funds

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

For Fiscal Year Ended June 30, 2015

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Operating Revenues:						
Charges for services	\$ 282,611	\$ 93,149	\$ 809,343	\$ 635,125		\$ 1,820,228
Miscellaneous	321,222		34,312			355,534
Total Operating Revenues	<u>603,833</u>	<u>93,149</u>	<u>843,655</u>	<u>635,125</u>		<u>2,175,762</u>
Operating Expenses:						
Personal services	301,038		447,439	769,579	\$ 1,576,862	3,094,918
Purchased services	134,183	59,008	14,680	170,431		378,302
Supplies	21,911	35,710	16,327			73,948
Minor equipment	58,818		43,576			102,394
Other expenses			277,821	77,840	10,180	365,841
Total Operating Expenses	<u>515,950</u>	<u>94,718</u>	<u>799,843</u>	<u>1,017,850</u>	<u>1,587,042</u>	<u>4,015,403</u>
Operating Income (Loss)	<u>87,883</u>	<u>(1,569)</u>	<u>43,812</u>	<u>(382,725)</u>	<u>(1,587,042)</u>	<u>(1,839,641)</u>
Other Financing Sources (Uses)						
Transfer in (out)	(478)		(62,180)		1,564,477	1,501,819
Intergovernmental				187,030	60,692	247,722
Total Other Financing Sources (Uses)	<u>(478)</u>		<u>(62,180)</u>	<u>187,030</u>	<u>1,625,169</u>	<u>1,749,541</u>
Change in Net Position	87,405	(1,569)	(18,368)	(195,695)	38,127	(90,100)
Net Position at Beginning of Year	<u>524,122</u>	<u>46,320</u>	<u>159,690</u>	<u>(539,025)</u>	<u>72,916</u>	<u>264,023</u>
Net Position at End of Year	<u>\$ 611,527</u>	<u>\$ 44,751</u>	<u>\$ 141,322</u>	<u>\$ (734,720)</u>	<u>\$ 111,043</u>	<u>\$ 173,923</u>

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2015

	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	\$ 609,493	\$ 93,149	\$ 845,873	\$ 635,125		\$ 2,183,640
Payments to vendors and contractors	(215,420)	(95,043)	(347,824)	(261,608)	\$ (1,587,042)	(2,506,937)
Payments of employee salaries and benefits	(298,126)		(444,949)	(461,056)		(1,204,131)
Receipts for interfund service provided		1,894	9,080			10,974
Payments for interfund service provided	(95,469)			(99,491)	(38,127)	(233,087)
Net Cash Provided By (Used For) Operating Activities	<u>478</u>	<u></u>	<u>62,180</u>	<u>(187,030)</u>	<u>(1,625,169)</u>	<u>(1,749,541)</u>
Cash Flows From Noncapital Financing Activities:						
Transfer in	(478)				1,564,477	1,563,999
Transfer out			(62,180)			(62,180)
Intergovernmental subsidy				187,030	60,692	247,722
Net Cash Provided By Noncapital Financing Activities	<u>(478)</u>	<u></u>	<u>(62,180)</u>	<u>187,030</u>	<u>1,625,169</u>	<u>1,749,541</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)	\$ 87,883	\$ (1,569)	\$ 43,812	\$ (382,725)	\$ (1,587,042)	\$ (1,839,641)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Changes in assets and liabilities:						
Inventory			(2,532)			(2,532)
Departmental and other receivables	5,660		2,218			7,878
Intefund receivables/payables	(95,469)	1,894	9,080	(99,491)	(38,127)	(222,113)
Other assets			(1,514)	25,000		23,486
Accounts payable	(508)	(325)	8,626	(38,337)		(30,544)
Accrued liabilities	2,907		(1,321)	308,523		310,109
Compensated absences	5		3,811			3,816
Net Cash Provided By (Used For) Operating Activities	<u>478</u>	<u></u>	<u>62,180</u>	<u>(187,030)</u>	<u>(1,625,169)</u>	<u>(1,749,541)</u>

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Internal Service Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2015

	Dover Net Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 269,580	\$ 282,611	\$ 13,031
Other revenue	299,533	321,222	21,689
Total Operating Revenues	<u>569,113</u>	<u>603,833</u>	<u>34,720</u>
Operating Expenses:			
Personnel services	317,773	301,038	16,735
Purchased services	171,425	140,020	31,405
Supplies and materials	40,484	33,289	7,195
Minor equipment	141,696	51,238	90,458
Other			
Total Operating Expenses	<u>671,378</u>	<u>525,585</u>	<u>145,793</u>
Operating Income (Loss)	(102,265)	78,248	180,513
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(102,265)</u>	<u>78,248</u>	<u>180,513</u>
Other Financing Sources and Uses			
Use of retained earnings	75,289		(75,289)
Transfers in			
Transfers out	<u>(478)</u>	<u>(478)</u>	
Total Other Financing Sources and Uses	<u>74,811</u>	<u>(478)</u>	<u>(75,289)</u>
Net Income (Loss)	<u>\$ (27,454)</u>	<u>\$ 77,770</u>	<u>\$ 105,224</u>

	Central Stores Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 105,154	\$ 93,149	\$ (12,005)
Other revenue			
Total Operating Revenues	<u>105,154</u>	<u>93,149</u>	<u>(12,005)</u>
Operating Expenses:			
Personnel services			
Purchased services	65,704	59,008	6,696
Supplies and materials	39,696	35,464	4,232
Minor equipment			
Other			
Total Operating Expenses	<u>105,400</u>	<u>94,472</u>	<u>10,928</u>
Operating Income (Loss)	(246)	(1,323)	(1,077)
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(246)</u>	<u>(1,323)</u>	<u>(1,077)</u>
Other Financing Sources and Uses			
Use of retained earnings	246		(246)
Transfers in			
Transfers out			
Total Other Financing Sources and Uses	<u>246</u>		
Net Income (Loss)	<u>\$</u>	<u>\$ (1,323)</u>	<u>\$ (1,323)</u>

	Fleet Maintenance Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 754,377	\$ 809,343	\$ 54,966
Other revenue	48,789	34,312	(14,477)
Total Operating Revenues	<u>803,166</u>	<u>843,655</u>	<u>40,489</u>
Operating Expenses:			
Personnel services	443,247	447,439	(4,192)
Purchased services	12,087	14,680	(2,593)
Supplies and materials	19,746	16,609	3,137
Minor equipment	49,224	32,485	16,739
Other	231,594	277,821	(46,227)
Total Operating Expenses	<u>755,898</u>	<u>789,034</u>	<u>(33,136)</u>
Operating Income (Loss)	47,268	54,621	7,353
Non-Operating Income (Expenses)			
Intergovernmental	<u> </u>	<u> </u>	<u> </u>
Net Income (Loss) Before Transfers	<u>47,268</u>	<u>54,621</u>	<u>7,353</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in			
Transfers out	<u>(62,180)</u>	<u>(62,180)</u>	<u> </u>
Total Other Financing Sources and Uses	<u>(62,180)</u>	<u>(62,180)</u>	<u> </u>
Net Income (Loss)	<u>\$ (14,912)</u>	<u>\$ (7,559)</u>	<u>\$ 7,353</u>

	Workers Compensation Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 670,772	\$ 635,125	\$ (35,647)
Other revenue			
Total Operating Revenues	<u>670,772</u>	<u>635,125</u>	<u>(35,647)</u>
Operating Expenses:			
Personnel services	601,436	769,579	(168,143)
Purchased services	24,484	158,388	(133,904)
Supplies and materials			
Minor equipment			
Other	56,895	77,840	(20,945)
Total Operating Expenses	<u>682,815</u>	<u>1,005,807</u>	<u>(322,992)</u>
Operating Income (Loss)	(12,043)	(370,682)	(358,639)
Non-Operating Income (Expenses)			
Intergovernmental		187,030	187,030
Net Income (Loss) Before Transfers	<u>(12,043)</u>	<u>(183,652)</u>	<u>(171,609)</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	<u>\$ (12,043)</u>	<u>\$ (183,652)</u>	<u>\$ (171,609)</u>

	OPEB Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services			
Other revenue			
Total Operating Revenues			
Operating Expenses:			
Personnel services	\$ 1,564,477	\$ 1,576,862	\$ (12,385)
Purchased services			
Supplies and materials			
Minor equipment			
Other		10,180	(10,180)
Total Operating Expenses	<u>1,564,477</u>	<u>1,587,042</u>	<u>(22,565)</u>
Operating Income (Loss)	(1,564,477)	(1,587,042)	(22,565)
Non-Operating Income (Expenses)			
Intergovernmental		60,692	60,692
Net Income (Loss) Before Transfers	<u>(1,564,477)</u>	<u>(1,526,350)</u>	<u>38,127</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in	1,564,477	1,564,477	
Transfers out			
Total Other Financing Sources and Uses	<u>1,564,477</u>	<u>1,564,477</u>	
Net Income (Loss)	<u>\$</u>	<u>\$ 38,127</u>	<u>\$ 38,127</u>

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, 2015

	Performance Deposits	Chamber of Commerce	Department Agency	School Agency	Total
ASSETS					
Cash and short-term investments				\$ 379,139	\$ 379,139
Due from other funds	\$ 715,088	\$ 3,083	\$ 111,134	10,803	840,108
Total Assets	<u>\$ 715,088</u>	<u>\$ 3,083</u>	<u>\$ 111,134</u>	<u>\$ 389,942</u>	<u>\$ 1,219,247</u>
LIABILITIES					
Other liabilities	\$ 715,088	\$ 3,083	\$ 111,134	\$ 389,942	\$ 1,219,247
Total Liabilities	<u>\$ 715,088</u>	<u>\$ 3,083</u>	<u>\$ 111,134</u>	<u>\$ 389,942</u>	<u>\$ 1,219,247</u>

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Performance Deposits				
Assets - due from other funds	\$ <u>738,837</u>	\$ <u>236,955</u>	\$ <u>(260,704)</u>	\$ <u>715,088</u>
Liabilities - other liabilities	\$ <u>738,837</u>	\$ <u>530,759</u>	\$ <u>(554,508)</u>	\$ <u>715,088</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>51,843</u>	\$ <u>74,957</u>	\$ <u>(15,666)</u>	\$ <u>111,134</u>
Liabilities - other liabilities	\$ <u>51,843</u>	\$ <u>90,594</u>	\$ <u>(31,303)</u>	\$ <u>111,134</u>
School Agency				
Assets - cash	\$ 370,142	\$ 1,215,012	\$ (1,206,015)	\$ 379,139
Assets - due from other funds	7,800	6,331	(3,328)	10,803
Total Assets	\$ <u>377,942</u>	\$ <u>1,221,343</u>	\$ <u>(1,209,343)</u>	\$ <u>389,942</u>
Liabilities - other liabilities	\$ <u>377,942</u>	\$ <u>1,892,368</u>	\$ <u>(1,880,368)</u>	\$ <u>389,942</u>
Totals				
Assets - cash	\$ 370,142	\$ 1,215,012	\$ (1,206,015)	\$ 379,139
Assets - due from other funds	801,563	318,243	(279,698)	840,108
Total Assets	\$ <u>1,171,705</u>	\$ <u>1,533,255</u>	\$ <u>(1,485,713)</u>	\$ <u>1,219,247</u>
Liabilities - other liabilities	\$ <u>1,171,705</u>	\$ <u>2,513,721</u>	\$ <u>(2,466,179)</u>	\$ <u>1,219,247</u>

