



# ***TOWN OF DERRY, NEW HAMPSHIRE***

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ending**

**June 30, 2017**



**TOWN OF DERRY, NEW HAMPSHIRE**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**

Prepared by:  
The Finance Department

Susan Hickey  
Chief Financial Officer

Mark Fleischer  
Accounting Manager



Town of Derry, New Hampshire  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017

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## **INTRODUCTORY SECTION**

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# ***Town of Derry, NH***

## **Office of the Finance Department**

14 Manning Street  
Derry, NH 03038-3208  
(603) 432-6103

October 27, 2017

To the Citizens and Members of the Town Council:

The Comprehensive Annual Financial Report (CAFR) of the Town of Derry for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rest with the Town. To the best of our knowledge and belief, the following data, including the financial statements, supporting schedules and statistical tables, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Town. We also believe that the Town's existing internal control systems are adequate. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town management's narrative on the financial activities of the Town for the fiscal year ended June 30, 2017, is in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the Report of Independent Auditors. The letter of transmittal is written to complement the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other sections of the CAFR.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Town's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as, the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds of the Town. The Town provides a full range of services including police and fire emergency medical service and protection, sanitation services, the maintenance and construction of highways, streets, and related infrastructure, recreational activities, libraries, community access Cable TV, general welfare assistance, maintenance of land use records, raising and collection of taxes, community and economic development, health and code enforcement activities, land conservation and maintenance of vital records. In addition to general government activities the governing body exercises, or has the ability to exercise, oversight of the Water and Sewer departments, and they are included in the reporting entity. This report does not include the funds of the Derry School District or Rockingham County.

These governmental units are independent of the Town and do not meet the criteria for inclusion in this CAFR.

### Independent Audit

State statutes require an annual audit by independent public accountants. The Town's accounting firm is Melanson Heath. In addition to meeting the requirements set forth in state statutes, the financial statements, combining, and individual fund statements and schedules are included in the financial section of this report.

## **PROFILE OF THE GOVERNMENT**

**Geography.** The Town of Derry is located in Rockingham County in southern New Hampshire, approximately 40 minutes northwest of Boston via Route 93, and is situated between Salem and Londonderry. The Town has a population of 33,202 (according to the 2014 Census) and occupies 36.30 square miles.

Derry was incorporated in 1827 and since 1993 has operated under a charter with a seven-member Council. Policy making and legislative authority are vested in the governing council. All administrative and operational affairs of the Town are the responsibility of the Town Administrator.

Derry has a diverse character, combining residential, commercial, industrial, and recreational activities. Derry's proximity to two of New Hampshire's major north/south highways, as well as the presence of Manchester-Boston Regional Airport (MHT) makes Derry an attractive community to live and foster business development and growth. Derry is the fourth largest community in the State. MHT offers direct flights to many major cities around the nation.

**Governing Boards.** The Town Council consists of seven members elected to staggered three-year terms. The Council acts as the legislative body of the Town, including adoption of the annual budget, and appoints a Town Administrator to serve an indefinite term as the Town's chief executive. The funds with legal budgets approved by the Town Council include General Fund and Cable Special Revenue Fund.

**Administration.** Administrative functions of the Town are carried out by the Town Administrator. The Town Administrator is responsible for the administrative and financial affairs of the Town overseeing the day-to-day operations, and implements policies established by the Town Council. The Town Administrator is responsible for appointing the heads of the various departments, for negotiating with the various bargaining units of the Town and making recommendation to the Town Council on various issues.

**Fiscal Year and Budget.** The Town's fiscal year begins on July 1 of each year and ends the following June 30. In June 2013 and updated in 2017 the Town Council unanimously adopted a Fund Balance Policy. This policy sets forth the categories of fund balance in accordance with GASB 54 and delineates the spending prioritizations of them. The policy also sets forth that annually, following completion of the annual financial audit, the Finance Department will calculate the percentage of Unassigned Fund Balance for that fiscal year. If the level of Unassigned Fund Balance exceeds the Town Council set point (9.5%), without action of the

Town Council, the surplus shall be transferred to capital reserve funds for Fire, Information Technology, Police, and Public Works for the purpose of funding future capital improvements. The allocation to each fund is based on the percentage of each area in the Town's adopted six-year Capital Improvement Plan. The unassigned fund balance remains strong and provides increased flexibility for all Town operations.

Items identified for the annual operating budget are included in the Town Administrator's recommended annual budget. Departments are responsible for submitting their annual budget requests to the Town Administrator. After reviews with the departments, the Town Administrator makes any final adjustments to his/her recommended budget. The Department Heads and Town Administrator's recommended budget is presented to the Town Council beginning in December of each year.

The Town Council may adjust the Administrator's recommended annual budget by majority vote. The Council is required to hold a public hearing on the budget, and all budget adjustments are presented to the public. The budget is then presented for voting by the Town Council in May. The legal spending limit is at the department level, as voted by the Town Council.

## **INFORMATION USEFUL IN ASSESSING THE GOVERNMENT'S ECONOMIC CONDITION**

### **Local Economy**

Local economic conditions are favorable when compared to other regions. The 2017 unemployment rate for Derry is 2.9%, which is consistent with the overall 2017 U.S. unemployment rate of 4.4%. Three major areas of complimentary development are taking shape to provide unprecedented economic expansion within Derry that will benefit the entire State of New Hampshire.

### **Long-Term Financial Planning**

The Town continues to revise its budget review process to ensure the efficient use of government resources, the application of non-recurring revenues for one-time capital items, and the development of revenue estimates consistent with anticipated performance levels in light of current economic conditions and operational policies.

The Town is beginning the process of completing a comprehensive Revenue Study to determine appropriate levels for its fee-for-service programs, including Emergency Medical Services; Building Inspection Programs; wastewater facilities; and other revenue programs. The revised program reflects actual costs and market rates for its services, thereby further solidifying the Town's financial position.

### **The Town's Planning Department and Economic Development**

Fiscal Year 2017 activity in the Planning Department continued at a steady pace similar to what the department had begun to see in Fiscal Year 2013. Both residential and commercial development plans were submitted to the office and construction activity and building was very visible throughout town. This past year work continued on zoning amendments including

revisions to the sign regulations, increasing the size of accessory dwelling units, definitions, and looking at expanding both the commercial and industrial zones around the proposed I-93 Exit 4A area near the Londonderry town line and Folsom Road and North High Street. The Planning Department also worked with the New Hampshire Community Loan Fund on two Community Development Block Grants (CDBG) to assist two manufactured housing parks on replacing and improving their infrastructure/water systems and the feasibility to potentially tie into town water and sewer to replace aging water and septic systems. The grant application for the Frost Resident's Co-operative Park was approved and funded after three attempts!

Highlights of development activity in Fiscal Year 2017 included the relocation of a large manufacturing company to Derry from Rhode Island. Liquid Blue manufactures printed t-shirts for Major League Baseball, the National Football League, and major rock bands and musical groups. They will be employing up to 115 employees. They are now occupying a former vacant industrial building. The Tupelo Hall entertainment building opened this past year. They converted a former health club into the new venue. They book nationally named musical, comedy, and entertainment acts and will be bringing up to 20,000 people a year to Derry! Other new businesses include a Nestle Café coffee and ice cream store, the re-approval of a new Sal's Pizza building, a new restaurant called The Heritage, and the conversion of a former KFC restaurant into a professional orthodontist office.

The Planning Department continues their work with the Southern New Hampshire Planning Commission, the Southern New Hampshire Regional Economic Development Corporation, Greater Derry-Salem Cooperative Alliance for Regional Transportation as well the Greater Derry-Londonderry Chamber of Commerce on regional planning, business, and transportation issues. The Department also works with the Southern New Hampshire Planning Commission, the New Hampshire Department of Transportation, and members of the Derry Heritage Commission on the Robert Frost/Old Stage Coach Scenic Byway. The Scenic Byway will celebrate and help protect historical features, rural character, and the natural and scenic qualities of the five corridor communities (Derry, Atkinson, Hampstead, Chester, Auburn) through which it passes.

The Planning Department continues work with three excellent committees that will have a significant impact on future Town policies and projects that will benefit the Town. Staff has enjoyed and continues to enjoy being a part of these groups which includes the Building & Property Maintenance Committee, the Derry Cooperative School District 2016-2017 Facilities Study Committee, and the Town of Derry's Economic Development Advisory Committee. The Planning Department also began working with the new Economic Development Coordinator and Office on economic development initiatives.

### Economic Development

Derry is less than 45 minutes from Boston with quick access to Interstate 93, airports and New Hampshire's largest cities. Within a 30-minute drive time, there are over 250,000 workers supporting a wide range of industries. Derry's business profile consists of a few large employers, a solid mix of mid-size employers, and a strong, well-connected small business community. Derry is also home to an abundance of entrepreneurs. Derry is highly rated for its concierge service and business friendliness at every stage of the business cycle. Superb dining, unique

entertainment, and cultural experience combined with an abundance of recreational options make Derry the perfect place to live, work and play.

In January, the Town partnered with Buxton, a leader in big data and psychographic analytics to target retail concepts most likely to consider Derry as a location. In March, the Town hired an Economic Development Coordinator to structure and implement the Town's economic development objectives. In addition to the Buxton project, the Economic Development Coordinator, working closely with the Planning Department, will focus on the Town's Economic Development Plan for sustainable economic development. Successful execution and progress on the Plan will increase opportunity, improve quality of life, and provide the catalyst for long-term economic development consistent with community values.

### Debt Management

While the Town of Derry does not have a formal debt management policy, its practice related to the issuance of new debt is based on restraint and conservatism, generally looking to its other resources (cash, fund balance, and available grants) before entering the financial markets to sell a long-term debt issue. The Town utilizes capital leases for the replacement, upgrading, or addition of vehicles, trucks, and major equipment. The Town presently has no plans to issue additional bonds in the foreseeable future.

The government currently has an Aa1 rating from Moody's Investors Service for bonds issued by the Town prior to FY 2013. In FY 2013, Standard & Poor's assigned a rating of AA to the \$4.75 million of general obligation bonds issued and the \$1.16 million of general obligation refunding bonds. In FY 2014, Standard & Poor's upgraded its rating to AA+ for the \$3.44 million of general obligation issued in April for the expansion of the Town's water and sewer infrastructure. A rating of Bonds issued through the New Hampshire Municipal Bond Bank (NHMBB) have an Aa3 rating from Moody's, an AA rating from Standard & Poor's, and an AA- rating from Fitch.

### Awards and Acknowledgements

This report continues to refine the financial reporting of the Town. It is the nineteenth year the Town has produced a comprehensive annual financial report (CAFR). The Town received the Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Years beginning in 1998 through 2016. This recognized the Town Finance Department's efforts for full disclosure of the financial information of the Town. A CAFR is a much more detailed reporting of the Town'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 Town believes that the current CAFR continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the Government Finance Officers Association to determine its eligibility for another certificate.

The Town invites you to visit our web site at [www.Derrynh.org](http://www.Derrynh.org) where summary financial information is prominently displayed.


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.

The strong financial position of the Town would not have been possible without the guidance and direction of the Town Council through its fiscal policies; the professional and diligent efforts of the entire staff of the Town; all to whom we owe our sincere appreciation.

Respectfully submitted,

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

David Caron  
Town Administrator

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

Susan A. Hickey  
Chief Financial Officer





Government Finance Officers Association

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

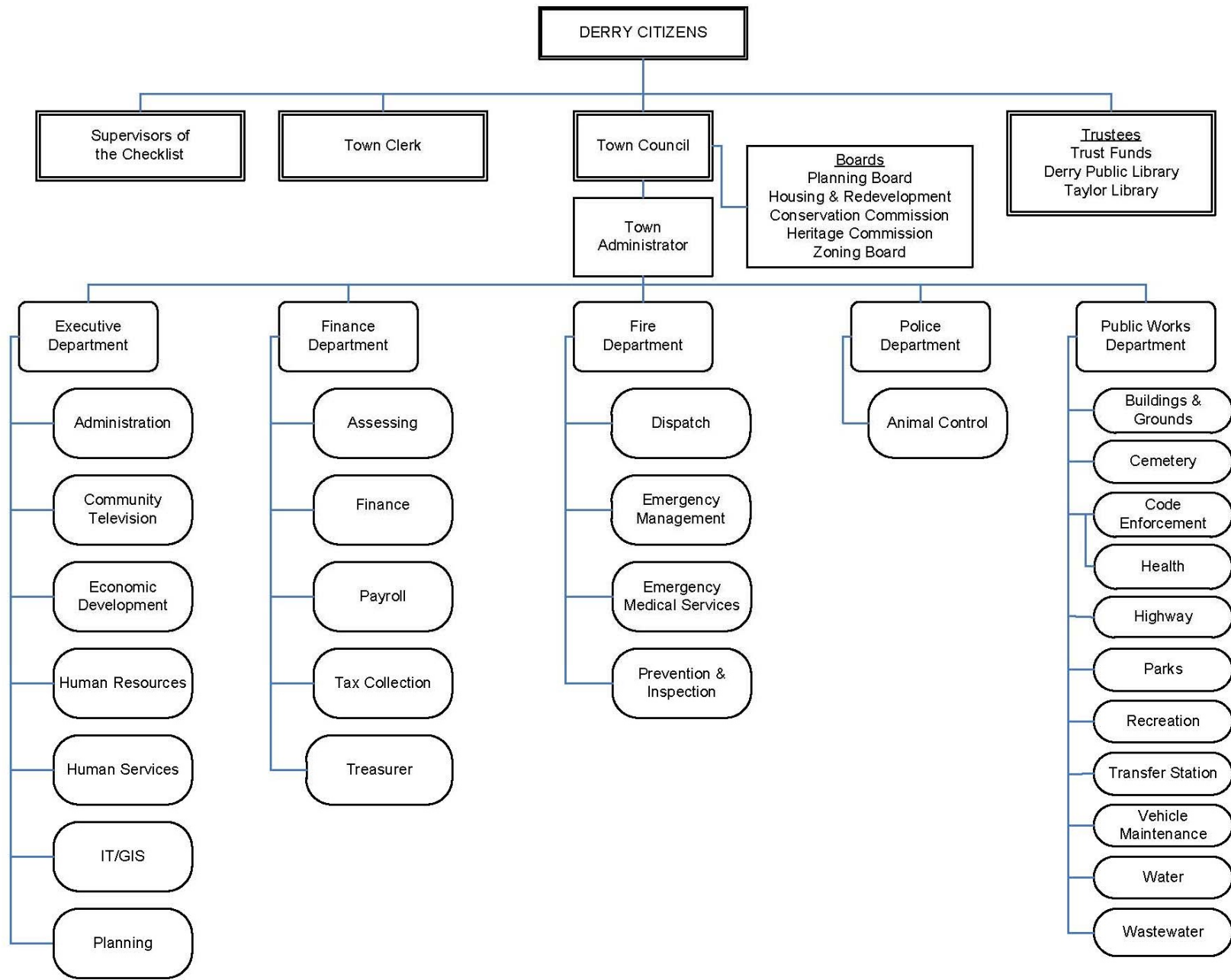
Presented to

**Town of Derry  
New Hampshire**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



**TOWN OF DERRY, NEW HAMPSHIRE  
PRINCIPAL OFFICIALS  
AS OF JUNE 30, 2017**

**Town Council**

Joshua Bourdon	Chair, Councilor-District
Phyllis M. Katsakiores	Councilor-at-Large
James P. Morgan	Councilor-at-Large
Richard P. Tripp	Councilor-District #1
Charles H. Foote	Councilor-District #2
Neil F. Wetherbee	Councilor-District #3
Brian K. Chirichiello	Councilor-District #4

**Administration**

Robin Bordonaro	Animal Control Officer
Paul Dionne	Chair, Conservation Commission
Karen Blandford-Anderson	Chair, Heritage Commission
David Granese	Chair, Planning Board
Joel Olbricht	Chair, Trustees of Trust Funds
Lynn Perkins	Chair, Zoning Board of Adjustment
Susan A. Hickey	Chief Financial Officer
Edward B. Garone	Chief of Police
Robert S. Mackey	Code Enforcement Officer
Cara Barlow	Director, Derry Public Library
Michael A. Fowler	Director of Public Works
Linda L. Merrill	Director, Taylor Library
Michael Gagnon	Emergency Management Director
Michael Gagnon	Fire Chief
Jill E. Jamro	Human Services Administrator
Eric H. Bodenrader	Parks & Recreation Director
George H. Sioras	Planning Director
Dawn K. Enwright	Tax Collector
David R. Caron	Town Administrator
Daniel Healey	Town Clerk
Allan Virr	Town Treasurer
Mary Till	Town Moderator
Judith Strakalaitis	Chair, Supervisor of the Checklist
Dina Bourassa	Supervisor of the Checklist
Patricia Dowling	Supervisor of the Checklist

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

To the Town Council  
Town of Derry, New Hampshire

**Additional Offices:**

Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

### **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 Town of Derry, New Hampshire (the Town), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

The Town's 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 Town of Derry, New Hampshire as of June 30, 2017, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the Pension and OPEB schedules appearing on pages 83 to 85, and the Schedule of Condition Assessment and Maintenance Costs 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 evidence sufficient 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 Town's basic financial statements. The combining and individual nonmajor fund financial statements and the budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit



of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2017 on our consideration of the Town'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 the Town's internal control over financial reporting and compliance.

*Melanson Heath*

October 27, 2017

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## **BASIC FINANCIAL STATEMENTS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the financial performance of the Town of Derry, New Hampshire (the Town) is prepared by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2017.

### A Brief Discussion of the Basic Financial Statements

#### Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements follow. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the Town.

#### Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's *net position* and its changes during the past year. Over time, *increases* or *decreases* in the Town's net position are indicators of whether its *financial* health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the *overall health* of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town's functions into two kinds of activities:

Governmental activities – Most of the Town's basic services are reported here, including the police, fire, public works, finance, executive administration, and library department activities. Property taxes, fees, and state and federal grants finance most of these activities.

Business activities – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer system activities are reported here.

## **Reporting the Town's Most Significant Funds**

Our analysis of the Town's major funds provides detailed information about the most significant funds – not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Council establishes many other funds to help it control and manage money for particular purposes (Capital Project Funds) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as Special Revenue Funds used to account for Public Safety or Health grant revenue).

The Town's two main types of funds: Governmental and Proprietary, use different accounting approaches.

**Governmental funds** – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be converted readily to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

**Proprietary funds** – When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's Enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds.

## **The Town as Trustee**

The Town is the trustee, or fiduciary, responsible for other assets that can be used only for the trust beneficiaries because of the trust arrangements. All of the Town's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

## **Condensed Financial Statements**

### **Financial Highlights**

- Total government-wide net position (assets, and deferred outflows minus liabilities and deferred inflows) for governmental and business activities increased by \$551,366 to \$126,001,171.

- The recognition of the pension liability of \$45,795,667 has impacted the Town's unrestricted net position, which is reported as a deficit of \$(18,784,921).
- At the end of the current fiscal year, the total general fund balance was \$22,856,251, an increase of \$787,371 in comparison to the prior year. The unassigned general fund balance was \$9,070,775, an increase of \$94,189.

## The Town as a Whole

### Government-Wide Financial Analysis

The following analysis focuses on net position and changes in net position of the Town's governmental and business-type activities and separately considers the operations of both activities. The charts on the next few pages highlight current year and prior year comparisons of net position and changes in net position for Governmental activities, Business type activities (water and sewer operations), and totaled for each year.

Overall, the Town's total net position increased \$551,366 to \$126,001,171 when compared to the prior year.

Town of Derry, NH  
Net Position (in thousands)  
As of June 30,

	2017			2016		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
<b>Assets:</b>						
Current and other assets	\$ 76,142	\$ 7,397	\$ 83,539	\$ 73,026	\$ 9,327	\$ 82,353
Capital assets	115,718	34,062	149,780	114,564	31,985	146,549
<b>Total Assets</b>	<b>191,860</b>	<b>41,459</b>	<b>233,319</b>	<b>187,590</b>	<b>41,312</b>	<b>228,902</b>
Deferred Outflows	12,062	539	12,601	3,716	158	3,874
<b>Total Assets and Deferred Outflows</b>	<b>\$ 203,922</b>	<b>\$ 41,998</b>	<b>\$ 245,920</b>	<b>\$ 191,306</b>	<b>\$ 41,470</b>	<b>\$ 232,776</b>
<b>Liabilities:</b>						
Current liabilities	\$ 2,562	\$ 649	\$ 3,211	\$ 2,503	\$ 375	\$ 2,878
Long-term debt	67,163	8,265	75,428	56,645	8,248	64,893
<b>Total Liabilities</b>	<b>69,725</b>	<b>8,914</b>	<b>78,639</b>	<b>59,148</b>	<b>8,623</b>	<b>67,771</b>
Deferred Inflows	41,145	135	41,280	39,442	113	39,555
<b>Net Position:</b>						
Net Investment in capital assets	106,932	28,611	135,543	106,507	26,041	132,548
Restricted net position	9,243	-	9,243	8,338	-	8,338
Unrestricted net position	(23,123)	4,338	(18,785)	(22,129)	6,693	(15,436)
<b>Total Net Position</b>	<b>93,052</b>	<b>32,949</b>	<b>126,001</b>	<b>92,716</b>	<b>32,734</b>	<b>125,450</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 203,922</b>	<b>\$ 41,998</b>	<b>\$ 245,920</b>	<b>\$ 191,306</b>	<b>\$ 41,470</b>	<b>\$ 232,776</b>

Town of Derry, NH  
Changes in Net Position (in thousands)  
For the years ended June 30,

	2017			2016		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
<b>Revenue</b>						
<u>Program revenue:</u>						
Charges for services	\$ 2,660	\$ 4,791	\$ 7,451	\$ 2,368	\$ 4,640	\$ 7,008
<u>Grants:</u>						
Operating grants	424	20	444	1,127	37	1,164
Capital grants	1,067	1,846	2,913	611	63	674
<u>General revenue:</u>						
Property taxes	23,515	-	23,515	23,441	-	23,441
Other general revenue	9,897	140	10,037	9,414	120	9,534
Total revenue	37,563	6,797	44,360	36,961	4,860	41,821
<u>Program expenses:</u>						
Town:						
General government	6,416	-	6,416	5,245	-	5,245
Public safety	20,910	-	20,910	18,972	-	18,972
Highway and streets	4,748	-	4,748	4,444	-	4,444
Health, welfare & housing	601	-	601	687	-	687
Sanitation	2,107	-	2,107	1,964	-	1,964
Culture and recreation	3,235	-	3,235	3,136	-	3,136
Conservation	18	-	18	10	-	10
Economic development	708	-	708	615	-	615
Interest on long-term debt	268	-	268	331	-	331
Water	-	2,515	2,515	-	2,375	2,375
Sewer	-	2,283	2,283	-	2,233	2,233
Total Program expenses	39,011	4,798	43,809	35,404	4,608	40,012
Excess (deficiency), before transfers	(1,448)	1,999	551	1,557	252	1,809
Transfers in (out)	1,784	(1,784)	-	(2,495)	2,495	-
Change in net position	336	215	551	(938)	2,747	1,809
Net Position - beginning of year	92,716	32,734	125,450	93,654	29,987	123,641
Net Position - end of year	\$ 93,052	\$ 32,949	\$ 126,001	\$ 92,716	\$ 32,734	\$ 125,450

## Governmental Activities

The net position of \$93,052,222 for governmental activities includes \$106,931,617 of net investment in capital assets which is not available for future spending. Net investment in capital assets comprises depreciated property value of roadways, land, easements, buildings, vehicles, equipment, and software less the total amount of outstanding bonds or leases associated with these assets. Roadways, bridges, and sidewalks comprise most of the asset value and provide a function to citizens of Derry, but would not be sold to fund future Town obligations.

