

TOWN OF DOVER
MORRIS COUNTY, NEW JERSEY

REPORT OF AUDIT

FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019



**DONOHUE, GIRONDA,
DORIA & TOMKINS, LLC**

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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REPORT OF AUDIT

FINANCIAL SECTION

Town of Dover

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Aldermen
Town of Dover
Dover, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements – regulatory basis of the Town of Dover, New Jersey (the “Town”), which comprise the comparative balance sheets – regulatory basis, of each fund and General Fixed Assets as of December 31, 2020 and 2019, and the related comparative statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of appropriations – regulatory basis, of the Current Fund, Water Utility Operating Fund, and Parking Utility Operating Fund, and the related statement of changes in Fund Balance – Regulatory basis, of the General Capital Fund, Water Utility Capital Fund, and Parking Utility Capital Fund, for the years ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Management is also responsible for 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 error or fraud.

Auditor's 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, audit requirements prescribed by the Division and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Town'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 Town'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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Town on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Town as of December 31, 2020 and 2019, and the changes in its financial position for the years then ended.

Unmodified Opinion on Regulatory Basis Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund and General Fixed Assets of the Town as of December 31, 2020 and 2019, the respective operations and changes in fund balance – regulatory basis, revenue – regulatory basis and appropriations – regulatory basis of the Current Fund, Water Utility Operating Fund, and Parking Utility Operating Fund, the changes in fund balance regulatory basis of the General Capital Fund, Water Utility Capital Fund, and Parking Utility Capital Fund, for the years then ended, in accordance with the financial reporting provisions of the Division as described in Note 1.

Emphasis of a Matter Regarding Pending Tax Appeals

As described in Note 18, the Town is the defendant in various tax appeals presently pending. Approximately \$23 million in total cumulative taxes of are being appealed as of December 31, 2020 from tax appeals dating back as far as 2007 not being settled. However, the Town is contesting these appeals and expects the amounts settled to be less. The Town has no reserve for tax appeals to fund the potential exposure from pending tax appeals.

Emphasis of a Matter COVID 19

As described in Note 18, the President of the United States issued a Major Disaster Declaration for the State of New Jersey March 24, 2020 and the Governor of the State of New Jersey signed a series of Executive Orders declaring a State of Emergency and Public Health Emergency in the State of New Jersey. Given the uncertainty of the situation, the duration and extent of any disruption and effect of the Town’s operations and related financial impact cannot be reasonably estimated at this time. Our opinion on the basic financial statements is not affected by this matter.

Other Matters

Management’s Discussion and Analysis

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

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 supplementary data section, general comments, comments and recommendations and general section are presented for purposes of additional analysis as required by the Division. The schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and N.J. Office of Management and Budget Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively. The supplementary data section, general comments, comments and recommendations, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are also presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary data section and schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data section, general comments, comments and recommendations, schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, on our consideration of the Town's internal control over financial reporting and 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 the 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.


DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants


MAURICIO CANTO
RMA No. 555

Bayonne, New Jersey
September 30, 2021

REPORT OF AUDIT

**FINANCIAL SECTION:
Basic Financial Statements**

Town of Dover

REPORT OF AUDIT

**FINANCIAL SECTION:
Basic Financial Statements -
Current Fund**

Town of Dover

**TOWN OF DOVER
CURRENT FUND
AS OF DECEMBER 31, 2020 AND 2019**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2020	2019
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 6,267,735.90	\$ 4,116,084.46
Cash - Change Funds		475.00	475.00
Subtotal		<u>6,268,210.90</u>	<u>4,116,559.46</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	885,169.20	622,396.84
Tax Title Liens	A-8	438,583.09	414,736.09
Property Acquired for Taxes at Assessed Valuation	A-9	204,400.00	204,400.00
Revenue Accounts Receivable	A-10	7,526.24	20,107.91
Sewer Rents Receivable	A-11	163,914.79	59,266.62
Due from Police Outside Services	A-12	29,548.01	21,835.05
Federal Grant Receivable	A-13	334,939.00	-
Interfunds Receivable:			
Federal and State Grant Fund	A-15	10,423.09	-
Total Receivables with Full Reserve		<u>2,074,503.42</u>	<u>1,342,742.51</u>
Deferred Charges	A-14	2,709,341.86	40,000.00
Total Current Fund Assets		<u>11,052,056.18</u>	<u>5,499,301.97</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-30	1,036,486.86	1,549,340.88
Due from Current Fund	A-31	-	42,869.07
Total Federal and State Grant Fund Assets		<u>1,036,486.86</u>	<u>1,592,209.95</u>
Dover Free Public Library:			
Cash and Cash Equivalents	A-4	1,806,782.70	1,594,308.62
Investments	A-4	2,089,116.82	2,334,000.00
Total Dover Free Public Library Assets		<u>3,895,899.52</u>	<u>3,928,308.62</u>
Total Assets		<u>\$ 15,984,442.56</u>	<u>\$ 11,019,820.54</u>

**TOWN OF DOVER
CURRENT FUND
AS OF DECEMBER 31, 2020 AND 2019**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2020	2019
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3, A-16	\$ 2,045,276.07	\$ 761,773.01
Encumbrances	A-3, A-16	371,776.24	253,759.80
Accounts Payable	A-17	3,400.54	-
Interfunds Payable:			
Federal and State Grants Fund	A-15	-	42,869.07
Other Trust Fund	A-15	-	225.00
Water Utility Operating Fund	A-15	-	177.33
Due to State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-18	10,961.86	10,961.86
Other	A-19	2,810.00	11,051.00
Tax Overpayments	A-20	54,948.85	22,586.02
Prepaid Taxes	A-21	249,677.76	289,375.47
Prepaid Sewer Rents	A-22	807.24	3,796.72
Due County for Added and Omitted Taxes	A-23	16,845.01	4,016.37
Local School District Taxes Payable	A-24	1,229,738.42	1,211,252.96
Due to Dover Housing Authority	A-25	-	6,666.72
Emergency Notes Payable	A-26	2,709,341.86	-
Reserve for Other	A-27	33,348.93	109,597.15
		<u>6,728,932.78</u>	<u>2,728,108.48</u>
Reserve for Receivables		2,074,503.42	1,342,742.51
Fund Balance	A-1	<u>2,248,619.98</u>	<u>1,428,450.98</u>
Total Current Fund Liabilities, Reserves and Fund Balance		<u>11,052,056.18</u>	<u>5,499,301.97</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-32	87,001.43	553,104.84
Due to Current Fund	A-31	10,423.09	-
Reserve for Federal and State Grants:			
Appropriated	A-32	859,246.15	845,663.37
Unappropriated	A-33	79,816.19	193,441.74
Total Federal and State Grant Fund Liabilities and Reserves		<u>1,036,486.86</u>	<u>1,592,209.95</u>
Dover Free Public Library:			
Reserve for Dover Free Public Library	A-29	<u>3,895,899.52</u>	<u>3,928,308.62</u>
Total Dover Free Public Library Liabilities and Reserves		<u>3,895,899.52</u>	<u>3,928,308.62</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 15,984,442.56</u>	<u>\$ 11,019,820.54</u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS**

	Ref.	2020	2019
<u>Revenue and Other Income Realized:</u>			
Fund Balance Utilized	A-2	\$ 600,000.00	\$ 1,600,000.00
Miscellaneous Revenue Anticipated	A-2	6,122,144.64	7,688,296.37
Receipts from Delinquent Taxes	A-2	570,300.73	521,038.39
Receipts from Current Taxes	A-2	36,781,768.34	35,537,429.30
Non-Budget Revenues	A-2	75,240.94	209,482.39
Other Credits to Income:			
Budget Appropriations Cancelled	A-3	20,704.08	-
Special Emergency Funded in Advance - COVID-19 Related	A-14	2,109,341.86	-
Unexpended Balance of Appropriation Reserves	A-16	146,289.21	311,151.84
Grant Appropriations Cancelled		-	54,584.31
Prior Year Accounts Receivable Realized		21,835.05	9,696.77
Prior Year Interfunds Returned		-	12,185.52
Miscellaneous Adjustment	A-4	7,263.12	
		<u>46,454,887.97</u>	<u>45,943,864.89</u>
<u>Expenditures</u>			
Budgetary and Emergency Appropriations:			
Appropriations within "CAPS"			
Operations:			
Salaries and Wages	A-3	10,397,128.00	10,178,063.25
Other Expenses	A-3	7,832,178.58	7,778,048.75
Statutory Expenditures	A-3	2,336,085.00	2,168,715.64
Appropriations Excluded from "CAPS"			
Operations:			
Other Expenses	A-3	2,347,017.79	3,164,902.55
Capital Improvements	A-3	50,000.00	50,000.00
Municipal Debt Service	A-3	2,014,975.00	1,618,810.00
Deferred Charges	A-3	40,000.00	290,000.00
Reserve for Uncollected Taxes	A-3	702,102.17	777,992.42
		<u>25,719,486.54</u>	<u>26,026,532.61</u>
County Tax	A-23	3,755,326.43	3,623,726.23
Local District School Tax	A-24	15,719,453.00	15,469,113.00
Account Receivable Reserved		364,487.01	21,835.05
Refund of Prior Years' Taxes	A-4	65,542.90	-
Interfunds Advanced Originating in Current Year		10,423.09	-
Grants Receivable Prior Year Received Adjustments		-	162,140.75
Grants Receivable Cancelled		-	54,584.31
Grants Appropriated Prior Year Adjustments		-	5,619.78
		<u>45,634,718.97</u>	<u>45,363,551.73</u>
Excess in Revenue		820,169.00	580,313.16
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Emergency Appropriation	A-14	600,000.00	-
Statutory Excess to Fund Balance		1,420,169.00	580,313.16
Fund Balance, January 1	A	1,428,450.98	2,448,137.82
		<u>2,848,619.98</u>	<u>3,028,450.98</u>
Decreased by:			
Utilized as Anticipated Revenue		600,000.00	1,600,000.00
Fund Balance, December 31	A	<u>\$ 2,248,619.98</u>	<u>\$ 1,428,450.98</u>

See Accompanying Notes to Financial Statements.

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
SURPLUS					
Surplus Anticipated	A-1	\$ 600,000.00	\$ -	\$ 600,000.00	\$ -
MISCELLANEOUS REVENUS					
Local Revenues:					
Licenses:					
Alcoholic Beverage	A-10	50,000.00	-	52,160.00	2,160.00
Other	A-10	55,800.00	-	33,869.00	(21,931.00)
Fees and Permits	A-10	175,000.00	-	195,443.59	20,443.59
Fines and Costs - Municipal Court	A-10	270,000.00	-	149,053.83	(120,946.17)
Interest and Costs on Taxes	A-10	140,000.00	-	141,886.11	1,886.11
Interest on Investments and Deposits	A-10	200,000.00	-	106,492.46	(93,507.54)
Sewer Rents	A-11	1,480,000.00	-	1,647,640.28	167,640.28
Fire Prevention Inspection fee	A-10	4,400.00	-	1,296.00	(3,104.00)
Cell Tower Rental Fees	A-10	160,000.00	-	163,955.84	3,955.84
Rental of Municipal Property	A-10	93,000.00	-	108,334.59	15,334.59
Hotel Occupancy Tax	A-10	186,000.00	-	89,571.48	(96,428.52)
Payments in Lieu of Taxes:			-		
Millpond Towers	A-10	181,232.00	-	181,232.00	-
Guenther Mill	A-10	93,000.00	-	-	(93,000.00)
		<u>3,088,432.00</u>	<u>-</u>	<u>2,870,935.18</u>	<u>(217,496.82)</u>
State Aid without Offsetting Appropriations:					
Consolidated Municipal Property Tax Relief Aid	A-10	171,198.00	-	171,198.00	-
Energy Receipts Tax	A-10	1,093,424.00	-	1,093,424.00	-
		<u>1,264,622.00</u>	<u>-</u>	<u>1,264,622.00</u>	<u>-</u>
Dedicated Uniform Construction Code Fees	A-10	432,450.00	-	303,080.00	(129,370.00)
Shared Service Agreements:					
Municipal Court	A-10	18,000.00	-	18,419.26	419.26
Victory Garden Fire Department	A-10	33,000.00	-	33,000.00	-
School Resource Officer	A-10	154,722.00	-	122,342.00	(32,380.00)
		<u>205,722.00</u>	<u>-</u>	<u>173,761.26</u>	<u>(31,960.74)</u>
Public and Private Revenues:					
Small Cities CDBG Program -					
Reserve for Housing Rehabilitation		177,750.00	-	177,750.00	-
Bullet Proof Vest Program		1,909.57	-	1,909.57	-
Recycling Tonnage Grant		15,691.74	-	15,691.74	-
Body Armor Replacement Fund		3,437.71	-	3,437.71	-
Drunk Driving Enforcement Fund		9,921.77	-	9,921.77	-
	A-15	<u>208,710.79</u>	<u>-</u>	<u>208,710.79</u>	<u>-</u>

See Accompanying Notes to Financial Statements.

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Adopted Budget	N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUS (continued)					
Other Special Items:					
Water Utility Operating Surplus	A-10	\$ 200,000.00	\$ -	\$ 200,000.00	\$ -
Uniform Fire Safety Act	A-10	45,000.00		27,251.52	(17,748.48)
General Capital Fund	A-10	200,000.00	-	200,000.00	-
Cable TV Franchise Fees	A-10	183,550.00	-	179,870.21	(3,679.79)
Community Champions	A-10	180,950.00	-	114,650.00	(66,300.00)
Ambulance Billing Fees	A-10	225,000.00	-	229,263.68	4,263.68
Veterans Housing Land Sale	A-10	350,000.00	-	350,000.00	-
		<u>1,384,500.00</u>	<u>-</u>	<u>1,301,035.41</u>	<u>(83,464.59)</u>
Total Miscellaneous Revenues		<u>6,584,436.79</u>	<u>-</u>	<u>6,122,144.64</u>	<u>(462,292.15)</u>
RECEIPTS FROM DELINQUENT TAXES:	A-2a, A-7	<u>575,000.00</u>	<u>-</u>	<u>570,300.73</u>	<u>(4,699.27)</u>
Subtotal - General Revenues		<u>7,759,436.79</u>	<u>-</u>	<u>7,292,445.37</u>	<u>(466,991.42)</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:					
Local Tax Including Reserve for					
Uncollected Taxes		16,883,623.75	-	16,828,471.24	(55,152.51)
Minimum Library Tax		476,426.00	-	478,517.67	2,091.67
	A-2a	<u>17,360,049.75</u>	<u>-</u>	<u>17,306,988.91</u>	<u>(53,060.84)</u>
Total Budget Revenues	A-2a	25,119,486.54	-	24,599,434.28	(520,052.26)
Non-Budget Revenues	A-1, A-2b	-	-	75,240.94	75,240.94
Total General Revenues		<u>\$ 25,119,486.54</u>	<u>\$ -</u>	<u>\$ 24,674,675.22</u>	<u>\$ (444,811.32)</u>
	<u>Ref.</u>				

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

**STATEMENT OF REVENUES - REGULATORY BASIS -
ANALYSIS OF BUDGETED REVENUES**

	<u>Ref.</u>		
Allocation of Current Tax Collections:			
Current Year Taxes Collected in Prior Year	A-7	\$ 289,375.47	
Current Year Taxes Collected in Current Year	A-7	35,740,290.70	
State Share of Sr. Citizens' & Veterans' Deductions	A-7	<u>50,000.00</u>	
Current Taxes Realized in Cash	A-7		\$ 36,079,666.17
Add: Appropriation for "Reserve for Uncollected Taxes"	A-3		<u>702,102.17</u>
			<u>36,781,768.34</u>
Allocated to:			
School Taxes	A-7	15,719,453.00	
County Taxes	A-7	<u>3,755,326.43</u>	
Total Allocated to School, County and Special District Taxes			<u>19,474,779.43</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u>17,306,988.91</u>
Receipts from Delinquent Taxes:			
Delinquent Taxes Collected	A-2, A-7		<u>570,300.73</u>
Miscellaneous Revenues Anticipated:			
Accrual per Revenue Accounts Receivable	A-10		4,265,793.57
Sewer Rents	A-11		1,647,640.28
Public and Private Revenues	A-15		<u>208,710.79</u>
Total Miscellaneous Revenues Anticipated			<u>6,122,144.64</u>
Fund Balance	A-1		<u>600,000.00</u>
Total Realized Budget Revenues	A-2		<u>\$ 24,599,434.28</u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