Private Purpose Trust Funds

Combining Statement of Fiduciary Net Position

June 30, 2015

	Cemetery	Parks and Recreation	Welfare	School	Total
ASSETS					
Due from other funds	\$ <u>208,370</u>	\$ <u>54,136</u>	\$ <u>157,152</u>	\$ <u>458,586</u>	\$ <u>878,244</u>
Total Assets	\$ <u><u>208,370</u></u>	\$ <u><u>54,136</u></u>	\$ <u><u>157,152</u></u>	\$ <u><u>458,586</u></u>	\$ <u><u>878,244</u></u>
NET POSITION					
Total Net Position Held in Trust	\$ <u><u>208,370</u></u>	\$ <u><u>54,136</u></u>	\$ <u><u>157,152</u></u>	\$ <u><u>458,586</u></u>	\$ <u><u>878,244</u></u>

Private Purpose Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For Fiscal Year Ended June 30, 2015

	Cemetery	Parks and Recreation	Welfare	School	Total
Additions:					
Investment income	\$ 7,021	\$ 1,857	\$ 12,230	\$ 29,815	\$ 50,923
Total Additions	<u>7,021</u>	<u>1,857</u>	<u>12,230</u>	<u>29,815</u>	<u>50,923</u>
Deductions:					
Disbursements by agent	2,259	234	940	19,510	22,943
Total Deductions	<u>2,259</u>	<u>234</u>	<u>940</u>	<u>19,510</u>	<u>22,943</u>
Net Increase	4,762	1,623	11,290	10,305	27,980
Net Position:					
Beginning of Year	203,608	52,513	145,862	448,281	850,264
End of Year	<u>\$ 208,370</u>	<u>\$ 54,136</u>	<u>\$ 157,152</u>	<u>\$ 458,586</u>	<u>\$ 878,244</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.	143 -151
Revenue Capacity These schedules contain information to help reader assess the government’s most significant local revenue source, the property tax.	152 -157
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.	158 -160
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.	161 -162
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.	163 -168

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

City of Dover, New Hampshire

Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014 (1)	2015
Governmental Activities										
Net investment in capital assets	\$ 56,387,047	\$ 57,412,322	\$ 60,502,720	\$ 76,018,355	\$ 80,024,915	\$ 84,864,320	\$ 87,621,792	\$ 94,608,955	\$ 97,393,335	\$ 104,439,564
Restricted	135,519	220,907	706,657	239,781	357,330	3,755,675	3,831,773	4,176,355	4,803,592	5,113,564
Unrestricted	334,752	2,143,471	1,555,309	(4,425,923)	(4,296,357)	(6,828,784)	(13,020,114)	(15,040,301)	(66,283,351)	(71,518,206)
Total governmental activities net position	\$ 56,857,318	\$ 59,776,700	\$ 62,764,686	\$ 71,832,213	\$ 76,085,888	\$ 81,791,211	\$ 78,433,451	\$ 83,745,009	\$ 35,913,576	\$ 38,034,922
Business-type activities										
Net investment in capital assets	\$ 49,120,227	\$ 49,735,238	\$ 51,471,577	\$ 46,561,358	\$ 48,633,637	\$ 50,765,070	\$ 49,606,632	\$ 50,399,796	\$ 49,645,760	\$ 55,134,526
Restricted	2,628,641	3,619,664	5,630,120	6,388,298	6,692,028	1,694,773	-	5,002,798	12,740,179	11,744,340
Unrestricted	3,591,882	1,527,399	(2,037,985)	5,702,564	2,367,829	5,792,867	8,189,888	4,252,345	(2,992,328)	(4,646,640)
Total business-type activities net position	\$ 55,340,750	\$ 54,882,301	\$ 55,063,712	\$ 58,652,220	\$ 57,693,494	\$ 58,252,710	\$ 57,796,520	\$ 59,654,939	\$ 59,393,611	\$ 62,232,226
Primary government										
Net investment in capital assets	\$ 105,507,274	\$ 107,147,560	\$ 111,974,297	\$ 122,579,713	\$ 128,658,552	\$ 135,629,390	\$ 137,228,424	\$ 145,008,751	\$ 147,039,095	\$ 159,574,090
Restricted	2,764,160	3,840,571	6,336,777	6,628,079	7,049,358	5,450,448	3,831,773	9,179,153	17,543,771	16,857,904
Unrestricted	3,926,634	3,670,870	(482,676)	1,276,641	(1,928,528)	(1,035,917)	(4,830,226)	(10,787,956)	(69,275,679)	(76,164,846)
Total primary government net position	\$ 112,198,068	\$ 114,659,001	\$ 117,828,398	\$ 130,484,433	\$ 133,779,382	\$ 140,043,921	\$ 136,229,971	\$ 143,999,948	\$ 95,307,187	\$ 100,267,148

Data Source:
Audited Financial Statements

Notes:

(1) Total Net Position as restated for Fiscal Ending June 30, 2014. Restatement resulting from implementation of GASB Statement No. 68.

City of Dover, New Hampshire

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 3,670,881	\$ 3,834,147	\$ 4,926,090	\$ 3,177,368	\$ 3,483,389	\$ 6,120,791	\$ 6,057,408	\$ 7,187,927	\$ 7,411,338	\$ 6,801,013
Public safety	12,665,806	13,974,469	14,090,578	16,154,088	17,405,207	16,052,207	16,301,615	17,030,785	17,699,453	17,517,777
Public works	9,128,400	8,380,719	8,389,627	10,621,805	11,922,320	4,881,919	16,831,188	6,720,090	6,894,215	12,089,715
Culture and recreation	2,882,727	3,655,785	3,468,304	3,669,804	3,488,168	3,313,255	3,325,088	3,286,827	3,554,501	3,572,041
Education	41,198,155	42,505,254	45,032,173	45,929,648	45,268,003	47,519,847	47,159,867	48,192,893	47,946,804	50,402,542
Public Welfare	1,310,008	1,446,035	1,059,641	740,125	861,008	813,196	860,622	946,950	755,588	737,746
Intergovernmental - County Tax Interest:	5,458,615	5,200,204	5,822,221	6,172,323	7,030,640	7,352,271	7,000,516	7,771,789	7,771,789	8,057,869
Miscellaneous	2,108,107	2,813,584	3,056,791	3,131,043	3,261,626	3,446,823	3,146,142	3,216,334	3,120,889	3,786,619
Total governmental activities expenses	\$ 78,619,899	\$ 82,359,217	\$ 85,927,425	\$ 90,136,214	\$ 82,756,989	\$ 90,463,309	\$ 101,365,705	\$ 94,115,043	\$ 94,780,607	\$ 105,069,018
Business-type activities:										
Water services	2,977,351	3,304,778	3,430,042	3,362,625	3,745,551	3,414,368	3,618,587	3,598,668	3,676,337	3,701,217
Sewer services	4,997,619	5,043,665	5,017,000	5,472,366	5,426,802	5,227,382	5,345,924	5,866,950	5,995,494	6,156,907
Arena services	1,418,234	1,481,948	1,427,762	39,516	-	-	-	-	-	-
DBIDA services	81,943	144,500	138,441	177,886	298,878	312,954	198,483	134,900	144,643	141,508
Total business-type activities expenses	\$ 9,475,147	\$ 9,874,892	\$ 10,013,245	\$ 9,974,237	\$ 9,474,237	\$ 9,048,013	\$ 11,052,709	\$ 10,371,561	\$ 10,459,081	\$ 11,068,650
Total primary government expense:	\$ 88,094,046	\$ 92,334,109	\$ 95,940,670	\$ 99,248,607	\$ 102,228,190	\$ 99,408,013	\$ 110,525,709	\$ 103,715,561	\$ 104,937,081	\$ 115,068,650
Program Revenues										
Governmental activities:										
Charges for services	\$ 1,605,618	\$ 1,310,619	\$ 1,148,111	\$ 916,650	\$ 2,085,167	\$ 1,631,953	\$ 1,577,087	\$ 2,216,125	\$ 3,729,530	\$ 2,876,880
General government	603,642	1,273,293	2,387,754	1,979,886	1,878,122	1,871,398	2,045,207	2,541,117	2,603,827	3,441,199
Public safety	488,642	500,000	483,409	488,534	589,642	502,754	502,754	502,754	488,534	488,534
Public works	1,885,784	1,396,785	1,263,652	1,234,521	1,234,521	1,837,938	1,739,892	1,739,892	1,207,953	1,814,860
Culture and recreation	581,904	659,630	659,630	1,469,666	1,468,081	1,757,955	1,994,086	1,659,139	1,742,327	1,788,250
Education	13,830,851	14,030,649	14,070,236	14,329,866	7,187,991	6,379,842	6,298,841	5,570,396	5,147,522	5,708,982
Public Welfare	136,057	55,192	180,465	82,006	214,171	-	213,255	292,294	161,041	12,908
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total charges for services	\$ 17,879,896	\$ 18,875,803	\$ 20,323,732	\$ 20,219,448	\$ 13,902,671	\$ 14,140,566	\$ 13,560,393	\$ 13,388,063	\$ 14,792,310	\$ 15,003,689
Operating grants and contributions	6,061,067	7,100,396	6,582,484	9,279,478	18,091,830	15,084,862	14,059,924	14,158,744	14,167,426	14,649,338
Capital grants and contributions	1,213,101	970,772	1,026,815	2,983,635	904,887	719,491	660,251	643,193	789,934	707,009
Total governmental activities program revenues	\$ 25,154,064	\$ 26,946,971	\$ 27,933,031	\$ 32,482,561	\$ 32,899,388	\$ 28,954,909	\$ 28,280,568	\$ 28,190,000	\$ 29,749,670	\$ 30,360,034
Business-type activities:										
Charges for services	\$ 3,406,598	\$ 3,379,209	\$ 4,011,562	\$ 3,986,112	\$ 3,961,121	\$ 4,671,077	\$ 4,272,878	\$ 4,680,037	\$ 4,825,940	\$ 5,071,805
Water services	3,834,859	3,767,878	4,129,003	4,060,736	4,095,345	4,506,884	4,572,478	5,353,449	5,840,241	6,413,239
Sewer services	1,264,746	1,461,474	1,568,828	1,568,828	1,568,828	1,568,828	1,568,828	1,568,828	1,568,828	1,568,828
Arena services (1)	44,701	268,973	138,953	129,235	175,787	168,854	83,157	1,200	2,400	2,400
DBIDA services	8,650,904	8,877,534	9,947,746	8,176,083	8,232,253	9,346,815	8,928,615	10,066,581	10,666,581	11,467,444
Total charges for services	538,659	552,375	240,877	424,092	134,611	37,679	27,613	1,386,009	750,539	1,986,807
Operating grants and contributions	9,039,743	9,259,869	10,086,623	8,600,778	8,941,654	9,474,634	8,954,438	11,429,658	11,149,130	12,774,271
Capital grants and contributions	34,343,607	36,376,880	38,921,884	41,982,738	41,286,252	39,379,403	37,236,984	39,611,936	41,168,750	43,134,305
Total business-type activities program revenues	\$ 34,343,607	\$ 36,376,880	\$ 38,921,884	\$ 41,982,738	\$ 41,286,252	\$ 39,379,403	\$ 37,236,984	\$ 39,611,936	\$ 41,168,750	\$ 43,134,305
Total primary government program revenues	\$ 59,497,671	\$ 63,323,851	\$ 66,854,915	\$ 74,465,300	\$ 74,185,640	\$ 68,413,312	\$ 66,517,472	\$ 68,802,496	\$ 70,918,420	\$ 73,494,339
Net (Expense) Revenue	\$ (28,646,355)	\$ (29,030,342)	\$ (29,015,245)	\$ (16,763,287)	\$ (28,472,501)	\$ (30,944,701)	\$ (41,988,237)	\$ (34,912,518)	\$ (34,188,413)	\$ (41,574,611)
Governmental Activities	\$ (53,464,835)	\$ (55,412,246)	\$ (57,944,394)	\$ (57,703,653)	\$ (59,857,571)	\$ (60,488,400)	\$ (73,085,137)	\$ (65,925,043)	\$ (65,030,937)	\$ (74,708,984)
Business-type activities	(285,404)	(544,983)	(75,378)	(452,218)	(1,044,367)	(469,790)	(203,578)	1,821,077	1,602,646	2,774,639
Total primary government net expense:	\$ (53,750,239)	\$ (55,957,229)	\$ (57,919,016)	\$ (58,555,871)	\$ (60,961,938)	\$ (60,958,190)	\$ (73,288,715)	\$ (64,103,966)	\$ (63,428,291)	\$ (71,934,345)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 49,606,220	\$ 52,129,249	\$ 55,835,213	\$ 58,469,588	\$ 60,266,022	\$ 61,572,865	\$ 65,534,332	\$ 66,837,919	\$ 68,395,136	\$ 71,276,622
Motor vehicle registration tax	3,965,620	3,927,000	3,803,303	3,692,119	3,567,586	3,533,202	3,710,058	3,933,255	4,265,850	4,666,284
Penalties, interest and other taxes	4,391	16,009	26,037	8,354	307,005	358,594	417,100	445,156	503,025	414,868
Unrestricted investment income/(loss)	1,008,421	1,811,976	1,110,037	1,680,804	(106,998)	719,992	(177,927)	115,400	538,291	188,556
Other revenue	232,575	441,325	208,790	494,196	207,849	98,760	284,616	929,015	193,345	330,930
Gain/(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Extraordinary item	6,395,994	-	-	-	-	-	-	-	-	-
Transfers, net	26,904	-	-	(1,227,259)	(139,000)	(82,120)	(40,802)	(34,618)	(1,316,280)	(44,930)
Total governmental activities	\$ 61,243,125	\$ 65,331,628	\$ 69,882,380	\$ 71,479,682	\$ 72,767,468	\$ 74,377,959	\$ 80,468,989	\$ 82,224,379	\$ 83,928,377	\$ 87,763,330
Business-type activities:										
Operating income	52,496	86,533	106,033	40,213	15,641	7,309	3,146	2,223	865	19,048
Other Revenue	10,500	-	-	-	-	-	-	-	-	-
Gain/(Loss) on sale of capital assets	(26,904)	-	-	-	-	-	-	-	-	-
Transfers, net	36,092	86,533	106,033	1,267,472	145,641	89,429	82,579	36,841	8,195	63,976
Total business-type activities	\$ 61,279,217	\$ 58,418,161	\$ 61,088,413	\$ 62,741,274	\$ 64,255,105	\$ 66,290,722	\$ 69,809,956	\$ 71,252,968	\$ 72,587,562	\$ 76,854,306
Change in Net Position	\$ 7,776,290	\$ 2,519,352	\$ 2,987,968	\$ 3,770,149	\$ 4,251,883	\$ 5,702,893	\$ (3,357,780)	\$ 5,301,084	\$ 7,548,430	\$ 2,121,346
Governmental activities	(249,312)	(458,450)	181,411	815,254	(958,726)	559,219	(120,999)	1,857,918	1,610,841	2,838,615
Business-type activities	7,528,978	2,460,932	3,166,387	4,585,403	3,293,167	6,262,112	(3,478,759)	7,159,002	9,159,271	4,959,981
Data Source:										
Audited Financial Statements										
Notes:										
(1) In FY2009 the Arena Fund was dissolved into the General Fund.										