The restricted net position of \$9,243,246 is subject to use restrictions that are external to local government control and these funds are not available to pay for general Town obligations. Permanent endowments comprise the majority of restricted net position and are in the care of the Town's Trustees of the Trust Funds.



The unrestricted net position of \$(23,122,641) is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. The deficit results primarily from recognizing the Town's net pension liability. The State of New Hampshire adopted legislation that reduced pension benefits and the NHRS has in recent years improved its funding mechanism to reduce their unfunded liability. Because Town officials do not have control to change or offset the pension system's long-term liability, the Town's unrestricted net position will continue to remain a deficit, despite favorable operating performance of the Town, until the NHRS pension system develops adequate reserves to fund its obligations.

Overall, the total net position of governmental activities increased by \$336,404. Key elements of this change are as follows:

General fund positive budgetary results	\$ 1,373,513
Capital asset additions from current year revenues	1,120,348
Increase in net pension liability	(8,988,128)
Decrease in pension related deferred outflows/(inflows)	7,978,403
Increase in OPEB liability	(856,448)
Capital asset depreciation exceeding debt principal payments	(647,061)
Conservation grant received for land purchase made in subsequent year	375,000
Other	<u>(19,223)</u>
Total Changes	<u><u>\$ 336,404</u></u>

The Net Cost of Services chart shown below demonstrates the financial impact that was placed on the Town's taxpayers by each of the Town functions. The Town's investment in public safety, fire, ambulance, and police services represents 53.6% of the net cost of the Town's local government.

Town of Derry, NH  
Net Cost of Services (in thousands) Governmental Activities  
For the years ended June 30,

	2017			2016		
	<u>Total Cost of Services</u>	<u>Total Revenue</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Total Revenue</u>	<u>Net Cost of Services</u>
Town programs:						
Public safety	\$ 20,910	\$ 2,244	\$ 18,666	\$ 18,972	\$ 2,092	\$ 16,880
General government	6,416	127	6,289	5,245	152	5,093
Highway and streets	4,748	719	4,029	4,444	1,128	3,316
Culture and recreation	3,235	137	3,098	3,136	210	2,926
Sanitation	2,107	493	1,614	1,964	398	1,566
Health and welfare	601	41	560	687	97	590
Economic Development	708	-	708	615	30	585
All others	<u>286</u>	<u>390</u>	<u>(104)</u>	<u>341</u>	<u>-</u>	<u>341</u>
Total	<u><u>\$ 39,011</u></u>	<u><u>\$ 4,151</u></u>	<u><u>\$ 34,860</u></u>	<u><u>\$ 35,404</u></u>	<u><u>\$ 4,107</u></u>	<u><u>\$ 31,297</u></u>

The net cost of services for governmental activities increased by \$3.6 million. Of the increase, \$1.9 million relates to an increase in net pension liability, net of related deferrals, and OPEB liability, both of which do not have an effect on the tax payers.

### **Business Type Activities**

The net position of the water and sewer enterprises totals \$32,948,949. The capital assets of \$34,061,926 in water and sewer pipes, pump stations, and lagoon infrastructure capital assets, offset by related bonded debt of \$5,325,000, comprise most of the value in the net position of the business type activities. The Net Investment in Capital Assets of \$28,611,229 is not available to pay for future activities and reflects an increase from the previous fiscal year of \$2,570,482.

The unrestricted net position totaling \$4,337,720 is available for future spending. This represents a decrease of \$(2,355,520) over the previous fiscal year, however, the higher fiscal year 2016 account balance was an anomaly as we used approximately \$2,500,000 of general fund balance to finance our MtBE Contamination Project as discussed in the following paragraph.

On April 5, 2016, a Town Council resolution passed funding \$2,509,000 of the Water System Extensions project with unassigned general fund balance, with the intention of the water fund reimbursing the costs. The alternative water supply is necessary due to MtBE groundwater contamination. The Town accepted MtBE Mitigation Bureau funds from the State of New Hampshire, which reimburse 85.6% of the project costs. The water fund will reimburse the general fund, up to the original transfer amount above, as reimbursements from the State are received. In fiscal year 2017, \$1,784,298 was reimbursed by the State, and subsequent transferred back to the general fund. Further, the Town Council approved an increase in project costs of \$421,000, to be funded by the water capital reserve fund.

### **Analysis of Balances and Transactions of Individual Funds**

#### **Governmental Funds**

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

Governmental fund reporting reflects short-term inflows, outflows, and remaining balances of expendable resources. Fund Balance includes restricted funds that are non-spendable or are subject to restrictions external to local government control and unrestricted fund balances that are available for future use. Of the \$33,893,495 total fund balance for governmental funds, \$10,020,841 is non-spendable or restricted and \$23,872,654 is unrestricted (committed, assigned, and unassigned).

At the end of the current fiscal year, governmental funds reported combined ending fund balances of \$33,893,495, a change of \$1,733,162 in comparison to the prior year. Key elements of this change are as follows:

General fund positive budgetary results	\$ 1,373,513
Conservation commission fund grant received in advance of purchase of Willow Street property for water supply land protection	375,000
Other	<u>(15,351)</u>
Total Changes	<u>\$ 1,733,162</u>

The governmental funds financial statements can be found on pages 38 to 42.

## General Fund

The general fund is the only major governmental fund of the Town and is the chief operating fund. The total general fund balance increased by \$787,371 during 2017. Of the total \$22,856,251 general fund balance, \$9,070,775 was unassigned as of June 30, 2017.

In accordance with the Town's fund balance policy, as amended in fiscal 2017, the amount of unassigned fund balance is limited to 9.5% of the Town's general fund operating appropriations, the state education tax amount, the local school net tax commitment and the county appropriation. The first \$650,000 of excess unassigned fund balance is used to stabilize the tax rate and further excess is committed to fund future capital improvements, with a maximum transfer of \$1,500,000. At the end of fiscal year 2017, the unassigned fund balance of the General Fund was over the 9.5% of the above appropriations. As a result, \$650,000 was applied to the fiscal year 2018 tax rate setting, and the maximum of \$1,500,000 was transferred to the capital reserves.

Comparing the percentage of total general fund expenditures to total and unassigned fund balance gives an indication of liquidity. The chart below reflects the changes in both unassigned and total fund balance.

General Fund Fund Balance	2017	2016	Change	% of 2018 Appropriations
Unassigned	\$ 9,070,775	\$ 8,976,586	\$ 94,189	10.0%
Total	\$ 22,856,251	\$ 22,068,880	\$ 787,371	25.1%
Total appropriations*	\$ 91,061,419	\$ 91,236,166	\$ (174,747)	

\* Includes state and local education and county appropriations

The Town measures liquidity based on the appropriations of the ensuing year because the Town is responsible for raising funds by taxation for the school district and county that are not reported in the financial statements of the Town. The education portion of the property tax commitment above is estimated for the next fiscal year.

The effect of events discussed in Budgetary Highlights Section of this Management's Discussion and Analysis contribute to the changes in general fund balance. The amount of revenue and other sources that exceed the expenditures in other sources add to the unassigned general fund balance at year-end. Any restrictions or commitments or assignments of funds are carved from the unassigned fund balance to reflect restrictions due to external obligations or commitments made by the Town Council or assignments made by management.

The changes in the total general fund balance were impacted by the following factors:

Budgeted use of fund balance	\$ (2,155,476)
Revenues greater than budgeted	771,958
Expenditures lower than budgeted	1,184,303
Transfers in higher than budgeted, mostly due to Water Fund reimbursing for MtBE project	1,870,110
Change in reserve for appropriation carryforwards	(586,143)
Proceeds from sale of capital assets, capital lease proceeds, and other financing sources lower than budgeted	<u>(297,381)</u>
Total Changes	\$ <u>787,371</u>

A summary of the changes to the Town's Available Fund Balance per the Town's Fund Balance Policy is provided below:

	Summary of Changes in Unassigned Fund Balance per Town's Policy
Available Fund Balance per CAFR July 1, 2016	\$ 8,976,586
Add MTBE Loan per Policy	2,509,000
Fy 2017 Transfer to Capital Reserves per Policy	(1,500,000)
Revenues in excess of budget	771,958
Unspent appropriations	1,184,303
Use of fund balance for Willow Street Conservation	(252,500)
Use of fund balance for Sawyer Conservation	(250,000)
Use of fund balance for Ashleigh Drive	(17,967)
Other/Reclassification of Fund Balance Categories	<u>(61,405)</u>
Unassigned Fund Balance per Town's Policy	11,359,975
Required retention per Policy	<u>9,418,703</u>
Excess above policy	1,941,272
Subsequent events:	
Use of Fund balance at tax rate setting	(480,000)
Use of Fund balance for Derry Revolving Fund	<u>(250,000)</u>
Final Available Fund Balance Retained above Policy	\$ <u>1,211,272</u>

The following reconciliation of Unassigned Fund Balance with amount available per the Town's Policy is provided below:

	Reconciliation of Unassigned Fund Balance with <u>Town's Policy</u>
GAAP reporting, including MTBE reimbursement to date and planned FY18 use of fund balance to stabilize tax rate	\$ 9,070,775
Other amounts available per policy:	
Unreimbursed MTBE amounts as of 6/30/17	724,702
Brady Ave Sewer Extension Loan	487,000
Winter Maint Reserve transfer posted Fy 18	218,000
DPW Cap Res posted Fy 18	61,000
Change in fund balance used at rate setting	170,000
Other/Reclassification of Fund Balance Categories	<u>(101,502)</u>
Total Available per Policy	10,629,975
Required retention per Policy	<u>9,418,703</u>
Final Available Fund Balance Retained above Policy	\$ <u><u>1,211,272</u></u>

The Town's Fund Balance Policy requires that 9.5% of the subsequent years' Total Net Levy be retained. The following is a calculation of the required retention amount per Town Policy:

2018 Total Net Levy	\$ 99,144,244
Retention percentage	<u>9.50%</u>
Required Retention per Policy	\$ <u><u>9,418,703</u></u>

Capital Reserve funds within the general fund balance are highlighted below. With the exception of the Compensated Absences and Highway Winter Maintenance reserves, these reserves support funding of the Town's Capital Plan.

<u>Committed Reserves:</u>	<u>2017</u>	<u>2016</u>	<u>Change</u>
Compensated Absences	\$ 3,576,253	\$ 3,584,437	\$ (8,184)
Derry Public Library	325	34,413	(34,088)
Emergency Management	10	10	-
Fire	1,518,841	1,888,854	(370,013)
Fire Facilities and Equipment	25,977	96,316	(70,339)
Highway Winter Maintenance	220,018	219,607	411
Information Technology	152,511	188,521	(36,010)
Land and Building Fund	80,684	344,219	(263,535)
Parks Facilities Fund	108,512	108,309	203
Police	865,700	1,091,692	(225,992)
Public Works	1,695,139	1,772,675	(77,536)
Taylor Library	225,852	215,066	10,786
Capital Improvements	1,500,000	-	1,500,000

The use of these reserves has been an important and effective planning tool to save and prepare for major projects under the tax cap constraints on annual net appropriations.

## **Enterprise Fund Activities**

Charges for service revenue were \$91,362 (4%) higher in the water division and \$59,125 (3%) higher in the sewer division compared to the prior year. Therefore, revenue remained consistent.

The Water division operating income of \$253,359 was consistent with the prior year as both personnel and utility costs were higher, by \$101,391 and \$59,654 respectively, while repairs and maintenance costs decreased by \$(48,831).

The Sewer division operating loss of \$(18,846) was consistent the prior year as both personnel and utility costs were higher by \$128,818 and \$25,243 respectively, while repair and maintenance costs decreased by \$(90,224).

The Water division's income before capital contributions and transfers was \$263,820 and is consistent with fiscal year 2016 operations. The capital grant and contribution provided the cash flow to reimburse the general fund for the MbTE funding previously discussed.

The Sewer division's loss before capital contributions and transfers was \$(110,108) due to the increased costs noted above.

Billing rates have remained unchanged since June 2013.

## **Budgetary Highlights**

The fiscal year 2017 budget was voted by the Town Council in May 2016 at a total of \$39,327,286 (\$38,908,143 for General Fund and \$419,143 for Cable Special Revenue Fund). The Town Council approved multiple supplemental resolutions during the year which increased the budget by \$1,031,958 to \$39,940,101. Of the supplemental resolutions, the Town approved \$502,500 of transfers to the conversation special revenue fund, for the purchase of two properties.

The fiscal year closed with a general fund surplus of \$1,956,261, before considering other financing sources. The surplus is largely related to the following two items:

- \$738,579 of excess revenues received in the licenses and permits line, due to motor vehicle registrations.
- \$800,570 of expenditures under budget for the police and animal control department due to vacant positions, therefore salary, health insurance, and retirement contributions were lower than anticipated.

Other financing sources primarily include the unanticipated reimbursement from the water fund for the MtBE project of \$1,784,298, the use of committed fund balance of \$(1,635,009), and the use of unassigned fund balance of \$(520,467).

## **Capital Asset and Debt Administration**

### **Capital Asset Activity**

Town of Derry, NH  
Capital Assets as of June 30,  
(Net of Depreciation, in thousands)

	2017			2016		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Land	\$ 8,354	\$ 195	\$ 8,549	\$ 7,930	\$ 202	\$ 8,132
Construction Work in Progress	1,234	2,554	3,788	27	122	149
Buildings & Improvements	14,989	106	15,095	12,461	111	12,572
Machinery, Equipment & Vehicles	4,208	432	4,640	3,781	506	4,287
Infrastructure & Improvements	83,914	30,076	113,990	87,341	30,346	117,687
Intangibles	3,019	699	3,718	3,024	698	3,722
Totals	<u>\$ 115,718</u>	<u>\$ 34,062</u>	<u>\$ 149,780</u>	<u>\$ 114,564</u>	<u>\$ 31,985</u>	<u>\$ 146,549</u>

### **Governmental Activities**

The total investment in capital assets for governmental at year-end amounted to \$115,718,212 (net of accumulated depreciation), a change of \$1,154,705 from the prior year. This investment includes land, infrastructure, intangibles, buildings and improvements, equipment, and vehicles.

Additions were funded with a combination of funding by donations, grants, debt, and use of fund balance. Major acquisitions in 2017 are noted below:

- \$423,700 – 138 Island Pond Rd.
- \$898,339 – 2018 Pierce Enforcer Arial Ladder
- \$241,135 – 2016 Ford F550 Ambulance
- \$243,500 – CAT 938M Loader
- \$302,951 – (10) 2017 Ford Explorers
- \$130,015 – (6) 2017 Ford Fusions
- \$105,493 – 2017 Ford F550 Dump Truck
- \$125,258 – JCB Loader-Backhoe

### **Business Type Activities**

The total investment in capital assets for business-type activities at year-end amounted to \$34,061,926 (net of accumulated depreciation), a change of \$2,077,401 from the prior year. This investment includes land, infrastructure, intangibles, buildings and improvements, equipment, and vehicles.

Primary capital investment in 2017 is reported to the nearest thousand as noted below:

- \$2,258,495 – Water Mains – MtBE/Route 28
- \$290,517 – Water Mains
- \$232,456 – Force Main Pipeline Relocation

## Long-Term Liabilities

During fiscal 2017 the Town did not issue any new bonds.

Changes to our outstanding bond debt are reflected in the chart below:

Town of Derry, NH Outstanding Bond Debt As of June 30, (in thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General obligation bonds (Backed by the Town)	\$ 5,175	\$ 5,810	\$ 5,325	\$ 5,790	\$ 10,500	\$ 11,600
Tax increment financing bond	3,855	4,285	-	-	3,855	4,285
	<u>\$ 9,030</u>	<u>\$ 10,095</u>	<u>\$ 5,325</u>	<u>\$ 5,790</u>	<u>\$ 14,355</u>	<u>\$ 15,885</u>
Annual change (decrease)	(1,065)		(465)		(1,530)	
Percent change	-10.5%		-8.0%		-9.6%	

On May 26, 2016, Moody's upgraded the Town of Derry's \$4.2M general obligation bonds to Aa1 from Aa2.

More information regarding capital leases and bonds and other long-term debt is presented in Notes 11 and 12 to the financial statements.

Other long-term liabilities include net pension liability, accrued vacation pay, sick leave, capital leases, and other post-employment benefits (OPEB). More detailed information about the Town's net OPEB obligation is presented in Note 16 to the financial statements. More information on net pension liability can be found in Note 15 of the financial statements and required supplementary schedules found on pages 83-84.

## Next Year's Budgets

In May 2017, the fiscal year 2018 budget was adopted by the Town Council. The budget includes additional funding for economic development activities and a number of systemic changes which are designed to stabilize the Town's finances and further enhance transparency during the budget process. During the upcoming year a comprehensive revenue study will be completed to ensure that the various fees and rates assessed by the Town are appropriate and



market competitive. Total appropriations (general fund, water fund, sewer fund, and cable special revenue fund) for FY18 are \$47,086,515 and anticipated revenue (other than property taxes) is \$18,174,347.

The Town Council's goal was to adopt a budget that remained under the voter-approved tax cap and continued to fund all current town services. The Council, upon review of the Town's finances, voted to apply \$650,000 in Undesignated Fund Balance to stabilize the tax rate; it is anticipated that this use of fund balance should be sustainable on an annual basis for the foreseeable future.

### **Contacting the Town's Financial Management**

This financial report is designed to provide Derry's citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Chief Financial Officer or the Accounting Manager at the Derry, NH Finance Department at (603) 432-6103. The Chief Financial Officer may be reached at [susanhickey@derrynh.org](mailto:susanhickey@derrynh.org).