**STATEMENT OF REVENUES - REGULATORY BASIS -
ANALYSIS OF NON-BUDGET REVENUES**

	<u>Ref.</u>	
Miscellaneous Revenue not Anticipated:		
Insurance Recoveries		\$ 30,486.25
Shared Radio Communications Fees		17,126.12
Housing Authority Payment in Lieu of Taxes		10,522.14
Payroll Tax Refunds		5,134.52
Leaf Bags		2,287.00
Clerk Fees		1,019.30
Senior Citizens' and Veterans' deductions administration fee		1,000.00
Water Meter Installation Fee		913.00
Joint Insurance Fund Incentive		500.00
Police Donation		186.37
Other Miscellaneous Revenue		<u>6,066.24</u>
Total Miscellaneous Revenue not Anticipated	A-2, A-4	<u>\$ 75,240.94</u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations			Expended		Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operations - within "CAPS":						
General Government:						
Mayor and Board of Alderman						
Salaries and Wages	\$ 127,668.00	\$ 127,668.00	\$ 125,554.57	\$ -	\$ 2,113.43	\$ -
Other Expenses	60,310.00	60,310.00	59,733.70	-	576.30	-
Administrative and Executive						
Salaries and Wages	189,000.00	189,000.00	116,975.97	-	72,024.03	-
Other Expenses	101,200.00	101,200.00	93,005.41	6,478.72	1,715.87	-
Town Clerk						
Salaries and Wages	203,485.00	203,485.00	153,843.63	-	49,641.37	-
Other Expenses	53,180.00	53,180.00	21,953.39	3,817.40	27,409.21	-
Finance Director's Office						
Salaries and Wages	221,247.00	221,247.00	185,332.92	-	35,914.08	-
Other Expenses	105,180.00	105,180.00	77,921.58	8,955.00	18,303.42	-
Annual Audit	36,929.00	36,929.00	36,929.00	-	28,929.00	-
Assessment of Taxes						
Salaries and Wages	45,882.00	45,882.00	43,242.05	-	2,639.95	-
Other Expenses	5,540.00	5,540.00	4,786.62	-	753.38	-
Collection of Taxes						
Salaries and Wages	35,844.00	35,844.00	34,586.22	-	1,257.78	-
Other Expenses	11,125.00	11,125.00	3,767.02	-	7,357.98	-
Legal Services						
Other Expenses	300,000.00	300,000.00	224,028.71	5,079.99	70,891.30	-
Prosecutor's Office						
Salaries and Wages	39,545.00	39,545.00	24,859.96	-	14,685.04	-
Engineering Services and Costs:						
Salary & Wages	184,036.00	184,036.00	141,402.16	-	42,633.84	-
Other Expenses	108,660.00	108,660.00	41,054.77	13,034.30	54,570.93	-
Economic Development						
Salary & Wages	19,934.00	19,934.00	19,932.08	-	1.92	-
Other Expenses	21,000.00	21,000.00	10,374.22	192.00	10,433.78	-
Planning Board						
Salary & Wages	3,481.00	3,481.00	-	-	3,481.00	-
Other Expenses	7,190.00	7,190.00	6,046.32	650.00	493.68	-
Board of Adjustment						
Salary & Wages	3,481.00	3,481.00	-	-	3,481.00	-
Other Expenses	7,140.00	7,140.00	2,683.73	99.00	4,357.27	-
Insurance: N.J.S.A. 40A:4-45.3(00)						
General Liability	425,197.00	425,197.00	327,082.50	-	98,114.50	-
Workers Compensation	423,462.00	423,462.00	345,180.00	-	78,282.00	-
Employee Group Health	2,948,459.92	2,947,459.92	2,467,199.92	-	480,260.00	-
Health Benefit Waiver	122,000.00	122,000.00	92,534.33	-	29,465.67	-
Code Enforcement						
Salary & Wages	257,491.00	257,491.00	250,720.55	-	6,770.45	-
Other Expenses	8,000.00	8,000.00	6,344.56	1,455.36	200.08	-
Public Safety:						
Police:						
Salary & Wages	5,087,354.00	5,087,354.00	4,855,598.59	-	231,755.41	-
Other Expenses	260,000.00	260,000.00	200,976.36	41,662.42	17,361.22	-
Shared Services Dispatching:						
Other Expenses	321,000.00	321,000.00	320,323.66	-	676.34	-
Office of Emergency Management:						
Salary & Wages	9,000.00	9,000.00	4,500.00	-	4,500.00	-
Other Expenses	2,000.00	2,000.00	185.25	-	1,814.75	-
Public Defender						
Other Expenses	25,000.00	25,000.00	19,192.50	1,000.00	4,807.50	-
Fire						
Salary & Wages	857,216.00	857,216.00	797,730.11	-	59,485.89	-
Other Expenses	135,425.00	135,425.00	95,074.21	20,768.23	19,582.56	-
Uniformed Fire Safety Act (P.L. 1983, Ch. 383):						
Salary & Wages	143,848.00	143,848.00	143,752.99	-	95.01	-
Other Expenses	7,500.00	7,500.00	802.21	-	6,697.79	-
Municipal Court						
Salary & Wages	296,335	296,335	261,947	-	34,388	-
Other Expenses	26,000.00	26,000.00	24,239.92	1,239.27	520.81	-
Health and Welfare:						
Board of Health						
Salary & Wages	129,353.00	129,353.00	122,574.03	-	6,778.97	-
Other Expenses	145,000.00	145,000.00	134,027.81	1,812.38	9,159.81	-
Solid Waste and Recycling						
Salary & Wages	196,414.00	196,414.00	190,655.78	-	5,758.22	-
Other Expenses	1,240,293.66	1,240,293.66	1,121,659.81	113,779.56	4,854.29	-
Recreation and Education						
Shade Trees:						
Salary & Wages	1,934.00	1,934.00	-	-	1,934.00	-
Other Expenses	28,000.00	28,000.00	11,156.64	5,680.00	11,163.36	-
Senior Citizen Transportation:						
Salary & Wages	32,000.00	32,000.00	31,975.00	-	25.00	-
Other Expenses	3,000.00	3,000.00	2,100.00	-	900.00	-
Recreation Department:						
Salary & Wages	154,048.00	154,048.00	124,955.64	-	29,092.36	-
Other Expenses	88,500.00	88,500.00	43,641.65	39,373.44	5,484.91	-

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Cancelled
	Adopted Budget	Budget After Modification		Encumbered	Reserved	
Operations - within "CAPS" (continued):						
Historic Preservation						
Salary & Wages	\$ 3,481.00	\$ 3,481.00	\$ -	\$ -	\$ 3,481.00	\$ -
Other Expenses	2,850.00	2,850.00	275.58	-	2,574.42	-
Department of Public Works:						
Streets and Road Maintenance						
Salary & Wages	625,864.00	625,864.00	559,582.86	-	66,281.14	-
Other Expenses	120,000.00	120,000.00	74,601.30	10,550.61	34,848.09	-
Division of Sewer Maintenance						
Salary & Wages	284,554.00	284,554.00	281,485.41	-	3,068.59	-
Other Expenses	18,000.00	18,000.00	14,126.80	663.51	3,209.69	-
Buildings and Grounds						
Salary & Wages	366,046.00	366,046.00	360,109.01	-	5,936.99	-
Other Expenses	95,000.00	95,000.00	75,705.56	6,240.99	13,053.45	-
Snow and Ice Removal:						
Salary & Wages	73,000.00	73,000.00	-	-	73,000.00	-
Other Expenses	100,000.00	100,000.00	33,178.10	15,284.19	51,537.71	-
State Uniform Construction Code Official:						
Salary & Wages	205,587.00	205,587.00	190,107.74	-	15,479.26	-
Other Expenses	51,037.00	51,037.00	31,627.23	1,593.21	17,816.56	-
Unclassified:						
Utilities	420,000.00	420,000.00	340,413.22	72,172.66	7,414.12	-
Severance Salaries & Wages	-	600,000.00	600,000.00	-	-	-
Total Operations - within "CAPS"	17,630,306.58	18,229,306.58	15,956,429.04	371,582.24	1,901,295.30	-
Detail:						
Salaries and Wages	9,797,128.00	10,397,128.00	9,621,424.45	-	775,703.55	-
Other Expenses	7,833,178.58	7,832,178.58	6,335,004.59	371,582.24	1,125,591.75	-
Deferred Charges and Statutory Expenditures within "CAPS":						
Deferred Charges:						
Prior Year Bills	52,965.00	52,965.00	26,000.00	-	26,965.00	-
Statutory Expenditures						
Contribution to:						
Public Employees Retirement System	440,280.00	440,280.00	440,280.00	-	-	-
Social Security System (O.A.S.I.)	440,000.00	440,000.00	413,971.38	-	26,028.62	-
Police & Fire Retirement System of NJ	1,317,840.00	1,317,840.00	1,317,840.00	-	-	-
State Unemployment Insurance	70,000.00	70,000.00	70,000.00	-	-	-
Defined Contribution Retirement Program	15,000.00	15,000.00	15,000.00	-	-	-
Total Deferred Charges and Statutory Expenditures within "CAPS"	2,336,085.00	2,336,085.00	2,283,091.38	-	52,993.62	-
Total General Appropriations for Municipal Purposes - within "CAPS"	19,966,391.58	20,565,391.58	18,239,520.42	371,582.24	1,954,288.92	-
Operations - Excluded From "CAPS":						
General Government:						
Rockaway Valley Regional Sewerage Authority	1,396,657.00	1,396,657.00	1,371,296.00	-	25,361.00	-
Maintenance of Free Public Library (Ch. 82 and 541, P.L. 1985)	476,426.00	477,426.00	465,459.25	-	11,966.75	-
Declared State of Emergency Cost for Corona Virus Response	54,000.00	54,000.00	409.60	194.00	53,396.40	-
	1,927,083.00	1,928,083.00	1,837,164.85	194.00	90,724.15	-
Shared Municipal Service Agreements:						
Interlocal Services - Municipal Court	18,724.00	18,724.00	18,724.00	-	-	-
Victory Gardens Fire Department	33,000.00	33,000.00	33,000.00	-	-	-
Board of Education School Resource Officer	158,500.00	158,500.00	158,237.00	-	263.00	-
	210,224.00	210,224.00	209,961.00	-	263.00	-
Public and Private Programs Offset by Revenues:						
Small Cities CDBG Program - Reserve for Housing Rehabilitation	177,750.00	177,750.00	177,750.00	-	-	-
Bulletproof Vest Program	1,909.57	1,909.57	1,909.57	-	-	-
Recycling Tonnage Grant	15,691.74	15,691.74	15,691.74	-	-	-
Body Armor Replacement Fund	3,437.71	3,437.71	3,437.71	-	-	-
Drunk Driving Enforcement Fund	9,921.77	9,921.77	9,921.77	-	-	-
	208,710.79	208,710.79	208,710.79	-	-	-
Total Operations - Excluded from "CAPS"	2,346,017.79	2,347,017.79	2,255,836.64	194.00	90,987.15	-
Detail:						
Other Expenses	2,346,017.79	2,347,017.79	2,255,836.64	194.00	90,987.15	-
Capital Improvements- Excluded from "CAPS":						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Total Capital Improvement-Excluded from "CAPS"	50,000.00	50,000.00	50,000.00	-	-	-

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations			Expended		
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
Municipal Debt Service Excluded from "CAPS":						
Bond Principal	\$ 880,000.00	\$ 880,000.00	\$ 880,000.00	\$ -	\$ -	\$ -
Interest on Bonds	159,775.00	159,775.00	159,775.00	-	-	-
Note Principal	209,700.00	209,700.00	209,700.00	-	-	-
Interest on Notes	765,500.00	765,500.00	744,795.92	-	-	20,704.08
Total Municipal Debt Service Excluded from "CAPS"	2,014,975.00	2,014,975.00	1,994,270.92	-	-	20,704.08
Deferred Charges - Excluded from "CAPS":						
Special Emergency Authorizations						
Special Emergency Authorization - 3 Years	40,000.00	40,000.00	40,000.00	-	-	-
Total Deferred Charges - Excluded from "CAPS"	40,000.00	40,000.00	40,000.00	-	-	-
Total General Appropriations Excluded from "CAPS"	4,450,992.79	4,451,992.79	4,340,107.56	194.00	90,987.15	20,704.08
Subtotal General Appropriations	24,417,384.37	25,017,384.37	22,579,627.98	371,776.24	2,045,276.07	20,704.08
Reserve for Uncollected Taxes	702,102.17	702,102.17	702,102.17	-	-	-
Total General Appropriations	<u>\$ 25,119,486.54</u>	<u>\$ 25,719,486.54</u>	<u>\$ 23,281,730.15</u>	<u>\$ 371,776.24</u>	<u>\$ 2,045,276.07</u>	<u>\$ 20,704.08</u>
Ref.		Below	Below	A	A	A-1
Budget As Adopted	A-2	\$ 25,119,486.54				
Special Emergency	A-1	600,000.00				
	Above	<u>\$ 25,719,486.54</u>				
Reserve for Uncollected Taxes	A-2		\$ 702,102.17			
Cash Disbursements	A-4		22,330,917.19			
Deferred Charges	A-14		40,000.00			
State and Federal Grants Appropriated	A-15		208,710.79			
	Above		<u>\$ 23,281,730.15</u>			

REPORT OF AUDIT

**FINANCIAL SECTION:
Basic Financial Statements -
Trust Fund**

Town of Dover

**TOWN OF DOVER
TRUST FUNDS
AS OF DECEMBER 31, 2020 AND 2019**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	\$ 9,710.06	\$ 18,915.30
Other Trust Funds:			
Cash and Cash Equivalents	B-1	948,985.97	1,015,238.49
Due from Current Fund	B-2	-	225.00
		<u>948,985.97</u>	<u>1,015,463.49</u>
Payroll Agency:			
Cash and Cash Equivalents	B-1	433,502.50	165,244.71
Total Assets		<u>\$ 1,392,198.53</u>	<u>\$ 1,199,623.50</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund:			
Due to State of New Jersey - Dog License Fees	B-3	\$ 873.60	\$ 12.00
Reserve for Dog Fund Expenditures	B-4	8,836.46	18,903.30
		<u>9,710.06</u>	<u>18,915.30</u>
Other Trust Funds:			
Other Reserves	B-5	948,985.97	1,015,463.49
		<u>948,985.97</u>	<u>1,015,463.49</u>
Payroll Agency:			
Reserve for Payroll Deductions	B-6	433,502.50	165,244.71
Total Liabilities and Reserves		<u>\$ 1,392,198.53</u>	<u>\$ 1,199,623.50</u>

REPORT OF AUDIT

**FINANCIAL SECTION:
Basic Financial Statements -
General Capital Fund**

Town of Dover

**TOWN OF DOVER
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2020 AND 2019**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2, C-3	\$ 14,688,151.72	\$ 14,920,932.53
Deferred Charges to Future Taxation:			
Funded	C-4	5,775,000.00	6,655,000.00
Unfunded	C-5	<u>34,088,449.00</u>	<u>34,400,449.00</u>
Total Assets		<u>\$ 54,551,600.72</u>	<u>\$ 55,976,381.53</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Encumbrances Payable	C-6	\$ 1,372,906.46	\$ 11,138,344.07
Improvement Authorizations:			
Funded	C-7	258,661.79	265,163.11
Unfunded	C-7	12,592,133.64	4,157,083.62
Capital Improvement Fund	C-8	50,000.00	-
Reserve to Pay Debt Service	C-9	8,041,176.00	0.50
Reserve for Downpayments on Improvements	C-10	792.20	792.20
Bond Anticipation Notes Payable	C-11	26,138,000.00	33,450,000.00
General Serial Bonds Payable	C-12	<u>5,775,000.00</u>	<u>6,655,000.00</u>
		54,228,670.09	55,666,383.50
Fund Balance	C-1	<u>322,930.63</u>	<u>309,998.03</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 54,551,600.72</u>	<u>\$ 55,976,381.53</u>

There were Bonds and Notes Authorized But Not Issued of \$7,950,449.00 and \$950,449.00 at December 31, 2020 and 2019, respectively.