City of Dover, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010 (1)	2011 (2)	2012	2013	2014	2015
General Fund										
Reserved	\$ 3,146,070	\$ 4,025,592	\$ 3,948,069	\$ 2,309,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	3,273	3,821	3,144	4,094	3,189	2,910
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	732,278	806,786	823,847	666,026	742,947	548,143
Assigned	-	-	-	-	1,785,338	1,658,291	2,221,108	1,946,182	2,026,919	2,629,447
Unassigned	-	-	-	-	5,473,996	5,941,993	7,285,807	8,791,826	13,332,024	15,368,593
Unreserved	4,796,633	5,068,952	5,584,935	5,114,311	-	-	-	-	-	-
Total General Fund	\$ 7,942,703	\$ 9,094,544	\$ 9,533,004	\$ 7,423,324	\$ 7,994,885	\$ 8,410,891	\$ 10,333,906	\$ 11,408,128	\$ 16,105,079	\$ 18,549,093

All Other Governmental funds

Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 1,587,830	\$ 1,846,692	\$ 1,914,358	\$ 1,904,659	\$ 2,220,330	\$ 2,307,402
Restricted Special Revenues	-	-	-	-	4,365,197	1,955,496	1,983,730	2,308,974	2,610,715	2,872,323
Restricted Capital Projects	-	-	-	-	13,874,051	5,645,164	6,844,332	4,161,412	31,080,546	18,509,670
Committed - Special Revenues	-	-	-	-	895,930	3,086,889	3,348,329	3,511,216	4,472,711	4,877,305
Committed - Capital Projects	-	-	-	-	322,107	784,738	1,439,523	2,243,338	2,870,797	3,771,215
Unassigned - Special Revenue	-	-	-	-	(1,215,514)	(1,207,470)	(1,172,470)	(1,046,459)	(912,035)	(1,255,994)
Unassigned - Capital Projects	-	-	-	-	(1,312,766)	(1,665,817)	(1,668,358)	(2,225,177)	(1,932,286)	(2,724,274)
Reserved	7,269,317	11,055,514	8,181,128	5,914,151	-	-	-	-	-	-
Unreserved, reported in										
Special Revenue Funds	4,137,741	4,839,885	5,344,127	4,727,590	-	-	-	-	-	-
Capital Project Funds	11,105,112	10,272,747	2,070,246	6,315,773	-	-	-	-	-	-
Total All Other Governmental funds	\$ 22,512,170	\$ 26,168,146	\$ 15,595,501	\$ 16,957,514	\$ 18,516,835	\$ 10,445,692	\$ 12,689,444	\$ 10,857,963	\$ 40,410,778	\$ 28,357,647

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)

Revenues	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxes	\$ 49,273,703	\$ 51,923,895	\$ 55,528,287	\$ 59,276,107	\$ 60,176,461	\$ 61,609,630	\$ 64,883,178	\$ 66,991,169	\$ 69,598,135	\$ 71,934,718
Licenses and permits	4,746,999	4,704,073	4,458,346	4,347,705	4,230,271	4,706,025	4,485,076	5,177,215	5,359,187	6,241,899
Intergovernmental	6,748,901	7,577,132	6,914,873	10,778,255	11,704,972	8,669,775	8,154,896	8,155,189	7,366,969	7,159,590
Current service charges	5,552,867	5,699,435	7,272,458	7,092,059	6,880,432	7,689,502	7,341,861	7,056,148	7,452,330	7,990,234
Education	11,513,198	11,944,765	11,954,934	12,700,692	13,637,769	12,856,890	12,424,970	11,394,990	11,796,998	13,111,441
Miscellaneous revenue	2,185,844	3,221,740	2,456,173	2,238,920	651,276	1,392,214	692,808	992,739	3,087,091	1,664,654
Total revenues	80,021,512	85,071,040	88,585,071	95,433,738	97,281,181	96,924,036	98,082,789	99,767,450	104,670,708	108,102,536
Expenditures										
General government	\$ 4,403,947	\$ 3,768,761	\$ 4,667,786	\$ 3,897,489	\$ 4,254,050	\$ 4,194,840	\$ 4,047,895	\$ 4,254,368	\$ 4,131,144	\$ 4,719,204
Public safety	12,244,120	12,527,349	12,315,515	12,983,903	14,529,070	14,169,409	13,961,389	14,674,961	15,606,039	15,909,318
Public works	5,396,712	6,620,093	5,396,667	6,087,921	8,677,677	4,456,543	5,371,344	3,001,813	4,899,207	5,239,379
Culture and recreation	2,596,284	3,164,802	2,724,950	3,799,731	3,713,823	3,558,306	3,577,308	3,605,724	3,890,294	3,915,032
Education	39,929,897	40,788,339	42,991,635	44,840,166	44,017,518	46,812,153	45,773,509	46,140,129	46,109,607	49,009,498
Public Welfare	1,271,139	1,422,465	1,067,523	1,129,423	1,205,134	1,220,988	1,307,385	1,432,589	1,166,220	1,113,325
Intergovernmental	5,454,815	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271	7,303,817	7,521,254	7,771,799	8,057,565
Capital outlay (1)	10,748,911	17,072,862	14,066,205	13,032,244	11,501,504	11,934,296	5,015,237	8,711,942	6,652,837	16,098,818
Debt service										
Principal	4,486,607	4,740,087	6,215,838	6,645,849	6,624,599	6,954,496	7,758,142	6,871,400	6,682,111	7,380,850
Interest	2,054,291	2,668,222	3,350,916	3,148,136	3,307,087	3,494,400	3,181,159	3,239,002	3,032,425	3,744,660
Total expenditures	88,586,723	98,523,184	98,719,256	102,337,185	104,861,102	103,818,702	97,297,185	99,453,182	99,961,683	115,187,649
Excess of revenues	(8,565,211)	(13,452,144)	(10,134,185)	(6,903,447)	(7,579,921)	(6,894,666)	785,604	314,268	4,709,025	(7,085,113)
Over/(under) expenditures										
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 16,428,000	\$ 18,196,000	\$ -	\$ 8,545,000	\$ 9,839,000	\$ 250,000	\$ 4,800,000	\$ -	\$ 29,898,310	\$ 110,058
Bond Premium	-	63,961	-	-	260,390	-	713,942	697,521	1,805,936	2,781,413
Cost of Issuance	-	-	-	-	-	-	-	-	-	(249,511)
Refunding Bond Issuance	-	-	-	-	8,790,000	-	8,530,000	-	-	19,587,404
Payment to Refunding Escrow	-	-	-	-	(9,050,390)	-	(9,192,189)	-	-	(22,119,306)
Transfers in	1,161,973	1,183,029	1,093,416	1,498,009	1,178,796	1,513,089	1,594,601	1,891,438	1,495,120	1,483,906
Transfers out	(1,135,069)	(1,183,029)	(1,093,416)	(2,685,641)	(1,308,796)	(2,525,138)	(3,064,852)	(3,666,379)	(3,658,760)	(4,117,968)
Total governmental activities	16,454,904	18,259,961	-	7,357,368	9,709,000	(762,049)	3,381,502	(1,077,420)	29,540,606	(2,524,004)
Net Change in fund balances	\$ 7,889,693	\$ 4,807,817	\$ (10,134,185)	\$ 453,921	\$ 2,129,079	\$ (7,656,715)	\$ 4,167,106	\$ (763,152)	\$ 34,249,631	\$ (9,609,117)
Debt Service as a percentage of non-capital outlay expenditures	8.4%	9.1%	11.3%	11.0%	10.6%	11.4%	11.9%	11.1%	10.4%	11.2%
Data Source: Audited Financial Statements										