TOWN OF DERRY, NEW HAMPSHIRE  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	Governmental Activities	Business- Type Activities	Government- Wide Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Current:			
Cash and cash equivalents	\$ 54,027,864	\$ -	\$ 54,027,864
Investments	19,166,585	519,833	19,686,418
Taxes receivable	7,275,082	-	7,275,082
Accounts receivable, net	231,758	398,098	629,856
Due from other governments	22,209	554,155	576,364
Internal balances	(5,665,763)	5,665,763	-
Prepaid items	90,358	20,314	110,672
Property held for resale	75,294	-	75,294
Total current assets	<u>75,223,387</u>	<u>7,158,163</u>	<u>82,381,550</u>
Noncurrent:			
Accounts receivable, net	-	169,608	169,608
Advances	487,000	(487,000)	-
Loans receivable	251,205	-	251,205
Due from other governments	180,154	555,764	735,918
Capital assets:			
Non-depreciable capital assets	91,692,973	3,410,787	95,103,760
Depreciable capital assets, net	24,025,239	30,651,139	54,676,378
Total non-current assets	<u>116,636,571</u>	<u>34,300,298</u>	<u>150,936,869</u>
TOTAL ASSETS	191,859,958	41,458,461	233,318,419
Deferred Outflows of Resources			
Related to pensions	<u>12,062,103</u>	<u>539,342</u>	<u>12,601,445</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 203,922,061</u></u>	<u><u>\$ 41,997,803</u></u>	<u><u>\$ 245,919,864</u></u>

(continued)

(continued)

TOWN OF DERRY, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2017

	Governmental Activities	Business- Type Activities	Government- Wide Total
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
Liabilities:			
Current:			
Accounts payable	\$ 1,360,841	\$ 456,916	\$ 1,817,757
Accrued expenses	503,094	18,117	521,211
Retainage payable	-	174,213	174,213
Tax refunds liability	472,000	-	472,000
Due to other governments	8,163	-	8,163
Other liabilities	218,312	-	218,312
Current portion of long-term liabilities:			
General obligation bonds payable	636,856	470,945	1,107,801
Tax increment financing bonds payable	435,000	-	435,000
Capital leases payable	479,335	22,622	501,957
Compensated absences	890,134	35,330	925,464
Total current liabilities	5,003,735	1,178,143	6,181,878
Noncurrent:			
General obligation bonds payable	4,642,312	4,934,013	9,576,325
Tax increment financing bonds payable	3,420,000	-	3,420,000
Net pension liability	43,835,613	1,960,054	45,795,667
Net OPEB obligation	8,634,987	694,570	9,329,557
Capital leases payable	1,322,879	23,118	1,345,997
Compensated absences	2,865,608	123,476	2,989,084
Total non-current liabilities	64,721,399	7,735,231	72,456,630
TOTAL LIABILITIES	69,725,134	8,913,374	78,638,508
Deferred Inflows of Resources			
Related to pensions	3,029,922	135,480	3,165,402
Other	38,114,783	-	38,114,783
TOTAL DEFERRED INFLOWS OF RESOURCES	41,144,705	135,480	41,280,185
Net Position:			
Net investment in capital assets	106,931,617	28,611,229	135,542,846
Restricted for:			
Permanent funds - permanently restricted	6,464,321	-	6,464,321
Permanent funds - expendable	1,076,927	-	1,076,927
Grants	86,287	-	86,287
Enabling legislation	1,615,711	-	1,615,711
Unrestricted	(23,122,641)	4,337,720	(18,784,921)
TOTAL NET POSITION	93,052,222	32,948,949	126,001,171
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 203,922,061</b>	<b>\$ 41,997,803</b>	<b>\$ 245,919,864</b>

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

TOWN OF DERRY, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General government	\$ 6,415,503	\$ 118,916	\$ 7,776	\$ -
Public safety	20,910,725	1,839,087	406,348	-
Highways and streets	4,747,643	41,611	-	677,132
Health and welfare	601,102	30,495	10,160	-
Sanitation	2,106,923	492,994	-	-
Culture and recreation	3,234,986	137,095	-	-
Conservation	17,982	-	-	390,000
Economic development	708,402	-	-	-
Interest on long-term debt	267,901	-	-	-
Total Governmental Activities	39,011,167	2,660,198	424,284	1,067,132
<b>Business-Type Activities:</b>				
Water	2,514,734	2,664,892	19,111	1,784,298
Sewer	2,282,636	2,125,897	-	61,250
Total Business-Type Activities	4,797,370	4,790,789	19,111	1,845,548
Total primary government	\$ 43,808,537	\$ 7,450,987	\$ 443,395	\$ 2,912,680

**General Revenues:**

Property taxes  
 Motor vehicle registration  
 Cable franchise fees  
 Grants and contributions not restricted to  
 specific programs  
 Interest and investment earnings  
 Miscellaneous  
 Transfers

Total general revenues and transfers

Change in Net Position

**Net Position:**

Beginning of year  
 End of year

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

<u>Net (Expenses) Revenues and Changes in Net Position</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (6,288,811)	\$ -	\$ (6,288,811)
(18,665,290)	-	(18,665,290)
(4,028,900)	-	(4,028,900)
(560,447)	-	(560,447)
(1,613,929)	-	(1,613,929)
(3,097,891)	-	(3,097,891)
372,018	-	372,018
(708,402)	-	(708,402)
<u>(267,901)</u>	<u>-</u>	<u>(267,901)</u>
(34,859,553)	-	(34,859,553)
-	1,953,567	1,953,567
<u>-</u>	<u>(95,489)</u>	<u>(95,489)</u>
-	1,858,078	1,858,078
<u>(34,859,553)</u>	<u>1,858,078</u>	<u>(33,001,475)</u>
23,514,876	-	23,514,876
6,232,338	-	6,232,338
388,414	-	388,414
1,703,756	-	1,703,756
755,430	47,498	802,928
816,845	93,684	910,529
<u>1,784,298</u>	<u>(1,784,298)</u>	<u>-</u>
<u>35,195,957</u>	<u>(1,643,116)</u>	<u>33,552,841</u>
336,404	214,962	551,366
<u>92,715,818</u>	<u>32,733,987</u>	<u>125,449,805</u>
<u>\$ 93,052,222</u>	<u>\$ 32,948,949</u>	<u>\$ 126,001,171</u>

TOWN OF DERRY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2017

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 54,027,018	\$ 846	\$ 54,027,864
Investments	11,078,318	8,088,267	19,166,585
Taxes receivable	7,254,578	20,505	7,275,083
Accounts receivable, net	132,227	99,532	231,759
Due from other governments	19,404	182,959	202,363
Due from other funds	-	2,699,407	2,699,407
Prepaid items	89,839	519	90,358
Property held for resale	75,294	-	75,294
Advances to other funds	487,000	-	487,000
Loans receivable	-	251,205	251,205
TOTAL ASSETS	<u>\$ 73,163,678</u>	<u>\$ 11,343,240</u>	<u>\$ 84,506,918</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,359,985	\$ 857	\$ 1,360,842
Accrued expenditures	441,073	1,811	442,884
Due to other governments	8,163	-	8,163
Due to other funds	8,286,530	78,640	8,365,170
Tax refunds liability	472,000	-	472,000
Other liabilities	218,308	-	218,308
TOTAL LIABILITIES	10,786,059	81,308	10,867,367
Deferred Inflows of Resources			
Unavailable revenues	39,521,368	224,688	39,746,056
Fund Balances:			
Nonspendable	652,133	6,464,840	7,116,973
Restricted	123,069	2,780,799	2,903,868
Committed	11,742,223	1,791,605	13,533,828
Assigned	1,268,051	-	1,268,051
Unassigned	9,070,775	-	9,070,775
TOTAL FUND BALANCES	<u>22,856,251</u>	<u>11,037,244</u>	<u>33,893,495</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 73,163,678</u>	<u>\$ 11,343,240</u>	<u>\$ 84,506,918</u>

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

TOWN OF DERRY, NEW HAMPSHIRE  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCES TO NET POSITION OF GOVERNMENTAL  
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2017

<b>Total governmental fund balances</b>	\$ 33,893,495
<ul style="list-style-type: none"> <li>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</li> </ul>	115,718,212
<ul style="list-style-type: none"> <li>Property taxes and other revenues are recognized on an accrual basis in the statement of net position, not the modified accrual basis</li> </ul>	1,631,273
<ul style="list-style-type: none"> <li>Deferred inflows and outflows of pension resources are not financial resources nor are they available to pay current-period expenditures. Pension related inflows and outflows consist of: <ul style="list-style-type: none"> <li>Deferred outflows</li> <li>Deferred inflows</li> </ul> </li> </ul>	12,062,103 (3,029,922)
<ul style="list-style-type: none"> <li>Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds. Long-term liabilities at year end consist of: <ul style="list-style-type: none"> <li>General obligation bonds payable</li> <li>Tax increment financing bonds payable</li> <li>Net pension liability</li> <li>Capital leases payable</li> <li>Accrued interest on long-term obligations</li> <li>Other post-employment benefits obligation</li> <li>Compensated absences payable</li> </ul> </li> </ul>	(5,279,168) (3,855,000) (43,835,613) (1,802,214) (60,215) (8,634,987) <u>(3,755,742)</u>
<b>Net position of governmental activities</b>	<b>\$ <u>93,052,222</u></b>

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

TOWN OF DERRY, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 23,429,524	\$ 64,492	\$ 23,494,016
Licenses and permits	6,417,040	665,551	7,082,591
Intergovernmental	2,777,176	417,997	3,195,173
Charges for services	2,196,754	1,607	2,198,361
Interest and investment income	240,415	515,014	755,429
Miscellaneous	356,185	76,579	432,764
Total Revenues	35,417,094	1,741,240	37,158,334
<b>Expenditures:</b>			
Current operations:			
General government	5,355,765	229,585	5,585,350
Public safety	19,101,483	32,140	19,133,623
Highways and streets	3,954,111	160,107	4,114,218
Health and welfare	542,525	5,102	547,627
Sanitation	1,854,999	28,094	1,883,093
Culture and recreation	2,730,488	69,940	2,800,428
Conservation	4,812	13,171	17,983
Economic development	699,448	8,954	708,402
Capital outlay	2,628,152	443,864	3,072,016
Debt service:			
Principal retirement	1,223,568	-	1,223,568
Interest and fiscal charges	259,714	-	259,714
Intergovernmental	-	10,747	10,747
Total Expenditures	38,355,065	1,001,704	39,356,769
Excess (deficiency) of revenues over expenditures	(2,937,971)	739,536	(2,198,435)
<b>Other Financing Sources (Uses):</b>			
Issuance of capital lease	1,745,365	-	1,745,365
Proceeds from sale of capital assets	401,934	-	401,934
Transfers in	2,102,031	524,351	2,626,382
Transfers out	(523,988)	(318,096)	(842,084)
Total Other Financing Sources (Uses)	3,725,342	206,255	3,931,597
Change in fund balance	787,371	945,791	1,733,162
Fund Balance at beginning of year	22,068,880	10,091,453	32,160,333
Fund Balance at end of year	\$ 22,856,251	\$ 11,037,244	\$ 33,893,495

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



TOWN OF DERRY, NEW HAMPSHIRE  
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, 2017

**Net changes in fund balances - Total governmental funds** **\$ 1,733,162**

Amounts reported for governmental activities in the  
statement of activities are different because:

- 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.

Capital asset purchases, net	3,101,670
Depreciation	(1,870,629)
- Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the gain of disposed capital assets reduced by the actual proceeds received from the sale of capital assets.

(76,336)
- Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

(3,852)
- Repayment of principal on bonds and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

1,223,568
- Issuance of capital leases provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.

(1,745,365)
- In the Statement of Activities, interest is accrued on outstanding bonds and capital leases, whereas in governmental funds, an interest expenditure is reported when paid.

(8,187)
- Pension and OPEB related inflows and outflows are not recorded as expenses in the statement of activities, but are recorded as expenditures in governmental funds.

Net pension liability	(8,988,128)
Pension related deferred outflows	8,345,351
Pension related deferred inflows	(366,948)
Other post-employment benefits	(856,448)
- 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 governmental funds.

Compensated absences	(171,305)
Estimated liability for landfill post-closure care costs	12,995
Other	6,856

**Change in net position of governmental activities** **\$ 336,404**

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

TOWN OF DERRY, NEW HAMPSHIRE

GENERAL FUND

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
Taxes	\$ 23,163,147	\$ 23,378,147	\$ 23,429,524	\$ 51,377
Licenses and permits	5,953,748	5,953,748	6,692,327	738,579
Intergovernmental	2,884,761	2,884,761	2,777,176	(107,585)
Charges for services	2,188,969	2,188,969	2,196,754	7,785
Miscellaneous	514,798	514,798	596,600	81,802
Total Revenues	34,705,423	34,920,423	35,692,381	771,958
<b>Expenditures:</b>				
Prevention and emergency services	11,923,277	11,923,277	11,722,034	201,243
Emergency management	69,361	69,361	64,719	4,642
Police and animal control	9,687,024	9,637,024	8,836,454	800,570
Executive	1,654,733	1,654,733	1,574,081	80,652
Finance	4,146,930	4,649,430	4,618,138	31,292
Town clerk and elections	202,569	202,569	191,873	10,696
Libraries	1,494,860	1,494,860	1,479,366	15,494
Planning	266,367	266,367	251,804	14,563
Tax increment financing district	322,316	537,316	537,315	1
Public works	9,140,706	9,505,164	9,480,014	25,150
Total Expenditures	38,908,143	39,940,101	38,755,798	1,184,303
Excess (deficiency) of revenues over expenditures	(4,202,720)	(5,019,678)	(3,063,417)	1,956,261
<b>Other Financing Sources:</b>				
Use of unassigned fund balance	-	520,467	-	(520,467)
Use of committed fund balance	1,798,518	1,635,009	-	(1,635,009)
Proceeds from sale of capital assets	533,751	533,751	390,809	(142,942)
Transfers in from other funds	419,521	419,521	505,333	85,812
Transfer in from Water for MTBE	-	-	1,784,298	1,784,298
Capital lease proceeds	1,435,530	1,895,530	1,745,365	(150,165)
Other financing sources	15,400	15,400	11,125	(4,275)
Total Other Financing Sources	4,202,720	5,019,678	4,436,930	(582,748)
Excess of revenues and other sources over expenditures	\$ -	\$ -	\$ 1,373,513	\$ 1,373,513

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

TOWN OF DERRY, NEW HAMPSHIRE  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2017

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Current:			
Investments	\$ 33,404	\$ 486,429	\$ 519,833
Accounts receivable, net	210,716	187,382	398,098
Due from other governments	431,769	122,386	554,155
Due from other funds	3,424,039	2,241,724	5,665,763
Prepaid items	9,742	10,572	20,314
Total current assets	4,109,670	3,048,493	7,158,163
Noncurrent:			
Accounts receivable, net	141,782	27,826	169,608
Due from other governments	-	555,764	555,764
Non-depreciable capital assets	2,560,034	850,753	3,410,787
Depreciable capital assets, net	12,381,912	18,269,227	30,651,139
Total noncurrent assets	15,083,728	19,703,570	34,787,298
<b>TOTAL ASSETS</b>	<b>19,193,398</b>	<b>22,752,063</b>	<b>41,945,461</b>
Deferred Outflows of Resources			
Related to pensions	255,809	283,533	539,342
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 19,449,207</b>	<b>\$ 23,035,596</b>	<b>\$ 42,484,803</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
Liabilities:			
Current:			
Accounts payable	\$ 425,385	\$ 31,531	\$ 456,916
Accrued expenses	8,567	9,550	18,117
Retainage payable	174,213	-	174,213
Advances from other funds	-	487,000	487,000
Current portion of long-term liabilities:			
Bonds payable	146,088	324,857	470,945
Capital lease	11,311	11,311	22,622
Compensated absences	17,665	17,665	35,330
Total current liabilities	783,229	881,914	1,665,143
Noncurrent:			
Bonds payable, net of current portion	1,926,405	3,007,608	4,934,013
Net pension liability	929,652	1,030,402	1,960,054
Net OPEB obligation	382,944	311,626	694,570
Capital leases payable, net of current portion	11,559	11,559	23,118
Compensated absences, net of current portion	61,738	61,738	123,476
Total noncurrent liabilities	3,312,298	4,422,933	7,735,231
<b>TOTAL LIABILITIES</b>	<b>4,095,527</b>	<b>5,304,847</b>	<b>9,400,374</b>
Deferred Inflows of Resources			
Related to pensions	64,258	71,222	135,480
Net Position:			
Net investment in capital assets	12,846,584	15,764,645	28,611,229
Unrestricted	2,442,838	1,894,882	4,337,720
<b>TOTAL NET POSITION</b>	<b>15,289,422</b>	<b>17,659,527</b>	<b>32,948,949</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 19,449,207</b>	<b>\$ 23,035,596</b>	<b>\$ 42,484,803</b>

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

TOWN OF DERRY, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>Operating Revenues:</b>			
Charges for services	\$ 2,664,892	\$ 2,125,897	\$ 4,790,789
Miscellaneous	<u>46,942</u>	<u>30,992</u>	<u>77,934</u>
Total Operating Revenues	2,711,834	2,156,889	4,868,723
<b>Operating Expenses:</b>			
Personnel services	941,136	1,043,777	1,984,913
Repairs and maintenance	124,893	181,362	306,255
Materials and supplies	85,945	48,958	134,903
Utilities	920,038	272,730	1,192,768
Depreciation	297,691	538,953	836,644
Miscellaneous	<u>88,772</u>	<u>89,955</u>	<u>178,727</u>
Total Operating Expenses	<u>2,458,475</u>	<u>2,175,735</u>	<u>4,634,210</u>
Operating Income (loss)	253,359	(18,846)	234,513
<b>Nonoperating Revenues (Expenses):</b>			
Interest revenue	33,109	14,389	47,498
Intergovernmental revenue	19,111	-	19,111
Gain on sale of asset	14,500	1,250	15,750
Interest expense	<u>(56,259)</u>	<u>(106,901)</u>	<u>(163,160)</u>
Total Nonoperating Revenues (Expenses), Net	<u>10,461</u>	<u>(91,262)</u>	<u>(80,801)</u>
Income (Loss) Before Capital Contributions and Transfers	263,820	(110,108)	153,712
Capital contributions	1,784,298	61,250	1,845,548
Transfers out	<u>(1,784,298)</u>	<u>-</u>	<u>(1,784,298)</u>
Change in Net Position	263,820	(48,858)	214,962
Net Position at Beginning of Year	<u>15,025,602</u>	<u>17,708,385</u>	<u>32,733,987</u>
Net Position at End of Year	<u>\$ 15,289,422</u>	<u>\$ 17,659,527</u>	<u>\$ 32,948,949</u>

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

## TOWN OF DERRY, NEW HAMPSHIRE

## PROPRIETARY FUNDS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b><u>Cash Flows From Operating Activities:</u></b>			
Cash received from customers	\$ 2,769,559	\$ 2,237,584	\$ 5,007,143
Other operating cash receipts	46,942	30,992	77,934
Cash received (paid) for interfund services provided	359,452	(44,985)	314,467
Cash paid to suppliers	(867,945)	(672,488)	(1,540,433)
Cash paid to employees	(881,039)	(953,788)	(1,834,827)
Net Cash Provided by (Used For) Operating Activities	1,426,969	597,315	2,024,284
<b><u>Cash Flows From Noncapital Financing Activities:</u></b>			
Intergovernmental revenue	-	65,512	65,512
Net Cash Provided by (Used For) Noncapital Financing Activities	-	65,512	65,512
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>			
Capital contributions	1,352,529	61,250	1,413,779
Intergovernmental revenue	19,112	-	19,112
Purchases of capital assets	(2,633,005)	(293,368)	(2,926,373)
Proceeds from sale of capital assets	19,786	8,292	28,078
Principal paid on bonds payable	(142,353)	(322,647)	(465,000)
Principal paid on capital lease obligations	(11,068)	(11,068)	(22,136)
Interest paid on long-term debt	(59,995)	(109,109)	(169,104)
Net Cash Provided by (Used For) Capital and Related Financing Activities	(1,454,994)	(666,650)	(2,121,644)
<b><u>Cash Flows From Investing Activities:</u></b>			
Purchase of investments	(5,084)	(10,566)	(15,650)
Interest on investments	33,109	14,389	47,498
Net Cash Provided By (Used For) Investing Activities	28,025	3,823	31,848
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:</u></b>			
Operating income	\$ 253,359	\$ (18,846)	\$ 234,513
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	297,691	538,953	836,644
Changes in assets, liabilities, and deferred outflows/inflows:			
Accounts receivable, net	104,667	111,687	216,354
Due from other funds	359,452	(531,985)	(172,533)
Prepaid items	(2,312)	(50)	(2,362)
Deferred outflows - related to pensions	(180,100)	(201,726)	(381,826)
Accounts payable	234,738	(28,323)	206,415
Accrued expenses	(1,441)	(958)	(2,399)
Retainage payable	120,718	(50,152)	70,566
Advances from other funds	-	487,000	487,000
Compensated absences	(19,847)	(19,847)	(39,694)
Other post-employment benefits	30,212	35,555	65,767
Net pension liability	219,818	263,398	483,216
Deferred inflows - related to pensions	10,014	12,609	22,623
Net Cash Provided by (Used For) Operating Activities	\$ 1,426,969	\$ 597,315	\$ 2,024,284

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

TOWN OF DERRY, NEW HAMPSHIRE  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2017

	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 375,152
Investments	<u>497,334</u>	<u>184,921</u>
Total Assets	<u>\$ 497,334</u>	<u>\$ 560,073</u>
<b>LIABILITIES</b>		
Due to other governments	\$ -	\$ 184,921
Deposits held for others	<u>-</u>	<u>375,152</u>
Total Liabilities	-	560,073
<b>NET POSITION</b>		
Held in trust	<u>497,334</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 497,334</u>	<u>\$ 560,073</u>

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

TOWN OF DERRY, NEW HAMPSHIRE  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSTION  
FOR THE YEAR ENDED JUNE 30, 2017

	Private Purpose Trust <u>Funds</u>
<b>Additions:</b>	
Investment earnings:	
Investment income	\$ 33,980
Total additions	33,980
<b>Deductions:</b>	
Benefits	6,900
Total deductions	6,900
Change in net position	27,080
<b>Net position:</b>	
Beginning of year	470,254
End of year	\$ 497,334

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

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## TOWN OF DERRY, NEW HAMPSHIRE

### Notes to Financial Statements

#### 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Derry (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

##### A. Reporting Entity

The Town is a municipal corporation governed by an elected Town Council. As required by generally accepted accounting principles, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable. In fiscal year June 30, 2017, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

The Town of Derry, New Hampshire (the Town) was incorporated in 1827. In March 1993, the voters of the Town adopted a Charter which established a Town Council and Town Administrator form of government. The Town Administrator is the Chief Administrative officer and is responsible for the administrative and financial affairs and for carrying out the policies enacted by the Town Council.

##### B. 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 Activities) 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. However, internal eliminations do not include services provided to Town departments. *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.

### C. 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 is 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.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

#### Fund Financial Statements

Governmental fund 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 Town 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 when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a 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 Town reports the following major governmental fund:

- The *general fund* is the Town'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 proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

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 Town reports the following major proprietary funds:

- The *water fund* accounts for all revenues and expenses pertaining to the Town's water operations.
- The *sewer fund* accounts for all revenues and expenses pertaining to the Town's wastewater treatment and disposal sanitation operations.

The fiduciary fund financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The Town reports the following fiduciary funds:

- The private-purpose trust fund is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. Private purpose trust funds held by the Town include trust arrangements for the Derry Public Schools, Visiting Nurse Association, East Derry Improvements Society, and Memorial Day Flowers.
- The agency funds are established to account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. Agency funds report only assets and liabilities, and therefore, have no measurement focus. Agency funds held by the Town include the Derry Cooperative School fund and the performance bond fund.

#### D. Cash, Cash Equivalents and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the general fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, money market deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash

and short-term investments". The interest earnings attributable to each fund type are included under investment income.

The Town considers investments with original maturities of three months or less to be short-term investments. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. The Town's investments consist of nonnegotiable certificates of deposit which are reported at cost.

Investments for the Trust Funds consist of marketable securities and bonds which are carried at market value based on quoted prices in an active market at June 30, 2017.

#### *E. 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 account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

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

#### *F. Prepaid Items*

Payments made to vendors for services that will benefit periods beyond June 30, 2017 are recorded as prepaid items. Prepaid items are recognized using the consumption method.

#### *G. Inventories*

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

#### *H. Capital Assets*

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

The Town has elected to use the “modified approach” as defined by GASB Statement No. 34 for infrastructure reporting on its roadways and sidewalks. As a result, no accumulated depreciation or depreciation expense has been recorded for these assets.

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 of business-type activities is included as part of the capitalized value of the assets constructed.

Capital is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 50
Equipment and vehicles	5 - 10
Infrastructure and other assets	20 - 50
Temporary easements	1 - 5
Software	5 - 7

#### *I. Compensated Absences*

It is the Town’s policy to permit employees to accumulate earned but unused absences. All vested absences 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.