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance: December 31, 2019	C	\$ 309,998.03
Increased by:		
Cash Receipts - Premiums on Sale of Notes	C-2	<u>212,932.60</u>
		522,930.63
Decreased by:		
Cash Disbursements - Due to Current	C-2	<u>200,000.00</u>
Balance: December 31, 2020	C	<u><u>\$ 322,930.63</u></u>

REPORT OF AUDIT

**FINANCIAL SECTION:
Basic Financial Statements -
Water Utility Fund**

Town of Dover

**TOWN OF DOVER
WATER UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019**

SCHEDULES OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

	Ref.	2020	2019
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 2,437,723.90	\$ 1,881,353.86
Change Fund		100.00	100.00
Due from Current Fund	D-7	-	177.33
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-8	371,589.79	125,624.10
Inventory	D-9	94,074.09	112,301.70
Total Receivables and Inventory with Full Reserves		<u>465,663.88</u>	<u>237,925.80</u>
Deferred Charges:			
Expenditure without Appropriation	D-10	<u>50,000.00</u>	<u>-</u>
Total Utility Operating Fund Assets		<u>2,953,487.78</u>	<u>2,119,556.99</u>
Capital Fund:			
Cash and Cash Equivalents	D-5, D-6	1,371,530.91	4,884,090.26
Fixed Capital	D-10	8,466,085.95	8,466,085.95
Fixed Capital Authorized and Uncompleted	D-11	<u>15,818,214.16</u>	<u>15,818,214.16</u>
Total Utility Capital Fund Assets		<u>25,655,831.02</u>	<u>29,168,390.37</u>
Total Utility Fund Assets		<u>\$ 28,609,318.80</u>	<u>\$ 31,287,947.36</u>

**TOWN OF DOVER
WATER UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019**

SCHEDULES OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

	Ref.	2020	2019
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4, D-13	\$ 395,968.25	\$ 369,905.66
Reserve for Encumbrances	D-4, D-20	253,882.07	126,323.97
Accounts Payable	D-14	7,770.97	-
Prepaid Water Rents	D-15	-	4,508.70
Overpayments	D-16	2,869.02	8,202.40
Third Party Lien	D-17	213.49	213.49
Accrued Interest on Notes	D-18	21,145.83	52,864.56
Accrued Interest on Bonds	D-19	33,056.25	36,875.00
		<u>714,905.88</u>	<u>598,893.78</u>
Reserve for Receivables and Inventory	D	465,663.88	237,925.80
Fund Balance	D-1	1,772,918.02	1,282,737.41
Total Utility Operating Fund Liabilities, Reserves and Fund Balance		<u>2,953,487.78</u>	<u>2,119,556.99</u>
Capital Fund:			
Reserve for Encumbrances Payable	D-20	2,845,916.63	3,333,618.62
Improvement Authorizations:			
Funded	D-21	111,280.71	1,594,164.12
Unfunded	D-21	2,901,033.10	4,643,007.05
Capital Improvement Fund	D-22	213,773.48	13,773.48
Reserve for:			
Amortization	D-23	10,856,149.20	10,386,149.20
Deferred Amortization	D-24	673,617.05	579,505.01
Bond Anticipation Notes Payable	D-25	2,850,000.00	2,900,000.00
NJ Environmental Infrastructure Trust Loans Payable	D-26	422,988.58	467,100.62
Serial Bonds Payable	D-27	4,727,000.00	5,197,000.00
Total Capital Fund		<u>25,601,758.75</u>	<u>29,114,318.10</u>
Fund Balance	D-2	54,072.27	54,072.27
Total Utility Capital Fund Liabilities, Reserves and Fund Balance		<u>25,655,831.02</u>	<u>29,168,390.37</u>
Total Utility Fund Liabilities, Reserves and Fund Balance		<u>\$ 28,609,318.80</u>	<u>\$ 31,287,947.36</u>

**TOWN OF DOVER
WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCE

	Ref.	2020	2019
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	D-3	\$ 500,000.00	\$ 500,000.00
Water Rents	D-3	4,361,722.67	4,235,787.64
Miscellaneous Revenue Anticipated	D-3	43,581.18	129,569.28
Other Credits to Income:			
Current Year Budget Appropriations Cancelled	D-4	76,084.98	-
Unexpended Balance of Appropriation Reserves	D-13	258,791.78	304,537.02
		<u>5,240,180.61</u>	<u>5,169,893.94</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating		2,829,918.18	2,841,797.00
Capital Improvement Fund		200,000.00	150,000.00
Debt Service		781,737.00	774,856.37
Statutory Expenditures		238,344.82	222,691.00
	D-4	<u>4,050,000.00</u>	<u>3,989,344.37</u>
Expenditure without Appropriation	D-5	50,000.00	-
Prior Year Accrued Interest on Loans		-	2,296.58
		<u>4,100,000.00</u>	<u>3,991,640.95</u>
Statutory Excess to Fund Balance		1,140,180.61	1,178,252.99
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	D-10	50,000.00	-
Fund Balance, January 1	D	<u>1,282,737.41</u>	<u>804,484.42</u>
		2,472,918.02	1,982,737.41
Decreased by:			
Utilized as Anticipated Revenue	D-1	500,000.00	500,000.00
Utilized as Anticipated Revenue - Current Fund	D-7	200,000.00	200,000.00
Fund Balance, December 31	D	<u>\$ 1,772,918.02</u>	<u>\$ 1,282,737.41</u>

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF FUND BALANCE

	Ref.	
Balance: December 31, 2019	D	\$ 54,072.27
Balance: December 31, 2020	D	\$ 54,072.27

**TOWN OF DOVER
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF REVENUES

	<u>Ref.</u>	<u>Adopted Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 500,000.00	\$ 500,000.00	\$ -
Water Rents	D-1, D-8	3,450,000.00	4,361,722.67	911,722.67
Miscellaneous Revenue	D-1, D-5	100,000.00	43,581.18	(56,418.82)
Total Budget Revenues		<u>3,550,000.00</u>	<u>4,405,303.85</u>	<u>855,303.85</u>
Total Water Utility Revenues		<u>\$ 4,050,000.00</u>	<u>\$ 4,905,303.85</u>	<u>\$ 855,303.85</u>
	<u>Ref.</u>	<u>D-4</u>		
<u>Analysis of Miscellaneous Revenue:</u>				
Water Collector:				
Miscellaneous			\$ 7,121.14	
Treasurer:				
Interest on Investments			<u>36,460.04</u>	
Total Miscellaneous Revenue			<u>\$ 43,581.18</u>	

**TOWN OF DOVER
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF EXPENDITURES

	Appropriations		Expended			Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 1,428,189.00	\$ 1,428,189.00	\$ 1,153,363.53	\$ -	\$ 274,825.47	\$ -
Other Expenses	1,401,729.18	1,401,729.18	1,064,695.34	253,882.07	83,151.77	-
	<u>2,829,918.18</u>	<u>2,829,918.18</u>	<u>2,218,058.87</u>	<u>253,882.07</u>	<u>357,977.24</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	-	-	-
Debt Service:						
Bond Principal	470,000.00	470,000.00	470,000.00	-	-	-
Interest on Bonds	178,020.00	178,020.00	101,935.02	-	-	76,084.98
Interest on Notes	87,000.00	87,000.00	87,000.00	-	-	-
Interest and Principal on Loans Payable	46,717.00	46,717.00	46,717.00	-	-	-
	<u>781,737.00</u>	<u>781,737.00</u>	<u>705,652.02</u>	<u>-</u>	<u>-</u>	<u>76,084.98</u>
Statutory Expenditures:						
Public Employees Retirement System	125,144.82	125,144.82	121,673.00	-	3,471.82	-
Social Security (O.A.S.I.)	100,000.00	100,000.00	78,680.81	-	21,319.19	-
Unemployment Compensation Insurance	10,000.00	10,000.00	-	-	10,000.00	-
State Disability Insurance	3,200.00	3,200.00	-	-	3,200.00	-
	<u>238,344.82</u>	<u>238,344.82</u>	<u>200,353.81</u>	<u>-</u>	<u>37,991.01</u>	<u>-</u>
Total Water Utility Appropriations	<u>\$ 4,050,000.00</u>	<u>\$ 4,050,000.00</u>	<u>\$ 3,324,064.70</u>	<u>\$ 253,882.07</u>	<u>\$ 395,968.25</u>	<u>\$ 76,084.98</u>
	Ref. D-3	D-1, D-3	Below	D	D	D-1
Cash Disbursements	D-5		\$ 3,269,862.62			
Accrued Interest on Notes	D-18		21,145.83			
Accrued Interest on Bonds	D-19		<u>33,056.25</u>			
	Above		<u>\$ 3,324,064.70</u>			

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REPORT OF AUDIT

**FINANCIAL SECTION:
Basic Financial Statements -
Parking Utility Fund**

Town of Dover

**TOWN OF DOVER
PARKING UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	2020	2019
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 188,810.44	\$ 125,081.38
Deferred Charge for Special Emergency	E-7	166,672.14	-
Total Utility Operating Fund Assets		355,482.58	125,081.38
Capital Fund:			
Cash and Cash Equivalents	E-5, E-6	395,204.35	395,204.35
Fixed Capital	E-8	610,815.40	610,815.40
Fixed Capital Authorized and Uncompleted	E-9	1,327,229.00	1,327,229.00
Total Utility Capital Fund Assets		2,333,248.75	2,333,248.75
Total Utility Fund Assets		\$ 2,688,731.33	\$ 2,458,330.13
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	E-4, E-10	\$ 94,926.43	\$ 52,904.46
Reserve for Encumbrances	E-4, E-10	5,532.95	3,056.91
Prepaid Parking Decals	E-11	-	150.00
Accrued Interest on Bonds	E-12	5,996.25	6,633.75
Emergency Note Payable	E-13	166,672.14	-
		273,127.77	62,745.12
Fund Balance	E-1	82,354.81	62,336.26
Total Utility Operating Fund Liabilities, Reserves and Fund Balance		355,482.58	125,081.38
Capital Fund:			
Reserve for Encumbrances	E-14	32,371.00	-
Improvement Authorizations:			
Funded	E-15	339,684.26	372,055.26
Capital Improvement Fund	E-16	17,668.23	17,668.23
Reserve for:			
Amortization	E-17	1,040,815.40	960,815.40
Deferred Amortization	E-18	124,229.00	124,229.00
Serial Bonds Payable	E-19	773,000.00	853,000.00
Total Capital Fund		2,327,767.89	2,327,767.89
Fund Balance	E-2	5,480.86	5,480.86
Total Utility Capital Fund Liabilities, Reserves and Fund Balance		2,333,248.75	2,333,248.75
Total Utility Fund Liabilities, Reserves and Fund Balance		\$ 2,688,731.33	\$ 2,458,330.13

**TOWN OF DOVER
PARKING UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS**

	Ref.	2020	2019
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	E-1, E-3	\$ 5,000.00	\$ 4,495.56
Revenue - Parking Meters	E-3	87,238.40	263,663.57
Miscellaneous Revenue Anticipated	E-3	55,035.39	92,920.83
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-9	22,014.55	17,746.57
Special Emergency Funding of Losses due to COVID	E-7	166,672.14	-
		<u>335,960.48</u>	<u>378,826.53</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating	E-4	191,486.13	191,943.00
Debt Service	E-4	102,460.00	100,621.56
Statutory Expenditures	E-4	16,995.80	23,941.00
		<u>310,941.93</u>	<u>316,505.56</u>
Statutory Excess to Fund Balance		25,018.55	62,320.97
Fund Balance, January 1	E	<u>62,336.26</u>	<u>4,510.85</u>
		87,354.81	66,831.82
Decreased by:			
Utilized as Anticipated Revenue	E-1	<u>5,000.00</u>	<u>4,495.56</u>
Fund Balance, December 31	E	<u>\$ 82,354.81</u>	<u>\$ 62,336.26</u>

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance: December 31, 2019	E	\$ 5,480.86
Balance: December 31, 2020	E	\$ 5,480.86

**TOWN OF DOVER
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Adopted Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	E-1	\$ 5,000.00	\$ 5,000.00	\$ -
Parking Meters	E-1, E-3	245,000.00	87,238.40	(157,761.60)
Miscellaneous Revenue	E-1, E-3	<u>63,945.93</u>	<u>55,035.39</u>	<u>(8,910.54)</u>
Total Budget Revenues		<u>308,945.93</u>	<u>142,273.79</u>	<u>(166,672.14)</u>
Total Parking Utility Revenues		<u>\$ 313,945.93</u>	<u>\$ 147,273.79</u>	<u>\$ (166,672.14)</u>
	Ref.	E-4	Below	
<u>Analysis of Parking Rents Revenue:</u>				
Cash Receipts	E-5		\$ 142,123.79	
Prepaid Rents Applied	E-11		<u>150.00</u>	
	Above		<u>\$ 142,273.79</u>	
<u>Analysis of Miscellaneous Revenue:</u>				
Parking Collector:				
Parking Permits - Decals			\$ 51,526.25	
Treasurer:				
Interest on Investments			<u>3,509.14</u>	
Total Miscellaneous Revenue	E-3		<u>\$ 55,035.39</u>	

**TOWN OF DOVER
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Cancelled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 65,188.13	\$ 65,188.13	\$ 38,214.93	\$ -	\$ 26,973.20	\$ -
Other Expenses	126,298.00	126,298.00	58,734.76	5,532.95	62,030.29	-
	<u>191,486.13</u>	<u>191,486.13</u>	<u>96,949.69</u>	<u>5,532.95</u>	<u>89,003.49</u>	<u>-</u>
Debt Service:						
Bond Principal	80,000.00	80,000.00	80,000.00	-	-	-
Interest on Bonds	25,464.00	25,464.00	22,460.00	-	-	3,004.00
	<u>105,464.00</u>	<u>105,464.00</u>	<u>102,460.00</u>	<u>-</u>	<u>-</u>	<u>3,004.00</u>
Statutory Expenditures:						
Public Employees Retirement System	8,105.80	8,105.80	8,105.80	-	-	-
Social Security (O.A.S.I.)	7,950.00	7,950.00	2,967.06	-	4,982.94	-
Unemployment Compensation Insurance	400.00	400.00	-	-	400.00	-
Disability Insurance	540.00	540.00	-	-	540.00	-
	<u>16,995.80</u>	<u>16,995.80</u>	<u>11,072.86</u>	<u>-</u>	<u>5,922.94</u>	<u>-</u>
Total Parking Utility Appropriations	<u>\$ 313,945.93</u>	<u>\$ 313,945.93</u>	<u>\$ 210,482.55</u>	<u>\$ 5,532.95</u>	<u>\$ 94,926.43</u>	<u>\$ 3,004.00</u>
	Ref.					
	E-3	E-3	Below	E	E	E-1
Cash Disbursements	E-5		\$ 204,486.30			
Accrued Interest on Bonds	E-12		<u>5,996.25</u>			
	Above		<u>\$ 210,482.55</u>			

See Accompanying Notes to Financial Statements.

REPORT OF AUDIT

**FINANCIAL SECTION:
Basic Financial Statements -
General Fixed Assets**

Town of Dover

**TOWN OF DOVER
GENERAL FIXED ASSETS
AS OF DECEMBER 31, 2020 AND 2019**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Land		\$ 25,519,400.00	\$ 25,519,400.00
Buildings		11,224,522.17	11,224,522.17
Machinery, Equipment & Other		<u>9,703,056.73</u>	<u>9,296,640.47</u>
	F-1	<u>\$ 46,446,978.90</u>	<u>\$ 46,040,562.64</u>
<u>Investment in Fixed Assets</u>			
Investment in General Fixed Assets	F-1	<u>\$ 46,446,978.90</u>	<u>\$ 46,040,562.64</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Dover (herein referred to as the “Town”) is organized as a Town Form of municipal government under the provisions of N.J.S.A. 40:62-1. The Town is governed by an elected Mayor and a Board of Aldermen, and by such other officers and employees as may be duly appointed. The Board of Aldermen consists of eight members all elected by wards which serve terms of two years beginning on the first day of January next following their election. Four Board of Aldermen positions are due for election annually by voters of the Town. The Mayor is also elected directly by the voters of the Town at large, and is also known as an “Alderman-at-Large”, whereby presiding over the deliberations of the Board of Aldermen. The Mayor serves a term of four years beginning the first day of January following the election.

The financial statements of the town include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Town, as required by N.J.S. 40A:5-5. The Governmental Accounting Standards board (GASB) establishes criteria to be used to determine which component units should also be included in the financial statements of the primary government (the Town). However, the State of New Jersey, Department of Community Affairs, Division of Local Government Services (the “Division”) requires the financial statements of the Town to be reported separately from its component units. However, the Town of Dover Free Public Library is discretely presented in the financial statements of the Town.

Basis of Presentation

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund categories to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Town have been prepared in conformity with accounting principles and practices prescribed by the Division, which differs from GAAP. Such principles and practices prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Town accounts for its financial transactions through the following separate funds and account group, which differ from the fund structure required by GAAP.