Notes

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

City of Dover, New Hampshire

Changes in Fund Balances, General Fund

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 48,791,940	\$ 51,416,226	\$ 55,152,120	\$ 58,047,052	\$ 59,716,911	\$ 61,423,333	\$ 64,887,292	\$ 66,723,579	\$ 69,502,104	\$ 71,659,054
Licenses and permits	4,745,864	4,702,403	4,456,916	4,159,499	4,033,837	4,365,496	4,251,360	4,712,167	5,043,259	5,659,413
Intergovernmental	2,140,515	2,799,048	2,761,290	3,762,458	2,959,288	2,890,931	2,563,487	2,523,877	2,524,142	2,629,382
Current service charges	1,486,611	1,293,887	1,220,717	2,702,644	2,811,409	2,853,210	3,018,628	2,816,587	3,164,247	3,150,043
Education	11,513,198	11,944,765	11,954,934	12,700,692	13,637,769	12,856,890	12,424,970	11,394,990	11,796,996	13,111,441
Miscellaneous revenue	1,227,807	2,001,869	1,888,508	702,508	351,686	289,266	210,094	239,271	1,661,619	783,428
Total revenues	69,905,935	74,158,198	77,434,485	82,074,853	83,510,900	84,679,126	87,355,831	88,410,471	93,692,367	96,992,761
Expenditures by Function										
General government	\$ 3,710,777	\$ 4,707,754	4,691,917	3,870,728	3,935,300	4,216,767	4,082,660	4,296,218	4,428,283	4,628,669
Public safety	10,907,760	11,303,843	11,396,359	12,444,070	12,548,669	12,653,659	12,277,684	13,181,881	14,176,746	14,728,479
Public works	4,316,164	4,626,565	4,665,096	4,846,815	4,897,654	5,115,274	5,308,473	5,221,520	5,315,305	5,745,664
Culture and recreation	2,202,084	2,284,641	2,301,415	3,256,539	3,131,978	3,034,671	2,979,609	2,917,619	2,950,854	3,167,956
Education	33,848,664	35,528,132	37,141,062	39,029,285	40,382,145	40,029,006	40,131,390	41,077,160	41,226,133	44,021,229
Public Welfare	638,330	604,200	658,979	687,415	693,536	783,832	847,807	864,401	753,649	719,391
Intergovernmental	5,454,815	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271	7,303,817	7,521,254	7,771,799	8,057,565
Debt service										
Principal	4,486,607	4,700,087	6,010,838	6,425,849	6,404,599	6,724,496	6,615,142	6,563,165	6,367,111	6,751,550
Interest	2,045,847	2,445,863	3,146,722	2,964,280	3,121,893	3,308,006	3,010,759	3,062,533	2,871,076	3,245,410
Total expenditures	67,611,048	71,951,289	75,934,609	80,297,304	82,146,414	82,898,982	82,557,341	84,705,751	85,860,956	91,065,913
Excess of revenues	2,294,887	2,206,909	1,499,876	1,777,549	1,364,486	1,780,144	4,798,490	3,704,720	7,831,411	5,926,848
Over/(under) expenditures										
Other Financing Sources (Uses)										
Proceeds from borrowing	-	-	-	-	8,790,000	-	8,530,000	-	-	19,697,462
Bond Premium	-	63,961	-	-	260,390	-	713,942	-	2,761	2,781,413
Cost of Issuance	-	-	-	-	-	-	-	-	-	(249,511)
Payment to Refunding Escrow	-	-	-	-	(9,050,390)	-	(9,192,189)	-	-	(22,119,306)
Transfers in	32,000	32,000	32,000	-	515,856	578,650	137,624	1,036,554	521,291	525,076
Transfers out	(950,069)	(1,151,029)	(1,093,416)	(2,685,641)	(1,308,796)	(2,525,138)	(3,064,852)	(3,666,379)	(3,658,760)	(4,117,968)
Total governmental activities	(918,069)	(1,055,068)	(1,061,416)	(2,685,641)	(792,940)	(1,946,488)	(2,875,475)	(2,629,825)	(3,134,708)	(3,482,834)
Net Change in fund balances	\$ 1,376,818	\$ 1,151,841	\$ 438,460	\$ (908,092)	\$ 571,546	\$ (166,344)	\$ 1,923,015	\$ 1,074,895	\$ 4,696,703	\$ 2,444,014

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 481,763	\$ 507,669	\$ 376,167	\$ 229,055	\$ 459,550	\$ 186,297	\$ 95,886	\$ 267,590	\$ 96,031	\$ 275,664
Licenses and permits	1,135	1,670	1,430	188,206	196,434	340,529	233,716	465,048	315,928	582,486
Intergovernmental	4,282,636	4,627,585	4,153,583	4,403,292	6,479,642	5,757,869	5,535,460	5,241,734	4,842,827	4,491,834
Current service charges	4,026,256	4,226,685	4,843,301	4,389,415	4,069,023	4,225,664	4,319,465	4,239,561	4,288,083	4,840,191
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	710,930	973,661	327,782	226,899	154,015	979,172	60,007	631,302	1,256,472	649,262
Total revenues	9,502,720	10,337,270	9,702,263	9,436,867	11,358,664	11,489,531	10,244,534	10,845,235	10,799,341	10,839,437
Expenditures										
General government	693,170	1,029,501	609,614	91,089	378,836	326,691	490,534	216,318	176,570	191,211
Public safety	1,336,360	1,411,641	1,403,243	2,027,429	1,859,906	1,747,205	1,866,562	1,730,498	1,413,487	1,724,658
Public works	1,080,548	1,109,091	1,052,042	1,014,447	1,098,536	990,977	838,577	884,639	827,878	908,303
Culture and recreation	394,200	400,112	519,747	740,989	761,471	705,093	701,043	804,904	924,449	973,505
Education	6,081,233	5,917,742	5,855,883	6,046,817	6,922,299	6,628,473	5,943,857	5,474,992	5,071,911	5,365,791
Public Welfare	632,809	818,265	408,544	442,008	511,598	437,156	459,578	568,188	432,571	393,934
Debt service	-	40,000	205,000	220,000	220,000	230,000	245,000	308,235	315,000	629,300
Principal	-	206,359	204,194	183,856	185,194	176,394	170,400	176,469	161,350	499,250
Interest	8,444	-	-	-	-	-	-	-	-	-
Total expenditures	10,226,764	10,932,711	10,258,267	10,766,635	11,937,840	11,241,989	10,715,551	10,164,243	9,323,216	10,705,952
Excess of revenues	(724,044)	(595,441)	(556,004)	(1,329,768)	(579,176)	247,542	(471,017)	680,992	1,476,125	133,485
Over(under) expenditures										
Other Financing Sources (Uses)										
Bond Premium	-	-	-	-	-	-	-	-	1,485	-
Transfers in	943,713	1,207,020	1,061,416	1,398,009	1,107,940	962,102	1,215,884	1,352,958	915,640	1,154,435
Transfers out	(185,000)	(87,991)	-	(477,588)	(45,000)	(143,970)	(352,193)	(1,436,074)	(679,811)	(878,605)
Total governmental activities	758,713	1,119,029	1,061,416	920,421	1,062,940	818,132	863,691	(83,116)	237,314	275,830
Net Change in fund balances	\$ 34,669	\$ 523,588	\$ 505,412	\$ (409,347)	\$ 483,764	\$ 1,065,674	\$ 392,674	\$ 597,876	\$ 1,713,439	\$ 409,315

City of Dover, New Hampshire

Changes in Fund Balances, Capital Project Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Intergovernmental	\$ 325,750	\$ 150,499	\$ -	\$ 2,612,505	\$ 2,266,042	\$ 20,975	\$ 55,949	\$ 389,578	\$ -	\$ 38,374
Current service charges	40,000	178,863	1,208,440	-	-	610,628	3,768	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	247,107	246,210	239,883	1,309,513	145,575	123,776	422,707	122,166	179,000	231,964
Total revenues	612,857	575,572	1,448,323	3,922,018	2,411,617	755,379	482,424	511,744	179,000	270,338
Expenditures										
Capital outlay	10,748,911	15,639,184	12,526,380	11,273,246	10,776,848	9,677,731	3,126,293	4,583,188	4,777,511	13,415,784
Debt service	-	-	-	-	-	-	898,000	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	10,748,911	15,639,184	12,526,380	11,273,246	10,776,848	9,677,731	4,024,293	4,583,188	4,777,511	13,415,784
Excess of revenues										
Over/(under) expenditures	(10,136,054)	(15,063,612)	(11,078,057)	(7,351,228)	(8,365,231)	(8,922,352)	(3,541,869)	(4,071,444)	(4,598,511)	(13,145,446)
Other Financing Sources (Uses)										
Proceeds from borrowing	16,428,000	18,196,000	-	8,545,000	9,639,000	250,000	4,800,000	-	29,898,310	-
Bond Premium	-	-	-	-	-	-	-	697,521	1,801,690	-
Transfers in	186,260	-	-	577,588	-	219,760	612,500	938,000	738,000	683,000
Transfers out	-	-	-	-	(400,000)	(103,453)	(19,214)	-	-	-
Total governmental activities	16,614,260	18,196,000	-	9,122,588	9,439,000	366,307	5,393,286	1,635,521	32,438,000	683,000
Net Change in fund balances	\$ 6,478,206	\$ 3,132,388	\$ (11,078,057)	\$ 1,771,360	\$ 1,073,769	\$ (8,556,045)	\$ 1,851,417	\$ (2,435,923)	\$ 27,839,489	\$ (12,462,446)

Data Source:
Audited Financial Statements

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Charges for Services		Revenue		Transfers In	Transfers Out	Operations & Maintenance	Depreciation	Interest Expense	Transfers	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
		Intergovernmental	Other	Other	Other										
2015	\$ 1,286,827	\$ 10,939,089	\$ 565,001	\$ -	\$ 12,790,917	\$ -	\$ -	\$ 5,518,208	\$ 3,246,709	\$ 1,030,363	\$ 150,414	\$ 9,945,694	\$ 2,845,223	\$ -	\$ 61,076,920
2014	6,243	10,010,778	1,400,564	-	11,417,585	-	-	5,981,599	3,220,860	869,352	122,670	9,794,501	1,623,064	(1,872,149)	56,338,548
2013	885,997	9,265,928	1,270,693	-	11,422,618	-	-	5,469,957	3,178,004	817,676	95,382	9,561,019	1,861,589	-	58,480,762
2012	-	8,575,866	472,362	-	9,048,228	-	-	5,405,306	3,012,690	653,783	89,198	9,160,977	(112,749)	-	56,619,163
2011	-	8,548,760	378,992	-	8,927,752	-	-	5,069,692	2,748,164	823,894	47,880	8,669,630	238,122	-	56,731,912
2010	-	7,691,639	515,069	-	8,206,708	-	-	5,366,058	2,869,111	937,184	-	9,172,353	(985,645)	-	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)	-	57,469,438
2008	-	7,858,489	627,483	-	8,485,972	-	-	4,718,312	2,637,288	1,091,442	-	8,348,042	38,930	-	57,784,892
2007	552,375	6,863,012	369,070	-	7,784,457	-	-	4,685,872	2,512,605	1,149,966	-	8,348,443	(563,986)	-	54,972,706
2006	519,346	7,065,852	327,782	-	7,912,980	-	-	4,558,650	2,422,858	993,462	26,904	8,001,874	(88,894)	-	55,536,691