#### *J. 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.

#### K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance - Generally, fund balance represents the difference between the current assets/deferred outflows and current liabilities/deferred inflows. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, expendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The Town’s fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (for prepaid items and noncurrent receivables) or can never be spent (for parks and playgrounds, perpetual care, and other principal portions of permanent funds).
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision-making authority in the government, the Town Council. Subsequent Town Council action is necessary to modify or rescind a fund balance commitment.
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance voted to be used in the subsequent fiscal year. The Town follows a fund balance policy that permits management to assign fund balance amounts to a specific purpose as authorized by the Town Administrator, although fund balance to be applied against a subsequent year’s budget is voted by Town Council.
- 5) Unassigned funds are available to be spent in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through

external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

*L. 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 disclosures 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.

**2. Stewardship, Compliance, and Accountability**

*A. Budgetary Information*

General government revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town's operations. The budget represents departmental appropriations as authorized by the Town Charter with annual or special budgetary public hearings. By the same procedures additional amounts may be appropriated during the year in emergency cases. There were two supplemental budgetary appropriations voted during the year. The Town Council adopts its budget under regulations of the New Hampshire Department of Revenue Administration which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the governmental unit as a whole rather than on the basis of fund types. Special Revenue Fund budgets for the cable television fund and Enterprise Fund budgets for the water and sewer departments are adopted. Capital Project Funds do not have adopted budgets.

Formal budgetary integration is employed as a management control device during the year for the general fund.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

*B. Budgetary Basis*

The general fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

*C. Legal Level of Control*

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount for each budget for which data is presented without the approval of the governing body) is the total budgeted amount for each department.

*D. Limitation of Budget Increases*

During 2004, the Town amended Section 9.4 of the Derry Town Charter regarding the limitation of budget increases. In accordance with this amendment, the Town Council, in establishing a municipal budget, shall be allowed to assume an estimated property tax rate only in an amount equal to the equalized tax rate established during the prior fiscal year increased by a factor equal to the change in the National Consumer Price Index as published by the United States Department of Labor for the calendar year immediately preceding budget adoption. The exception to this limitation regarding the inclusion of principal and interest on municipal bonds remained unchanged. The factor is now based on the Northeast Region CPI as a result of the Charter Amendment approved by voters in March 2013.

*E. Budget/GAAP Reconciliation*

The budgetary data for the general fund 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 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.

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 35,417,094	\$ 38,355,066
Other financing sources/uses (GAAP Basis)	<u>4,249,330</u>	<u>523,988</u>
Subtotal (GAAP Basis)	39,666,424	38,879,054
Reverse expenditures of prior year appropriation carryforwards	-	(981,227)
To book current year appropriation carryforwards	-	395,084
To gross up transfers for budgetary presentation	<u>462,887</u>	<u>462,887</u>
Budgetary Basis	<u>\$ 40,129,311</u>	<u>\$ 38,755,798</u>



### 3. **Cash and Investments**

#### A. *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 a 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.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. RSA 48:16 limits "deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus, exception that a Town with a population in excess of 50,000 is authorized to deposit funds in a solvent bank in excess of the paid-up capital surplus of said bank."

As of June 30, 2017, \$49,999,578 of the Town's bank balance of \$52,554,123 was insured or collateralized.

As of June 30, 2017, the Trust cash equivalent bank balance of \$2,554,545 was exposed to custodial credit risk as uninsured or uncollateralized.

*Custodial Credit Risk - Investments.* Custodial credit risk for investments is the risk that in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of another party.

The Town's investment policy for governmental and business-type funds requires that deposits and investments be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The Town limits its investments to demand deposits, money market accounts, certificates of deposit and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool, in accordance with New Hampshire State law (RSA 197:23-a). Responsibility for the investments of the Trust Funds is with the Board of Trustees, who have employed professional banking assistance in accordance with New Hampshire State law (RSA 31:38a).

In accordance with the Town's investment policy, all security transactions, including collateral for repurchase agreements, shall be conducted on a "delivery vs. payment" basis. Securities will be held by a third-party custodian, or trust department designated by the Treasurer and evidenced by safekeeping receipts. The collateral shall only consist of securities in which Towns may invest, as provided in New Hampshire State law (RSA 48:16).

The Town's policy for investments under the custodianship of the Trustees of Trust Funds follow the prudent investor guidelines which allow for various investments as long as these investments would be acquired by prudent persons of discretion and intelligence in investment matters, who are seeking a reasonable income and the preservation of capital. Upon advice of the contracted, qualified external money management company, the Town may invest in corporate stocks, bonds or other debentures subject to limitations in New Hampshire State law (RSA 383:22).

Of the total investments of \$20,368,673, \$5,163,041 is collateralized by FDIC insurance. The Town's remaining investments of \$15,205,632 are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the Town's brokerage firm, which is also Counterparty to these securities. The risk is managed by securities being held in separately identifiable trust accounts.

#### **B. Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

The Town's investment policy addresses credit risk by limiting investments to the safest types of securities and diversifying the investment portfolio. With the exception of U.S. Treasury securities, and U.S. Government agencies, no more than 75% of the Town total investment portfolio will be invested in a single security type or with a single financial institution, unless 100% collateralized.

Presented below (in thousands) is the actual rating as of year-end for each investment of the Town (All federal agency securities have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating as of Year-end</u>			
		<u>Aaa</u>	<u>Aa1-Aa3</u>	<u>A1-A3</u>	<u>Baa1-Ba3</u>
Debt-related securities:					
Corporate bonds	\$ 1,697,844	\$ 153,051	\$ 707,530	\$ 677,454	\$ 159,809
Municipal bonds	159,222	-	159,222	-	-
U.S. Treasury notes	2,981,058	2,981,058	-	-	-
Federal agency securities	3,638,041	3,638,041	-	-	-
Fixed income mutual funds	162,594	60,647	18,536	42,925	40,486
Subtotal	8,638,759	\$ <u>6,832,797</u>	\$ <u>885,288</u>	\$ <u>720,379</u>	\$ <u>200,295</u>
Corporate equities	4,327,685				
Certificates of deposit	7,402,229				
Total investments	\$ <u>20,368,673</u>				

*C. Concentration of Credit Risk*

The Town places no limit on the amount the Town may invest in any one issuer. There are no investments in any one issuer that represent 5% or more of total investments at June 30, 2017.

*D. 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. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

It is the Town's policy to invest all funds, other than Trust Fund investments, in a manner which will provide safety of principal with a market rate of return while maintaining a sufficient level of liquidity to meet the daily cash flows of the Town. In order to maintain liquidity, investments of operating funds shall have maturities of one year or less. Certain long-term reserve funds such as capital projects may be invested in securities exceeding one year if the maturity of such investments is made to coincide with the expected use of the funds.

One of the ways that the Town manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time.

Not more than 5% of the Town's investment portfolio, other than Trust fund investments, is to be invested in securities with maturities greater than one year. The Town's investments include certificates of deposits.

Information about the sensitivity of the fair values of the Trust's debt related securities to market interest rate fluctuations is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
Debt-related Securities:				
Corporate bonds	\$ 1,697,844	\$ 200,189	\$ 718,353	\$ 779,302
Municipal bonds	159,222	-	159,222	-
U.S. Treasury notes	2,981,058	2,244,430	736,628	-
Federal agency securities	3,638,041	1,747,230	1,890,811	-
Fixed income mutual funds	162,594	-	162,594	-
Total	\$ 8,638,759	\$ 4,191,849	\$ 3,667,608	\$ 779,302

*E. Foreign Currency Risk*

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have policies for foreign currency risk.

*F. Fair Value*

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following fair value measurements as of June 30, 2017:

		Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<u>Description</u>				
Investments by fair value level:				
Debt securities:				
Corporate bonds	\$ 1,697,844	\$ -	\$ 1,697,844	\$ -
Municipal bonds	159,222	-	159,222	-
U.S. Treasury securities	2,981,058	-	2,981,058	-
U.S. Government Agencies	3,638,041	-	3,638,041	-
Fixed income mutual fund	162,594	-	162,594	-
Equity securities:				
Consumer discretionary	473,597	473,597	-	-
Consumer staples	478,772	478,772	-	-
Energy	317,309	317,309	-	-
Financials	672,525	672,525	-	-
Health care	669,669	669,669	-	-
Industrials	643,923	643,923	-	-
Information technology	675,320	675,320	-	-
Materials	116,379	116,379	-	-
Utilities	280,191	280,191	-	-
Total	\$ <u>12,966,444</u>	\$ <u>4,327,685</u>	\$ <u>8,638,759</u>	\$ <u>-</u>

#### **4. Taxes Receivable**

The Town bills property taxes semi-annually, in May and November. Property tax revenues are recognized in the fiscal year for which taxes have been levied. Property taxes are due on July 1 and December 1. Delinquent accounts are charged 12% interest. In March of the next year, a lien is recorded on delinquent property at the Registry of Deeds. The Town, after annually reviewing delinquent accounts and making recommendations to the Town Council, records the asset at a value including all the delinquent accounts, recording costs and accrued interest. The accounts that are lienied by the Town will be reclassified from property taxes receivable to unredeemed tax liens receivable. After this date, delinquent accounts will be charged interest at a rate of 18%. The Town annually budgets amounts (overlay for abatements) for property tax abatements and refunds.

Taxes receivable at June 30, 2017 consist of the following:

Real estate	\$ 5,660,581
Tax liens	1,509,712
Elderly and disabled deferred	83,840
Yield	445
Land use change	<u>20,505</u>
Total	<u>\$ 7,275,083</u>

#### **Taxes Collected for Others**

The Town collects property taxes for the State of New Hampshire, the Derry Cooperative School District and the County of Rockingham. Payments to the other taxing units are normally made throughout the year. The ultimate responsibility for the collection of taxes rests with the Town.

#### **5. Allowance for Doubtful Accounts**

The receivables reported in the accompanying financial statements reflect estimated allowances for doubtful accounts. Governmental activities reflect an allowance of \$900,032 for ambulance, welfare liens, and other accounts receivable while business-type activities reflect an allowance of \$3,402 for user fees.

#### **6. Due From Other Governments**

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2017.

#### **7. Interfund Fund Receivables/Payables and Transfers**

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and

payable accounts must be utilized. The following is an analysis of the June 30, 2017 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental Funds:		
Major Fund:		
General fund	\$ -	\$ 8,286,530
Nonmajor Funds:		
Special Revenue Funds:		
Derry Public Library	81,406	-
Taylor Public Library	18,549	-
Cable Television	669,949	-
Conservation Commission	978,992	-
Public Health	58	-
Public Safety Grants	43,580	-
Miscellaneous Grants	39,975	-
Waste Tire Reclamation	42,865	-
Transportation Improvement	-	72,813
Capital Project Funds:		
Rail Trail	122,055	-
Bridge Improvements	595,782	-
Transfer Station Facility	79,338	-
Rockingham Rd Reconstruction	22,858	-
Permanent Funds:		
General Cemetery Care	4,000	-
Parks and Playgrounds	-	5,827
Subtotal Nonmajor Funds	<u>2,699,407</u>	<u>78,640</u>
Total Governmental Funds	2,699,407	8,365,170
Business-Type Activities:		
Water Fund	3,424,039	-
Sewer Fund	<u>2,241,724</u>	-
Total Business-Type Activities	<u>5,665,763</u>	-
Grand Total	<u>\$ 8,365,170</u>	<u>\$ 8,365,170</u>

Advances – In fiscal year 2017 the Town Council approved a resolution in which the General Fund loaned \$487,000 to the Sewer Fund, for the Brady Ave sewer extension project. The loan is to be paid back over five years, beginning in fiscal year 2019, with an annual interest rate of 3%.

The Town reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is an analysis of interfund transfers made in fiscal year 2017.

<u>Governmental Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,102,031	\$ 523,988
Nonmajor Funds:		
Special Revenue Funds:		
Derry Public Library	363	2,746
Taylor Library	-	113,797
Cable Television	-	100,000
Conservation Commission	502,500	-
Public Safety Grants	263	-
Miscellaneous Grants	11,000	-
Permanent Funds:		
General Cemetery Care	10,225	55,000
Parks and Playgrounds	-	41,178
Libraries	-	1,875
Highways and Streets	-	2,000
Human Services	-	1,500
Subtotal Nonmajor Funds	<u>524,351</u>	<u>318,096</u>
Total Governmental Funds	2,626,382	842,084
Business-Type Activities:		
Water Fund	<u>-</u>	<u>1,784,298</u>
Total Business-Type Activities	<u>-</u>	<u>1,784,298</u>
Grand Total	<u>\$ 2,626,382</u>	<u>\$ 2,626,382</u>

The \$1,784,298 transfer into the General fund, from the Water fund, represents a partial repayment of funds borrowed by the Water fund in fiscal year 2016 for the MtBE project. The Water fund's project costs are being 85.6% reimbursed by the State. The \$502,500 transfer into the Conservation Commission fund, from the General fund, represents the use of unassigned fund balance towards the purchases of two properties for conservation purposes.

## 8. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,930	\$ 424	\$ -	\$ 8,354
Infrastructure and other assets	79,102	2	-	79,104
Construction in progress	27	1,745	(538)	1,234
Intangibles	3,001	-	-	3,001
Total capital assets, not being depreciated	90,060	2,171	(538)	91,693
Other capital assets:				
Land improvements	6,508	-	-	6,508
Buildings and improvements	19,958	99	-	20,057
Machinery and equipment	6,981	733	(81)	7,633
Vehicles	7,443	630	(1,070)	7,003
Improvements other than buildings	6,431	-	-	6,431
Intangibles	706	5	-	711
Total other capital assets	48,027	1,467	(1,151)	48,343
Less accumulated depreciation for:				
Land improvements	(3,206)	(319)	-	(3,525)
Buildings and improvements	(7,497)	(554)	-	(8,051)
Machinery and equipment	(4,845)	(443)	51	(5,237)
Vehicles	(5,798)	(418)	1,025	(5,191)
Improvements other than buildings	(1,494)	(127)	-	(1,621)
Intangibles	(683)	(10)	-	(693)
Total accumulated depreciation	(23,523)	(1,871)	1,076	(24,318)
Total other capital assets, net	24,504	(404)	(75)	24,025
Total capital assets, net	\$ 114,564	\$ 1,767	\$ (613)	\$ 115,718
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 202	\$ -	\$ (7)	\$ 195
Construction in progress	122	2,829	(397)	2,554
Intangibles	662	-	-	662
Total capital assets, not being depreciated	986	2,829	(404)	3,411
Other capital assets:				
Buildings and improvements	160	-	-	160
Machinery and equipment	279	-	-	279
Vehicles	967	41	(32)	976
Infrastructure	46,612	444	-	47,056
Intangibles	38	10	-	48
Total other capital assets	48,056	495	(32)	48,519
Less accumulated depreciation for:				
Buildings and improvements	(49)	(5)	-	(54)
Machinery and equipment	(129)	(25)	-	(154)
Vehicles	(611)	(84)	26	(669)
Infrastructure	(16,266)	(714)	-	(16,980)
Intangibles	(2)	(9)	-	(11)
Total accumulated depreciation	(17,057)	(837)	26	(17,868)
Total other capital assets, net	30,999	(342)	(6)	30,651
Total capital assets, net	\$ 31,985	\$ 2,487	\$ (410)	\$ 34,062



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

Governmental Activities:		
General government	\$	374
Public safety		595
Highway		377
Health and welfare		3
Sanitation		175
Culture and recreation		<u>347</u>
Total depreciation expense - governmental activities	\$	<u><u>1,871</u></u>
Business-Type Activities:		
Water	\$	298
Sewer		<u>539</u>
Total depreciation expense - business-type activities	\$	<u><u>837</u></u>

## 9. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions, in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, are more fully discussed in Note 15.

## 10. Accounts Payable and Accrued Expenditures/Expenses

Accounts payable and accrued expenses represent 2017 expenditures paid after fiscal 2017.

## 11. Capital Lease Obligations

The Town is the lessee of certain equipment under capital and operating leases expiring in various years through 2022. Future minimum lease payments under the capital and operating leases consisted of the following as of June 30, 2017:

	<u>Governmental</u>	<u>Business-Type</u>
	<u>Activities</u>	<u>Activities</u>
2018	\$ 504,036	\$ 23,624
2019	483,123	23,624
2020	464,455	-
2021	283,802	-
2022	<u>141,167</u>	<u>-</u>
Total minimum lease payments	1,876,583	47,248
Less amounts representing interest	<u>(74,369)</u>	<u>(1,508)</u>
Present Value of Minimum Lease Payments	\$ <u><u>1,802,214</u></u>	\$ <u><u>45,740</u></u>

The following is an analysis for the leased assets included in capital assets at June 30, 2017:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery, vehicles and equipment	\$ 2,072,006	\$ 113,163
Less: accumulated depreciation	<u>(139,350)</u>	<u>(31,120)</u>
Equipment under capital leases, net	<u>\$ 1,932,656</u>	<u>\$ 82,043</u>

## 12. Long-Term Debt

### A. Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the Town for various municipal improvements, are approved by the voters and repaid with property taxes recorded in the general fund. These bonds are required to be fully paid within 20 years from the date of issue and are backed by the full faith and credit of the Town. The Town's borrowing capacity is restrained by State law. Compensated absences are repaid from the funds that the costs relate to, mostly general fund, and also water and sewer funds.

### B. General Obligation Bonds and Tax Increment Financing Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

The Town has pledged a portion of future tax increment financing (TIF) revenues to repay \$2,000,000 in tax increment bonds issued in April 2004 to finance the economic development of Ash Street Corporate Park. The bonds are payable solely from the tax increment financing taxes generated by businesses in the commercial/light industrial park.

The Town has pledged a portion of future tax increment financing (TIF) revenues to repay \$3,400,000 in tax increment bonds issued in November 2011 to finance the road reconstruction within the Route 28 Corridor. The bonds are payable solely from the tax increment financing taxes generated by businesses in the Route 28 district between the Londonderry town line and Tsienneto/Folsom Roads.

General obligation bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	Serial Maturities <u>Through</u>	Interest Rate(s) % <u>Rate(s) %</u>	Amount Issued <u>Issued</u>	Amount Outstanding as of 6/30/17 <u>6/30/17</u>
Land Purchase	01/15/19	4.00 - 4.80%	\$ 1,735,000	\$ 50,000
Humphrey Field House	01/15/20	5.375 - 5.75%	\$ 1,890,000	275,000
Humphrey Road Complex	01/15/21	4.75 - 5.25%	\$ 489,605	90,000
Municipal Services Infrastructure	03/15/24	3.45 - 4.00%	\$ 1,500,000	525,000
Transfer Station & Rockingham Rd	05/01/33	2.00 - 2.80%	\$ 4,000,000	3,200,000
Municipal Center - Refunding	06/30/21	1.00 - 1.30%	\$ 1,250,000	575,000
Police Station Addition - Refunding	06/15/26	1.99%	\$ 525,000	<u>460,000</u>
Total Governmental Activities, excluding TIF:				<u>\$ 5,175,000</u>

<u>Governmental Activities TIF:</u>	Serial Maturities <u>Through</u>	Interest Rate(s) % <u>Rate(s) %</u>	Amount Issued <u>Issued</u>	Amount Outstanding as of 6/30/17 <u>6/30/17</u>
Route 28 Corridor	11/15/31	2.00 - 3.50%	\$ 3,400,000	\$ 3,185,000
Ash Street - Refunding	04/15/20	1.63%	\$ 950,000	<u>670,000</u>
Total Governmental Activities TIF:				<u>\$ 3,855,000</u>

<u>Business-Type Activities:</u>	Serial Maturities <u>Through</u>	Interest Rate(s) % <u>Rate(s) %</u>	Amount Issued <u>Issued</u>	Amount Outstanding as of 6/30/17 <u>6/30/17</u>
Water Fund:				
Water Main Upgrade	08/15/18	5.00%	\$ 1,000,000	\$ 100,000
Woodlands and Route 28	05/01/33	2.00 - 2.80%	500,000	420,000
Water Expansions Route 28	06/30/34	2.00 - 3.50%	1,718,500	1,509,425
Sewer Fund:				
Wastewater Force Main	05/15/23	3.50 - 4.00%	3,700,000	1,110,000
Wastewater Extension Route 28	05/01/33	2.00 - 2.80%	250,000	210,000
Wastewater Expansions Route 28	06/30/34	2.00 - 3.50%	1,725,500	1,515,575
Wastewater Effluent Upgrade - Refunding	06/15/26	1.99%	525,000	<u>460,000</u>
Total Business-Type Activities:				<u>\$ 5,325,000</u>

*C. Future Debt Service*

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2017 are as follows:

<u>Governmental (non-TIF)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 630,000	\$ 130,024	\$ 760,024
2019	615,000	112,867	727,867
2020	577,500	95,860	673,360
2021	482,500	80,200	562,700
2022	327,500	69,426	396,926
2023-2027	1,342,500	236,153	1,578,653
2028-2032	1,000,000	107,300	1,107,300
2033	200,000	5,600	205,600
Total	\$ <u>5,175,000</u>	\$ <u>837,430</u>	\$ <u>6,012,430</u>

Debt service requirements to retire tax increment financing bonds for governmental activities at June 30, 2017 are as follows:

<u>Governmental TIF</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 435,000	\$ 98,309	\$ 533,309
2019	435,000	90,423	525,423
2020	445,000	82,537	527,537
2021	215,000	73,950	288,950
2022	215,000	68,575	283,575
2023-2027	1,060,000	256,206	1,316,206
2028-2032	1,050,000	90,825	1,140,825
Total	\$ <u>3,855,000</u>	\$ <u>760,825</u>	\$ <u>4,615,825</u>

Debt Service requirements to retire business-type activities bonds payable at June 30, 2017 are as follows:

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 465,000	\$ 156,047	\$ 621,047
2019	470,000	142,292	612,292
2020	422,500	129,503	552,003
2021	427,500	117,728	545,228
2022	427,500	105,668	533,168
2023-2027	1,422,500	376,003	1,798,503
2028-2032	1,200,000	201,390	1,401,390
2033-2034	490,000	24,675	514,675
Total	\$ <u>5,325,000</u>	\$ <u>1,253,306</u>	\$ <u>6,578,306</u>

#### D. Changes in General Long-Term Liabilities

During the year ended June 30, 2017, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/16	Additions	Reductions	Total Balance 6/30/17	Less Current Portion	Equals Long-Term Portion 6/30/17
<u>Governmental Activities</u>						
General obligation bonds payable	\$ 5,810	\$ -	\$ (635)	\$ 5,175	\$ (630)	\$ 4,545
Unamortized bond premiums	111	-	(7)	104	(7)	97
Subtotal	5,921	-	(642)	5,279	(637)	4,642
Tax increment financing bonds payable	4,285	-	(430)	3,855	(435)	3,420
Net pension liability	34,847	8,989	-	43,836	-	43,836
Other post-employment benefits	7,779	856	-	8,635	-	8,635
Capital leases payable	216	1,745	(159)	1,802	(479)	1,323
Compensated absences	3,585	2,378	(2,207)	3,756	(890)	2,866
Estimated liability for landfill postclosure care costs	13	-	(13)	-	-	-
Totals	\$ 56,646	\$ 13,968	\$ (3,451)	\$ 67,163	\$ (2,441)	\$ 64,722
<u>Business-Type Activities</u>						
General obligation bonds payable	\$ 5,790	\$ -	\$ (465)	\$ 5,325	\$ (465)	\$ 4,860
Unamortized bond premiums	86	-	(6)	80	(6)	74
Subtotal	5,876	-	(471)	5,405	(471)	4,934
Net pension liability	1,477	483	-	1,960	-	1,960
Other post-employment benefits	629	66	-	695	-	695
Capital leases payable	68	-	(22)	46	(23)	23
Compensated absences	199	153	(194)	158	(35)	123
Totals	\$ 8,249	\$ 702	\$ (687)	\$ 8,264	\$ (529)	\$ 7,735

#### E. Authorized Unissued Debt

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2017 are as follows:

##### General obligation bonds:

##### Purpose:

Exit 4A

##### Amount

\$ 1,972,289

### 13. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension will be recognized in pension expense in future years and is more fully described in Note 15.