Description of Funds

The accounts of the Town are maintained in accordance with the Division’s principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The Division’s principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The General Fixed Asset, on the other hand, is a financial reporting device designed to provide accountability for certain fixed assets and the investment in those fixed assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Current Fund – is used to account for all resources and expenditures for governmental operations of a general nature, including state and federal grants, for which the Town has not created a separate fund.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Description of Funds (continued)

Trust Funds – are used to account for receipts, custodianship and disbursement of dedicated revenues in accordance with the purpose for which each reserve was created, subject to available cash in each individual trust fund reserve established pursuant to applicable statutes or as an agent for individuals and other governmental agencies. The Town has the following Trust Funds:

Animal Control Trust Fund – is used to account for fees collected from dog and cat licenses and expenditures which are regulated by N.J.S.A 4:19-15.11.

Other Trust Fund – is used to account for the assets and resources held by the Town in a trustee or agent capacity. Included in this fund are monies collected and disbursed for the purposes of: developer escrow accounts, recycling program, forfeited asset deposits, uniform fire safety act penalties, recreation programs, historic preservation donations, accumulated absences, tax sale redemption and premiums, and employee and employer contributions and obligations resulting from the administration of unemployment benefits.

Payroll Agency Fund – is used to account for employee wages and withholdings and the disbursement of those funds to applicable agencies such as, but not limited to, the Federal and State government.

General Capital Fund – is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or other funds. Also included in this fund are bonds and notes payable offset by deferred charges to future taxation.

Water Utility Operating and Capital Funds – Account for the operations and acquisition of capital facilities on the municipally owned water utility.

Parking Utility Operating and Capital Funds – Account for the operations and acquisition of capital facilities of the municipally owned parking utility.

General Fixed Assets – is used to account for all fixed assets of the Town in accordance with N.J.A.C. 5:30-5.6, including the requirement for the Town to provide a Statement of General Fixed Assets. Formerly identified as an account group, GASB eliminated the use of this terminology with its passage of Statement No. 34.

Basis of Accounting

The Special Purpose Framework accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governments units. The current financial resources focus and modified accrual basis of accounting is generally followed with exceptions, the more significant of which are explained in the paragraphs that follow:

Revenues – Revenues are realized when received in cash except for certain amounts which are due from other governmental units. Receipts from federal revenue sharing funds and other federal and state grants are realized as revenue when anticipated in the budget. Receivables for property taxes and other amounts that are due the Town are recorded with offsetting reserves on the balance sheet of the Current Fund. Such amounts are not recorded as revenue until collected. Accordingly, no provision has been made to estimate that portion of receivables that are uncollectible. GAAP requires such revenue to be recognized in the accounting period in which they become measurable and available and in certain instances reduced by an allowance for doubtful accounts.

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Expenditures – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriations for principal and interest payments on general capital indebtedness are provided on the cash basis. GAAP requires expenditures in the current (or general) fund, to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

Encumbrances – Encumbrances are contractual orders outstanding at year end reported as expenditures through the establishment of an encumbrance payable. Outstanding encumbrances at year end are reported as a cash liability in the financial statements. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves – Appropriations are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Transfers are allowed between certain line items during the first three months of the fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriation Reserves do not exist under GAAP.

Interfunds – Advances from the current fund are reported as interfunds receivable with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfunds receivable in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Property Acquired for Taxes – Property Acquired for Taxes is recorded in the current fund at the assessed valuation when such property was acquired and is subsequently updated for revaluations of such property. The value of such property is fully reserved. GAAP requires such property to be recorded as a fixed asset at market value on the date of acquisition.

Deferred Charges to Future Taxation, Funded and Unfunded - Upon the authorization of capital projects, the Town establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized costs of capital projects. The Town may levy taxes on all taxable property within the Town to repay the debt. Annually, the Town raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation.

Pension Liabilities – Note disclosures regarding pensions are required to the full extent of the applicable GASB Statements. However, financial reporting provisions of the Division do not allow for the accrual of net pension liabilities or pension expense in excess of obligations paid from current resources by budget appropriation. This is in contrast to the following GAAP requirements.

For defined benefit pension plans, cost-sharing employer is required by GAAP to recognize a liability for its proportionate share of the net pension liability and pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. In the case of a special funding situation, adjustments for the involvement of nonemployer contributing entities are required, as well as additional pension expense and revenue for the pension support of the nonemployer contributing entities.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Pension Liabilities (continued) – For defined contribution benefit pension plans, an employer is required by GAAP to recognize pension expense for the amount of contributions to employees' accounts that are defined by the benefit terms as attributable to employees' services in the period, net of forfeited amounts that are removed from employees' accounts. A change in the pension liability is required to be recognized for the difference between amounts recognized in expense and amounts paid by the employer to a defined contribution pension plan.

Compensated Absences and Post-Employment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources to be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

Long-Term Obligations – General long-term debt is recognized as a liability of the General Capital Fund for the full amount.

Improvement Authorizations - in the general capital fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the current fund. GAAP does not recognize these amounts as liabilities.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Reserves (Other than Reserve for Receivables) – Reserves, other than the reserve for receivables, are considered liabilities, and not as a reservation of fund balance.

Reserve for Receivables – Receivables of the Town, with the exception of certain intergovernmental receivables, are offset on the balance sheet with a credit that is created to preserve the cash basis revenue recognition required by the Division's accounting principles. The reserve delays the recognition of these revenues until they are received in cash.

Deferred Inflows and Outflows – GAAP identifies resources which flow into or out of a government in a given fiscal year, but which are related to a future period, as deferred inflows and outflows. GAAP requires that deferred outflows of resources be reported in the financial statements apart from assets, and deferred inflows of resources apart from liabilities. Recognition of these resource flows as revenues and expenditures would be deferred to a future period. Though some note disclosures such as those related to pensions disclose the deferred inflows and outflows, financial reporting provisions of the Division do not allow for the separate reporting of deferred inflows and outflows in the Town's financial statements.

Fund Balance – Fund equity represented on the financial statements consists solely of fund balance, which is not further categorized with respect to reservations (portions of fund equity not available for appropriation or expenditure or legally segregated for a specific future use) or designations (plans for future use of financial resources). GAAP requires fund balance to be further identified with five classes: nonspendable, restricted, committed, assigned and unassigned. In addition, GAAP requires government-wide financial statements to report on three classes of net position on the accrual basis of accounting. Financial reporting provisions of the Division do not allow for such reporting on the accrual basis.

General Fixed Assets - Accounting for Governmental Fixed Assets as promulgated by the Division differs in certain respects from GAAP, and requires the inclusion of a statement of general fixed assets as part of the Town's basic financial statements.

Fixed assets used in governmental operations (general fixed assets) are accounted for as "General Fixed Assets" and are not included within the records of any fund types. Purchases from these funds for fixed assets are recorded as expenditures within the fund. Public domain (infrastructure) general fixed assets consisting of certain improvements, other than improvements to buildings, such as improvements to roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are not capitalized.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

General Fixed Assets (continued) - All fixed assets are valued at historical cost or, if purchased prior to December 31, 1985 and historical cost is not available, estimated historical cost. Expenditures for construction in progress are recorded in the Capital Fund against the authorizations under which the project was approved until such time as the construction is completed and put into operation. No depreciation has been provided for in the financial statements.

The Town is required to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of \$5,000 or more per unit. When acquired in a purchase separate from the building it is attached, fixed equipment is generally recorded as machinery and equipment.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires the recording of infrastructure assets and requires capital assets be depreciated over their estimated useful life unless they are either inexhaustible or are infrastructure assets reported using the modified approach.

Sale of Municipal Assets - The proceeds of the sale of municipal assets can be held until made available through a future budget appropriation. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Cash and Investments - New Jersey governmental units are required to deposit public funds in a public depository. Public depositories are defined by statutes as any state or federally chartered bank, savings bank or an association located in New Jersey or a state or federally chartered bank, savings bank or an association located in another state with a branch office in New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation (“FDIC”) and which receives or holds public funds on deposit, but does not include deposits held by the State of New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey local units.

The Town is also required to annually adopt a cash management plan and to deposit or invest its funds pursuant to the cash management plan. The cash management plan adopted by the Town requires it to deposit funds as permitted in N.J.S.A 40:5-15.1, so long as the funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey and requires all public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

In 2009, legislation revised GUDPA to provide higher levels of security and oversight appropriate to contemporary banking conditions. Among the increased protections and oversight, the revised GUDPA ensures a common level of deposit risk by each bank choosing to accept local government deposits, requires banks to fully collateralize deposits over \$200 million, implements enforcement protocol which allows the Department of Banking and Insurance to institute risk-based collateral requirements promptly when a bank shows signs of stress, provides enhanced oversight by the Department of banking and insurance and permits GUDPA certificates to be provided through an online system.

Cash Equivalents include certificate of deposits with a maturity date of three (3) months or less.

Also see Note 2 – Deposits and Investments

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Budgets and Budgetary Accounting - an annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Town and approved by the Division in accordance with the Local Budget Law. Budgets are adopted on the same basis of accounting utilized for the preparation of the Town's financial statements. The budgetary requirements herein outlined are applicable to only the Current Fund, and not the Trust Fund, Capital Fund and General Fixed Assets account group. However, statutes require the Town to adopt annually a three-year capital plan. This plan allows the governing body to expend or incur obligations for capital purposes only. Such projects under the plan must be adopted through capital ordinance.

The Town must adhere to procedures for adoption of its annual budget as established by the Division. These procedures include statutory deadlines of: February 10 for introduction and approval and March 20 for adoption. These dates are subject to extension by the Division by approval of the Local Finance Board. Appropriations within the adopted budget cannot be modified until the final two months of the year, at which time transfers between certain line items are allowed. Transfers from appropriations excluded from "CAPS" are prohibited unless they are between debt service appropriations. Under certain circumstances, emergency authorizations and insertions of items of revenue and appropriation are allowed by authorization of the governing body, subject to approval of the Division.

The Town must prepare its budgets in compliance with applicable laws capping the amounts by which it can increase the budgeted appropriations and tax levy. A description of both "CAPS" follows:

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Town is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the traditional federal government inflation calculation. The Town can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap spending to 3.5% upon passage of a COLA Rate Ordinance.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It establishes limits on the increase in the total Town amount to be raised by taxation (tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation, net of any applicable cap base adjustments and emergency or special emergency appropriations.

Special Emergency Appropriations: The Town may adopt ordinances under the provisions of N.J.S.A. 40A:4-55.1 through 55.7 authorizing special emergency appropriations to cover the cost of certain extraordinary expenses. Special emergency appropriations may be financed by surplus funds or special emergency notes authorized, renewed and paid over specified periods up to five years.

Basic Financial Statements

The GASB Codification also requires the financial statements of a governmental unit presented in the general purpose financial statements to be in accordance with GAAP. The Town presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Town's financial position and operations. Comparative data is not presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Reclassifications - Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. These reclassifications had no effect on fund balance and changes in fund balance.

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic Financial Statements (continued)

Reconciliation of Accounting Basis - As described throughout Note A, substantial differences exist between GAAP and the Special Purpose Framework prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a. Uncollateralized.
- b. Collateralized with securities held by the pledging financial institution.
- c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Town's name.

All cash and cash equivalents on deposit as of the year ended December 31, 2020 and 2019 are partially insured by the FDIC up to \$250,000 for each depository. Deposits in excess of FDIC limits, as noted below, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the GUDPA (see Note 1 - Cash and Investments). Under GUDPA, financial institutions are not required to pledge collateral amounts covered by FDIC insurance. The Town's deposits of cash and cash equivalents at December 31, 2020 and 2019 are summarized in the following tables:

	2020		
	Town	Dover Free Public Library	Total
Insured - FDIC	\$ 250,000.00	\$ 250,000.00	\$ 500,000.00
Insured - GUDPA	26,503,810.33	1,556,782.70	28,060,593.03
Total Funds on Deposit	<u>\$ 26,753,810.33</u>	<u>\$ 1,806,782.70</u>	<u>\$ 28,560,593.03</u>
	2019		
	Town	Dover Free Public Library	Total
Insured - FDIC	\$ 250,000.00	\$ 250,000.00	\$ 500,000.00
Insured - GUDPA	26,979,876.94	1,345,409.92	28,325,286.86
Total Funds on Deposit	<u>\$ 27,229,876.94</u>	<u>\$ 1,595,409.92</u>	<u>\$ 28,825,286.86</u>

Concentration of Credit Risk - The Town places no formal limit on the amount the Town may invest in any one financial institution. All of the Town's deposits are with one financial institution.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the Town's deposits as of December 31, 2020 and 2019 were held in foreign currency.

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

Investments

Foreign Currency Risk - Investments are also exposed to the same foreign currency risk as deposits. It is the risk that changes in exchange rates will adversely affect investments. The Town does not have any investments denominated in foreign currency as of December 31, 2020 and 2019.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town does not have an investment policy regarding the management of credit risk.

Custodial Credit Risk - In the case of investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the Town’s name and are held by either the counterparty or its trust department or agent, but not in the Town’s name.

Concentration of Credit Risk - The Town places no formal limit on the amount the Town may invest in any one issuer. New Jersey Statutes limit municipal investments to those specified and summarily identified in the first paragraph of the “Investments” section of this Note.

New Jersey statutes permit the Town to purchase the following types of securities when authorized by the cash management plan (described in note 1):

- ◆ Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- ◆ Government money market mutual funds.
- ◆ Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- ◆ Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- ◆ Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
- ◆ Local government investment pools.
- ◆ Deposits with the State of New Jersey Cash Management Fund.
- ◆ Agreements for the repurchase of fully collateralized securities if (a) the underlying securities are permitted investments pursuant to the first and third bullets of this section, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than 30 days, (d) the underlying securities are purchased through a public depository and (e) a master repurchase agreement providing for the custody and security of collateral is executed.

The Town’s investments at December 31, 2020 are presented as follows:

Investment Type	Fair Value*	Investment Maturities (in Years)			
		< 1	1 - 5	6 - 10	> 10
Dover Free Public Library:					
Certificates of Deposit	\$ 2,089,116.82	\$ 2,089,116.82	\$ -	\$ -	\$ -

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

The Town's investments at December 31, 2019 are presented as follows:

Investment Type	Fair Value*	Investment Maturities (in Years)			
		< 1	1 - 5	6 - 10	> 10
Dover Free Public Library:					
Certificates of Deposit	\$ 2,334,000.00	\$ 2,334,000.00	\$ -	\$ -	\$ -

*Short-term investments are carried at cost, which approximates fair value.

Certificates of Deposit – Funds from sale of asset held in trust by the Dover Free Public Library were used to purchase certificates of deposit ranging from \$.56 to \$246,506.28 with maturities from three to twelve months at fixed rates ranging from -.49% to 2.66%. The certificates of deposit were purchased from several banks to assure all deposits were insured by FDIC. Any certificates of deposit with an original maturity greater than three months were classified as investments and any with an original maturity of three months or less were classified as cash equivalents. The certificates of deposit have a readily available determinable fair value and are measured at level 1 of the fair value hierarchy.

NOTE 3. PROPERTY TAXES

Property Tax Calendar

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with State statutes. The amount of tax levied includes not only the amount required in support of the Town's annual operating budget, but also the amounts required in support of the other governments and dedicated taxes:

County Taxes - The Town is responsible for levying, collecting and remitting county and county open space taxes for the County of Morris. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. Monies are forwarded to the County on a quarterly basis. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year. As of December 31, 2020 and 2019, the Town had County taxes payable of \$16,845.01 and \$4,016.37, respectively.

School Taxes - The Town is responsible for levying, collecting and remitting school taxes for the local school district. Monies are forwarded to the school district on a monthly basis. Operations is charged for the full amount due to operate the local school district, and is based upon the annual County certification of apportionment of levies. As of December 31, 2020 and 2019, the Town had school taxes payable of \$1,229,738.42 and \$1,211,252.96, respectively.

Property Taxes Receivable

Reserve for Uncollected Taxes - Reserve for Uncollected Taxes is a non-spending item of appropriation required by statute to be included in the Town's annual budget. This appropriation protects the Town from taxes not paid currently by providing assurance that cash collected in the current year will provide sufficient cash flow to meet obligations as they become due. The minimum amount required to be appropriated in the budget is determined by the percentage of collections experienced in the immediate preceding year, unless the three-year average option is chosen. For the years ended December 31, 2020 and 2019, the budgeted reserve for uncollected taxes was \$702,102.17 and \$777,992.42, respectively.

Delinquent Taxes and Tax Title Liens - As described in Note 1, taxes receivable and tax title liens are realized as revenue when collected. Uncollected receivables are fully reserved, so no provision is made for the uncollectible portions of these taxes. For the years ended December 31, 2020 and 2019, property taxes receivable were \$885,169.20 and \$622,396.84 respectively and tax title liens receivable were \$438,583.09 and \$414,736.09, respectively.

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 3. PROPERTY TAXES (continued)

Property Taxes Receivable (continued)

Property Acquired by Tax Title Lien Liquidation – The value of properties acquired by tax title liens on December 31, 2020 and 2019 was \$204,400, each year.