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Charges for Services		Revenue		Transfers In	Transfers Out	Operations & Maintenance	Depreciation	Interest Expense	Transfers	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
		Intergovernmental	Other	Other	Other										
2015	\$ 89,074	\$ 4,827,712	\$ 253,867	\$ -	\$ 5,170,653	\$ -	\$ -	\$ 2,297,357	\$ 883,272	\$ 489,923	\$ 96,570	\$ 3,767,122	\$ 1,403,531	\$ -	\$ 24,313,530
2014	3	4,841,393	407,033	-	4,948,429	-	-	2,308,757	887,135	480,445	89,129	3,765,466	1,182,963	(744,279)	22,909,999
2013	600,000	4,392,738	635,083	-	5,627,821	-	-	2,293,021	877,890	428,263	75,005	3,674,179	1,953,642	-	22,471,315
2012	-	4,147,280	299,019	-	4,446,299	-	-	2,412,373	837,175	369,039	75,552	3,694,139	752,160	-	20,517,673
2011	-	4,221,145	118,455	-	4,339,600	-	-	2,227,709	741,785	444,874	42,059	3,456,427	883,173	-	19,765,513
2010	-	3,620,868	146,106	-	3,868,994	-	-	2,397,882	903,481	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	-	18,659,901
2008	-	3,864,482	199,090	-	4,063,572	-	-	2,263,253	644,602	522,167	-	3,430,042	633,550	-	18,015,246
2007	-	3,241,820	182,180	-	3,424,000	-	-	2,219,625	637,400	447,753	-	3,304,778	119,222	-	16,110,202
2006	-	3,296,940	133,045	-	3,429,985	-	-	2,032,099	646,178	299,074	500	2,977,851	452,134	-	15,990,979

Sewer Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Charges for Services		Revenue		Transfers In	Transfers Out	Operations & Maintenance	Depreciation	Interest Expense	Transfers	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
		Intergovernmental	Other	Other	Other										
2015	\$ 1,197,753	\$ 6,111,377	\$ 311,134	\$ -	\$ 7,620,264	\$ -	\$ -	\$ 3,220,851	\$ 2,363,437	\$ 540,440	\$ 53,844	\$ 6,178,572	\$ 1,441,692	\$ -	\$ 36,763,390
2014	6,240	5,469,385	993,531	-	6,469,156	-	-	3,272,842	2,333,745	386,907	33,541	6,029,035	440,121	(1,127,870)	35,321,688
2013	285,997	4,873,190	635,610	-	5,794,797	-	-	3,176,936	2,300,114	389,413	20,377	5,866,840	(82,043)	-	36,009,447
2012	-	4,428,586	173,343	-	4,601,929	-	-	2,982,933	2,175,515	284,744	13,646	5,466,838	(864,909)	-	36,101,490
2011	-	4,327,615	260,537	-	4,588,152	-	-	2,841,983	2,006,379	379,020	5,821	5,233,203	(645,051)	-	36,966,399
2010	-	3,870,751	366,963	-	4,237,714	-	-	2,681,176	1,985,650	492,976	-	5,426,802	(1,189,068)	-	37,611,450
2009	-	3,853,081	651,781	-	4,504,862	-	-	2,803,532	2,133,365	535,469	1,607	5,473,973	(969,111)	-	38,900,537
2008	-	3,994,007	428,393	-	4,422,400	-	-	2,455,059	1,992,686	569,255	-	5,017,000	(594,600)	-	39,769,646
2007	552,375	3,621,192	186,890	-	4,360,457	-	-	2,466,247	1,875,205	702,213	-	5,043,665	(683,208)	-	38,862,504
2006	519,346	3,768,912	194,737	-	4,482,995	-	-	2,526,551	1,776,690	694,388	26,404	5,024,023	(541,028)	-	39,545,712

Data Source: Audited Financial Statements

Notes: (1) Total Net Position as restated for Fiscal Year ending June 30, 2008. Restatement resulting from adjustment of capital asset values and accumulated depreciation for capital contributions. (2) Total Net Position as restated for Fiscal Ending June 30, 2014. Restatement resulting from implementation of GASB Statement No. 68.

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
2015	\$ 71,132,392	\$ 275,664	\$ 19,844	\$ 19,447	\$ 67,975	\$ 7,127	\$ 412,269	\$ 71,934,718
2014	68,899,121	96,031	21,982	1,851	71,664	5,914	501,572	69,598,135
2013	66,181,631	267,591	18,283	2,064	76,435	2,547	442,619	66,991,169
2012	64,367,156	95,886	20,449	7,717	68,428	9,892	413,650	64,983,178
2011	60,971,187	186,297	16,903	4,651	75,847	2,083	352,662	61,609,630
2010	59,336,642	459,550	17,366	1,560	54,384	3,600	303,359	60,176,461
2009	57,638,349	229,055	16,177	1,096	78,157	5,484	307,789	58,276,107
2008	54,815,889	376,170	17,595	15,319	33,579	3,581	266,157	55,528,290
2007	51,082,581	507,669	19,957	14,130	62,765	6,513	230,280	51,923,895
2006	48,502,622	481,763	22,389	628	63,553	7,112	195,636	49,273,703

Data Source:
Audited Financial Statements

City of Dover, New Hampshire

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for		Collected within the		Balance at		Subsequent		Balance at end		Total Collections to Date		Number of Parcels	
	Fiscal Year	Amount	Fiscal Year	% of Levy	Fiscal Year	of Levy Year	Tax Collections	of Current Fiscal year	Fiscal year	Amount	% of Levy	in Levy	Liened	% Liened
2015	\$ 70,970,925	\$ 68,361,482	96.3%		\$ 2,609,443		\$ -	\$ 2,609,443	\$ 68,361,482	96.3%	10,058	245	2.4%	
2014	68,263,833	65,462,206	95.9%		2,801,627		2,149,864	651,763	67,612,070	99.0%	10,026	280	2.8%	
2013	66,147,949	63,043,571	95.3%		3,104,378		2,942,155	162,223	65,985,726	99.8%	9,950	307	3.1%	
2012	64,548,459	61,508,390	95.3%		3,040,069		2,939,231	100,838	64,447,621	99.8%	9,899	355	3.6%	
2011	61,316,723	58,300,049	95.1%		3,016,674		2,842,152	174,522	61,142,201	99.7%	9,873	366	3.7%	
2010	59,722,532	56,637,028	94.8%		3,085,504		3,053,691	31,813	59,690,719	99.9%	9,825	417	4.2%	
2009	57,813,956	55,182,839	95.4%		2,631,117		2,631,877	(760)	57,814,716	100.0%	9,808	380	3.9%	
2008	55,140,420	52,827,214	95.8%		2,313,206		2,299,411	13,795	55,126,625	100.0%	9,685	295	3.0%	
2007	51,305,180	49,264,164	96.0%		2,041,016		2,039,988	1,028	51,304,152	100.0%	9,552	353	3.7%	
2006	48,838,109	46,864,721	96.0%		1,973,388		1,973,302	86	48,838,023	100.0%	9,187	278	3.0%	

Data Source: Audited 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						
2015	\$ 2,040,692,330	\$ 705,528,690	\$ 48,496,900	\$ 2,794,717,920	\$ 48,686,100	\$ 2,746,031,820	26.01	\$ 2,967,795,696	94.3%
2014	1,956,116,310	698,825,840	42,375,900	2,697,318,050	48,017,600	2,649,300,450	25.97	2,850,372,307	94.7%
2013	1,932,326,900	690,054,300	38,603,100	2,660,984,300	48,980,100	2,612,004,200	25.52	2,746,252,625	96.9%
2012	1,924,887,500	678,660,400	38,603,100	2,642,151,000	49,544,400	2,592,606,600	25.12	2,716,654,840	97.3%
2011	1,948,881,800	673,620,000	35,415,000	2,657,916,800	51,381,750	2,606,535,050	23.75	2,774,177,802	95.8%
2010	1,934,577,500	666,109,800	35,400,900	2,636,088,200	52,866,750	2,583,221,450	23.33	2,768,903,096	95.2%
2009	2,094,567,000	685,319,200	35,303,500	2,815,189,700	51,608,150	2,763,581,550	21.10	3,009,995,763	93.5%
2008	2,195,273,500	655,131,100	35,579,100	2,885,983,700	50,914,700	2,835,069,000	19.63	3,028,004,490	95.3%
2007	2,178,722,000	597,125,300	34,773,700	2,810,621,000	45,808,500	2,764,812,500	18.72	2,954,382,748	95.1%
2006	1,992,919,500	546,120,670	33,169,300	2,572,209,470	36,144,400	2,536,065,070	17.29	2,909,166,586	88.4%

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	2015 Assessed Value	Rank	Percentage of Total Assessed Value	2006 Assessed Value	Rank	Percentage of Total Assessed Value
Liberty Mutual Insurance Co	Insurance	\$ 62,284,100	1	2.27 %	\$ 24,396,600	1	0.96 %
Public Service Co of NH	Utility	30,035,700	2	1.09	21,786,800	2	0.86
Northern Utilities Inc	Gas Utility	15,385,700	3	0.56	10,251,000	7	0.40
171 Watson Rd of Dover Holding Corp.	Scholastic Testing	14,837,440	4	0.54	-	-	-
Fortuna North, LLC	Wholesale	14,108,100	5	0.51	-	-	-
Lilac Gardens (Current) New Meadows (Previously)	Apartments	14,083,900	6	0.51	16,749,800	3	0.66
851 Central Ave LLC (Current) Shaw's(Previously)	Supermarket	13,164,400	7	0.48	10,453,200	6	0.41
Cocheo Mills Holdings LLC	Comm/Res Rentals	9,776,700	8	0.36	-	-	-
Sawyers Mills Assoc Inc	Apartments	9,730,500	9	0.35	-	-	-
121 Broadway LLC	Comm/Res Rentals	9,159,000	10	0.33	-	-	-
Holgate Limited Partnership	Comm/Res Rentals	-	-	-	13,580,200	4	0.54
Goss (Current) Heidelberg (Previously)	Manufacturer	-	-	-	11,814,100	5	0.47
Dover Mills Partnership	Developer	-	-	-	9,995,300	8	0.39
CA Investment Trust	Apartments	-	-	-	9,868,000	9	0.39
MSM Brothers, Inc	Apartments	-	-	-	9,120,700	10	0.36
Total Principal Taxpayers		\$ 192,565,540		7.01 %	\$ 138,015,700		5.44 %
Total Net Assessed Taxable Value		\$ 2,746,031,820			\$ 2,536,065,070		