The following is a summary of deferred inflows of resources balances, not related to pensions, as of June 30, 2017:

	Entity-wide Basis		Fund Basis	
	Governmental	Business-type	Governmental Funds	
	<u>Activities</u>	<u>Activities</u>	<u>General Fund</u>	<u>Nonmajor</u>
Taxes collected in advance	\$ 38,114,783	\$ -	\$ 38,114,783	\$ -
Unavailable revenues, property taxes	-	-	1,406,585	20,505
Unavailable revenues, loans	-	-	-	204,183
Total deferred inflows	<u>\$ 38,114,783</u>	<u>\$ -</u>	<u>\$ 39,521,368</u>	<u>\$ 224,688</u>

### 14. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The following types of fund balances are reported at June 30, 2017:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue and capital project funds, and the income portion of permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved at Town Meeting, capital reserve funds set aside by Town Meeting vote for future capital acquisitions and improvements (now reported as part of the general fund per GASB 54), and various special revenue and capital project funds. Subsequent Town Meeting action is necessary to modify or rescind a fund balance commitment.

Assigned - Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period, as authorized by the Town Administrator per the Fund Balance Policy.

Unassigned - Represents the residual classification for the general fund and include all amounts not contained in the other classifications. Unassigned amounts are available for any purpose. Temporary fund balance deficits are reported as negative amounts in the unassigned classification in other governmental funds. Positive unassigned amounts are reported only in the general fund.

Following is a breakdown of the Town's fund balances at June 30, 2017:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Prepaid expenditures	\$ 89,839	\$ 519	\$ 90,358
Property held for resale	75,294	-	75,294
Advance to sewer fund	487,000	-	487,000
Nonexpendable permanent funds:			
General cemetery care	-	2,666,575	2,666,575
Parks and playgrounds	-	3,615,219	3,615,219
All remaining	-	182,527	182,527
Total Nonexpendable	652,133	6,464,840	7,116,973
Restricted			
Bonded projects	6,525	22,858	29,383
Library donations	116,544	-	116,544
Special revenue funds:			
Derry pulic library	-	81,592	81,592
Taylor library	-	18,899	18,899
Waste tire reclamation	-	468,734	468,734
Conservation commission	-	978,992	978,992
All remaining	-	132,797	132,797
Expendable permanent funds:			
General cemetery care	-	344,478	344,478
Parks and playgrounds	-	702,939	702,939
All remaining	-	29,510	29,510
Total Restricted	123,069	2,780,799	2,903,868
Committed			
Ash Street TIF	73,557	-	73,557
Route 28 TIF	917,814	-	917,814
Capital reserves	6,451,080	-	6,451,080
Compensated absences	3,755,742	-	3,755,742
Exit 4a	544,030	-	544,030
Cable television	-	769,007	769,007
Economic development loan	-	45,269	45,269
Rail trail	-	122,055	122,055
Bridge improvements	-	775,936	775,936
Transfer station facility	-	79,338	79,338
Total Committed	11,742,223	1,791,605	13,533,828

(continued)

(continued)

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assigned			
Encumbered for:			
General government	63,561	-	63,561
Public safety	53,926	-	53,926
Health and human services	3,680	-	3,680
Culture and recreation	53,175	-	53,175
Economic development	22,248	-	22,248
Sanitation	8,935	-	8,935
Capital	192,452	-	192,452
Next year's expenditures	650,000	-	650,000
Compensated absences	179,489	-	179,489
Forest management	40,585	-	40,585
Total Assigned	1,268,051	-	1,268,051
Unassigned	9,070,775	-	9,070,775
Total Fund Balances	<u>\$ 22,856,251</u>	<u>\$ 11,037,244</u>	<u>\$ 33,893,495</u>

## 15. Retirement System

The Town follows 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).

### A. Plan Description

Full-time employees participate in the New Hampshire Retirement System (NHRS), 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 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 NHRS annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.



## *B. 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  $\frac{1}{60}$  or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at  $\frac{1}{66}$  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.

## *C. 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 Town makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 10.86% to 25.32% of covered compensation. The Town's contributions to NHRS for the year ended June 30, 2017 was \$3,628,737 which was equal to its annual required contribution.

## *D. 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' 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.

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

At June 30, 2017, the Town reported a liability of \$45,795,667 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Town's proportion was 0.861 percent.

For the year ended June 30, 2017, the Town recognized pension expense of \$1,135,729. In addition, the Town 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
Pension contributions after measurement date	\$ 3,628,738	\$ -
Differences between expected and actual experience	127,266	578,285
Net difference between projected and actual earnings on pension plan investments	2,865,212	-
Changes in assumptions	5,635,991	-
Changes in proportion	344,238	2,587,117
Total	<u>\$ 12,601,445</u>	<u>\$ 3,165,402</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 expense in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows/(Inflows)
2018	\$ 946,032
2019	946,032
2020	2,089,708
2021	1,753,665
2022	71,868
Total	<u>\$ 5,807,305</u>

## F. Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent per year
Salary increases	5.6 percent average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and female, adjusted for mortality improvements using MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study.

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:

<u>Asset Class</u>	<u>Target Allocation Percentage</u>	<u>Weighted Average Average Long- Term Expected Real Rate of Return</u>
Large Cap Equities	22.50 %	4.25%
Small/Mid Cap Equities	<u>7.50</u>	4.50%
Total domestic equities	30.00	
Int'l Equities (unhedged)	13.00	4.75%
Emerging Int'l Equities	<u>7.00</u>	6.25%
Total international equities	20.00	
Core Bonds	5.00	0.64%
Short Duration	2.00	-0.25%
Global Multi-Sector Fixed Income	11.00	1.71%
Absolute Return Fixed Income	<u>7.00</u>	1.08%
Total fixed income	25.00	
Private Equity	5.00	6.25%
Private Debt	5.00	4.75%
Opportunistic	5.00	3.68%
Real Estate	<u>10.00</u>	3.25%
Total alternative investments	<u>25.00</u>	
Total	<u>100.00</u> %	

#### G. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.72%) than the current rate:

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
June 30, 2017	\$ 58,844,312	\$ 45,795,667	\$ 34,973,884

#### I. Pension Plan Fiduciary Net Position

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

### **16. Post-Employment Healthcare and Life Insurance Benefits**

#### **Other Post-Employment Benefits**

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 Activities 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.

*A. Plan Description*

In addition to providing the pension benefits described, the Town provides post-employment health care and life insurance benefits for retired employees through the Town's Single Employer Defined Benefit Plan. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50. As of June 30, 2016, the actuarial valuation date, approximately 147 retirees, beneficiaries, and dependents and 176 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

*B. Benefits Provided*

The Town offers medical, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

*C. Funding Policy*

Retirees pay 100% of the premium in excess of the NHRS Subsidy, if any, with the following exceptions:

- For current Teamsters-Public Works, AFSCME-Staff Support and Professional, Administrative and Technical Employees (PATE) union contracts, as well as non-represented employees, the Town will pay for Medcomp III for retirees when they reach age 65, if the retiree has a minimum 10 years of service with the Town and is qualified to receive retirement benefits from the New Hampshire Retirement System.

Teamsters-Public Works employees hired after June 30, 2013 must work 20 years. Employees hired after July 1, 2010 shall be limited to the amount of the July 1, 2009 Medcomp III premium.

AFSCME-Staff Support - Employees hired after April 23, 2009 must work 20 years and be limited to the July 1, 2009 Medcomp III premium.

- The Town also provides for up to 3.5 years of long-term disability coverage for current Teamster-Public Works and PATE union contracts. For Teamsters disabled as of July 1, 2013, the coverage period will be four years.

Retirees pay 100% of life insurance premiums and 100% of their dependents' health insurance premiums.

*D. Annual OPEB Costs and Net OPEB Obligation*

The Town's fiscal 2017 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), 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 Town's annual OPEB cost for the year ending June 30, 2017, the amount actually contributed to the plan, and the change in the Town's net OPEB obligation based on an actuarial valuation as of June 30, 2016.

Annual Required Contribution (ARC)	\$ 1,104,877
Interest on net OPEB obligation	378,330
Adjustment to ARC	<u>(339,252)</u>
Annual OPEB cost	1,143,955
Contributions made	<u>(221,740)</u>
Increase in net OPEB obligation	922,215
Net OPEB obligation - beginning of year	<u>8,407,342</u>
Net OPEB obligation - end of year	<u>\$ 9,329,557</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 1,143,955	19.4%	\$ 9,329,557
2016	\$ 1,373,887	16.1%	\$ 8,407,342
2015	\$ 1,290,276	18.2%	\$ 8,370,027
2014	\$ 1,399,244	17.2%	\$ 6,259,381
2013	\$ 1,307,786	17.2%	\$ 5,101,279
2012	\$ 1,481,776	21.6%	\$ 3,981,488
2011	\$ 1,382,055	19.2%	\$ 2,820,105
2010	\$ 1,117,285	21.2%	\$ 1,704,070

*E. Funded Status and Funding Progress*

The funded status of the plan as of June 30, 2016, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 13,515,444
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 13,515,444</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0.0%</u>
Covered payroll (active plan members)	<u>\$ not available</u>
UAAL as a percentage of covered payroll	<u>not available</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 OPEB 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.

*F. Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town 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 Town 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, 2016 actuarial valuation, the projected unit credit cost method was used. The actuarial value of assets was not determined as the Town has not advance funded its obligation. The actuarial assumptions included a 4.5% investment rate of return, inflation rate of 3.25%, and an initial annual healthcare cost trend rate of 7.5% which decreases to a 4.5% long-term rate for all healthcare benefits after six years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on an open basis. This has been calculated assuming the amortization payment increases at a rate of 3.25%.

**17. Commitments and Contingencies**

Exit 4A – On January 13, 2016 the Town entered into an agreement with the State for the construction of a new exit, off Interstate 93, Exit 4A. The Town agreed to pay for \$5M of expenses prior to giving the project to the State to finalize. As of year-end, the Town had expended \$2,538,566 of project costs, with an additional portion encumbered in the general fund. The Town plans on using general fund money to fund future costs, however there is an outstanding authorization for debt issuance, if necessary.

Outstanding Legal Issues - There are several pending legal issues in which the Town is involved. The Town'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 Town expects such amounts, if any, to be immaterial.

Abatements – There are several cases pending before the NH Board of Tax and Land Appeals in regard to alleged discrepancies in property assessments. According to the Town's counsel, the probable outcome of these cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

## **18. Implementation of New GASB Standard**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, replacing requirements of Statements No. 45 and 57, effective for the Town beginning with its year ending June 30, 2018. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specific criteria and for employers whose employees are provided with defined contribution OPEB. Management's current assessment is that this pronouncement will have an impact on the Town's financial statements by increasing the net OPEB liability, and as a result, decreasing unrestricted net position.



## **REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF DERRY, NEW HAMPSHIRE**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**  
**(Unaudited)**

New Hampshire Retirement System						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2017	June 30, 2016	0.861%	\$45,795,667	\$ 17,339,518	264.1%	58.30%
June 30, 2016	June 30, 2015	0.917%	\$36,324,323	\$ 18,197,458	199.6%	65.47%
June 30, 2015	June 30, 2014	0.904%	\$33,932,627	\$ 17,235,414	196.9%	66.32%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditors' Report.

**TOWN OF DERRY, NEW HAMPSHIRE**

**SCHEDULE OF PENSION CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017  
(Unaudited)**

New Hampshire Retirement System					
<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2017	\$ 3,628,737	\$ 3,628,737	\$ -	\$ 17,339,518	20.9%
June 30, 2016	\$ 3,428,607	\$ 3,428,607	\$ -	\$ 18,197,458	18.8%
June 30, 2015	\$ 3,512,182	\$ 3,512,182	\$ -	\$ 17,235,414	20.4%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See Independent Auditors' Report.

**TOWN OF DERRY, NEW HAMPSHIRE**  
**SCHEDULE OF OPEB FUNDING PROGRESS (GASB 45)**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2017**  
**(Unaudited)**

**Other Post-Employment Benefits**

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percent- age of Covered Payroll <u>[(b-a)/c]</u>
06/30/16	\$ -	\$ 13,515,444	\$ 13,515,444	0.0%	not available	
06/30/14	\$ -	\$ 15,349,044	\$ 15,349,044	0.0%	\$ 16,824,900	91.2%
06/30/12	\$ -	\$ 13,794,817	\$ 13,794,817	0.0%	\$ 16,341,816	84.4%
06/30/10	\$ -	\$ 17,648,536	\$ 17,648,536	0.0%	\$ 18,602,453	94.9%
06/30/07	\$ -	\$ 12,270,643	\$ 12,270,643	0.0%	\$ 18,334,303	66.9%

See Independent Auditors' Report.

**TOWN OF DERRY, NEW HAMPSHIRE**  
**Required Supplementary Information**  
**Modified Approach for Infrastructure**  
**Capital Assets**  
**For the Year Ended June 30, 2017**

**Schedule of Condition Assessment**

Fiscal Year of <u>Assessment</u>	<u>Rating</u>	<u>Condition</u>
2015	79	good
2012	75	good
2009	78	good

**Comparison of Estimated to Actual Maintenance/Preservation**

Year Ending <u>June 30,</u>	Estimated <u>Costs</u>	Actual <u>Costs</u>
2017	\$ 1,454,273	\$ 1,186,108
2016	\$ 1,448,938	\$ 1,534,567
2015	\$ 1,456,663	\$ 1,276,827
2014	\$ 1,459,764	\$ 1,493,108
2013	\$ 1,407,266	\$ 1,315,482
2012	\$ 1,401,837	\$ 1,374,690
2011	\$ 1,177,443	\$ 1,078,191

See Independent Auditors' Report.

**TOWN OF DERRY, NEW HAMPSHIRE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2017**

**MODIFIED APPROACH FOR INFRASTRUCTURE CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the Town is required to account for and report infrastructure capital assets. The Town's infrastructure consists of roads, bridges, sidewalks, and similar items. The Town has elected to use the "modified approach" for infrastructure reporting on its roadways and sidewalks. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The Town manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amounts to maintain and preserve at the established condition assessment level.
- The Town documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed assessment level.

Condition assessment ratings are being used to determine the level of annual funding required to maintain the value of the roadway systems. The Town uses an engineer-developed Pavement Condition Index (PCI) to determine the conditions of its roadways. The analysis includes: inventory information to define the size and characteristics of each roadway; distress information to determine existence, severity and extent of physical problems; and drainage and roadway cross-section characteristics, particularly with respect to deficiencies.

The following conditions were defined and associated to a rating within the asset management system:

<u>Condition</u>	<u>Rating</u>	<u>Remedial Action</u>
Excellent	100-80	Crack Seal or Defer Action
Good	79-68	Chip Seal or Crack Seal
Fair	67-63	Shim and Overlay
Poor	62-58	Reclaim
Failed	57-0	Reconstruct and Reclaim

See Independent Auditors' Report.

Each road is surveyed and graded on its condition and given a rating. This helps the Town prioritize which roads should be treated and the assessment of what type of treatment is necessary in the development of a long-range repair and maintenance plan.

The last three assessments effective in 2015, 2012, and 2009 reflected a good PCI rating of 79, 75, and 78, respectively.

In fiscal year 2003, the Town council adopted the “good” conditional assessment PCI rating range of 68 to 80 for its roadway maintenance program goal and it also estimated expenditures of \$1,300,000 per year are necessary to sustain the roadways rating level.

The current PCI of 79 is in line with the council’s goal of preserving the network in the range between 68 and 80. The currently defined system of roadway and sidewalk networks is not depreciated because the Town’s conditional assessment rating falls within its adopted range.

The Town has expended an average of \$1,315,770 annually on roadway maintenance for the past 10 years. Roadway site improvements paid directly by developers and increased utilization of Town staff for roadway engineering and some construction has enabled the Town to sustain or improve its overall PCI rating while managing expenditures efficiently.

See Independent Auditors’ Report.



**SUPPLEMENTARY STATEMENTS  
AND SCHEDULES**

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## **Combining Financial Statements**

## NON-MAJOR 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:

- Derry Public Library Fund: This fund is used to account for library revenues and expenditures incurred in the operation of Derry's main library located at 64 East Broadway.
- Taylor Library Fund: This fund is used to account for library revenues and expenditures incurred in the operation of this public library located at 49 East Derry Road.
- Cable Television Fund: This fund is used to account for cable television franchise fees and other related miscellaneous income and expenses associated with Cable Television.
- Conservation Commission Fund: This fund is used to account for revenue and expenses associated with acquiring and preserving conservation land. This fund receives 100% of Land Use Change Tax (current use) revenue and public donations designated for conservation purposes.
- Public Health Fund: This fund is to account for the planning, testing and implementation of regional Public Health plans related to emergency preparedness as well as providing support for local health officers and school nurses. This fund is supported by federal funds passed through the New Hampshire Department of Health and Human Services and the National Association of County and City Health Officials (NACCHO).
- Public Safety Grants Fund: This fund is used to account for grants and donations received and expenses for the purpose of public safety including for the enforcement of underage drinking laws, DWI saturation, seatbelt compliance, off-road vehicle patrols and funding for domestic preparedness planning, training and equipment using federal pass-through funds from Rockingham County for Justice Assistance and New Hampshire Department of Justice, New Hampshire Highway Safety and New Hampshire Fish and Game.
- Miscellaneous Grants Fund: This fund is used to account for various donations or grants received and their related expenditures.
- Waste Tire Reclamation Fund: The Waste Reclamation Trust was established pursuant to NH RSA 31:19A. The Trust was established to retain fees collected from motor vehicle registrations as authorized pursuant to NH RSA Chapter 263 (HB332). The purpose of the reserve is to fund the disposal of motor vehicle waste generated within the Town of Derry and to recycle and reclaim other types of solid waste.
- Transportation Improvement Fund: has been established to collect fees from motor vehicle registrations for the purpose of funding improvements to the Town's roadways.

- Rockingham Economic Development Corporation: This fund is used to account for loan revenue and expenditures associated with economic development for eligible small businesses. This fund is supported by Rockingham Economic Development Corporation who also acts as the Town's agent in administering the loans.

## **CAPITAL PROJECT FUNDS**

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment other than those employed in the delivery of services accounted for in Enterprise Funds.

The current funds were established for the following purposes:

- Rail Trail Fund: This fund is used to account for all costs associated with improving the Derry Rail Trail. Segment 1, which is currently in the engineering phase, will include paving Hood Park to North High Street. Depending on available funds, segment 2 from North High Street to the Londonderry line will be completed at a future date.
- Bridge Improvements Fund: During FY2017 this fund was repurposed to account for the construction of bridges on North Shore Road at Beaver Lake and Island Pond. These projects qualify for 80% reimbursement from the State of New Hampshire for eligible costs.
- Transfer Station Facility Fund: This fund is used to account for capital improvements to the Transfer Station Facility.
- Rockingham Road Reconstruction Fund: This fund is used to account for reconstruction costs of Rockingham Road, bridge, and drainage improvements.

## **PERMANENT FUNDS**

Permanent Funds are established to account for certain assets held by the Town in a fiduciary capacity as trustee. The following is a description of Town Permanent Funds:

- General Cemetery Care: to account for the East Derry Cemetery and perpetual care.
- Parks and Playgrounds: to account for the MacGregor Pioneer Park upkeep and operations and improvements to Alexander Carr Park.
- Libraries: to account for the Taylor Library's general expenses and Derry Public Library's book, art and musical recordings.
- Highways and Streets: to account for street repair.
- Human Services: to benefit the poor of Derry with emphasis on clothing.