Tax Overpayments - Overpaid taxes collected during the year and due to taxpayers either as a refund or tax credit are recorded as cash liabilities in the financial statements. Tax overpayments as of December 31, 2020 and 2019 were \$54,948.85 and \$22,586.02, respectively.

Prepaid Taxes - Taxes collected in advance are recorded as cash liabilities in the financial statements. Prepaid taxes as of December 31, 2020 and 2019 were \$249,677.76 and \$289,375.47, respectively.

NOTE 4. MUNICIPAL DEBT

Summary of Municipal Debt

The Local Bond Law, N.J.S.A. 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town. The term of bond anticipation notes, which are issued to temporarily finance capital projects, cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid or permanently financed no later than the tenth anniversary of the date of the original note. On or before the third anniversary date of the original note through the tenth anniversary date, a payment of an amount at least equal to the first legally payable installment must be paid or retired.

School Debt – The Town of Dover Board of Education is a Type II School District. As such, statutes require bonds and notes issued and authorized by the Board of Education to be included in the Town’s statutory gross debt, but are not obligations of the Town. Only the amount of school district debt exceeding the school district’s debt limit, if any, is included in the net debt of the Town.

The Town’s debt is summarized as follows:

	Dec. 31, 2020	Dec. 31, 2019
<u>Issued:</u>		
General:		
General Serial Bonds	\$ 11,275,000.00	\$ 12,705,000.00
Bond Anticipation Notes	28,988,000.00	36,350,000.00
NJ Environmental Infrastructure Loan	422,988.58	467,100.62
School:		
School Serial Bonds	3,730,000.00	4,285,000.00
Gross Statutory Debt Issued	44,415,988.58	53,807,100.62
Less Statutory Deductions:		
Bonds and Notes for School Purposes	(3,730,000.00)	(4,285,000.00)
Self-Liquidating Purposes	(13,574,764.00)	(14,171,645.90)
Funds Held to Pay Bonds and Notes	(8,041,176.00)	(0.50)
Net Statutory Debt Issued	19,070,048.58	35,350,454.22
<u>Authorized but not Issued:</u>		
General:		
General Improvements	12,704,994.28	5,704,994.28
Gross Authorized but not Issued	12,704,994.28	5,704,994.28
Net Bonds and Notes Issued and Authorized but not Issued	\$ 31,775,042.86	\$ 41,055,448.50

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 4. MUNICIPAL DEBT (continued)

Summary of Municipal Debt (continued)

The Town's long-term debt is summarized below:

	Balance Dec. 31, 2019	Retirements	Balance Dec. 31, 2020	Due by Dec. 31, 2021
<u>General Capital Fund:</u>				
General Serial Bonds	\$ 6,655,000.00	\$ 880,000.00	\$ 5,775,000.00	\$ 960,000.00
<u>Water Utility Capital Fund:</u>				
Water Utility Bonds	5,197,000.00	470,000.00	4,727,000.00	545,000.00
NJ Environmental Infrastructure Loan	467,100.62	44,112.04	422,988.58	44,157.04
<u>Parking Utility Capital Fund:</u>				
Parking Revenue Bonds	853,000.00	80,000.00	773,000.00	80,000.00
	<u>\$ 13,172,100.62</u>	<u>\$ 1,474,112.04</u>	<u>\$ 11,697,988.58</u>	<u>\$ 1,629,157.04</u>

Bonds Payable

The Town has outstanding at December 31, 2020 various general serial bond debt issues. The following table is a summary of the activity for such debt during the year ended December 31, 2020 and the short-term liability for each issue:

Summary of General Serial Bonds Activity				
Description	Balance Dec. 31, 2019	Decrease	Balance Dec. 31, 2020	Due by Dec. 31, 2021
General Improvement Bonds 2013A Issued 9/15/2013 for \$4,733,000.00 Maturing annually from 2014 to 2023 Bearing variable interest rates ranging from 3.00% to 3.25%	\$ 2,553,000.00	\$ 640,000.00	\$ 1,913,000.00	\$ 640,000.00
General Improvement Bonds 2016 Issued 7/20/2016 for \$4,807,000.00 Maturing annually from 2017 to 2033 Bearing variable interest rates ranging from 1.50% to 2.50%	4,102,000.00	240,000.00	3,862,000.00	320,000.00
	<u>\$ 6,655,000.00</u>	<u>\$ 880,000.00</u>	<u>\$ 5,775,000.00</u>	<u>\$ 960,000.00</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4. MUNICIPAL DEBT (continued)

Water Utility Fund

The Town has outstanding at December 31, 2020 various water utility bonds. The following table is a summary of the activity for such debt during the year ended December 31, 2020 and the short-term liability for each issue:

Summary of Waer Utility Serial Bonds Activity				
Description	Balance Dec. 31, 2019	Decrease	Balance Dec. 31, 2020	Due by Dec. 31, 2021
Water Improvements				
Issued 9/15/2013 for \$770,000				
Maturing annually from 2014 to 2028				
Bearing variable interest rates ranging from 3.00% to 3.25%	\$ 535,000.00	\$ 45,000.00	\$ 490,000.00	\$ 45,000.00
Water Refunding Issue				
Issued 11/26/2013 for \$1,725,000.00				
Maturing annually from 2014 to 2023				
Bearing variable interest rates ranging from 2.75% to 3.00%	815,000.00	205,000.00	610,000.00	205,000.00
Water Improvements				
Issued 7/20/2016 for \$4,492,000.00				
Maturing annually from 2017 to 2033				
Bearing variable interest rates ranging from 1.50% to 2.50%	<u>3,847,000.00</u>	<u>220,000.00</u>	<u>3,627,000.00</u>	<u>295,000.00</u>
	<u>\$ 5,197,000.00</u>	<u>\$ 470,000.00</u>	<u>\$ 4,727,000.00</u>	<u>\$ 545,000.00</u>

The Town has outstanding at December 31, 2020 a New Jersey Environmental Infrastructure Trust Loan. The following table is a summary of the activity for such debt as of and for the year ended December 31, 2020, as well as the short-term liability:

Description	Balance Dec. 31, 2019	Decrease	Balance Dec. 31, 2020	Due by Dec. 31, 2021
Various Improvements Water Department				
Issued 2010 for \$589,246.74				
Maturing annually from 2010 to 2031				
Bearing an interest rate of 3.0%	<u>\$ 467,100.62</u>	<u>\$ 44,112.04</u>	<u>\$ 422,988.58</u>	<u>\$ 44,157.04</u>

The water utility fund had an excess in revenues for the year ended December 31, 2020 and therefore qualifies as self-liquidating. That calculation is provided below. An excess in revenues allows all such water utility debt to be deducted from the gross debt of the Town.

Self-Liquidating Utility Calculation			
Total Cash Receipts from Fees, Rents or Other Charges	\$	4,405,303.85	
Surplus Anticipated		<u>500,000.00</u>	
	\$		4,905,303.85
Operating and Maintenance Cost		2,672,294.75	
Debt Service:			
Interest		235,652.02	
Principal		<u>470,000.00</u>	
			<u>3,377,946.77</u>
Excess in Revenues	\$		<u>1,527,357.08</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4. MUNICIPAL DEBT (continued)

Parking Utility Fund

The Town has outstanding at December 31, 2020 various parking utility bonds. The following table is a summary of the activity for such debt during the year ended December 31, 2020 and the short-term liability for each issue:

Summary of Parking Utility Serial Bonds Activity				
Description	Balance Dec. 31, 2019	Decrease	Balance Dec. 31, 2020	Due by Dec. 31, 2021
Parking Utility Capital Bonds Series 2013A Issued 9/12/2013 for \$791,000.00 Maturing annually from 2014 to 2028 Bearing variable interest rates ranging from 3.00% to 3.25%	\$ 521,000.00	\$ 55,000.00	\$ 466,000.00	\$ 55,000.00
Parking Utility Capital Bonds Series 2016 Issued 7/20/2016 for \$397,000 Maturing annually from 2017 to 2030 Bearing variable interest rates ranging from 1.50% to 2.00%	332,000.00	25,000.00	307,000.00	25,000.00
	<u>\$ 853,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 773,000.00</u>	<u>\$ 80,000.00</u>

The parking utility fund had an excess in revenues for the year ended December 31, 2020 and therefore qualifies as self-liquidating. That calculation is provided below. An excess in revenues allows all such parking utility debt to be deducted from the gross debt of the Town.

Self-Liquidating Utility Calculation			
Total Cash Receipts from Fees, Rents or Other Charges	\$	142,273.79	
Special Emergency Funding of Losses due to COVID-19		166,672.14	
Surplus Anticipated		<u>5,000.00</u>	
			\$ 313,945.93
Operating and Maintenance Cost		113,555.50	
Debt Service:			
Interest		22,460.00	
Principal		<u>80,000.00</u>	
			<u>216,015.50</u>
Excess in Revenues			<u>\$ 97,930.43</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4. MUNICIPAL DEBT (continued)

Debt Service Requirements to Maturity

The repayment schedule of annual debt service principal and interest for the next five years, and five-year increments thereafter, for bonds issued and outstanding is as follows:

Schedule of Debt Service Requirements to Maturity - Bonds Issued and Outstanding								
Year Ended Dec. 31,	General Serial Bonds		Water Utility Bonds		Parking Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 960,000.00	\$ 136,972.50	\$ 545,000.00	\$ 107,325.00	\$ 80,000.00	\$ 20,822.50	\$ 1,585,000.00	\$ 265,120.00
2022	960,000.00	112,972.50	545,000.00	95,400.00	80,000.00	18,797.50	1,585,000.00	227,170.00
2023	943,000.00	88,172.50	540,000.00	82,737.50	90,000.00	16,710.00	1,573,000.00	187,620.00
2024	310,000.00	61,400.00	360,000.00	69,312.50	90,000.00	14,160.00	760,000.00	144,872.50
2025	305,000.00	55,200.00	350,000.00	61,237.50	90,000.00	11,610.00	745,000.00	128,047.50
2026-2030	1,455,000.00	186,300.00	1,585,000.00	190,937.50	343,000.00	21,710.00	3,383,000.00	398,947.50
2031-2033	842,000.00	41,100.00	802,000.00	38,887.50	-	-	1,644,000.00	79,987.50
	<u>\$ 5,775,000.00</u>	<u>\$ 682,117.50</u>	<u>\$ 4,727,000.00</u>	<u>\$ 645,837.50</u>	<u>\$ 773,000.00</u>	<u>\$ 103,810.00</u>	<u>\$ 11,275,000.00</u>	<u>\$ 1,431,765.00</u>

The repayment schedule of annual debt service principal and interest for the next five years, and five year increments thereafter, for loans outstanding is as follows:

Year Ended Dec. 31,	NJ Environmental Loan	
	Principal	Interest
2021	\$ 44,157.04	\$ 4,530.52
2022	44,207.04	4,179.82
2023	44,263.04	3,724.26
2024	44,325.04	3,262.70
2025	44,392.04	2,795.70
2026-2030	189,953.73	6,920.90
2031	11,690.65	283.86
	<u>\$ 422,988.58</u>	<u>\$ 25,697.76</u>

Bond Anticipation Notes

The Town issues bond anticipation notes to temporarily fund various capital projects prior to issuance of serial bonds. The term of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes may be paid no later than the close of the tenth fiscal year next following the date of the original notes. The Division also prescribes that notes cannot be renewed past the third anniversary date of the original note unless an amount equal to at least the first legally required installment is paid prior to each anniversary date.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4. MUNICIPAL DEBT (continued)

Bond Anticipation Notes (continued)

The purposes for which these notes were issued as well as more detailed information of the above referenced information can be found in the table that follows:

DETAIL OF BOND ANTICIPATION NOTES									
Original Issue		December 31, 2019				December 31, 2020			
Date	Amount	Interest Rate	Maturity Date	Balance	Paid by Budget Appropriation	Refunded	Balance	Maturity Date	Interest Rate
Various General Improvements:									
06/16/17	\$ 1,900,000.00	3.000%	05/29/20	\$ 1,548,740.75	\$ (100,000.00)	-	\$ 1,448,740.75	05/27/21	1.250%
06/16/17	2,850,000.00	3.000%	05/29/20	2,792,549.75	(110,000.00)	-	2,682,549.75	05/27/21	1.250%
06/30/17	8,000,000.00	2.750%	05/29/20	8,000,000.00	(102,000.00)	-	7,898,000.00	05/27/21	1.250%
05/30/19	2,850,000.00	3.000%	05/29/20	2,850,000.00	-	-	2,850,000.00	05/27/21	1.250%
05/30/19	2,850,000.00	3.000%	05/29/20	2,850,000.00	-	-	2,850,000.00	05/27/21	1.250%
Various Improvements to Public Facilities									
05/30/19	408,709.50	3.000%	05/29/20	408,709.50	-	-	408,709.50	05/27/21	1.250%
Acquisition, Renovation and Improvement of the Berkeley College - Building									
05/31/18	7,500,000.00	3.000%	05/29/20	7,500,000.00	-	-	7,500,000.00	05/27/21	1.250%
Acquisition, Renovation and Improvement of the Berkeley College - Property									
05/31/18	7,500,000.00	2.750%	05/29/20	7,500,000.00	-	(7,000,000.00)	500,000.00	05/27/21	1.250%
				<u>\$ 33,450,000.00</u>	<u>\$ (312,000.00)</u>	<u>\$ (7,000,000.00)</u>	<u>\$ 26,138,000.00</u>		

The following is a summary of the bond anticipation notes for the Water utility fund:

DETAIL OF BOND ANTICIPATION NOTES							
Original Issue		December 31, 2019			December 31, 2020		
Date	Amount	Interest Rate	Maturity Date	Balance	Paid by Expenditure without Appropriation	Balance	Maturity Date
Various Improvements for Water Department							
05/31/18	\$ 2,900,000.00	3.000%	05/29/20	\$ 2,900,000.00	\$ (50,000.00)	\$ 2,850,000.00	05/20/21
				<u>\$ 2,900,000.00</u>	<u>\$ (50,000.00)</u>	<u>\$ 2,850,000.00</u>	

Bonds and Notes Authorized But Not Issued

At December 31, 2020 and 2019, the Town has authorized but not issued bonds and notes of \$7,950,449.00 and \$950,449.00, respectively, in the general capital fund. The following activity relates to bonds and notes authorized but not issued that occurred in the general capital fund for the year ended December 31, 2020:

	Balance Dec. 31, 2019	Refund of Bond Anticipation Note	Notes Issued	Balance Dec. 31, 2020
General Improvements	<u>\$ 950,449.00</u>	<u>\$ 7,000,000.00</u>	<u>\$ -</u>	<u>\$ 7,950,449.00</u>

At December 31, 2020 and 2019, the Town has authorized but not issued bonds and notes of \$4,754,545.28 and \$4,754,545.28, respectively, in the water utility capital fund. The following activity relates to bonds and notes authorized but not issued that occurred in the water utility capital fund for the year ended December 31, 2020:

	Balance Dec. 31, 2019	Debt Authorized	Notes Issued	Balance Dec. 31, 2020
Water Utility Improvements	<u>\$ 4,754,545.28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,754,545.28</u>

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 4. MUNICIPAL DEBT (continued)

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition as of December 31, 2020 which follows is prepared in accordance with the required method of setting up the Annual Debt Statement.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 3,730,000.00	\$ 3,730,000.00	\$ -
Self-Liquidating Purposes	13,574,764.00	13,574,764.00	-
General Bonds and Notes	<u>39,863,449.50</u>	<u>8,041,176.00</u>	<u>31,822,273.50</u>
	<u>\$ 57,168,213.50</u>	<u>\$ 25,345,940.00</u>	<u>\$ 31,822,273.50</u>

Net Debt of \$31,822,273.50 divided by the equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$1,405,387,694.67, equals a percentage of net debt of equalized valuation basis of 2.264%.