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
	Budgetary Use of Fund					Total						
	City	Balance (1)	City (2)	Total City (2)	Local School (2)	State School (3)	Total School	Total Direct	County	Total		
2015	\$ 10.09	\$ -	\$ 10.09	\$ 10.50	\$ 2.49	\$ 12.99	\$ 23.08	\$ 2.93	\$ 26.01	\$ 24.03		
2014	9.99	-	9.99	10.54	2.51	13.05	23.04	2.93	25.97	24.10		
2013	9.71	-	9.71	10.38	2.55	12.93	22.64	2.88	25.52	24.24		
2012	9.54	-	9.54	10.26	2.50	12.76	22.30	2.82	25.12	23.94		
2011	8.93	-	8.93	9.57	2.55	12.12	21.05	2.70	23.75	22.26		
2010	8.55	-	8.55	9.54	2.52	12.06	20.61	2.72	23.33	21.70		
2009	7.57	-	7.57	8.79	2.31	11.10	18.67	2.43	21.10	19.33		
2008	7.23	-	7.23	8.02	2.31	10.33	17.56	2.07	19.63	18.33		
2007	6.87	(0.15)	6.72	7.56	2.38	9.94	16.66	2.06	18.72	17.47		
2006	7.04	-	7.04	7.66	2.59	10.25	17.29	2.13	19.42	16.88		

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
2015	\$ 4,444,877	\$ 6,110,151	947,574	844,781	\$ 4.69	\$ 7.24
2014	4,500,308	5,656,509	958,837	866,185	4.69	6.53
2013	4,361,056	5,317,011	999,253	919,714	4.36	5.78
2012	3,980,328	5,036,855	999,253	919,714	3.97	5.43
2011	3,926,131	4,706,175	999,253	933,000	3.93	5.04
2010	3,847,648	4,426,221	1,019,000	933,000	3.78	4.74
2009	3,817,555	4,182,454	1,019,000	927,000	3.75	4.51
2008	3,597,404	4,069,946	1,019,000	927,000	3.53	4.39
2007	3,179,280	4,023,180	1,019,000	927,000	3.12	4.34
2006	3,016,240	3,828,510	1,019,000	927,000	2.96	4.13

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)

Tax Year	Total Equalized Values			Dover's %
	Dover	Strafford County		
2013	\$ 2,967,795,696	\$ 10,572,839,297		28.0699972%
2012	2,746,252,625	9,955,978,829		27.5839540%
2011	2,716,654,840	9,932,175,396		27.3520627%
2010	2,776,723,718	10,188,669,097		27.2530562%
2009	2,771,603,605	10,535,297,254		26.3077874%
2008	3,012,848,041	11,251,423,584		26.7774830%
2007	3,030,963,132	11,365,940,726		26.6670679%
2006	2,957,658,251	11,428,976,216		25.8785931%
2005	2,912,670,592	10,943,501,422		26.6155271%
2004	2,603,256,233	9,798,715,231		26.5673221%

Fiscal Year	Apportionment of County Tax Levy				Dover's Share % Change
	County Tax Levy	Dover's Share	Dover's Share \$ Change	Dover's Share % Change	
2015	\$ 28,931,512	\$ 8,057,565	\$ 285,766	3.7%	
2014	28,175,072	7,771,799	250,545	3.3%	
2013	27,497,936	7,521,254	217,437	3.0%	
2012	26,800,000	7,303,817	270,546	3.8%	
2011	26,744,561	7,033,271	2,631	0.0%	
2010	26,255,790	7,030,640	258,317	3.8%	
2009	25,395,827	6,772,323	850,102	14.4%	
2008	22,884,637	5,922,221	172,016	3.0%	
2007	21,604,701	5,750,205	295,390	5.4%	
2006	20,532,046	5,454,815	1,117,923	25.8%	

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt at June 30										
City Depts. (Includes Arena) (1)	\$ 39,661,057	\$ 45,784,300	\$ 41,974,543	\$ 48,729,256	\$ 48,276,316	\$ 44,001,511	\$ 43,702,119	\$ 39,269,915	\$ 66,292,948	\$ 62,090,941
School Dept.	24,206,272	31,538,942	29,132,861	27,408,664	31,196,755	28,640,814	26,097,769	23,658,574	21,866,019	20,063,242
Total Governmental Activities	63,867,329	77,323,242	71,107,404	76,137,920	79,473,071	72,642,325	69,799,888	62,928,489	88,158,967	82,154,183
Water Fund	11,103,000	12,578,000	11,573,000	10,763,000	11,344,000	10,334,000	10,083,800	12,505,800	12,457,629	11,501,678
Sewer Fund	14,553,000	13,210,000	11,559,000	11,126,000	10,815,000	8,957,500	10,660,600	9,863,341	12,122,278	12,149,082
Arena Fund	3,298,940	3,055,450	2,813,960	-	-	-	-	-	-	-
DBIDA Fund	2,383,554	2,256,453	2,121,775	1,983,435	1,841,189	1,794,773	-	-	-	-
Total Debt at June 30	\$ 95,205,823	\$ 108,423,145	\$ 99,154,139	\$ 100,012,355	\$ 103,473,260	\$ 93,728,598	\$ 90,544,288	\$ 85,297,630	\$ 112,738,874	\$ 105,804,943
Base Value for Debt Limits (2)	\$ 2,944,329,836	\$ 2,988,313,185	\$ 3,060,293,656	\$ 3,040,617,437	\$ 2,768,903,096	\$ 2,774,177,802	\$ 2,714,253,993	\$ 2,743,418,578	\$ 2,847,426,767	\$ 2,964,737,895
Legal Debt Limits (% of Base Value)										
City - 1.75% thru 1998, 3% 1999 on (3)	\$ 88,328,895	\$ 89,649,398	\$ 91,806,810	\$ 91,218,523	\$ 83,067,093	\$ 83,225,334	\$ 81,427,620	\$ 82,302,557	\$ 85,422,803	\$ 88,942,137
School - 7% (3)	206,103,089	209,181,923	214,220,556	212,843,221	193,823,217	194,192,446	189,997,780	192,039,300	199,319,874	207,531,653
Water - 10% (3)	294,432,984	298,831,319	306,029,366	304,061,744	276,890,310	277,417,780	271,425,399	274,341,858	284,742,677	296,473,790
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)	205,776,758	224,849,680	230,847,080	225,185,544	210,859,736	212,606,024	211,372,080	211,372,080	215,739,676	-
Debt Against Legal Debt Limits										
City Depts. (Includes Arena)	37,712,940	42,989,450	39,454,960	40,012,470	40,171,288	36,903,240	37,226,320	33,202,108	45,694,305	40,803,024
School Dept.	24,206,272	31,538,942	29,132,861	27,408,664	31,196,754	28,640,814	26,097,769	23,658,574	21,869,216	18,833,607
Water Fund	11,103,000	12,578,000	11,573,000	10,763,000	11,344,000	10,334,000	10,083,800	12,505,800	12,359,176	10,965,000
DBIDA - Industrial Parks	945,000	1,095,000	845,000	595,000	345,000	100,000	-	-	-	-
DBIDA - Industrial Buildings	-	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Project	2,383,554	1,936,453	1,881,775	1,823,435	1,761,189	1,694,773	-	-	-	-
Exempt from Legal Debt Limits (7)	18,855,057	18,285,300	16,265,543	19,409,766	18,655,029	16,055,771	17,136,399	15,931,148	30,452,099	29,498,090
Total Debt at June 30	\$ 95,205,823	\$ 108,423,145	\$ 99,154,139	\$ 100,012,355	\$ 103,473,260	\$ 93,728,598	\$ 90,544,288	\$ 85,297,630	\$ 110,313,796	\$ 100,099,721
Unused Capacity of Legal Debt Limits										
City Depts.	\$ 50,616,955	\$ 46,659,946	\$ 52,353,650	\$ 51,206,053	\$ 42,895,805	\$ 46,322,094	\$ 44,201,300	\$ 49,100,449	\$ 39,728,498	\$ 48,139,113
School Dept.	181,896,817	177,642,981	185,087,695	185,434,557	162,626,463	165,551,632	163,900,011	168,380,726	177,510,658	188,698,046
Water Fund	283,329,984	286,253,319	294,456,366	293,238,744	265,546,310	267,083,780	261,341,599	261,836,058	272,384,501	285,508,790
DBIDA - Industrial Parks	3,055,000	2,905,000	3,155,000	3,405,000	3,655,000	3,900,000	4,000,000	4,000,000	4,000,000	4,000,000
DBIDA - Industrial Buildings	-	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Project	203,393,203	222,913,227	228,965,305	223,362,109	209,096,547	210,911,251	211,372,080	211,372,080	215,739,676	-
% of Legal Debt Limits Used										
City Depts.	42.7%	48.0%	43.0%	43.9%	48.4%	44.3%	45.7%	40.3%	53.5%	45.9%
School Dept.	11.7%	15.1%	13.6%	12.9%	16.1%	14.7%	13.7%	12.3%	10.9%	9.1%
Water Fund	3.8%	4.2%	3.8%	3.5%	4.1%	3.7%	3.7%	4.6%	4.3%	3.7%
DBIDA - Industrial Parks	23.6%	27.4%	21.1%	14.9%	8.6%	2.5%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Buildings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Project	1.2%	0.9%	0.8%	0.8%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%

Data Source
Audited Financial Statements

Notes:
 (1) In Fiscal Year 2009 the Arena Enterprise Fund was dissolved into the General Fund.
 (2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
 (3) Legal debt limit percentage rates set by NH State statute
 (4) Dover Business & Industrial Development Authority - Industrial Park Buildings. 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 limits consists of Sewer debt, debt for hazardous waste remediation included in City Departments and debt for Public Parking Improvements and Tax Incremental Districts 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				% of Net Debt to Assessed Value		Tax Supported Debt per capita (1)		
	City Depts.	Hospital	School Dept.	Total	Less Hospital Reimbursement	Less State School Aid	Value	Income (2)	
2015	\$ 62,090,941	\$ -	\$ 20,063,242	\$ 82,154,183	\$ -	\$ 6,096,850	\$ 76,057,333	2.8%	2,469
2014	66,292,948	-	21,866,019	88,158,967	-	7,783,120	81,375,847	3.1%	2,653
2013	39,269,915	-	23,658,574	62,928,489	-	7,491,870	55,436,619	2.1%	1,816
2012	43,702,119	-	26,097,769	69,799,888	-	6,304,708	63,495,180	2.4%	2,093
2011	44,101,511	-	28,640,814	72,742,325	-	6,919,599	65,822,726	2.5%	2,182
2010	48,276,316	-	31,196,755	79,473,071	-	7,550,706	71,922,365	2.8%	2,398
2009	48,729,256	-	27,408,664	76,137,920	-	8,194,361	67,943,559	2.5%	2,310
2008	41,974,543	-	29,132,861	71,107,404	-	8,679,349	62,428,055	2.2%	2,135
2007	45,784,300	-	31,538,942	77,323,242	-	8,883,991	68,439,251	2.5%	2,347
2006	39,661,057	-	24,206,272	63,867,329	-	5,421,046	58,446,283	2.3%	2,009