**TOWN OF DERRY, NEW HAMPSHIRE**

**Combining Balance Sheet**

**Nonmajor Governmental Funds**

**June 30, 2017**

	<u>Special Revenue Funds</u>			
	<u>Derry Public Library Fund</u>	<u>Taylor Library Fund</u>	<u>Cable Television Fund</u>	<u>Conservation Commission Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 496	\$ 350	\$ -	\$ -
Investments	-	-	-	-
Taxes receivable	-	-	-	20,505
Accounts receivable, net	-	-	99,532	-
Due from other governments	-	-	-	-
Due from other funds	81,406	18,549	669,949	978,992
Prepaid items	519	-	-	-
Loans receivable	-	-	-	-
TOTAL ASSETS	<u>\$ 82,421</u>	<u>\$ 18,899</u>	<u>\$ 769,481</u>	<u>\$ 999,497</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 310	\$ -	\$ 474	\$ -
Accrued expenditures	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>310</u>	<u>-</u>	<u>474</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	20,505
Fund Balances:				
Nonspendable	519	-	-	-
Restricted	81,592	18,899	-	978,992
Committed	-	-	769,007	-
TOTAL FUND BALANCES	<u>82,111</u>	<u>18,899</u>	<u>769,007</u>	<u>978,992</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 82,421</u>	<u>\$ 18,899</u>	<u>\$ 769,481</u>	<u>\$ 999,497</u>

Special Revenue Funds

Public Health <u>Fund</u>	Public Safety Grants <u>Fund</u>	Miscellaneous Grants <u>Fund</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	2,805	-
58	43,580	39,975
-	-	-
-	-	-
\$ 58	\$ 46,385	\$ 39,975
\$ 58	\$ 46,385	\$ 39,975

\$ -	\$ -	\$ 73
58	-	-
-	-	-
58	-	73
-	-	-
-	-	-
-	46,385	39,902
-	-	-
-	46,385	39,902
\$ 58	\$ 46,385	\$ 39,975

(continued)

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	Special Revenue Funds			
	Waste Tire Reclamation <u>Fund</u>	Transportation Improvement <u>Fund</u>	Rockingham Economic Development <u>Corporation</u>	Total Nonmajor Special Revenue <u>Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 846
Investments	425,869	119,323	-	545,192
Taxes receivable	-	-	-	20,505
Accounts receivable, net	-	-	-	99,532
Due from other governments	-	-	-	2,805
Due from other funds	42,865	-	-	1,875,374
Prepaid items	-	-	-	519
Loans receivable	-	-	251,205	251,205
TOTAL ASSETS	<u>\$ 468,734</u>	<u>\$ 119,323</u>	<u>\$ 251,205</u>	<u>\$ 2,795,978</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 857
Accrued expenditures	-	-	1,753	1,811
Due to other funds	-	72,813	-	72,813
TOTAL LIABILITIES	-	72,813	1,753	75,481
Deferred Inflows of Resources:				
Unavailable revenues	-	-	204,183	224,688
Fund Balances:				
Nonspendable	-	-	-	519
Restricted	468,734	46,510	-	1,681,014
Committed	-	-	45,269	814,276
TOTAL FUND BALANCES	<u>468,734</u>	<u>46,510</u>	<u>45,269</u>	<u>2,495,809</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 468,734</u>	<u>\$ 119,323</u>	<u>\$ 251,205</u>	<u>\$ 2,795,978</u>



Capital Project Funds

<u>Rail Trail Fund</u>	<u>Bridge Improvements Fund</u>	<u>Transfer Station Facility Fund</u>	<u>Rockingham Road Reconstruction Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	180,154	-	-	180,154
122,055	595,782	79,338	22,858	820,033
-	-	-	-	-
-	-	-	-	-
<u>\$ 122,055</u>	<u>\$ 775,936</u>	<u>\$ 79,338</u>	<u>\$ 22,858</u>	<u>\$ 1,000,187</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	22,858	22,858
122,055	775,936	79,338	-	977,329
<u>122,055</u>	<u>775,936</u>	<u>79,338</u>	<u>22,858</u>	<u>1,000,187</u>
<u>\$ 122,055</u>	<u>\$ 775,936</u>	<u>\$ 79,338</u>	<u>\$ 22,858</u>	<u>\$ 1,000,187</u>

(continued)

(continued)

	Permanent Funds		
	General Cemetery Care	Parks and Playgrounds	Libraries
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	3,007,053	4,323,985	109,924
Taxes receivable	-	-	-
Accounts receivable, net	-	-	-
Due from other governments	-	-	-
Due from other funds	4,000	-	-
Prepaid items	-	-	-
Loans receivable	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,011,053</b>	<b>\$ 4,323,985</b>	<b>\$ 109,924</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenditures	-	-	-
Due to other funds	-	5,827	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>5,827</b>	<b>-</b>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	-
Fund Balances:			
Nonspendable	2,666,575	3,615,219	99,211
Restricted	344,478	702,939	10,713
Committed	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>3,011,053</b>	<b>4,318,158</b>	<b>109,924</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,011,053</b>	<b>\$ 4,323,985</b>	<b>\$ 109,924</b>

<u>Permanent Funds</u>			
<u>Highways and Streets</u>	<u>Human Services</u>	<u>Total Nonmajor Permanent Funds</u>	<u>Grand Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 846
37,302	64,811	7,543,075	8,088,267
-	-	-	20,505
-	-	-	99,532
-	-	-	182,959
-	-	4,000	2,699,407
-	-	-	519
-	-	-	251,205
<u>\$ 37,302</u>	<u>\$ 64,811</u>	<u>\$ 7,547,075</u>	<u>\$ 11,343,240</u>
\$ -	\$ -	\$ -	\$ 857
-	-	-	1,811
-	-	5,827	78,640
-	-	5,827	81,308
-	-	-	224,688
32,811	50,505	6,464,321	6,464,840
4,491	14,306	1,076,927	2,780,799
-	-	-	1,791,605
<u>37,302</u>	<u>64,811</u>	<u>7,541,248</u>	<u>11,037,244</u>
<u>\$ 37,302</u>	<u>\$ 64,811</u>	<u>\$ 7,547,075</u>	<u>\$ 11,343,240</u>

**TOWN OF DERRY, NEW HAMPSHIRE**

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

**Nonmajor Governmental Funds**

**For the Year Ended June 30, 2017**

	<u>Special Revenue Funds</u>			
	<u>Derry Public Library Fund</u>	<u>Taylor Library Fund</u>	<u>Cable Television Fund</u>	<u>Conservation Commission Fund</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 64,492
Licenses and permits	1,850	-	388,414	-
Intergovernmental	-	-	-	390,000
Charges for services	1,558	39	10	-
Investment income (loss)	617	812	-	4,050
Miscellaneous	<u>32,914</u>	<u>270</u>	<u>342</u>	<u>-</u>
Total Revenues	36,939	1,121	388,766	458,542
<b>Expenditures:</b>				
Current operations:				
General government	-	-	229,585	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Sanitation	-	-	-	-
Culture and recreation	60,859	-	-	-
Conservation	-	-	-	13,171
Economic development	-	-	-	-
Capital outlay	-	-	17,959	423,700
Intergovernmental	<u>-</u>	<u>-</u>	<u>10,747</u>	<u>-</u>
Total Expenditures	<u>60,859</u>	<u>-</u>	<u>258,291</u>	<u>436,871</u>
Excess (deficiency) of revenues over expenditures	(23,920)	1,121	130,475	21,671
<b>Other Financing Sources (Uses):</b>				
Transfers in	363	-	-	502,500
Transfers out	<u>(2,746)</u>	<u>(113,797)</u>	<u>(100,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,383)</u>	<u>(113,797)</u>	<u>(100,000)</u>	<u>502,500</u>
Change in fund balance	(26,303)	(112,676)	30,475	524,171
Fund Balances at beginning of year	<u>108,414</u>	<u>131,575</u>	<u>738,532</u>	<u>454,821</u>
Fund Balances at end of year	<u>\$ 82,111</u>	<u>\$ 18,899</u>	<u>\$ 769,007</u>	<u>\$ 978,992</u>

Special Revenue Funds

Public Health Fund	Public Safety Grants Fund	Miscellaneous Grants Fund
\$ -	\$ -	\$ -
-	-	-
3,704	24,293	-
-	-	-
-	108	243
-	498	3,035
3,704	24,899	3,278
-	-	-
-	30,140	2,000
-	-	-
3,704	-	1,398
-	-	-
-	-	9,081
-	-	-
-	-	-
-	-	2,022
-	-	-
3,704	30,140	14,501
-	(5,241)	(11,223)
-	263	11,000
-	-	-
-	263	11,000
-	(4,978)	(223)
-	51,363	40,125
\$ -	\$ 46,385	\$ 39,902

(continued)

(continued)

	Special Revenue Funds			
	Waste Tire Reclamation Fund	Transportation Improvement Fund	Rockingham Economic Development Corporation	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 64,492
Licenses and permits	107,491	167,796	-	665,551
Intergovernmental	-	-	-	417,997
Charges for services	-	-	-	1,607
Investment income (loss)	1,516	456	6	7,808
Miscellaneous	-	-	39,520	76,579
Total Revenues	109,007	168,252	39,526	1,234,034
<b>Expenditures:</b>				
Current operations:				
General government	-	-	-	229,585
Public safety	-	-	-	32,140
Highways and streets	-	160,107	-	160,107
Health and welfare	-	-	-	5,102
Sanitation	28,094	-	-	28,094
Culture and recreation	-	-	-	69,940
Conservation	-	-	-	13,171
Economic development	-	-	8,954	8,954
Capital outlay	-	-	-	443,681
Intergovernmental	-	-	-	10,747
Total Expenditures	28,094	160,107	8,954	1,001,521
Excess (deficiency) of revenues over expenditures	80,913	8,145	30,572	232,513
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	514,126
Transfers out	-	-	-	(216,543)
Total Other Financing Sources (Uses)	-	-	-	297,583
Change in fund balance	80,913	8,145	30,572	530,096
Fund Balances at beginning of year	387,821	38,365	14,697	1,965,713
Fund Balances at end of year	\$ 468,734	\$ 46,510	\$ 45,269	\$ 2,495,809

Capital Project Funds

<u>Rail Trail Fund</u>	<u>Bridge Improvements Fund</u>	<u>Transfer Station Facility Fund</u>	<u>Rockingham Road Reconstruction Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	120	120
-	-	-	-	-
-	-	-	120	120
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	183	183
-	-	-	-	-
-	-	-	183	183
-	-	-	-	-
-	-	-	(63)	(63)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(63)	(63)
122,055	775,936	79,338	22,921	1,000,250
<u>\$ 122,055</u>	<u>\$ 775,936</u>	<u>\$ 79,338</u>	<u>\$ 22,858</u>	<u>\$ 1,000,187</u>

(continued)

(continued)

	Permanent Funds		
	General Cemetery <u>Care</u>	Parks and <u>Playgrounds</u>	<u>Libraries</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income (loss)	206,996	286,006	7,682
Miscellaneous	-	-	-
Total Revenues	206,996	286,006	7,682
<b>Expenditures:</b>			
Current operations:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Health and welfare	-	-	-
Sanitation	-	-	-
Culture and recreation	-	-	-
Conservation	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Intergovernmental	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	206,996	286,006	7,682
<b>Other Financing Sources (Uses):</b>			
Transfers in	10,225	-	-
Transfers out	(55,000)	(41,178)	(1,875)
Total Other Financing Sources (Uses)	(44,775)	(41,178)	(1,875)
Change in fund balance	162,221	244,828	5,807
Fund Balances at beginning of year	2,848,832	4,073,330	104,117
Fund Balances at end of year	\$ 3,011,053	\$ 4,318,158	\$ 109,924



<u>Permanent Funds</u>			
<u>Highways and Streets</u>	<u>Human Services</u>	<u>Total Nonmajor Permanent Funds</u>	<u>Grand Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 64,492
-	-	-	665,551
-	-	-	417,997
-	-	-	1,607
2,433	3,969	507,086	515,014
-	-	-	76,579
<u>2,433</u>	<u>3,969</u>	<u>507,086</u>	<u>1,741,240</u>
-	-	-	229,585
-	-	-	32,140
-	-	-	160,107
-	-	-	5,102
-	-	-	28,094
-	-	-	69,940
-	-	-	13,171
-	-	-	8,954
-	-	-	443,864
-	-	-	10,747
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001,704</u>
2,433	3,969	507,086	739,536
-	-	10,225	524,351
<u>(2,000)</u>	<u>(1,500)</u>	<u>(101,553)</u>	<u>(318,096)</u>
<u>(2,000)</u>	<u>(1,500)</u>	<u>(91,328)</u>	<u>206,255</u>
433	2,469	415,758	945,791
<u>36,869</u>	<u>62,342</u>	<u>7,125,490</u>	<u>10,091,453</u>
<u>\$ 37,302</u>	<u>\$ 64,811</u>	<u>\$ 7,541,248</u>	<u>\$ 11,037,244</u>

TOWN OF DERRY, NEW HAMPSHIRE  
CABLE TELEVISION FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Positive (Negative)</u>
<b>Revenues and Other Sources:</b>				
Licenses and permits	\$ 318,943	\$ 318,943	\$ 388,414	\$ 69,471
Charges for services	200	200	10	(190)
Miscellaneous	-	-	342	342
Use of fund balance	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Total Revenues	419,143	419,143	388,766	(30,377)
<b>Expenditures and Other Uses:</b>				
Current operations:				
General government	235,497	235,497	231,580	3,917
Capital outlay	32,000	32,000	17,960	14,040
Intergovernmental	51,646	51,646	10,747	40,899
Transfer out	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Expenditures	<u>419,143</u>	<u>419,143</u>	<u>360,287</u>	<u>58,856</u>
Excess of revenues over expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>28,479</u>	\$ <u>28,479</u>

## **PRIVATE PURPOSE FUNDS**

Private purpose trust funds are used to account for assets held by the Town of Derry, New Hampshire in trust for individuals, private organizations or other governmental units. These funds have been established for the provisions of the Derry Public Schools, Derry Visiting Nurse Association, Inc., East Derry Improvements, and Memorial Day Flowers.

<b><u>Trust Name</u></b>	<b><u>Trust Purpose</u></b>
Derry Public Schools	Support public schools in Derry
Derry Visiting Nurse Association, Inc.	To care and treat elderly women and men who are 55 or more and reside in the Towns of Derry, Windham, or Londonderry
East Derry Improvements Society	East Derry Improvements
Memorial Day Flowers	To place flowers each Memorial Day upon Helen Noyes' lot in Forest Hills

TOWN OF DERRY, NEW HAMPSHIRE

Combining Statement of Fiduciary Net Position  
Fiduciary Funds - All Private-Purpose Trust Funds

June 30, 2017

	<u>Derry Public Schools</u>	<u>Derry Visiting Nurses</u>	<u>East Derry Improvements Society</u>	<u>Memorial Day Flowers</u>	<u>Total Private-Purpose Trust Funds</u>
<b>ASSETS</b>					
Investments	\$ <u>73,461</u>	\$ <u>403,642</u>	\$ <u>17,644</u>	\$ <u>2,587</u>	\$ <u>497,334</u>
Total Assets	\$ <u><u>73,461</u></u>	\$ <u><u>403,642</u></u>	\$ <u><u>17,644</u></u>	\$ <u><u>2,587</u></u>	\$ <u><u>497,334</u></u>
<b>NET POSITION</b>					
Held in trust	\$ <u>73,461</u>	\$ <u>403,642</u>	\$ <u>17,644</u>	\$ <u>2,587</u>	\$ <u>497,334</u>
Total Liabilities and Net Position	\$ <u><u>73,461</u></u>	\$ <u><u>403,642</u></u>	\$ <u><u>17,644</u></u>	\$ <u><u>2,587</u></u>	\$ <u><u>497,334</u></u>

TOWN OF DERRY, NEW HAMPSHIRE

Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds - All Private-Purpose Trust Funds

For the Year Ended June 30, 2017

	<u>Derry Public Schools</u>	<u>Derry Visiting Nurses</u>	<u>East Derry Improvements Society</u>	<u>Memorial Day Flowers</u>	<u>Total Private-Purpose Trust Funds</u>
<b>Additions:</b>					
Net investment earnings	\$ <u>4,540</u>	\$ <u>28,208</u>	\$ <u>1,102</u>	\$ <u>130</u>	\$ <u>33,980</u>
Total additions	4,540	28,208	1,102	130	33,980
<b>Deductions:</b>					
Benefits	<u>-</u>	<u>6,886</u>	<u>-</u>	<u>14</u>	<u>6,900</u>
Total deductions	<u>-</u>	<u>6,886</u>	<u>-</u>	<u>14</u>	<u>6,900</u>
Change in net position	4,540	21,322	1,102	116	27,080
<b>Net position held in trust:</b>					
Beginning of year	<u>68,921</u>	<u>382,320</u>	<u>16,542</u>	<u>2,471</u>	<u>470,254</u>
End of year	\$ <u><u>73,461</u></u>	\$ <u><u>403,642</u></u>	\$ <u><u>17,644</u></u>	\$ <u><u>2,587</u></u>	\$ <u><u>497,334</u></u>

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## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

Agency Funds are established to account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others.

1. Derry Cooperative School Agency Funds are funds held by the Town of Derry, New Hampshire's Trustees of Trust Funds on behalf of the Derry Cooperative School District, an independent governmental unit. New Hampshire state law requires that these funds be held by the Trustees of Trust Funds in the Town that the school district operates.
2. Performance Bond Agency Funds are escrow funds held by the Town of Derry, New Hampshire to ensure that improvements affecting public infrastructure are completed in accordance with approved plans.

TOWN OF DERRY, NEW HAMPSHIRE

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2017

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2017</u>
<b>Derry Cooperative School Agency Fund:</b>				
Assets - investments	\$ <u>184,576</u>	\$ <u>1,059</u>	\$ <u>(714)</u>	\$ <u>184,921</u>
Liabilities - due to other governments	\$ <u>184,576</u>	\$ <u>1,059</u>	\$ <u>(714)</u>	\$ <u>184,921</u>
<b>Performance Bond Agency Fund:</b>				
Assets - cash and cash equivalents	\$ <u>448,938</u>	\$ <u>109,132</u>	\$ <u>(182,918)</u>	\$ <u>375,152</u>
Liabilities - deposits held for others	\$ <u>448,938</u>	\$ <u>109,132</u>	\$ <u>(182,918)</u>	\$ <u>375,152</u>
<b>Totals:</b>				
Cash and cash equivalents	\$ 448,938	\$ 109,132	\$ (182,918)	\$ 375,152
Investments	<u>184,576</u>	<u>1,059</u>	<u>(714)</u>	<u>184,921</u>
Total Assets	\$ <u>633,514</u>	\$ <u>110,191</u>	\$ <u>(183,632)</u>	\$ <u>560,073</u>
Liabilities - due to other governments	\$ 184,576	\$ 1,059	\$ (714)	\$ 184,921
Liabilities - deposits held for others	<u>448,938</u>	<u>109,132</u>	<u>(182,918)</u>	<u>375,152</u>
Total Liabilities	\$ <u>633,514</u>	\$ <u>110,191</u>	\$ <u>(183,632)</u>	\$ <u>560,073</u>



**STATISTICAL  
SECTION**

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# TOWN OF DERRY, NEW HAMPSHIRE

## STATISTICAL SECTION

The Town of Derry'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 Town's overall financial health.

	<b><u>Page</u></b>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	116
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.	120
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	124
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	128
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the service the Town provides and the activities it performs.	131

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**TOWN OF DERRY, NEW HAMPSHIRE  
NET POSITION BY COMPONENTS  
LAST TEN FISCAL YEARS**

	<u>2008 <sup>(1)</sup></u>	<u>2009 <sup>(1)</sup></u>	<u>2010 <sup>(1) (2)</sup></u>	<u>2011 <sup>(1)</sup></u>	<u>2012 <sup>(1)</sup></u>	<u>2013</u>	<u>2014</u>	<u>2015 <sup>(3)</sup></u>	<u>2016</u>	<u>2017</u>
Government Activities										
Net investment in capital assets	\$96,865,055	\$98,687,664	\$101,530,681	\$104,936,447	\$104,697,003	\$105,780,715	\$105,790,237	\$104,467,968	\$106,506,853	\$106,931,617
Restricted	11,778,966	10,977,181	6,301,664	6,559,454	7,003,800	7,124,996	7,468,675	7,740,061	7,580,311	9,243,246
Unrestricted	11,990,757	12,034,740	16,440,924	14,771,367	15,095,817	13,515,612	14,207,069	(18,553,655)	(21,371,346)	(23,122,641)
Total Governmental Activities Net Position	<u>\$120,634,778</u>	<u>\$121,699,585</u>	<u>\$124,273,269</u>	<u>\$126,267,268</u>	<u>\$126,796,620</u>	<u>\$126,421,323</u>	<u>\$127,465,981</u>	<u>\$93,654,374</u>	<u>\$92,715,818</u>	<u>\$93,052,222</u>
Business-type Activities										
Net investment in capital assets	\$22,742,827	\$23,516,728	\$24,472,039	\$25,544,919	\$26,024,107	\$26,070,283	\$26,033,422	\$25,797,236	\$26,040,747	\$28,611,229
Unrestricted	3,533,156	3,210,828	3,842,923	3,964,008	4,257,248	4,742,682	5,127,537	4,189,764	6,693,240	4,337,720
Total Business-type Activities Net Position	<u>\$26,275,983</u>	<u>\$26,727,556</u>	<u>\$28,314,962</u>	<u>\$29,508,927</u>	<u>\$30,281,355</u>	<u>\$30,812,965</u>	<u>\$31,160,959</u>	<u>\$29,987,000</u>	<u>\$32,733,987</u>	<u>\$32,948,949</u>
Primary Government										
Net investment in capital assets	\$119,607,882	\$122,204,392	\$126,002,720	\$130,481,366	\$130,721,110	\$131,850,998	\$131,823,659	\$130,265,204	\$132,547,600	\$135,542,846
Restricted	11,778,966	10,977,181	6,301,664	6,559,454	7,003,800	7,124,996	7,468,675	7,740,061	7,580,311	9,243,246
Unrestricted	15,523,913	15,245,568	20,283,847	18,735,375	19,353,065	18,258,294	19,334,606	(14,363,891)	(14,678,106)	(18,784,921)
Total Primary Government Net Position	<u>\$146,910,761</u>	<u>\$148,427,141</u>	<u>\$152,588,231</u>	<u>\$155,776,195</u>	<u>\$157,077,975</u>	<u>\$157,234,288</u>	<u>\$158,626,940</u>	<u>\$123,641,374</u>	<u>\$125,449,805</u>	<u>\$126,001,171</u>

(1) As restated

(2) Beginning in FY10, the Town began reporting internally restricted capital reserve funds as a component of unrestricted net position rather than as restricted net position as it had done in prior years.