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

3 1/2% of Equalized Valuation Basis	\$ 49,188,569.31
Less: Net Debt	<u>31,822,273.50</u>
Excess Borrowing Power	<u>\$ 17,366,295.81</u>

NOTE 5. FUND BALANCES APPROPRIATED

Fund Balance of the Town consists of cash surplus and non-cash surplus. The Town can anticipate Fund Balance to support its budget of the succeeding year, however, the use of non-cash surplus is subject to the prior written consent of the Division. Fund balances at December 31, 2020 and 2019 which were appropriated and included as anticipated revenue in the current fund, water utility and parking utility of the succeeding year are as follows:

	<u>Fund Balance Dec. 31, 2020</u>	<u>Utilized in 2021 Budget</u>	<u>Fund Balance Dec. 31, 2019</u>	<u>Utilized in 2020 Budget</u>
Current Fund	\$ 2,254,319.98	\$ 841,126.31	\$ 1,428,450.98	\$ 600,000.00
Capital Fund	322,930.63	-	309,998.03	-
Water Utility Fund:				
Operating	1,772,918.02	500,000.00	1,282,737.41	500,000.00
Capital	54,072.27	-	54,072.27	-
Parking Utility Fund:				
Operating	82,354.81	5,000.00	62,336.26	5,000.00
Capital	5,480.86	-	5,480.86	-

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS

Substantially all Town employees participate in the Public Employees Retirement System (PERS), Police and Fireman's Retirement System of New Jersey (PFRS) or the Defined Contribution Retirement Program (DCRP), all of which are multiple employer plans sponsored and administered by the State of New Jersey. The PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan. In addition, certain employees participate in the Town's Deferred Compensation Plan.

State-Managed Pension Plans - PERS

The PERS was established in January, 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and post-retirement medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2007, 2008, 2010 and 2011. These changes resulted in various "tiers" which distinguish period of eligibility for enrollment. The delineation of these tiers is as follows:

- Tier 1: Employees enrolled before July 1, 2007.
- Tier 2: Employees eligible for enrollment after June 30, 2007 but before November 2, 2008.
- Tier 3: Employees eligible for enrollment after November 1, 2008 but before May 22, 2010.
- Tier 4: Employees eligible for enrollment after May 21, 2010 but before June 28, 2011.
- Tier 5: Employees eligible for enrollment after June 27, 2011.

Tier 1 and 2 employees must earn a base salary of \$1,500 or more to enroll in the plan. Pensionable salaries are limited to the IRS maximum salary compensation limits for Tier 1 employees and social security maximum wage for Tier 2 employees. Tier 2 employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 3 employees must earn a base salary that is annually adjusted. As of December 31, 2020 and 2019 this base salary amount was \$8,400, each year. Employees earning between \$5,000 and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 4 and 5 employees do not have a minimum salary requirement to enroll, but must work a minimum of 32 hours per week. Employees not meeting the minimum hour requirement but that make over \$5,000 are eligible to enroll in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

Plan Benefits

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive these pension benefits. State-paid insurance coverage may be obtained after 25 years of service for employees in Tiers 1 through 4 and 30 years of service for Tier 5 employees.

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)

State-Managed Pension Plans – PERS (continued)

Contributions and Liability

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the Town and its employees for the previous two years are as follows:

Year Ended Dec. 31,	Town Contribution		Base Wages Subject to Contributions	Employee Contributions	
	Amount Paid or Charged	As a Percentage of Base Wages		As a Percentage of Base Wages	Amount Contributed
2020	\$ 440,280.00	10.6%	\$ 4,159,105.00	7.50%	\$ 311,933.50
2019	453,432.00	9.3%	4,886,813.00	7.50%	366,511.57

At June 30, 2020 and 2019, the Town's net pension liability for PERS, including the Town's proportionate share, was as follows:

Year Ended June 30,	Proportionate Share		Net Pension Liability
	Rate	Change	
2020	0.06876%	0.00771%	\$ 11,213,305
2019	0.06105%	0.00201%	10,999,623

Sensitivity of the Town's 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 as of June 30, 2020 and 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

At:	2020		2019	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 14,115,680	5.28%	\$ 13,894,311
Current Discount Rate	7.00%	11,213,305	6.28%	10,999,623
1% Increase	8.00%	8,750,560	7.28%	8,560,438

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)

State-Managed Pension Plans – PERS (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 and June 30, 2019 measurement dates were determined by actuarial valuations as of July 1, 2019 and 2018, respectively, which were rolled forward to June 30, 2020 and 2019, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

	For Measurement Date of:	
	June 30, 2020	June 30, 2019
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00-6.00% based on years of service	2.00-6.00% based on age
Thereafter	3.00-7.00% based on years of service	3.00-7.00% based on age
Investment Rate of Return	7.00%	7.00%

Mortality – For the June 30, 2020 Measurement Date, preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7 adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020 for the June 30, 2020 measurement, and MP-2019 for the June 30, 2019 measurement, respectively. The Actual assumptions used in the July 1, 2019 and July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS target asset allocations as of June 30, 2020 and 2019 are summarized in the following table:

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)

State-Managed Pension Plans – PERS (continued)

Actuarial Assumptions (continued)

June 30, 2019			June 30, 2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%	U.S. Equity	27.00%	7.71%
Cash Equivalents	5.00%	2.00%	Non-U.S. Developed Markets Equity	13.50%	8.57%
U.S. Treasuries	5.00%	2.68%	Emerging Markets Equity	5.50%	10.23%
Investment Grade Credit	10.00%	4.25%	Private Equity	13.00%	11.42%
High Yield	2.00%	5.37%	Real Assets	3.00%	9.73%
Private Credit	6.00%	7.92%	Real Estate	8.00%	9.56%
Real Assets	2.50%	9.31%	High Yield	2.00%	5.95%
Real Estate	7.50%	8.33%	Private Credit	8.00%	7.59%
U.S. Equity	28.00%	8.26%	Investment Grade Credit	8.00%	2.67%
Non-U.S. Developed Markets Equity	12.50%	9.00%	Cash Equivalents	4.00%	0.50%
Emerging Markets Equity	6.50%	11.37%	U.S. Treasuries	5.00%	1.94%
Private Equity	12.00%	10.85%	Risk Mitigation Strategies	3.00%	3.40%

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% as of June 30, 2019 and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year for each of the June 30, 2019 measurement date. Local employers contributed 100% of their actuarially determined contributions.

Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057 as of June 30, 2019. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 as of June 30, 2019, and the municipal bond rate was applied to projected benefit payments after those dates in determining the total pension liability.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)

State-Managed Pension Plans – PERS (continued)

Deferred Outflows and Inflows of Resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the years ended June 30, 2020 and 2019:

	June 30, 2020			June 30, 2019		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	\$ 363,772	\$ (4,695,117)	\$ (4,331,345)	\$ 1,098,353	\$ (3,817,934)	\$ (2,719,581)
Difference Between Expected and Actual Experience	204,176	(39,655)	164,521	197,429	(48,591)	148,838
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	383,280	-	383,280	-	(173,633)	(173,633)
Changes in Proportion	2,246,928	-	2,246,928	1,308,189	(18,622)	1,289,567
	<u>\$ 3,198,156</u>	<u>\$ (4,734,772)</u>	<u>\$ (1,536,616)</u>	<u>\$ 2,603,971</u>	<u>\$ (4,058,780)</u>	<u>\$ (1,454,809)</u>

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,	
2021	\$ (571,453.16)
2022	(520,991.53)
2023	(297,733.35)
2024	(120,398.35)
2025	(26,039.61)
	<u>\$ (1,536,616.00)</u>

State-Managed Pension Plans - PFRS

The PFRS was established in July, 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2010 and 2011. These changes resulted in various “tiers” which distinguish period of eligibility for enrollment. The delineation of these tiers is noted below:

- Tier 1: Employees enrolled before May 22, 2010.
- Tier 2: Employees enrolled after May 21, 2010 but before June 29, 2011.
- Tier 3: Employees enrolled after June 28, 2011.

There is no minimum salary requirement to enroll, regardless of tier. Pensionable salaries are limited to the social security maximum wage for Tier 2 and 3 employees and federal pensionable maximum for Tier 1 employees. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

Plan Benefits

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)

State-Managed Pension Plans – PFRS (continued)

Contributions and Liability

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the Town and its employees for the previous two years are as follows:

Year Ended Dec. 31,	Town Contribution		Base Wages Subject to Contributions	Employee Contributions	
	Amount Paid or Charged	As a Percentage of Base Wages		As a Percentage of Base Wages	Amount Contributed
2020	\$ 1,317,120.00	25.5%	\$ 5,304,749.00	10.00%	\$ 530,474.90
2019	1,254,663.00	25.5%	4,919,465.00	10.00%	491,946.50

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001.

The amounts contributed on behalf of the Town under this legislation are considered to be a special funding situation. As such, the State is treated as a non-employer contributing entity. Since the Town does not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability to report in the financial statements of the Town related to this legislation. However, the notes to the financial statements of the Town must disclose the portion of the State's total proportionate share of the collective net pension liability that is associated with the Town. At June 30, 2020 and 2019, the Town's net pension liability for PFRS, including the special funding situation described above and changes in the Town's proportionate share, was as follows:

Year Ended June 30,	Town (Employer)		Net Pension Liability	State of N.J.	Total
	Proportionate Share			(Nonemployer)	
	Rate	Change		On-Behalf of Town	
2020	0.14581%	0.02154%	\$ 18,840,057	\$ 2,923,891	\$ 21,763,948
2019	0.12427%	-0.00338%	15,173,658	2,401,281	17,574,939

Sensitivity of the Town's 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 of the as of June 30, 2020 and 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

At:	2020		2019	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 25,053,398	5.85%	\$ 20,509,256
Current Discount Rate	7.00%	18,840,057	6.85%	15,173,658
1% Increase	8.00%	12,680,141	7.85%	10,757,682

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)

State-Managed Pension Plans – PFRS (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 and June 30, 2019 measurement dates were determined by actuarial valuations as of July 1, 2019 and 2018, respectively, which were rolled forward to June 30, 2020 and 2019, respectively. These actuarial valuations used the following actuarial assumptions:

	For Measurement Date of:	
	June 30, 2020	June 30, 2019
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through all future years (based on years of service)	3.25-15.25%	3.25-15.25%
Investment Rate of Return	7.00%	7.00%

Mortality – For the June 30, 2020 and June 30, 2019 Measurement Date, preretirement mortality rates were based on the Pub-2010 Safety Employee Mortality table with a 105.6% adjustment for males and 102.5 adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020 for the June 30, 2020 measurement, and MP-2019 for the June 30, 2019 measurement, respectively.

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blend discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% as of June 30, 2019, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in most recent fiscal year. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076 as of June 30, 2019. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 as of June 30, 2019, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)

State-Managed Pension Plans – PFRS (continued)

Actuarial Assumptions (continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2020 and 2019 are summarized in the following table:

June 30, 2019			June 30, 2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%	U.S. Equity	27.00%	7.71%
Cash Equivalents	5.00%	2.00%	Non-U.S. Developed Markets Equity	13.50%	8.57%
U.S. Treasuries	5.00%	2.68%	Emerging Markets Equity	5.50%	10.23%
Investment Grade Credit	10.00%	4.25%	Private Equity	13.00%	11.42%
High Yield	2.00%	5.37%	Real Assets	3.00%	9.73%
Private Credit	6.00%	7.92%	Real Estate	8.00%	9.56%
Real Assets	2.50%	9.31%	High Yield	2.00%	5.95%
Real Estate	7.50%	8.33%	Private Credit	8.00%	7.59%
U.S. Equity	28.00%	8.26%	Investment Grade Credit	8.00%	2.67%
Non-U.S. Developed Markets Equity	12.50%	9.00%	Cash Equivalents	4.00%	0.50%
Emerging Markets Equity	6.50%	11.37%	U.S. Treasuries	5.00%	1.94%
Private Equity	12.00%	10.85%	Risk Mitigation Strategies	3.00%	3.40%

Deferred Outflows and Inflows of Resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the years ended June 30, 2020 and 2019:

	June 30, 2020			June 30, 2019		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	\$ 47,411	\$ (5,050,906)	\$ (5,003,495)	\$ 521,089	\$ (4,914,900)	\$ (4,393,811)
Difference Between Expected and Actual Experience	189,940	(67,615)	122,325	128,370	(96,281)	32,089
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,104,681	-	1,104,681	-	(206,056)	(206,056)
Changes in Proportion	3,455,857	(412,069)	3,043,788	942,370	(600,682)	341,688
	<u>\$ 4,797,889</u>	<u>\$ (5,530,590)</u>	<u>\$ (732,701)</u>	<u>\$ 1,591,829</u>	<u>\$ (5,817,919)</u>	<u>\$ (4,226,090)</u>

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)

State-Managed Pension Plans – PFRS (continued)

Deferred Outflows and Inflows of Resources (continued)

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,		
2021	\$	(341,926)
2022		(230,759)
2023		(93,944)
2024		(35,489)
2025		(30,584)
		(732,701)
	\$	(732,701)

State-Managed Pension Plans - General

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The State or local government employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to state statutes, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated.

PERS and PFRS Fiduciary Net Position

The State of New Jersey issues publicly available financial reports that include the financial statements, required supplementary information and detailed information about the fiduciary net position of the PERS and PFRS. These financial statements were prepared in accordance with accounting principles generally accepted in the United States. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or accessed at www.state.nj.us/treasury/pensions.

Defined Contribution Retirement Program

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Individuals eligible for membership in the DCRP include (a) state or local officials elected or appointed to new office on or after July 1, 2007, (b) employees enrolled in PERS on or after July 1, 2007 or PFRS after May 21, 2010 who earn salary in excess of established maximum compensation limit and (c) employees otherwise eligible for PERS on or after November 2, 2008 or PFRS after May 21, 2010 that earn below the minimum PERS or PFRS salary but more than \$5,000 annually.

Vesting occurs upon commencement of the third year of membership. Should the vesting period not be reached, contributions will be refunded to the appropriate contributing parties. Employer matching contributions and earnings are only available after the age of 55. Distributions render the member retired and ineligible for future participation in any State-administered plans. Otherwise, distributions are available at any time as lump sum, fixed term or life annuity.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED INCOME PLANS (continued)

Defined Contribution Retirement Program (continued)

Members are covered by employer-paid life insurance in the amount of 1 ½ times the annual base salary on which DCRP contributions was based. Members are also eligible for employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid until the age of 70 so long as the member remains disabled and has not begun receiving retirement annuity payments.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Town had 24 employees enrolled and contributed \$9,431.12 and \$15,000 for the years ended December 31, 2020 and 2019, respectively. Employee contributions to DCRP amounted to \$18,223.82 and \$35,645.17 for the years ended December 31, 2019 and 2018, respectively.

Deferred Compensation Plan (unaudited)

The Town has established a deferred compensation program for its employees under Section 457 of the Internal Revenue Code. The program is comprised of three separate plans, all of which are Public Employees' Deferred Compensation Plans, covering employees and elected officials who perform services for the Town. One plan is underwritten by the Nationwide Retirement Solutions, Inc, another by Transamerica Life Insurance, and the last by Variable Annuity Life Insurance Company ("VALIC").

The Plans are a tax-deferred supplemental retirement program that allows Town employees to contribute a portion of their salaries, before federal taxes, to a retirement account. Contributions, or deferrals, are made through payroll deductions. Individuals are 100% vested. Distributions are not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the Town's general creditors.

Assets of the plans are invested in various mutual funds at the discretion of the participants.

NOTE 7. POST-EMPLOYMENT BENEFITS

Post-Employment Benefits Plan

Plan Description

The provisions of Chapter 88, P.L. 1974, along with any Town approved ordinances and resolutions, provide the authority for the Town to offer post-employment health care benefits as detailed below.

The Town provides medical, prescription during, and dental to retirees and their covered dependents that meet the appropriate requirements. The Town provides Medicare Part B reimbursements to Policemen's Benevolent Association and Superior Officer Association retirees and their covered dependents after 25 years of service. All active employees who retire from the Town and meet the eligibility criteria receive these benefits. As of February 1, 2009, new hires are no longer eligible for lifetime post employment health care benefits.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Post-Employment Benefits Plan (continued)

Employees are eligible to receive postretirement health care benefits through the Town health plan by meeting either of the following criteria:

- Retirees after 25 years or more of service in the State Pension Plan, or
- Retirees at age 60 with at least 20 years of service in the State Pension Plan, or
- Retirees at age 55 or older with at least 25 years of service in the State Pension Plan.

Contributions

The Town subsidizes 100% of the cost of coverage for current retirees meeting the requirements outlined above and for future retirees who have at least 25 years of service as of May 21, 2010, the Town will reimburse 100% of eligible Police Benevolent Association and Superior Officer Association retiree’s Medicare Part B premiums.

NJ Chapter 78 requires that future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowances from the Public Employees Retirement system. For purposes of this valuation and for conservatism, it was assumed that future retiree contribution percentage rates will not increase. Thus, it was assumed that a future retiree will contribute their current employee contribution as reported by the Town increased annually by the medical trend rate.

GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, (“GASB 75”), is effective for fiscal years beginning after June 15, 2017, and replaces the requirements of GASB Statement No 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions*. Under GASB 75 the Town would recognize the cost of other postemployment benefits (OPEB) in the year when the employee services are received and report the accumulated liability for OPEB on the face of its financial statements. Under the regulatory basis of accounting prescribed by the Division, the Town is not required to recognize the cost of OPEB in the year when the employee services were received or report the accumulated liability on the face of its financial statements. However, disclosure of such amounts is required. An actuarially calculated OPEB obligation is required to be obtained every two year for municipalities with 200 or more covered individuals. The Town obtained it’s last actuarially calculated OPEB obligation at December 31, 2020.

Employees Covered by Benefit Terms

As of December 31, 2020, there were 119 retirees and dependents currently receiving retiree benefits and 118 active participants, of which 5 are eligible to retire as of the valuation date.

Total OPEB Liability

The Town’s OPEB liability of \$100,116,676.00 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions and Other Inputs

The Total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.12% at December 31, 2020
Salary Increases	2.50 % per year
Inflation Assumptions	2.50 % per year

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Post-Employment Benefits Plan (continued)

The selected discount rate was based on the Bond Buyer 20 index at December 31, 2020.

<u>Health Care Trend Rates</u>	<u>Year</u>	<u>Medical</u>	<u>Drug</u>	<u>Dental</u>
Year 1 trend	2020	5.60%	9.00%	3.50%
Ultimate Trend	2026	5.00%	5.00%	3.50%

The medical trend rate reduces .1% per annum, leveling at 5% per annum in 2026.

The drug trend rate reduces .5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026.

Mortality rates were based on the RP 2000 Combined Healthy Male Mortality Rates set forward three years.

Changes in the Total OPEB Liability

	<u>2020</u>
Balance, January 1, 2020	\$ 94,991,576.00
Changes for Year	
Service Cost	1,464,568.00
Interest Cost	2,610,801.00
Changes in Assumptions	3,392,640.00
Benefit Payments	<u>(2,342,909.00)</u>
Net Changes	<u>5,125,100.00</u>
Balance, December 31, 2018	<u>\$ 100,116,676.00</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage lower or 1 percentage higher than the current discount rate:

At:	
1% Decrease (2.12%)	\$ 110,292,881
Current Discount Rate (2.12%)	100,116,676
1% Increase (3.12%)	91,900,788

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1 percentage lower or 1 percentage higher than the current discount rate:

At:	
1% Decrease	\$ 90,281,933
Current Healthcare Cost Trend Rate	100,116,676
1% Increase	112,199,991

OPEB Expense

For the year ended December 31, 2020, the Town's OPEB Expense was \$4,683,919.00 as determined by the actuarial valuation.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Special Funding Situation

Plan Description

The Town has members of the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, with a special funding situation administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Town on a monthly basis.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the Town does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. The State's share of the net OPEB liability associated with the Town at June 30, 2019 was \$9,452,958, which represents 51 plan members and constituted 0.171072% of the State's total proportionate share of the net OPEB liability. The State's share of the net OPEB liability associated with the Town at June 30, 2018 was \$9,840,306, which represents 45 plan members and constituted .158361% of the State's total proportionate share of the net OPEB liability.

Regulatory Basis Disclosure

In May 2021, the New Jersey Division of Local Government Services issues Local Finance Notice 2021-10 which allows local unit to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2020 was not available, therefore the information dated June 30, 2019 is disclosed.

NOTE 8. COMPENSATED ABSENCES

The Town has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. The estimated total current cost of such unpaid compensation at December 31, 2020 and 2019 was approximately \$1,757,998.76 and \$1,665,626.59, respectively. However, it is expected that the cost of such unpaid compensation would be included in the Town's budget operating expenditures in the year in which it is used. At December 31, 2020 and 2019 these amounts were partially funded in the reserve for accumulated absences of \$105,478.83 and \$31,875.06, respectively, on the trust fund balance sheets.

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Morris County Municipal Joint Insurance Fund

The Town of Dover is a member of the Morris County Municipal Joint Insurance Fund. This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

- a) Workers' Compensation and Employers' Liability
- b) Liability Other Than Motor Vehicles
- c) Property Damage Other Than Motor Vehicles
- d) Motor Vehicle
- e) Public Officials' Liability Coverage
- f) Environmental Coverage

Members of the Morris County Municipal Joint Insurance Fund are also members of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance for each of the coverages noted above, except for excess property coverage which is purchased by the Morris County Municipal Joint Insurance Fund from a commercial carrier.

As a member of the Fund, the Town could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

Selected, summarized financial information for the Morris County Municipal Joint Insurance Fund as of December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Total Assets	\$ 37,043,381.00	\$ 35,348,941.00
Net Position	15,309,967.00	12,793,902.00
Total Revenue	21,527,917.00	21,031,442.00
Total Expenses	19,011,852.00	21,821,417.00
Change in Net Position	2,516,065.00	(789,975.00)
Members Dividend	-	-

Financial statements for the Fund may be obtained by writing to: Morris County Municipal Joint Insurance Fund, c/o PERMA, Inc., 9 Campus Drive, Suite 216, Parsippany, NJ 07054 or by visiting their website at <https://www.mcjif.org/index.php/public-records/independent-audit>.

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9. RISK MANAGEMENT (continued)

North Jersey Municipal Employees Benefits Fund

The Town of Dover is also a member of the North Jersey Municipal Employee Benefits Fund. This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain employee benefits for member municipalities in order to keep local property taxes at a minimum.

The following health benefit coverages are offered by this fund to its members:

- a) Medical
- b) Prescription
- c) Dental

As a member of this Fund, the Town could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

Selected, summarized financial information for the December 31, 2020 and 2019 audit reports for North Jersey Municipal Employee Benefits Fund is as follows:

	2020	2019
Total Assets	\$ 26,535,569.00	\$ 27,755,354.00
Net Position	20,504,257.00	24,024,780.00
Total Revenue	42,185,943.00	40,460,052.00
Total Expenses	38,206,466.00	35,333,903.00
Change in Net Position	3,979,477.00	5,126,149.00
Members Dividend	7,500,000.00	4,100,000.00

Financial statements for the Fund may be obtained by writing to: North Jersey Municipal Employee Benefits Fund, Office of the Program Manager, c/o The Voza Agency, 77 Market Street, Park Ridge, NJ 07656 or by visiting their website at <https://njmebf.com/index.php/public-records/fund-documents/audit-reports>.

New Jersey Unemployment Compensation Insurance

The Town has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Town is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Town is billed quarterly for amounts due to the State. The following is a summary of the Town and employees' contributions, interest earned, reimbursements to the State for benefits paid and the ending balance of the Town's expendable trust fund for the current and previous two years:

Year Ended Dec 31,	Town Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2020	\$ 70,000.00	\$ -	\$ -	\$ 20,928.34	\$ 49,769.57
2019	-	-	-	29,754.47	697.91
2018	-	-	5,000.00	15,475.33	30,452.38

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 10. FIXED ASSETS

The Town had the following investment balance and activity in general fixed assets as of and for the years ended December 31, 2020 and 2019:

	Balance, Dec. 31, 2019	Acquisitions	Dispositions	Adjustments	Balance, Dec. 31, 2020
Land	\$ 25,519,400.00	\$ -	\$ -	\$ -	\$ 25,519,400.00
Buildings	11,224,522.17	-	-	-	11,224,522.17
Machinery, Equipment & Other	9,296,640.47	406,416.26	-	-	9,703,056.73
	<u>\$ 46,040,562.64</u>	<u>\$ 406,416.26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,446,978.90</u>

	Balance, Dec. 31, 2018	Acquisitions	Dispositions	Adjustments	Balance, Dec. 31, 2019
Land	\$ 4,105,200.00	\$ 853,100.00	\$ -	\$ 20,561,100.00	\$ 25,519,400.00
Buildings	2,326,500.00	3,977,822.17	-	4,920,200.00	11,224,522.17
Machinery, Equipment & Other	9,811,566.55	365,614.53	64,271.61	(816,269.00)	9,296,640.47
	<u>\$ 16,243,266.55</u>	<u>\$ 5,196,536.70</u>	<u>\$ 64,271.61</u>	<u>\$ 24,665,031.00</u>	<u>\$ 46,040,562.64</u>

In accordance with accounting practices prescribed by the Division of Local Government Services, and as further detailed in Note A, no depreciation has been provided for and fixed assets acquired through grants in aid or contributed capital have not been accounted for separately. The adjustment column represents an adjustment for an appraisal performed by an independent third-party on December 31, 2018.

NOTE 11. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020 and 2019, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance, Dec. 31, 2020	Required 2021 Budget Appropriations	Balance Deferred to Succeeding Years' Budgets
COVID-19 Related	\$ 2,109,341.86	\$ -	\$ 2,109,341.86
Serverance - Salaries & Wages	600,000.00	120,000.00	480,000.00
	<u>\$ 2,709,341.86</u>	<u>\$ 120,000.00</u>	<u>\$ 2,589,341.86</u>

	Balance, Dec. 31, 2019	Required 2020 Budget Appropriations	Balance Deferred to Succeeding Years' Budgets
Reassessment	\$ 40,000.00	\$ 40,000.00	\$ -

The amounts appropriated in the succeeding years' budgets are not less than the amounts required by statute.

Special Emergency COVID-19 Related

In August 2020, P.L. 2020, C.74 was enacted and amended N.J.S.A. 40A:4-26 to allow municipalities to authorize special emergency appropriations for COVID-19 related costs, anticipated loss of revenue or deficits due to additional costs or loss of revenue due to COVID-19. Special emergency appropriations related to COVID-19 certified through the Division are eligible to be spread over several subsequent budgets as a deferred charge, rather than budgeted fully in the current or next year. The Town received Division approval to declare a COVID-19 related special emergency of \$2,276,014 and funded the special emergency with special emergency notes in advance of the close of fiscal year. Whereby, the Town was able to cancel the certified anticipated deficit by recording the deferred charge as a revenue. The Town recognized revenue of \$2,109,341.86 in the current fund and \$166,672.14 in the parking utility operating fund from special emergency for COVID-19 related funded in advance.

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 11. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Emergency Notes Payable

Special emergency appropriations may be financed by surplus funds or special emergency notes not to exceed maturities of one year, but can be renewed and paid over specified periods up to five years. The Town had the following emergency notes payable at December 31, 2020:

	Total	Severance - Salaries and Wages	COVID-19 Related
Current Fund	\$ 2,709,341.86	\$ 600,000.00	\$ 2,109,341.86
Parking Utility Operating Fund	166,672.14	-	166,672.14
	<u>\$ 2,876,014.00</u>	<u>\$ 600,000.00</u>	<u>\$ 2,276,014.00</u>

NOTE 12. INTERFUND BALANCES AND TRANSFERS

The Town has various transactions by and between its individual funds. All these transfers are routine and are consistent with the activities of the funds making the transfers. Transfers by and between the Town's funds during the years ended December 31, 2020 and 2019 consisted of the following:

	2020		2019	
	Transfers In	Transfers Out	Transfers In	Transfers Out
Current Fund	\$ 1,221,990.30	\$ 1,275,684.79	\$ 1,192,381.97	\$ 1,195,720.98
Federal and State Grant Fund	875,282.46	821,990.30	1,195,389.98	979,794.12
Animal Control Trust Fund	-	-	-	12,185.52
Other Trust	225.00	-	331.00	225.00
General Capital Fund	200,000.00	200,000.00	-	-
Water Utility Operating	200,177.33	200,000.00	-	200,177.33
	<u>\$ 2,497,675.09</u>	<u>\$ 2,497,675.09</u>	<u>\$ 2,388,102.95</u>	<u>\$ 2,388,102.95</u>

Current Fund interfunds receivable are fully reserved and recognized as credits to operations in the year the interfunds are received in cash. Interfunds receivable in the trust funds and capital funds are not reserved. As of December 31, 2020, and 2019, the following interfund balances remained on the Town's records for the reasons as stated:

2020	2019	Due from	Due To	Purpose
\$ -	\$ 42,869.07	Current Fund	Federal and State Grant Fund	On-behalf grant activity
-	225.00	Current Fund	Other Trust Fund	Interest
-	177.33	Current Fund	Water Utility Operating Fund	Interest

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13. SHARED SERVICE AGREEMENTS

The Interlocal Services Act, N.J.S.A. 40:8A-1, et seq., allows any local unit of the State to enter into a contract with any other local unit or units for the joint provision within their several jurisdictions of any service, including services incidental to the primary purposes of the local unit which any party to the agreement is empowered to render within its own jurisdiction.

The Town had entered into the following shared service agreements to receive services for the years ended December 31, 2020 and 2019:

Shared Service Received	Local Unit	Paid or Charged	
		2020	2019
Dispatching Services	County of Morris	\$ 320,323.66	\$ 319,723.66
Various Health Services	Township of Mount Olive	104,604.00	102,556.00
Fire Sub-Code Official	Township of Mount Olive	25,000.00	25,000.00
Animal Control Services	Township of Randolph	36,701.00	49,178.50
		<u>\$ 486,628.66</u>	<u>\$ 496,458.16</u>

The Town had entered into the following shared service agreements to provide services for the years ended December 31, 2020 and 2019:

Shared Service Provided	Local Unit	Revenue Collected	
		2020	2019
Fire/EMS Services	Victory Gardens	\$ 33,000.00	\$ 33,000.00
School Resource Officer	Dover Board of Education	122,342.00	-
Municipal Court	Victory Gardens	18,419.26	18,357.51
Traffic Signal	Township of Rockaway	-	400.00
		<u>\$ 173,761.26</u>	<u>\$ 51,757.51</u>

NOTE 14. REVENUE ACCOUNTS RECEIVABLE

Revenue accounts receivable are fully reserved receivables due from entities for revenues anticipated in support of the Town's budget. The following table illustrates activity of the beginning and ending revenue accounts receivable balances for the years ended December 31, 2020 and 2019:

	Balance Dec. 31, 2019	Current Year Accruals	Collections	Balance Dec. 31, 2020
Fines and Costs:				
Municipal Court	<u>\$ 20,107.91</u>	<u>\$ 149,053.83</u>	<u>\$ 149,053.83</u>	<u>\$ 20,107.91</u>
	Balance Dec. 31, 2018	Current Year Accruals	Collections	Balance Dec. 31, 2019
Fines and Costs:				
Municipal Court	<u>\$ 29,781.11</u>	<u>\$ 367,685.20</u>	<u>\$ 377,358.40</u>	<u>\$ 20,107.91</u>

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 15. ECONOMIC DEPENDENCY

The Town does not have significant economic dependence on any one taxpayer. However, the ten largest taxpayers of the Town listed in the following table comprise 10.48% and 10.44% of the Town's tax levy and assessed valuation taxable for the years ended December 31, 2019 and 2018, respectively:

Tax Payer	Assessed Valuation	
	2020	2019
Mpt of Morris LLC	\$ 43,634,100	\$ 43,460,500
Piret (Dover Holdings LLC)	17,932,200	17,932,200
Home Depot USA Inc	16,388,800	16,388,800
Ahip NJ Dover Properties LLC	10,060,000	10,060,000
Casino Inc	10,020,200	10,020,200
Dover Hills	9,689,900	9,689,900
Briad Lodging Group Dover II, LLC	9,000,000	9,000,000
Denville-Morris Properties LLC	6,780,800	6,780,800
Fox Dover Tenant Cor	6,250,000	6,250,000
Ayres-Chevrolet Oldsmobile Inc	6,162,600	6,162,600
	<u>\$ 135,918,600</u>	<u>\$ 135,745,000</u>

The Town receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Town's programs and activities.