Business-Type Activities - General Obligation Debt

Fiscal Year	Business-Type Activities - General Obligation Debt				Less State Sewer/Aid		Net Debt per capita (1)		% of Personal Income (2)	
	Water Fund	Sewer Fund	Arena Fund (3)	DBIDA Fund (4)	Total	Sewer/Aid	Debt	per capita (1)	Income (2)	
2015	\$ 11,501,678	\$ 12,149,082	\$ -	\$ -	\$ 23,650,760	\$ 124,029	\$ 23,526,731	\$ 764	2.4%	
2014	12,457,629	12,122,278	-	-	24,579,907	139,367	24,440,540	797	2.5%	
2013	12,505,800	9,863,341	-	-	22,369,141	154,726	22,214,415	728	2.3%	
2012	10,083,800	10,660,600	-	-	20,744,400	170,169	20,574,231	678	2.2%	
2011	10,334,000	8,957,500	-	1,694,773	20,986,273	1,008,275	19,977,998	662	2.2%	
2010	11,344,000	10,815,000	-	1,841,189	24,000,189	2,051,383	21,948,806	732	2.4%	
2009	10,763,000	11,128,000	-	1,983,435	23,874,435	3,057,565	20,816,870	708	2.4%	
2008	11,573,000	11,538,000	2,813,960	2,121,775	28,046,735	3,604,551	24,442,184	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	3,288,940	2,383,554	31,338,494	4,970,673	26,367,821	906	3.2%	

Percentage of

Fiscal Year	Net Debt to Actual Taxable Property		Net Debt per capita (1)		Total Debt per capita (1)		% of Personal Income (2)	
	Primary Government	Less State and Hospital	Net Debt	Value of Property	Net Debt	Total Debt	Net Debt	% of Personal Income (2)
2015	\$ 105,804,943	\$ 6,220,879	\$ 99,584,064	3.6%	\$ 3,232	\$ 3,434	10.6%	
2014	112,738,874	6,922,487	105,816,387	4.0%	3,450	3,676	11.6%	
2013	85,297,630	7,646,596	77,651,034	3.0%	2,544	2,795	8.9%	
2012	90,544,288	6,474,877	84,069,411	3.2%	2,771	2,984	9.7%	
2011	93,728,598	7,927,874	85,800,724	3.3%	2,844	3,107	10.2%	
2010	103,473,260	9,602,089	93,871,171	3.6%	3,130	3,451	11.5%	
2009	100,012,355	11,251,926	88,760,429	3.2%	3,017	3,400	11.5%	
2008	99,154,139	12,483,900	86,670,239	3.1%	2,965	3,392	11.3%	
2007	108,423,145	13,025,062	95,398,083	3.5%	3,271	3,718	12.8%	
2006	95,205,823	10,391,719	84,814,105	3.3%	2,915	3,272	11.6%	

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

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

City of Dover, New Hampshire

**Computation of Overlapping Debt
Strafford County Long Term Debt
(Last Ten Calendar Years)**

Direct: City of Dover			
End of Fiscal Year	General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2015	\$ 82,154,188	100%	\$ 82,154,188
2014	88,158,967	100%	88,158,967
2013	62,928,489	100%	62,928,489
2012	69,799,888	100%	69,799,888
2011	72,742,325	100%	72,742,325
2010	79,473,071	100%	79,473,071
2009	76,137,920	100%	76,137,920
2008	71,107,404	100%	71,107,404
2007	77,323,242	100%	77,323,242
2006	63,897,329	100%	63,897,329

Overlapping: Strafford County

End of Calendar Year	Net General Obligation Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
2014	\$ 14,818,054	28.0698972%	\$ 4,159,427
2013	16,394,326	27.8504793%	4,565,898
2012	18,182,190	27.5839540%	5,015,367
2011	19,740,000	27.3520627%	5,399,297
2010	21,535,000	27.2530562%	5,868,946
2009	23,474,863	26.3077874%	6,175,717
2008	21,027,839	26.7774830%	5,630,726
2007	22,762,838	26.6670679%	6,070,181
2006	24,495,948	25.8785931%	6,339,207
2005	24,960,356	26.6155271%	6,643,330

Total Direct and Overlapping Debt

End of Fiscal Year	Direct Debt	Overlapping Debt	Total Applicable to Government
2015	\$ 82,154,188	\$ 4,159,427	\$ 86,313,615
2014	88,158,967	4,565,898	92,724,865
2013	62,928,489	5,015,367	67,943,856
2012	69,799,888	5,399,297	75,199,185
2011	72,742,325	5,868,946	78,611,271
2010	79,473,071	6,175,717	85,648,788
2009	76,137,920	5,630,726	81,768,646
2008	71,107,404	6,070,181	77,177,585
2007	77,323,242	6,339,207	83,662,449
2006	63,897,329	6,643,330	70,540,659

Data Sources:

- (1) Strafford County Audited Financial Statements at calendar year end
- (2) The percentage of the overlap is based on County apportionments determined by the NH Department of Revenue Administration. The City's apportionment is determined by the City's equalized property values as a percentage of the total equalized property values for

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
2015	30,808	\$ 80,110	\$ 995,560,520	\$ 32,315	553	17,850	3.1%	3.7%	5.3%
2014	30,669	82,242	974,446,137	31,773	710	18,261	3.9%	5.1%	7.0%
2013	30,521	80,830	956,650,224	31,344	750	18,110	4.2%	5.1%	7.3%
2012	30,343	79,180	938,053,845	30,915	870	18,240	4.8%	5.4%	8.4%
2011	30,165	77,509	919,610,190	30,486	860	17,740	4.8%	5.2%	9.3%
2010	29,987	75,820	901,319,259	30,057	910	17,390	5.2%	5.7%	9.5%
2009	29,417	73,943	871,566,876	29,628	1,072	17,580	6.1%	6.8%	9.8%
2008	29,236	72,066	874,127,164	29,899	638	18,240	3.5%	4.0%	5.7%
2007	29,161	70,189	848,410,134	29,094	579	17,550	3.3%	4.0%	5.0%
2006	29,097	68,312	823,125,033	28,289	539	17,400	3.1%	3.6%	5.1%

Data Sources:

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

City of Dover, New Hampshire

Principal Employers Current Year and Nine Years Ago

Employer	Type of Business	2015			2006		
		Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Liberty Mutual Insurance Co	Insurance	2,841	1	15.92 %	1,270	2	7.30 %
City of Dover (FTEs)	Municipality	802	2	4.49	858	3	4.93
Wenworth Douglas Hospital	Hospital	769	3	4.31	1,650	1	9.48
Strafford County	County Government	486	4	2.72	Unknown	-	-
Measured Progress	Scholastic testing	392	5	2.20	351	4	2.02
Vygon USA DBA Churchill Medical	Manufacturer - medical items	108	6	0.61	218	6	1.25
United Parcel Services (UPS)	Parcel Delivery	76	7	0.43	-	-	-
Hirel Systems (DT Magnetics)	Manufacturer - Electronics	70	8	0.39	-	-	-
Certified Retail Solutions	Manufacturer - Retail Systems	70	9	0.39	-	-	-
Dell Services	Defense Technology Contractor	56	10	0.31	-	-	-
Fosters Daily Democrat	Newspaper	-	-	-	300	5	1.72
Goss (previously Heidelberg Harris)	Manufacturer - Presses	-	-	-	152	7	0.87
ATT	National Passport Center	-	-	-	150	8	0.86
Park Nameplate	Nameplates for auto/cosmetics	-	-	-	141	9	0.81
Electrocraft (EAD Motors)	Electric motors & fans	-	-	-	113	10	0.65
Total Principal Employers		5,670		31.76 %	5,203		29.90 %
Total City Employment (1)		17,850			17,400		

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Finance										
Taxable property parcels assessed	9,187	9,552	9,685	9,808	9,825	9,873	9,899	9,950	10,026	10,058
Property transfers processed	1,198	977	781	712	689	740	742	904	839	924
Motor vehicles registered	30,210	30,247	29,840	27,665	28,334	29,280	30,838	30,516	30,991	31,187
Inspection Services Division										
Number of inspections conducted (1)	782	1,214	1,278	4,227	5,112	4,598	5,203	6,211	6,201	6,387
Building Permits Issued	531	522	398	349	396	358	381	436	396	484
Estimated construction value in millions	\$ 53.58	\$ 74.20	\$ 53.51	\$ 33.74	\$ 29.82	\$ 47.90	\$ 23.78	\$ 50.08	\$ 37.61	\$ 80.35
Police (2)										
Physical arrests	1,349	1,469	1,213	908	789	844	819	923	857	860
Traffic violations	1,400	1,319	1,686	1,326	1,138	1,134	1,217	1,194	1,532	1,544
Parking violations	8,499	10,507	8,522	7,795	7,720	6,679	10,336	8,420	7,890	8,995
Fire and Rescue										
Calls answered	5,021	5,085	5,146	5,018	5,549	5,347	5,242	5,215	5,154	5,481
Emergency Responses	3,200	3,712	3,923	3,844	4,244	4,859	4,609	4,833	4,899	4,488
Fires extinguished	101	101	152	277	306	286	353	328	255	228
Emergency medical responses	2,175	2,441	2,692	2,349	2,614	2,945	2,880	2,873	2,824	3,335
Community services - Public Works										
Refuse collected (tons)	5,853	5,267	5,407	4,919	3,941	3,546	3,884	4,061	4,030	4,020
Recycling (tons)	3,017	4,255	3,036	2,532	2,518	2,493	2,472	2,529	2,419	2,583
Streets resurfaced (miles)	13.1	8.0	2.6	6.9	3.0	2.9	3.7	4.2	4.6	5.5
Public Library										
Volumes in collections	100,247	103,884	104,004	107,701	104,639	104,974	101,715	99,937	102,090	113,484
Total volumes borrowed	278,396	279,332	290,402	299,346	288,512	296,225	291,515	293,757	286,512	276,232
Public Welfare - General Assistance										
Number of contacts	4,956	4,010	4,763	4,987	6,362	6,308	6,293	5,791	5,029	4,499
Assisted cases	698	664	685	685	1,651	1,924	1,982	1,839	1,541	351
Water system:										
Water main breaks	2	13	18	16	16	1	4	12	16	16
Daily average consumption (millions of gallons)	2.3	2.3	2.3	2.5	2.8	3.0	3.1	3.1	2.3	2.0
Peak daily consumption (millions of gallons)	3.4	3.6	3.6	3.5	3.2	3.7	4.1	3.6	4.6	2.4
Sewage System:										
Daily average treatment (millions of gallons)	2.8	2.8	2.9	3.1	2.6	2.5	2.5	2.4	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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of patrol units	10	10	10	9	9	9	9	9	9	10
Fire and Rescue										
Number of stations	2	2	2	3	3	3	3	3	3	3
Number of ladder trucks	1	2	2	2	2	2	2	2	2	2
Number of pumps	4	3	3	4	4	4	4	4	4	4
Number of support vehicles	5	6	6	6	6	6	6	6	6	6
Number of ambulances	3	3	3	3	3	3	3	3	3	3
Community Services - Public Works										
Miles of streets	132	132	133	133	133	133	133	133	133	134
Miles of storm drains	65	67	67	69	69	69	69	70	70	73
Number of street lights	1,773	1,773	1,777	1,776	1,776	1,771	1,771	1,776	1,778	1,778
Number of bridges	11	11	11	11	12	12	12	12	12	12
Recreation:										
Community centers	2	1	1	1	1	1	1	1	1	1
Number of parks	18	18	18	25	25	25	25	25	25	25
Park acreage	274	274	274	235	235	235	235	235	235	235
Playgrounds	12	12	12	15	15	15	15	15	15	15
Baseball/softball fields	10	10	10	6	6	6	6	6	6	6
Football/soccer fields	7	7	7	2	2	2	2	2	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	9	9	10	10	10	10	10	10	10
Indoor gyms	2	1	1	1	1	1	1	1	1	1
Indoor ice skating sheets	2	2	2	2	2	2	2	2	2	2
Water system:										
Miles of water mains	149	151	155	153	153	153	155	157	158	160
Number of service connections	8,040	8,124	8,156	8,218	8,270	8,321	8,490	8,500	8,558	8,604
Storage capacity in gallons (millions of gallons)	5	5	5	5	5	5	6	6	6	6
Maximum daily capacity of plant (millions of gallons)	3.4	4	5	5	5	5	5	5	5	5
Number of fire hydrants	1,050	1,093	1,107	1,107	1,107	1,130	1,156	1,156	1,156	1,176
Sewage System:										
Miles of sanitary sewers	117	120	120	120	120	122	122	123	123	125
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	7,215	7,332	7,398	7,464	7,542	7,569	7,786	7,829	7,900	7,999
Maximum daily capacity of treatment (millions of gallons)	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7