(3) First year of implementation of GASB 68. Prior periods have not been restated.

Source: Statement of Net Position

**TOWN OF DERRY, NEW HAMPSHIRE**  
**CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS**

	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013	2014	2015	2016	2017
<b>Expenses</b>										
<u>Governmental Activities</u>										
General government	\$4,922,872	\$5,856,375	\$5,415,866	\$5,772,403	\$5,241,472	\$5,770,858	\$5,941,095	\$6,620,989	\$5,244,746	\$6,415,503
Public Safety	18,790,889	18,927,195	19,220,474	19,716,889	20,088,167	19,705,078	20,004,575	19,175,876	18,972,353	20,910,725
Highway & streets	4,181,494	4,059,063	4,291,377	4,368,205	4,039,962	4,550,329	4,868,843	5,021,892	4,444,365	4,747,643
Health & welfare	795,072	775,357	813,431	735,916	643,871	712,326	812,632	777,789	687,021	601,102
Sanitation	1,562,223	1,621,743	1,591,142	1,579,299	1,634,394	1,632,599	1,620,297	1,757,139	1,963,583	2,106,923
Culture & recreation	2,965,628	2,857,095	2,908,787	2,940,331	3,351,764	3,062,131	3,301,712	3,157,056	3,136,458	3,234,986
Conservation	29,113	13,089	12,252	16,577	9,120	24,136	12,149	22,172	9,760	17,982
Redevelopment & housing	55,016	57,093	177,750	-	-	-	-	-	-	-
Economic development	729,122	329,462	405,316	1,437,987	702,479	1,440,817	179,717	656,802	615,423	708,402
Debt service	480,718	443,518	389,331	365,191	386,000	375,763	411,395	373,170	330,799	267,901
Total Governmental Activities Expenses	<u>\$34,512,147</u>	<u>\$34,939,990</u>	<u>\$35,225,726</u>	<u>\$36,932,798</u>	<u>\$36,097,229</u>	<u>\$37,274,037</u>	<u>\$37,152,415</u>	<u>\$37,562,885</u>	<u>\$35,404,508</u>	<u>\$39,011,167</u>
<u>Business-type Activities</u>										
Water	\$2,088,784	\$2,032,481	\$2,089,938	\$2,337,353	\$2,313,232	\$2,345,410	\$2,423,251	\$2,354,975	\$2,374,976	\$2,514,734
Sewer	1,927,217	1,935,968	1,948,520	1,944,450	1,937,795	1,978,125	2,033,106	2,087,829	2,232,643	2,282,636
Total Business-type Activities Expenses	<u>\$4,016,001</u>	<u>\$3,968,449</u>	<u>\$4,038,458</u>	<u>\$4,281,803</u>	<u>\$4,251,027</u>	<u>\$4,323,535</u>	<u>\$4,456,357</u>	<u>\$4,442,804</u>	<u>\$4,607,619</u>	<u>\$4,797,370</u>
Total Primary Government Expenses	<u>\$38,528,148</u>	<u>\$38,908,439</u>	<u>\$39,264,184</u>	<u>\$41,214,601</u>	<u>\$40,348,256</u>	<u>\$41,597,572</u>	<u>\$41,608,772</u>	<u>\$42,005,689</u>	<u>\$40,012,127</u>	<u>\$43,808,537</u>
<b>Program Revenues</b>										
<u>Governmental Activities</u>										
Charges for services:										
General government	\$100,553	\$46,770	\$93,207	\$129,549	\$125,387	\$128,466	\$127,748	\$159,877	\$132,818	\$118,916
Public safety	1,164,763	1,075,782	1,611,004	1,690,832	1,410,038	1,307,973	1,834,499	1,548,557	1,589,881	1,839,087
Highway & streets	62,045	29,679	21,772	40,214	92,982	41,149	27,958	36,364	57,285	41,611
Health & welfare	1,108	2,455	22,932	26,959	27,927	30,275	33,290	29,250	29,875	30,495
Sanitation	449,513	373,011	397,267	450,465	508,259	382,358	416,529	409,554	397,767	492,994
Culture & recreation	163,453	164,581	170,374	194,859	199,406	159,898	151,294	148,705	160,423	137,095
Operating grants & contributions	2,072,594	2,523,130	2,210,538	1,819,782	1,447,375	1,297,582	1,581,906	1,129,626	1,126,608	424,284
Capital grants & contributions	1,069,575	926,437	1,200,803	2,695,727	1,330,203	402,110	303,000	961,473	610,892	1,067,132
Total Governmental Activities Program Revenues	<u>\$5,083,604</u>	<u>\$5,141,845</u>	<u>\$5,727,897</u>	<u>\$7,048,387</u>	<u>\$5,141,577</u>	<u>\$3,749,811</u>	<u>\$4,476,224</u>	<u>\$4,423,406</u>	<u>\$4,105,549</u>	<u>\$4,151,614</u>
<u>Business-type Activities</u>										
Charges for services										
Water	\$2,362,870	\$2,286,130	\$2,270,130	\$2,458,522	\$2,533,351	\$2,546,316	\$2,502,674	\$2,535,847	\$2,573,530	\$2,664,892
Sewer	1,835,606	1,866,285	2,012,193	2,071,878	2,071,417	2,093,096	2,061,384	2,076,150	2,066,772	2,125,897
Operating grants & contributions	-	-	643,106	205,444	88,403	91,288	19,112	24,953	37,155	19,111
Capital grants & contributions	104,105	93,155	97,496	661,175	164,409	65,771	97,309	64,537	62,915	1,845,548
Total Business-type Activities Program Revenues	<u>\$4,302,581</u>	<u>\$4,245,570</u>	<u>\$5,022,925</u>	<u>\$5,397,019</u>	<u>\$4,857,580</u>	<u>\$4,796,471</u>	<u>\$4,680,479</u>	<u>\$4,701,487</u>	<u>\$4,740,372</u>	<u>\$6,655,448</u>
Total Primary Government Revenues	<u>\$9,386,185</u>	<u>\$9,387,415</u>	<u>\$10,750,822</u>	<u>\$12,445,406</u>	<u>\$9,999,157</u>	<u>\$8,546,282</u>	<u>\$9,156,703</u>	<u>\$9,124,893</u>	<u>\$8,845,921</u>	<u>\$10,807,062</u>
<b>Net (Expense) Revenue</b>										
Governmental activities	(\$29,428,543)	(\$29,798,145)	(\$29,497,829)	(\$29,884,411)	(\$30,955,652)	(\$33,524,226)	(\$32,676,191)	(\$33,139,479)	(\$31,298,959)	(\$34,859,553)
Business-type activities	286,580	277,121	984,467	1,115,216	606,553	472,936	224,122	258,683	132,753	1,858,078
Total Primary Government Net Expense	<u>(\$29,141,963)</u>	<u>(\$29,521,024)</u>	<u>(\$28,513,362)</u>	<u>(\$28,769,195)</u>	<u>(\$30,349,099)</u>	<u>(\$33,051,290)</u>	<u>(\$32,452,069)</u>	<u>(\$32,880,796)</u>	<u>(\$31,166,206)</u>	<u>(\$33,001,475)</u>
<b>General Revenues &amp; Other Changes in Net Position</b>										
<u>Governmental Activities</u>										
Property & other taxes	\$22,828,221	\$23,179,184	\$23,360,148	\$23,962,310	\$23,668,700	\$24,818,369	\$24,918,410	\$25,097,755	\$23,441,027	\$23,514,876
Motor vehicle registration & franchise fees	5,584,941	5,132,828	4,669,813	4,717,598	4,899,562	5,072,002	5,444,800	5,800,062	6,186,019	6,620,752
Grants & contributions not restricted to specific programs	1,910,166	1,992,361	1,694,458	1,780,356	1,542,507	1,594,268	1,572,865	1,687,973	1,677,543	1,703,756
Interest & investment earnings	1,468,474	150,975	523,509	784,714	471,109	615,937	1,022,648	552,777	618,887	755,430
Miscellaneous	382,952	399,645	687,969	633,431	917,755	1,033,023	762,126	2,225,678	932,040	816,845
Contributions to permanent fund principal	13,500	13,350	-	-	-	-	-	-	-	-
Special items-gain on sale of capital assets	534,655	-	-	-	-	-	-	-	-	-
Transfers	(24,493)	(5,391)	(31,272)	-	(14,629)	15,330	-	(4,020)	(2,495,113)	1,784,298
Total Governmental Activities	<u>\$32,698,416</u>	<u>\$30,862,952</u>	<u>\$30,904,625</u>	<u>\$31,878,409</u>	<u>\$31,485,004</u>	<u>\$33,148,929</u>	<u>\$33,720,849</u>	<u>\$35,360,225</u>	<u>\$30,360,403</u>	<u>\$35,195,957</u>
<u>Business-type Activities</u>										
Income & investment earnings	\$126,801	\$40,308	\$11,012	\$9,166	\$17,884	\$18,886	\$30,679	\$40,409	\$35,196	\$47,498
Miscellaneous	215,580	128,753	52,071	69,583	133,363	55,118	93,193	67,187	83,925	93,684
Transfers	24,493	5,391	31,272	-	14,629	(15,330)	-	4,020	2,495,113	(1,784,298)
Total Business-type Activities	<u>\$366,874</u>	<u>\$174,452</u>	<u>\$94,355</u>	<u>\$78,749</u>	<u>\$165,876</u>	<u>\$58,674</u>	<u>\$123,872</u>	<u>\$111,616</u>	<u>\$2,614,234</u>	<u>(\$1,643,116)</u>
Total Primary Government	<u>\$33,065,290</u>	<u>\$31,037,404</u>	<u>\$30,998,980</u>	<u>\$31,957,158</u>	<u>\$31,650,880</u>	<u>\$33,207,603</u>	<u>\$33,844,721</u>	<u>\$35,471,841</u>	<u>\$32,974,637</u>	<u>\$33,552,841</u>
<b>Change in Net Position</b>										
Governmental Activities	\$3,269,873	\$1,064,807	\$1,406,796	\$1,993,998	\$529,352	(\$375,297)	\$1,044,658	\$2,220,746	(\$938,556)	\$336,404
Business-type Activities	653,454	451,573	1,078,822	1,193,965	772,429	531,610	347,994	370,299	2,746,987	214,962
Total Primary Government	<u>\$3,923,327</u>	<u>\$1,516,380</u>	<u>\$2,485,618</u>	<u>\$3,187,963</u>	<u>\$1,301,781</u>	<u>\$156,313</u>	<u>\$1,392,652</u>	<u>\$2,591,045</u>	<u>\$1,808,431</u>	<u>\$551,366</u>

(1) As restated

Source: Statement of Activities

**TOWN OF DERRY, NEW HAMPSHIRE  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 <sup>(1)</sup></u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund:</b>										
Reserved	\$322,826	\$346,810	\$566,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	11,846,663	12,490,200	10,330,675	-	-	-	-	-	-	-
Nonspendable	-	-	-	47,666	74,168	56,696	54,481	568,208	416,389	652,133
Restricted	-	-	-	620,550	571,271	433,634	97,984	93,789	6,525	123,069
Committed <sup>(2)</sup>	-	-	-	5,530,589	5,203,971	8,114,454	9,669,390	11,633,161	11,476,393	11,742,223
Assigned	-	-	-	349,130	1,092,965	916,653	878,530	1,007,253	1,192,987	1,268,051
Unassigned <sup>(2)</sup>	-	-	-	10,244,689	12,806,496	11,332,187	11,174,926	11,319,369	8,976,586	9,070,775
Total General Fund	<u>\$12,169,489</u>	<u>\$12,837,010</u>	<u>\$10,897,130</u>	<u>\$16,792,624</u>	<u>\$19,748,871</u>	<u>\$20,853,624</u>	<u>\$21,875,311</u>	<u>\$24,621,780</u>	<u>\$22,068,880</u>	<u>\$22,856,251</u>
<b>All Other Governmental Funds:</b>										
Reserved	\$5,973,394	\$5,322,806	\$6,785,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	6,532,750	6,498,122	6,419,871	-	-	-	-	-	-	-
Capital project funds	1,213,880	1,378,833	2,018,817	-	-	-	-	-	-	-
Permanent funds	289,267	298,844	419,344	-	-	-	-	-	-	-
Nonspendable	-	-	-	5,038,112	5,304,598	5,368,609	5,574,790	5,792,133	6,388,842	6,464,840
Restricted	-	-	-	2,171,234	3,287,736	2,721,806	5,186,410	4,070,836	1,768,444	2,780,799
Committed	-	-	-	2,117,395	1,575,289	4,607,773	2,394,239	2,125,987	1,934,167	1,791,605
Unassigned	-	-	-	-	-	(75,846)	-	-	-	-
Total All Other Governmental Funds	<u>\$14,009,291</u>	<u>\$13,498,605</u>	<u>\$15,644,022</u>	<u>\$9,326,741</u>	<u>\$10,167,623</u>	<u>\$ 12,622,342</u>	<u>\$ 13,155,439</u>	<u>\$ 11,988,956</u>	<u>\$10,091,453</u>	<u>\$11,037,244</u>

(1) Beginning with FY 2011, the presentation of Fund Balance conforms with Government Accounting Standards Board Statement No. 54.

(2) Beginning in FY 2013, balances reflects the allocation of unassigned fund balance to committed fund balance pursuant to the Fund Balance Policy adopted by the Town Council on June 18, 2013.

Source: Governmental Funds Balance Sheet

**TOWN OF DERRY, NEW HAMPSHIRE  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues:</b>										
Taxes	\$22,637,596	\$23,208,798	\$23,452,828	\$23,451,834	\$23,610,788	\$24,848,384	\$24,875,060	\$25,819,686	\$23,151,016	\$23,494,016
Licenses & permits	5,584,941	5,132,828	5,065,518	5,107,026	5,190,764	5,392,415	5,842,408	6,126,213	6,697,822	7,082,591
Intergovernmental	4,352,278	4,523,157	4,507,678	5,326,913	3,677,367	3,297,746	3,154,771	3,527,634	2,833,415	3,195,173
Charges for services	1,830,467	1,632,130	1,920,850	2,143,450	2,072,796	1,729,707	2,193,710	2,006,157	1,856,269	2,198,361
Interest & investment income	1,468,474	150,975	523,510	784,712	471,108	615,937	1,022,647	552,777	618,886	755,429
Contributions	-	-	-	-	424,077	-	-	-	-	-
Miscellaneous	593,386	500,239	563,107	504,729	590,296	975,022	652,176	963,616	508,585	432,764
Total Revenues	<u>\$36,467,142</u>	<u>\$35,148,127</u>	<u>\$36,033,491</u>	<u>\$37,318,664</u>	<u>\$36,037,196</u>	<u>\$36,859,211</u>	<u>\$37,740,772</u>	<u>\$38,996,083</u>	<u>\$35,665,993</u>	<u>\$37,158,334</u>
<b>Expenditures:</b>										
Current operations-										
General government	\$4,480,579	\$4,644,991	\$4,662,711	\$5,051,656	\$4,919,263	\$4,993,375	\$5,008,945	\$5,228,059	\$5,199,448	\$5,585,350
Public safety	17,810,998	18,142,797	17,872,831	18,334,892	18,592,809	18,491,033	18,726,144	19,249,577	18,386,108	19,133,623
Highways & streets	4,139,025	3,773,442	4,103,297	3,802,837	3,885,826	3,875,348	4,350,830	4,196,320	3,984,241	4,114,218
Health & welfare	812,303	771,933	801,740	716,642	604,040	663,639	763,935	727,628	637,269	547,627
Sanitation	1,507,164	1,576,541	1,510,116	1,559,847	1,576,299	1,558,825	1,554,347	1,698,273	1,809,678	1,883,093
Culture & recreation	2,664,121	2,644,736	2,697,540	2,679,467	2,953,589	2,647,311	2,707,141	2,726,284	2,767,850	2,800,428
Conservation	29,112	13,089	12,252	16,148	9,120	24,136	12,149	22,172	9,760	17,983
Redevelopment & housing	55,016	57,093	177,750	-	-	-	-	-	-	-
Economic Development	230,800	220,282	332,133	365,399	172,481	42,628	13,153	656,803	229,424	708,402
Capital outlay <sup>(1)</sup>	3,425,537	1,631,514	1,620,455	4,905,502	2,246,600	3,975,511	2,005,736	2,548,866	2,982,780	3,072,016
Debt service-										
Principal retirement	855,000	920,000	1,447,116	953,863	937,612	930,539	1,174,325	1,188,031	1,584,468	1,223,568
Interest & fiscal charges	881,480	767,109	678,112	368,055	379,504	401,483	408,797	387,214	376,303	259,714
Intergovernmental	38,929	12,826	9,983	10,009	10,369	10,074	12,485	51,074	50,980	10,747
Total Expenditures	<u>\$36,930,064</u>	<u>\$35,176,353</u>	<u>\$35,926,036</u>	<u>\$38,764,317</u>	<u>\$36,287,512</u>	<u>\$37,613,902</u>	<u>\$36,737,987</u>	<u>\$38,680,301</u>	<u>\$38,018,309</u>	<u>\$39,356,769</u>
Excess revenues over (under) expenditures	<u>(\$462,922)</u>	<u>(\$28,226)</u>	<u>\$107,455</u>	<u>(\$1,445,653)</u>	<u>(\$250,316)</u>	<u>(\$754,691)</u>	<u>\$1,002,785</u>	<u>\$315,782</u>	<u>(\$2,352,316)</u>	<u>(\$2,198,435)</u>
<b>Other financing sources (uses):</b>										
Issuance of long-term bonds	\$ 647,116	\$ -	\$ -	\$ -	\$3,400,000	\$4,000,000	\$ -	\$ -	\$ -	\$ -
Bond premium	-	-	-	-	-	3,787	-	-	-	-
Issuance of refunding debt	-	-	-	-	-	1,250,000	-	-	1,475,000	-
Issuance of capital leases	547,134	150,617	-	898,394	367,654	203,068	439,023	104,403	-	1,745,365
Proceeds from sale of capital assets	550,000	47,335	129,354	125,472	294,416	70,654	112,979	1,163,820	350,177	401,934
Payments to refunding escrow	-	-	-	-	-	(1,228,676)	-	-	(1,428,151)	-
Transfers in	4,126,327	3,216,376	4,764,888	3,595,665	1,289,095	598,621	1,307,611	560,218	288,769	2,626,382
Transfers out	(4,150,820)	(3,221,767)	(4,796,160)	(3,595,665)	(1,303,723)	(583,291)	(1,307,611)	(567,237)	(2,783,882)	(842,084)
Premium paid on asset exchange	(7,502)	(7,500)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>\$1,712,255</u>	<u>\$185,061</u>	<u>\$98,082</u>	<u>\$1,023,866</u>	<u>\$4,047,442</u>	<u>\$4,314,163</u>	<u>\$552,002</u>	<u>\$1,261,204</u>	<u>(\$2,098,087)</u>	<u>\$3,931,597</u>
<b>Net change in fund balances</b>	<u>\$1,249,333</u>	<u>\$156,835</u>	<u>\$205,537</u>	<u>(\$421,787)</u>	<u>\$3,797,126</u>	<u>\$3,559,472</u>	<u>\$1,554,787</u>	<u>\$1,576,986</u>	<u>(\$4,450,403)</u>	<u>\$1,733,162</u>
<b>Debt service as a percentage of non-capital expenditures <sup>(2)</sup></b>										
	5.2%	5.0%	6.2%	3.9%	3.9%	3.8%	4.6%	4.4%	5.7%	4.1%

<sup>(1)</sup> Certain capital expenditures from various functions have been capitalized on the Statement of Net Position

<sup>(2)</sup> Capital Outlay purchases from the reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities are used to calculate this ratio

Source: Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance

**TOWN OF DERRY, NEW HAMPSHIRE  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Local Assessed Value</b>				<b>Total Taxable Assessed Value (1)</b>	<b>Total Town Direct Tax Rate</b>	<b>Estimated Full Value</b>	<b>Total Assessed Value as a % Estimated Actual Taxable Value</b>
	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Less Tax-Exempt Property</b>				
2008	\$2,522,675,292	\$419,301,173	\$62,022,100	\$19,345,933	\$2,984,652,632	\$7.64	\$3,020,860,172	98.801%
2009	2,217,289,640	406,647,328	67,086,800	26,439,044	2,664,584,724	8.81	2,787,222,515	95.600%
2010	2,041,836,522	409,283,343	67,359,800	28,739,420	2,489,740,245	9.39	2,620,779,205	95.000%
2011	2,044,021,314	406,511,108	68,917,300	29,023,053	2,490,426,669	9.41	2,485,455,757	100.200%
2012	2,047,409,452	399,299,617	77,978,400	29,780,675	2,494,906,794	9.52	2,355,908,210	105.900%
2013	1,891,691,991	446,126,677	78,549,100	29,122,507	2,387,245,261	10.39	2,428,530,276	98.300%
2014	1,905,452,576	405,159,727	84,415,817	28,835,371	2,366,192,749	10.39	2,517,226,329	94.000%
2015	2,025,529,201	423,374,237	85,977,274	30,265,466	2,504,615,246	9.72	2,808,357,314	89.184%
2016	2,033,365,986	427,667,634	86,088,174	31,323,700	2,515,798,094	9.16	2,764,420,315	91.006%
2017	2,438,583,950	338,874,095	97,706,000	35,094,300	2,840,069,745	8.30	3,098,756,240	94.800%

Sources: Derry MS-1 Report of Assessed Values filed with the NH Department of Revenue Administration (DRA) and DRA's Annual Equalization Survey.

Notes:

(1) Since 2003, the NH Department of Revenue Administration requires that all properties be reviewed at least every five years to insure that assessed property values are within a range of 90-110% of actual market value. The Town completed a revaluation in 2006 for FY07. The Town's goal is to maintain values as close to 100% through an annual process of cycled inspections and a valuation update every other year. A partial valuation update was done in 2008 for FY09, with the most recent full valuation update completed in 2016 for FY17.