Data Source:
Various city departments

City of Dover, New Hampshire

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Executive (1)	12.6	12.9	13.7	12.7	8.0	8.1	7.8	8.1	8.3	8.2
Finance (1)	16.0	16.0	16.0	16.0	20.0	20.0	20.0	20.3	20.9	21.1
Planning (2)	10.6	10.6	9.6	5.5	4.8	5.5	5.5	5.5	5.5	5.5
Total General Government	39.2	39.5	39.3	34.2	32.8	33.6	33.3	33.9	34.7	34.8
Public Safety										
Police - Sworn Officers	55.7	52.6	50.5	48.4	47.4	47.4	47.4	47.4	47.4	49.4
Police - Non-sworn employees	25.6	27.1	27.6	25.6	26.8	29.4	29.4	28.7	28.9	29.3
Total Police Department	81.3	79.7	78.1	74.0	74.2	76.8	76.8	76.1	76.3	78.7
Fire and Rescue (2)	54.6	54.6	54.6	61.1	61.7	61.7	61.4	60.5	61.2	61.5
Total Public Safety	135.8	134.3	132.7	135.1	135.9	138.5	138.2	136.6	137.5	140.2
Public Works										
General Fund functions	43.8	39.4	38.5	36.6	37.3	35.6	34.6	34.5	34.5	34.5
Water	13.5	13.0	13.0	13.0	11.0	10.5	10.5	10.5	10.5	10.5
Sewer	16.0	16.0	16.0	16.0	17.0	17.0	15.0	15.0	16.0	16.0
Fleet maintenance	6.0	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Public Works	79.3	74.2	72.5	70.6	70.3	68.1	65.1	65.0	66.0	66.0
Culture and Recreation										
Recreation	33.5	33.1	34.9	34.8	36.2	34.4	34.4	32.7	32.7	32.7
Public Library	15.8	15.8	14.8	13.8	13.5	13.4	13.4	13.9	13.9	14.1
Total Culture and Recreation	49.2	48.9	49.7	48.6	49.7	47.8	47.8	46.6	46.6	46.8
Public Welfare										
Welfare	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total Public Welfare	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total All Functions	306.4	299.5	297.0	291.3	291.5	290.8	287.2	284.9	287.6	290.6
Percent of Total										
General Government	12.8%	13.2%	13.2%	11.7%	11.2%	11.6%	11.6%	11.9%	12.1%	12.0%
Public Safety	44.3%	44.8%	44.7%	46.4%	46.6%	47.6%	48.1%	47.9%	47.8%	48.2%
Public Works	25.9%	24.8%	24.4%	24.2%	24.1%	23.4%	22.7%	22.8%	22.9%	22.7%
Culture and Recreation	16.1%	16.3%	16.7%	16.7%	17.1%	16.4%	16.6%	16.4%	16.2%	16.1%
Public Welfare	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Notes

- (1) The City Clerk Office was transferred from Executive Department to Finance Department in FY10.
- (2) The Building Inspection Division of the Planning Department was transferred to the Fire and Rescue Department in FY09.

City of Dover, New Hampshire

School Building Information Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Garrison Elementary										
Square feet	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938
Teachers	25.5	31.5	31.5	31.7	33.7	34.2	28.3	27.3	27.1	29.1
Capacity	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5
Enrollment	400.0	379.0	512.0	541.0	536.0	555.0	464.0	452.0	469.0	470.0
Horne Street Elementary										
Square feet	48,236	48,236	48,236	48,236	48,236	58,223	58,223	58,223	58,223	58,223
Teachers	24.4	22.4	22.4	23.7	25.5	24.7	28.3	28.3	30.3	31.3
Capacity	612.5	612.5	612.5	612.5	612.5	620.5	620.5	620.5	620.5	620.5
Enrollment	447.0	474.0	358.0	365.0	370.0	400.0	508.0	507.0	516.0	534.0
Woodman Park Elementary										
Square feet	73,108	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178
Teachers	30.8	32.3	32.3	28.3	27.1	28.9	31.2	32.3	32.3	34.3
Capacity	477.5	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0
Enrollment	460.0	454.0	468.0	506.0	537.0	575.0	541.0	596.0	617.0	599.0
Totals All Elementary Schools										
Square feet	187,282	219,352	219,352	219,352	219,352	229,339	229,339	229,339	229,339	229,339
Teachers	80.7	86.2	86.2	83.7	86.3	87.8	87.8	87.9	89.7	94.7
Capacity	1,762.5	1,879.0	1,879.0	1,879.0	1,879.0	1,887.0	1,887.0	1,887.0	1,887.0	1,887.0
Enrollment	1,307.0	1,307.0	1,338.0	1,412.0	1,443.0	1,530.0	1,513.0	1,555.0	1,602.0	1,603.0
Dover Middle School										
Square feet	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020
Teachers	75.0	72.9	72.9	69.4	67.7	65.9	67.7	66.7	67.5	69.7
Capacity	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0
Enrollment	1,098.0	1,082.0	1,109.0	1,094.0	1,077.0	1,084.0	1,134.0	1,089.0	1,115.0	1,169.0
Dover High School										
Square feet	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670
Teachers	110.4	116.8	116.8	114.9	116.8	112.9	113.3	107.3	103.2	104.4
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	1,762.0	1,866.0	1,779.0	1,728.0	1,649.0	1,574.0	1,522.0	1,480.0	1,396.0	1,358.0
Totals All Schools										
Square feet	596,972	629,042	629,042	629,042	629,042	639,029	639,029	639,029	639,029	639,029
Teachers	266.1	275.9	275.9	268.0	270.8	266.6	268.8	261.9	260.4	268.8
Capacity	4,902.5	5,019.0	5,019.0	5,019.0	5,019.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0
Enrollment	4,167.0	4,255.0	4,226.0	4,234.0	4,169.0	4,188.0	4,169.0	4,124.0	4,113.0	4,130.0
Food Service - All Schools										
Number Meals Served	333,139	340,863	335,834	341,272	355,209	358,754	363,718	345,427	344,414	348,071
Avg Daily Participation	1,851	1,894	1,866	1,896	1,973	1,993	2,021	1,939	2,057	1,963

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

City of Dover, New Hampshire

School Department Operating Statistics

Last Ten Fiscal Years

Fiscal Year	Operating Budget (1)	Debt Service (1)	Total Budget	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Attendance Percentage
2015	\$ 44,456,755	3,892,349	\$ 48,349,104	4,130	\$ 11,707	4.3%	268.8	15.4	95.0%
2014	42,263,590	3,914,453	46,178,043	4,113	11,227	0.1%	260.4	15.8	94.9%
2013	42,264,590	3,988,329	46,252,919	4,124	11,216	2.2%	261.9	15.7	94.9%
2012	41,677,206	4,075,515	45,752,721	4,169	10,975	2.8%	268.8	15.5	94.8%
2011	40,468,900	4,245,221	44,714,121	4,188	10,677	-0.3%	266.6	15.7	94.7%
2010	40,699,081	3,934,140	44,633,221	4,169	10,706	5.5%	270.8	15.4	94.6%
2009	39,216,997	3,761,337	42,978,334	4,234	10,151	3.1%	268.0	15.8	94.6%
2008	37,912,706	3,689,854	41,602,560	4,226	9,844	7.4%	275.9	15.3	95.2%
2007	36,203,218	2,799,270	39,002,488	4,255	9,166	3.3%	275.9	15.4	94.6%
2006	34,363,074	2,598,888	36,961,962	4,167	8,870	6.8%	266.1	15.7	94.5%

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dover High School										
Senior Enrollment (1)	353	411	393	391	382	350	363	327	315	315
Status of Seniors (2)										
Graduated	335	372	366	352	378	337	345	336	308	308
Enrolled in four-year college	140	167	162	180	177	158	153	141	157	133
Enrolled in two-year college	60	76	84	70	88	63	74	104	76	74
Enlisted in Armed Forces	10	5	18	10	14	11	9	7	13	6
Post-secondary, workforce or other	125	124	102	92	99	105	109	84	69	95
SAT Mean Scores										
Verbal	503	518	512	497	500	495	509	509	501	516
Math	504	520	517	507	508	501	511	521	513	510
% of Seniors taking test	62%	61%	62%	63%	60%	61%	66%	63%	65%	55%

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.

City of Dover, New Hampshire

Techon Department Operating Expenses Last Fiscal Year

Account	2007	2008	2009	2010	2011	2012	2013	2014	2015
5000 - Salaries	2,100,000	2,150,000	2,200,000	2,250,000	2,300,000	2,350,000	2,400,000	2,450,000	2,500,000
5010 - Fringe Benefits	400,000	420,000	440,000	460,000	480,000	500,000	520,000	540,000	560,000
5020 - Pension	300,000	320,000	340,000	360,000	380,000	400,000	420,000	440,000	460,000
5030 - Health Insurance	200,000	210,000	220,000	230,000	240,000	250,000	260,000	270,000	280,000
5040 - Life Insurance	100,000	110,000	120,000	130,000	140,000	150,000	160,000	170,000	180,000
5050 - Travel	50,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000	90,000
5060 - Printing	30,000	35,000	40,000	45,000	50,000	55,000	60,000	65,000	70,000
5070 - Telephone	20,000	22,000	24,000	26,000	28,000	30,000	32,000	34,000	36,000
5080 - Postage	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000	23,000
5090 - Office Supplies	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000	18,000
5100 - Repairs	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000
5110 - Fuel	6,000	7,000	8,000	9,000	10,000	11,000	12,000	13,000	14,000
5120 - Utilities	4,000	4,500	5,000	5,500	6,000	6,500	7,000	7,500	8,000
5130 - Maintenance	3,000	3,500	4,000	4,500	5,000	5,500	6,000	6,500	7,000
5140 - Insurance	2,000	2,200	2,400	2,600	2,800	3,000	3,200	3,400	3,600
5150 - Depreciation	1,000	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800
5160 - Other	500	550	600	650	700	750	800	850	900
Total	3,188,000	3,301,000	3,414,000	3,527,000	3,640,000	3,753,000	3,866,000	3,979,000	4,092,000

Prepared by: [Name]
 Date: [Date]
 Title: [Title]

City of Dover, New Hampshire

New Hampshire State Library



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