**TOWN OF DERRY, NEW HAMPSHIRE**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(rate per \$1,000 of assessed value)*

<b>Fiscal Year</b>	<b>Total Overlapping Rates</b>					
	<b>Total Direct Town Rate</b>	<b>Derry School</b>	<b>State Education</b>	<b>Total School Rate</b>	<b>County Rate</b>	<b>Total Tax Rate <sup>(1)</sup></b>
2008	\$ 7.64	\$ 11.08	\$ 2.44	\$ 13.52	\$ 0.89	\$ 22.05
2009	8.81	13.19	2.54	15.73	0.99	25.53
2010	9.39	14.85	2.59	17.44	1.05	27.88
2011	9.41	15.51	2.48	17.99	1.08	28.48
2012	9.52	14.22	2.49	16.71	1.04	27.27
2013	10.39	16.35	2.59	18.94	1.15	30.48
2014	10.39	17.34	2.62	19.96	1.14	31.49
2015	9.72	16.11	2.44	18.55	1.15	29.42
2016	9.16	16.37	2.61	18.98	1.09	29.23
2017	8.30	15.52	2.23	17.75	1.01	27.06

**Source:** NH Department of Revenue Administration approved tax rates

Notes:

- (1) The Total Tax Rate is billed to all taxable property owners, with the one exception being that Utilities do not pay the "State Education Tax" portion of the total tax rate.

**TOWN OF DERRY, NEW HAMPSHIRE  
PRINCIPAL PROPERTY TAXPAYERS**

Taxpayer	Type of Business	FY 2017			FY 2008		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Chartwell New Hampshire (Fairways)	Real Estate - Apartments.	\$71,030,372	1	2.50%	\$56,347,260	1	1.89%
Campbell, Gilbert G., Trustee (Aladdin Village & Derry County Club Estates)	Real Estate - Apartments	36,063,900	2	1.27%	40,410,200	2	1.35%
Public Service Company of NH (PSNH)	Utility - Electric	31,434,400	3	1.11%	14,447,400	5	0.48%
HCA Health Services of NH, Inc. (Parkland Medical Center)	Healthcare - Hospital	22,941,700	4	0.81%	20,544,900	3	0.69%
SUSO 4 Derry LP	Commercial - Retail	20,094,600	5	0.71%	18,529,900	4	0.62%
Hood Commons BSD LLC (Hood Plaza)	Commercial - Retail	16,687,100	6	0.59%	14,255,300	6	0.48%
Wal-Mart Real Estate Business Trust (Wal-Mart Superstore, Ashleigh Dr.)	Commercial - Retail	13,979,700	7	0.49%			
Ventas Birch Heights, LLC	Commercial - Elderly Assisted Living	12,292,800	8	0.43%			
EKMK Associates Ltd. Partnership	Real Estate - Apartments	9,327,000	10	0.33%	11,072,200	7	0.37%
Two Tsienneto Road Realty LLC	Medical Office Building	9,488,700	9	0.33%	8,827,700	9	0.30%
Wal-Mart Realty Co (Wal-Mart Store, Manchester Road)	Commercial - Retail w/Fueling Station				9,566,500	8	0.32%
Franklin Derry Limited Partnership (Franklin Village Apartments)	Real Estate - Apartments				7,601,100	10	0.25%
<b>Totals</b>		<b>\$243,340,272</b>		<b>8.57%</b>	<b>\$201,602,460</b>		<b>6.75%</b>
<b>Total Taxable Assessed Valuation is:</b>		<b>\$2,840,069,745</b>			<b>\$2,984,652,632</b>		

**Source:** Town of Derry, NH Assessing Records  
Information based on valuation as of April 1 prior to beginning of each fiscal year

**TOWN OF DERRY, NEW HAMPSHIRE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collection in Subsequent Years</b>	<b>Abatement of Original Tax Levy</b>	<b>Total Collections and Abatements to Date</b>	
		<b>Tax Amount</b>	<b>Percentage of Levy</b>			<b>Amount</b>	<b>Percentage of Levy</b>
2008 <sup>(1)</sup>	\$22,529,760	\$21,908,661	97.24%	\$499,514	\$118,217	\$22,526,392	99.99%
2009	23,338,263	22,660,097	97.09%	566,499	107,953	23,334,549	99.98%
2010	23,037,481	22,505,738	97.69%	459,843	68,333	23,033,914	99.98%
2011	23,477,396	23,019,793	98.05%	394,994	55,649	23,470,436	99.97%
2012	23,817,145	23,360,347	98.08%	384,750	61,112	23,806,210	99.95%
2013	24,408,192	24,022,106	98.42%	316,633	52,195	24,390,934	99.93%
2014	24,623,357	24,190,174	98.24%	335,464	49,600	24,575,238	99.80%
2015	24,382,679	23,716,617	97.27%	486,946	37,291	24,240,853	99.42%
2016	24,266,054	22,823,346	94.05%	1,164,898	36,589	24,024,834	99.01%
2017	23,121,180	22,855,905	98.85%	-	26,560	22,882,465	98.97%

**Source:** Town of Derry Tax Collector's NH Department of Revenue Administration Form MS-61

The data presented above represents information for taxes collected for Town Services and two fire districts. It excludes taxes raised for School District and the County, even though the Town bears the full burden for any uncollected taxes, since the Town having fully disbursed taxes assessed for the School and County.

(1) Taxes levied for the Fiscal Years and thereafter include additional lien levy

**TOWN OF DERRY, NEW HAMPSHIRE  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business Type Activities					Total Primary Government	Total Primary Government Debt	
	General Obligation Bonds <sup>(1)</sup>	Bond Anticipation Note	Capital Leases	Tax Increment Financing Bonds	Water Bonds <sup>(1)</sup>	Water Capital Leases	Water Notes	Sewer Bonds <sup>(1)</sup>	Sewer Capital Leases		As a % of Personal Income	Per Capita
2008	\$ 6,930,000	\$ 747,116	\$ 712,773	\$ 2,000,000	\$ 844,940	\$ 1,964	-	\$ 5,569,362	\$ 1,964	\$ 16,808,119	N/A	\$ 491
2009	6,090,000	747,116	541,256	1,920,000	613,140	1,336	-	4,867,899	1,336	14,782,083	N/A	434
2010	5,470,000	600,000	282,672	1,840,000	450,000	681	-	4,156,280	681	12,800,314	N/A	373
2011	4,960,000	-	814,225	1,760,000	400,000	1,058	-	3,649,730	1,059	11,586,072	0.26%	350
2012	4,450,000	-	836,286	5,080,000	350,000	-	-	3,136,078	-	13,852,364	0.22%	420
2013	7,990,000	-	698,815	5,000,000	800,000	-	-	2,865,000	-	17,353,815	0.18%	522
2014	7,374,738	-	783,506	4,920,000	2,502,772	-	-	4,274,020	-	19,855,036	0.16%	602
2015	6,637,881	-	509,885	4,840,000	2,362,173	44,770	-	3,959,674	44,770	18,399,153	0.17%	554
2016	5,921,025	-	215,418	4,285,000	2,218,580	33,938	-	3,657,322	33,938	16,365,221	0.19%	493
2017	5,279,168	-	1,802,214	3,855,000	2,072,493	22,870	-	3,332,465	22,870	16,387,080	0.19%	494

**Notes:**

Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

See "Demographic & Economic Statistics" table for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year, when available.

(1) The above figures reflect bonds net of related premiums and discounts.

**TOWN OF DERRY, NEW HAMPSHIRE  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>% of Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Tax Increment Financing Bonds</b>	<b>Total</b>		
2008	\$6,930,000	\$2,000,000	\$8,930,000	0.30%	\$261
2009	6,090,000	1,920,000	8,010,000	0.30%	235
2010	5,470,000	1,840,000	7,310,000	0.29%	213
2011	4,960,000	1,760,000	6,720,000	0.27%	203
2012	4,450,000	5,080,000	9,530,000	0.38%	289
2013	7,990,000	5,000,000	12,990,000	0.55%	391
2014	7,374,738	4,920,000	12,294,738	0.52%	373
2015	6,637,881	4,840,000	11,477,881	0.46%	346
2016	5,921,025	4,285,000	10,206,025	0.41%	308
2017	5,279,168	3,855,000	9,134,168	0.32%	275

**Notes:**

Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Property value data from Form MS-1 filed with the NH Department of Revenue Administration for the prior tax year.

See page 128 for population data. These ratios are calculated using estimated population for the prior calendar year.

**TOWN OF DERRY, NEW HAMPSHIRE  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Direct &amp; Overlapping Debt</u>
<b>Direct:</b>			
Town of Derry - Bonds	\$9,134,168	100.00%	\$9,134,168
Town of Derry - Capital Leases	\$1,802,214	100.00%	<u>1,802,214</u>
Sub Total - Direct Debt			<u>\$10,936,382</u>
<b>Overlapping:</b>			
Rockingham County	\$6,297,263	6.4055%	\$403,371
Derry Cooperative School District	\$9,180,000	100.00%	<u>9,180,000</u>
Sub Total - Overlapping Debt			<u>9,583,371</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$20,519,753</u></u>

**Sources:** Debt outstanding data is provided by each governmental unit and the percentage applicable to the Town of Derry for Rockingham County, based on 2016 town allocation, is provided by the County.

**Notes:** Overlapping governments are those that coincide, at least in part with the geographic boundaries of a municipality. This schedule sets forth the Town of Derry's share of those overlapping governments that are born by its taxpayers through a portion of the approved tax rate. Since the Derry Cooperative School District is strictly confined to the Town of Derry, 100% of its outstanding debt is overlapping and applicable to the governmental unit.

**TOWN OF DERRY, NEW HAMPSHIRE  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

<b>Legal Debt Margin Calculation for Fiscal Year 2017</b>	
Estimated full value	\$3,098,756,240
General Fund debt limit (3% of equalized Valuation)	92,962,687
Water Fund debt limit (10% of equalized Valuation)	309,875,624

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>General Fund</u></b>										
Debt Limit	\$90,625,085	\$84,783,824	\$79,472,053	\$75,472,246	\$75,570,494	\$73,292,846	\$80,561,177	\$84,250,719	\$92,962,687	\$92,962,687
Total debt applicable to limit <sup>(1)</sup>	<u>6,930,000</u>	<u>6,090,000</u>	<u>5,470,000</u>	<u>4,960,000</u>	<u>4,450,000</u>	<u>7,990,000</u>	<u>7,374,738</u>	<u>6,637,881</u>	<u>5,921,025</u>	<u>5,279,168</u>
Legal debt margin	<u>\$83,695,085</u>	<u>\$78,693,824</u>	<u>\$74,002,053</u>	<u>\$70,512,246</u>	<u>\$71,120,494</u>	<u>\$65,302,846</u>	<u>\$73,186,439</u>	<u>\$77,612,838</u>	<u>\$87,041,662</u>	<u>\$87,683,519</u>
Total debt applicable to limit as a percentage of debt limit	7.65%	7.18%	6.88%	6.57%	5.89%	10.90%	9.15%	7.88%	6.37%	5.68%
<b><u>Water Fund</u></b>										
Debt Limit	\$302,086,017	\$282,612,747	\$264,906,843	\$251,574,153	\$251,901,647	\$244,309,487	\$268,537,258	\$280,835,731	\$309,875,624	\$309,875,624
Total debt applicable to limit	<u>844,940</u>	<u>613,140</u>	<u>450,000</u>	<u>400,000</u>	<u>2,568,500</u>	<u>2,518,500</u>	<u>2,502,772</u>	<u>2,362,173</u>	<u>2,218,580</u>	<u>2,072,493</u>
Legal debt margin	<u>\$301,241,077</u>	<u>\$281,999,607</u>	<u>\$264,456,843</u>	<u>\$251,174,153</u>	<u>\$249,333,147</u>	<u>\$241,790,987</u>	<u>\$266,034,486</u>	<u>\$278,473,558</u>	<u>\$307,657,044</u>	<u>\$307,803,131</u>
Total debt applicable to limit as a percentage of debt limit	0.28%	0.22%	0.17%	0.16%	1.02%	1.03%	0.93%	0.84%	0.72%	0.67%

**Notes:**  
Per New Hampshire Revised Statutes Annotated, the Town's general obligation debt and water district debt should not exceed 3% (RSA 33:4-a.III) and 10% (RSA 33:5-a), respectively, of equalized valuation as set forth in RSA 33:4-b and as determined by the NH Department of Revenue Administration.  
There is no state debt margin for sewer outstanding debt, because all sewer bonds are guaranteed by the State of New Hampshire.  
There is no state debt margin for Landfill Site Closure outstanding debt.  
<sup>(1)</sup> Per New Hampshire Revised Statutes annotated (RSA 162-K:8), Tax Increment Financing (TIF) District bonds shall not be included when computing the municipality's net debt.

**TOWN OF DERRY, NEW HAMPSHIRE  
DEMOGRAPHIC & ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Years Ended June 30,</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2008	34,200	N/A	N/A	6,266	4.4%
2009	34,071	N/A	N/A	6,251	7.8%
2010	34,318	N/A	N/A	6,161	6.4%
2011	33,109	\$997,673,497	\$30,133	6,018	5.5%
2012	33,008	993,177,712	30,089	5,900	6.5%
2013	33,220	1,038,257,880	31,254	5,863	5.6%
2014	32,988	1,031,171,892	31,259	5,690	4.9%
2015	33,211	1,009,514,767	30,397	6,586	4.3%
2016	33,180	1,014,312,600	30,570	6,937	5.1%
2017	33,202	1,044,103,294	31,447	6,630	2.9%

**Source:** Population and personal income information is provided by the New Hampshire Office of Energy & Planning. School enrollment information is provided by the Derry Cooperative School District. Unemployment information is derived from the Local Area Unemployment Statistics Report prepared by the NH Employment Security (NHES), Economic And Labor Market Information Bureau.

**Notes:**

Population and personal income are based on information from the prior calendar year. School population is based on the 2013-2014 school year, while the unemployment rate is the unemployment rate for the last month of the fiscal year.

Updated Per Capita Personal Income for the Town had not been available from the New Hampshire Office of Energy & Planning (NHOEP), though available in FY2011 due to the 2010 census and going forward based on an update from NHES. Prior to 2010, this information is derived from the census data done every 10 years.



**TOWN OF DERRY, NEW HAMPSHIRE  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	Type of Business	Fiscal Year 2017			Fiscal Year 2008		
		Employees	Rank	% of Total Town Employment	Employees	Rank	% of Total Town Employment
Derry Cooperative School District	Education	620	1	3.31%	685	1	3.52%
HCA Health Services of NH	Healthcare/Hospital	532	2	2.84%	589	2	3.03%
Pinkerton Academy	Education	462	3	2.46%	459	3	2.36%
Town of Derry	Municipal services	364	4	1.94%			
Wal-Mart Store	Retail chain	265	5	1.41%	200	4	1.03%
Hannaford Supermarket	Supermarket	142	6	0.76%	150	7	0.77%
Shaw's Supermarket	Supermarket	105	7	0.56%	180	5	0.93%
Fireye	Fire Equipment	100	8	0.53%	150	6	0.77%
Benson's Hardware	Hardware Supply Store	50	9	0.27%			
Sanmina/Hadco	Electronics				80	8	0.41%
Total Air Supply	Light Manufacturer	40	10	0.21%			
Vermillion	Color separations				72	9	0.37%
Merrimack Valley Wood Products	Door, window units				70	10	0.36%

**Source:** NH Department of Employment Security (NHDES), Economic & Labor Market Information Bureau's *Community Profiles*, while total town-wide employees used to calculate the percentage of employment comes from NHDES' Local Area Unemployment Statistics Report as of the December 31 that falls within the fiscal year.

**Note:**  
Fiscal Year 2017 and 2008 information is from the 2016 and 2006 calendar year Community Profiles, respectively, as well as from Town of Derry records.

**TOWN OF DERRY, NEW HAMPSHIRE  
FULL TIME TOWN EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010 <sup>(1)</sup></b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<u>Governmental Activities</u>										
General Government	27	27	26	25	24	24	25	26	23	22
Public Safety	162	162	153	153	152	150	149	149	148	146
Highway & Streets	28	28	28	27	27	27	27	27	27	30
Health & Welfare	3	3	3	3	3	3	4	4	2	2
Sanitation	6	6	5	5	5	5	5	5	5	5
Culture & Recreation	8	8	8	8	8	8	8	8	8	8
Economic Development	3	3	2	2	2	2	2	2	2	2
<u>Business-Type Activities</u>										
Water	6	6	6	6	6	6	7	7	7	7
Sewer	7	7	7	7	7	7	7	7	7	7
<b>Totals</b>	<b><u>250</u></b>	<b><u>250</u></b>	<b><u>238</u></b>	<b><u>236</u></b>	<b><u>234</u></b>	<b><u>232</u></b>	<b><u>234</u></b>	<b><u>235</u></b>	<b><u>229</u></b>	<b><u>229</u></b>

**Source:** Annual adopted budget information.

**Note:** Information is based on the full-time positions budgeted for the fiscal year. Any new positions are generally filled during that fiscal year.

(1) A full-time position originally removed in the FY2010 budget was restored by the Town Council early in the fiscal year and has been included in the information shown.

**TOWN OF DERRY, NEW HAMPSHIRE  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	<b>2008 <sup>(1)</sup></b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Public safety										
Number of police calls answered	21,850	23,426	24,690	26,663	26,939	26,607	26,034	22,960	23,785	26,298
Physical arrests	1,373	1,250	1,363	1,272	1,412	1,330	1,433	1,186	1,231	1,196
Traffic violations	801	833	960	1,144	1,052	1,008	991	627	701	919
Parking violations	616	396	482	534	1,182	966	866	529	382	1,070
Total offenses reported (prior calendar year basis)										
Group A	2,543	2,544	2,691	2,854	3,033	2,880	2,520	2,758	2,396	2,307
Group B	1,150	1,199	1,107	1,048	1,071	1,051	919	971	827	937
Fire & rescue calls dispatched (5 towns)	7,386	8,053	8,127	7,804	7,930	7,930	7,294	7,290	7,513	7,704
Total fire & rescue responses	4,199	4,519	4,546	4,393	4,282	4,193	4,281	4,586	4,722	4,836
Fire emergency services	860	1,248	1,513	1,405	1,396	1,445	1,447	1,607	1,683	1,730
False alarms	446	409	407	422	393	387	412	452	403	412
EMS/Rescue	2,893	2,991	3,033	2,939	2,886	2,886	3,081	3,302	3,321	3,298
Patients treated & transported	2,305	2,503	2,327	2,360	2,247	2,299	2,398	2,477	2,467	2,477
Patients treated only	29	53	25	10	22	29	21	18	19	21
Inspections conducted										
Fire code	866	1,012	705	697	713	744	862	858	969	1,213
Permits	182	78	648	198	627	773	721	689	723	770
Fire permits	1,766	3,691	3,691	4,012	2,495	2,114	1,412	1,952	2,016	1,787
Public safety education programs	130	128	122	138	61	72	32	51	51	35
Program attendees	2766	4824	4877	4965	2179	815	819	1267	1780	2823
Water										
Daily average water consumption	1.30 MGD	1.18 MGD	1.24 MGD	1.34 MGD	1.41 MGD	1.42 MGD	1.47 MGD	1.45 MGD	1.56 MGD	1.60 MGD
Maximum daily capacity in gallons	3.32 MGD	3.32 MGD	3.32 MGD	3.32 MGD	3.32 MGD	3.32 MGD	3.32 MGD	3.32 MGD	3.32 MGD	3.32 MGD
Sewer										
Daily average treatment in gallons	1.67 MGD	1.85 MGD	1.80 MGD	1.59 MGD	1.72 MGD	1.54 MGD	1.54 MGD	1.58 MGD	1.47 MGD	1.54 MGD
Maximum daily capacity	3.0 MGD	3.0 MGD	3.0 MGD	3.0 MGD	3.0 MGD	3.0 MGD	3.0 MGD	3.0 MGD	3.0 MGD	3.0 MGD

**Source:** Various Town departments

**Notes:**

- (1) New software installed for FY 2008 has allowed for a more detailed breakdown of information for Fire and Ambulance beginning in FY 2008.  
The Town was also able to capture some of the more detailed information for earlier years.

**TOWN OF DERRY, NEW HAMPSHIRE  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	30	30	30	30	30	30	30	30	30	30
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire/EMS Response Apparatus	30	30	30	30	30	30	30	30	30	30
Highways & streets										
Miles of streets	160.9	162.4	162.4	162.8	163.2	163.2	163.2	163.74	164.57	165.39
Number of street lights	921	921	921	921	923	923	923	923	923	923
Miles of sidewalks	19.3	19.3	19.3	19.3	19.3	19.7	19.7	19.7	19.7	19.7
Culture & recreation										
Community centers	6	6	6	6	6	6	6	6	6	6
Parks	6	6	6	6	6	6	6	6	6	6
Park acreage	132.1	132.1	132.1	132.1	132.1	132.1	132.1	132.1	132.1	132.1
Multi-purpose fields	9	9	9	9	9	9	9	9	9	9
Baseball/softball fields	8	8	8	8	8	8	8	8	8	8
Beaches	2	2	2	2	2	2	2	2	2	2
Tennis courts	5	5	5	5	5	5	5	5	5	5
Libraries	2	2	2	2	2	2	2	2	2	2
Water										
Miles of water mains	68.2	68.2	68.7	70.31	70.31	70.31	70.31	71.62	71.62	71.94
Service connections	3,977	3,989	4,005	4,028	4,041	4,050	4,071	4,075	4,094	4,115
Fire hydrants	575	591	592	614	614	614	614	629	629	638
Sewer										
Miles of sanitary sewers	46.6	48.9	48.9	48.9	48.9	48.9	48.9	50.44	50.44	50.44
Miles of storm sewers	18	18	18	19	19	19	19	19.25	19.25	19.35
Treatment plants	1	1	1	1	1	1	1	1	1	1
Service connections	3,021	3,029	3,049	3,064	3,082	3,087	3,096	3,100	3,116	3,130

**Source:** Various Town departments