NOTE 16. AGGREGATION OF ENCUMBRANCES AND CONTRACTS PAYABLE

Other significant commitments include encumbrances and contracts outstanding for the Current, Federal and State Grant Fund, General Capital Fund, and Water Utility Operating and Capital Funds as shown below as of December 31, 2020 and 2019:

	2020	2019
Current Fund	\$ 375,176.78	\$ 253,759.80
Federal and State Grant Fund	87,001.43	553,104.84
General Capital Fund	1,372,906.46	11,138,344.07
Water Utility Operating Fund	2,869.02	8,202.40
Water Utility Capital Fund	111,280.71	1,594,164.12
	<u>\$ 1,949,234.40</u>	<u>\$ 13,547,575.23</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 17. TAX ABATEMENTS

The Town negotiates property tax abatement agreements on an individual basis. The Town has a tax abatement agreement with one entity as of December 31, 2020 and 2019:

Purpose of Agreement	Taxing Government	Taxes if Billed	Received for	Taxes Abated		Aggregate Reduction of Government Revenue
		at Full 2020 TaxRate	Payments in Lieu of Taxes & Land Tax	Amount	(%)	
1. Construction of Age Restricted Housing Project, Including Low or Moderate Income Housing Units to Satisfy Affordable Housing Requirements	School	\$ 271,103.00	\$ -	\$ 271,103.00	100%	\$ -
	County	64,708.00	-	64,708.00	100%	-
	Borough	298,994.00	191,754.14	107,239.86	36%	-
	Total	<u>\$ 634,805.00</u>	<u>\$ 191,754.14</u>	<u>\$ 443,050.86</u>	70%	<u>\$ -</u>

Purpose of Agreement	Taxing Government	Taxes if Billed	Received for	Taxes Abated		Aggregate Reduction of Government Revenue
		at Full 2019 TaxRate	Payments in Lieu of Taxes & Land Tax	Amount	(%)	
1. Construction of Age Restricted Housing Project, Including Low or Moderate Income Housing Units to Satisfy Affordable Housing Requirements	School	\$ 266,194.00	\$ -	\$ 266,194.00	100%	\$ -
	County	62,476.00	-	62,476.00	100%	-
	Borough	279,805.00	181,232.00	98,573.00	35%	-
	Total	<u>\$ 608,475.00</u>	<u>\$ 181,232.00</u>	<u>\$ 427,243.00</u>	70%	<u>\$ -</u>

The full amount to be raised by taxes for support of each Government’s budget is levied on properties not subject to such agreements, therefore there is no aggregate reduction of tax revenue to the Governments as a result of the abatement.

This agreement was negotiated under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq (the Law), which authorizes municipalities to enter into financial agreements with Urban Renewal Entities. An Urban Renewal Entity is a limited-dividend entity or a nonprofit entity which undertakes redevelopment projects (both commercial and residential), relocation projects for residents displaced by the redevelopment area, and low and moderate income housing projects in return for tax exemptions, or payments in lieu of taxes referred to as “annual service charges”.

The Law allows annual service charges to be calculated as a percentage of either gross revenue from each unit of the project or from total project cost, if the project is not undertaken in units. In the case of low and moderate income housing projects, the annual service charge shall not exceed 15% of annual gross revenue or 2% of total project cost. For all other projects, the annual service charge shall not be less than 10% of annual gross revenue or 2% of total project cost. The Town’s lone abatement is categorized as a low and moderate income housing project. There are a total of five stages in the abatement period. The final four phases require the Urban Renewal Entity to remit the greater of the agreed upon annual service charge or 20%, 40%, 60% and 80%, respectively, of the amount of taxes otherwise due on the value of the land and improvements.

The Law only allows for taxes on improvements to be abated. Taxes on land are billed quarterly to the Urban Renewal Entity and are credited against the annual service charges due. To administer the billing, the land value and improvement value of the abated property are separate line items in the tax assessment and collection records. The land value is billed quarterly at the total property tax rate. The improvement value is classified as exempt property (Class 15F), generating no bill.

Under the Law, abatements may provide for an exemption period of less than 30 years from the completion of the entire project or less than 35 years from the execution of the financial agreement. Further, Urban Renewal Entity profits are restricted and any excess profits are payable to the municipality as an additional annual service charge.

The Law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement. However, in the event of default, the Town has the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1 and/or may terminate the agreement. The Town has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 18. CONTINGENT LIABILITIES

Tax Appeals

The Town is a defendant in various tax appeals presently pending before both the Tax Court of New Jersey and Bergen County Board of Taxation. Approximately \$23 million in total cumulative taxes of are being appealed as of December 31, 2020 from tax appeals dating back as far as 2007 not being settled. However, the Town is contesting these appeals and expects the amounts settled to be less. In the past, the Town has paid for such appeals through budget appropriations and/or its reserve for tax appeals pending. As of the year ended December 31, 2020, the Town has no reserve in its tax appeals account to fund its potential exposure from tax appeals.

Grant Programs

The Town participates in several federal award and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes.

Litigation

The Town, its officers and employees are defendants in a number of lawsuits, none of which is unusual for a municipality of its size and should be adequately covered by the Town's insurance program, defense program or by the Town directly and which may be settled in a manner satisfactory to the financial stability of the Town. The Town is also engaged in activities, such as police protection and public works construction, which could result in future litigation with a possible significant monetary exposure to the Town.

Jersey City Municipal Utilities Authority v. Town of Dover, et al

The matter has been in litigation for approximately ten years. Special Counsel reports with respect to exposure, "Dover has already won the portion of the case that requires Jersey City to contribute its share towards operation and maintenance. The second part of the case is about what is actually operations and maintenance and what is capital improvements in a number of ongoing and upcoming projects by the Rockaway Valley Regional Sewerage Authority (RVRSA)." This decision will result in how much RVRSA will receive for these projects from the City of Jersey City and serviced municipalities, including the Town of Dover.

COVID-19 Pandemic and State of Emergency

On January 31, 2020, the United States Department of Health and Human Services Secretary declared a public health emergency for the United States in response to COVID-19. On March 9, 2020, the Governor of the State of New Jersey issued Executive Order No. 103 (the "Order") declaring a State of Emergency and Public Health Emergency across all 21 counties in New Jersey. Within the Order, the Governor declares the continuous delivery of services at the County and Municipal levels to be essential. The President of the United States issued an Emergency Declaration (EM-3451) for the State of New Jersey on March 13, 2020, which was subsequently upgraded to a Major Disaster Declaration (DR-4488) on March 24, 2020.

As a result of this Public Health Emergency, the Town will incur additional costs of providing public health, safety and welfare services to Town residents, as well as a reduction in revenues including fines, costs, interest, fees and permits. Such effects on the results of operations for the fiscal year ended December 31, 2021 are presumed to be material. Due to the Major Disaster Declaration, the Town may be eligible for, and has already received, disaster cost reimbursement funding through the FEMA Public Assistance Program and Coronavirus Aid, Relief, and Economic Security (CARES) Act, in the amount of \$334,939.00.

Subsequent to year end, the American Rescue Plan was signed into law by the President on March 12, 2021, which provided further funding to address COVID-19 pandemic effects, including revenue loss replacement. The Town is expected to receive funds from the Plan.

**TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 19. DOVER FREE PUBLIC LIBRARY

The Dover Free Public Library (the “Library”) has its own governing Board of Trustees appointed by the Mayor of the Town under the advice and consent of the Board of Aldermen. Since the Library has historically not had its own audit performed, the Library has been retroactively included in the financial statements of the Town.

In 1943, a local resident had gifted a painting to the Town that had been held by the Library since before it was established as a free public library. The painting had been on loan to the Metropolitan Museum of Art from 2012-2018. On November 16, 2018, the painting had been sold for \$4,815,000.00, netting proceeds of \$4,160,000.00. The proceeds from the sale have been approved by the New Jersey State Librarian for designation to renovate the Library building under the direction of the Library Board of Trustees. The funds from the sale are being held in a trust by the Library. It has not been legally determined whether the Town or the Library is the legal custodian of the proceeds of the sale held in trust.

NOTE 20. SUBSEQUENT EVENTS

Subsequent events were evaluated through September 30, 2021, which is the date the financial statements were available to be issued. Material events are as follows:

\$28,988,000 Issuance of Notes - on May 26, 2021, the Town issued \$22,454,859 in notes, consisting of the \$20,698,845 Notes, Series 2021A (Tax Exempt), consisting of the \$17,898,845 Bond Anticipation Note and the \$2,800,000 Water Utility Bond Anticipation Note, and the \$1,756,014 Bond Anticipation Note, Series 2021B (Federally Taxable). These notes are due May 26, 2022 at an interest rate of 1.25% for Series 2021A and .75% for Series 2021B. The purpose of these notes was to provide funding for various capital projects, including payment at maturity of bond anticipation notes issued to finance such projects and pay for expenses incurred with the issuance of these notes.

REPORT OF AUDIT

FINANCIAL SECTION:
Supplementary Data

Town of Dover

REPORT OF AUDIT

FINANCIAL SECTION:
Supplementary Data -
Current Fund

Town of Dover

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CASH TREASURER

	<u>Ref.</u>		
Balance: December 31, 2019	A		\$ 4,116,084.46
Increased by Cash Receipts:			
Cash - Tax Collector	A-6	\$ 36,757,104.15	
Miscellaneous Adjustments	A-1	7,263.12	
Miscellaneous Revenues Not Anticipated	A-2	75,240.94	
Revenue Accounts Receivable	A-10	3,723,907.46	
Sewer Rents Receivable	A-11	1,643,843.56	
Due from Police Outside Services	A-12	358,822.38	
Interfunds	A-15	1,013,279.51	
State Sr. Citizen and Veteran Deductions	A-18	50,000.00	
Due to State of New Jersey - Other	A-19	12,188.00	
Prepaid Sewer Rents	A-22	807.24	
Due to Dover Housing Authority	A-25	63,740.82	
Emergency Notes Payable	A-26	2,709,341.86	
Reserves for Other	A-27	45,003.62	
		<u>46,460,542.66</u>	
			<u>50,576,627.12</u>
Decreased by Cash Disbursements:			
Refund of Prior Years' Taxes	A-1	65,542.90	
Current Year Budget Appropriations	A-3	22,330,917.19	
Interfunds	A-15	666,974.00	
Due from Police Outside Services	A-12	366,535.34	
Appropriation Reserves	A-16	865,843.06	
Due to State of New Jersey - Other	A-19	20,429.00	
Tax Overpayments	A-20	22,586.02	
County Taxes Payable	A-23	3,742,497.79	
School Taxes Payable	A-24	15,700,967.54	
Due to Dover Housing Authority	A-25	70,407.54	
Reserves for Other	A-27	121,251.84	
Reserves for CARES Act Recovery Grant	A-28	334,939.00	
		<u>44,308,891.22</u>	
Balance: December 31, 2020	A		<u>\$ 6,267,735.90</u>

SCHEDULE OF CASH AND CASH EQUIVALENTS DOVER FREE PUBLIC LIBRARY

	<u>Ref.</u>		
Balance: December 31, 2019	A		\$ 1,594,308.62
Increased by Cash Receipts:			
Sale of Investments	A-5	\$ 2,334,000.00	
Reserves for Dover Free Public Library	A-29	137,291.07	
		<u>2,471,291.07</u>	
			<u>4,065,599.69</u>
Decreased by Cash Disbursements:			
Purchase of Investments	A-5	2,089,116.82	
Reserves for Dover Free Public Library	A-29	169,700.17	
		<u>2,258,816.99</u>	
Balance: December 31, 2020	A		<u>\$ 1,806,782.70</u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF INVESTMENTS DOVER FREE PUBLIC LIBRARY

	Ref.	
Balance: December 31, 2019	A	\$ 2,334,000.00
Increased by:		
Cash Disbursements - Purchases	A-4	<div style="border-bottom: 1px solid black;">2,089,116.82</div> 4,423,116.82
Decreased by:		
Cash Receipts - Sales	A-4	<div style="border-bottom: 1px solid black;">2,334,000.00</div>
Balance: December 31, 2020	A	<div style="border-bottom: 3px double black;">\$ 2,089,116.82</div>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>		
Increased by Cash Receipts:			
Taxes Receivable	A-7	\$ 36,310,591.43	
Interest and Costs on Taxes	A-10	141,886.11	
Tax Overpayments	A-20	54,948.85	
Prepaid Taxes	A-21	<u>249,677.76</u>	
			<u>\$ 36,757,104.15</u>
Decreased by Cash Disbursements:			
Payment to Treasurer	A-4		<u>\$ 36,757,104.15</u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance: Dec. 31, 2019	2020 Levy	Added Taxes	Collections		By Discounts (Dis)/Allowed	Cancelled	Transfer to Tax Title Liens	Balance: Dec. 31, 2020
				By Cash Receipts - Net of Refunds Prior Year	Current Year				
2019 & Prior	\$ 622,396.84	\$ -	\$ -	\$ -	\$ 570,300.73	\$ -	\$ 44,561.49	\$ -	\$ 7,534.62
2020	-	36,818,108.33	165,211.14	289,375.47	35,740,290.70	50,000.00	2,171.72	23,847.00	877,634.58
	<u>\$ 622,396.84</u>	<u>\$ 36,818,108.33</u>	<u>\$ 165,211.14</u>	<u>\$ 289,375.47</u>	<u>\$ 36,310,591.43</u>	<u>\$ 50,000.00</u>	<u>\$ 46,733.21</u>	<u>\$ 23,847.00</u>	<u>\$ 885,169.20</u>
Ref.	A	Below	Below	A-21	A-6	A-18		A-8	A
		Ref.						Delinquent	Current
Tax Yield:						Collections:			
General Purpose		Above		\$ 36,818,108.33		2018	\$ -	\$ 289,375.47	
Added and Omitted Taxes		Above		<u>165,211.14</u>		2019	570,300.73	35,740,290.70	
		Below				Discounts Allowed	-	50,000.00	
					\$ 36,983,319.47				
Tax Levy:								\$ 570,300.73	\$ 36,079,666.17
Local District School Tax (Abstract)		A-24		15,719,453.00			A-2	A-2a	
County Tax:									
County Taxes (Abstract)		A-23	\$ 3,630,974.93						
County Open Space Taxes		A-23	107,506.49						
Added and Omitted County Taxes		A-23	<u>16,845.01</u>						
Total County Tax				3,755,326.43					
Library Tax:									
Library Tax (Abstract)			476,426.00						
Added and Omitted Library Tax			<u>2,091.67</u>						
Total Library Tax		A-2		478,517.67					
Local Tax for Municipal Purposes									
Local Tax for Municipal Purposes (Abstract)			16,883,623.75						
Local Tax for Municipal Levied (Added)			146,274.46						
Add: Additional Tax Levied			<u>124.16</u>						
Local Tax for Municipal Purposes Levied		A-2		<u>17,030,022.37</u>					
		Above			\$ 36,983,319.47				

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF TAX TITLE LIENS

	Ref.	
Balance: December 31, 2019	A	\$ 414,736.09
Increased by:		
Transfer from Taxes Receivable		23,847.00
Balance: December 31, 2020	A	\$ 438,583.09

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION

	Ref.	
Balance: December 31, 2019	A	\$ 204,400.00
Balance: December 31, 2020	A	\$ 204,400.00

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance: Dec. 31, 2019	Current Year Accruals	Collections	Balance: Dec. 31, 2020
Local Revenues:					
Licenses:					
Alcoholic Beverage	A-2	\$ -	52,160.00	52,160.00	\$ -
Other	A-2	-	33,869.00	33,869.00	-
Fees and Permits	A-2	-	195,443.59	195,443.59	-
Fines and Costs - Municipal Court	A-2	20,107.91	136,472.16	149,053.83	7,526.24
Interest and Costs on Taxes	A-2	-	141,886.11	141,886.11	-
Interest on Investments and Deposits	A-2	-	106,492.46	106,492.46	-
Fire Prevention Inspection fee	A-2	-	1,296.00	1,296.00	-
Cell Tower Rental Fees	A-2	-	163,955.84	163,955.84	-
Rental of Municipal Property	A-2	-	108,334.59	108,334.59	-
Hotel Occupancy Tax	A-2	-	89,571.48	89,571.48	-
Payments in Lieu of Taxes:					
Millpond Towers	A-2	-	181,232.00	181,232.00	-
Guenther Mill	A-2	-	-	-	-
		<u>20,107.91</u>	<u>1,210,713.23</u>	<u>1,223,294.90</u>	<u>7,526.24</u>
State Aid without Offsetting Appropriations:					
Consolidated Municipal Property					
Tax Relief Aid	A-2	-	171,198.00	171,198.00	-
Energy Receipts Tax	A-2	-	1,093,424.00	1,093,424.00	-
		<u>-</u>	<u>1,264,622.00</u>	<u>1,264,622.00</u>	<u>-</u>
Dedicated Uniform Construction Code Fees	A-2	-	303,080.00	303,080.00	-
Shared Service Agreements:					
Municipal Court	A-2	-	18,419.26	18,419.26	-
Victory Garden Fire Department	A-2	-	33,000.00	33,000.00	-
School Resource Officer	A-2	-	122,342.00	122,342.00	-
		<u>-</u>	<u>173,761.26</u>	<u>173,761.26</u>	<u>-</u>
Other Special Items:					
Water Utility Operating Surplus	A-2	-	200,000.00	200,000.00	-
Uniform Fire Safety Act	A-2	-	27,251.52	27,251.52	-
General Capital Fund	A-2	-	200,000.00	200,000.00	-
Cable TV Franchise Fees	A-2	-	179,870.21	179,870.21	-
Community Champions	A-2	-	114,650.00	114,650.00	-
Ambulance Billing Fees	A-2	-	229,263.68	229,263.68	-
Veterans Housing Land Sale	A-2	-	350,000.00	350,000.00	-
		<u>-</u>	<u>1,301,035.41</u>	<u>1,301,035.41</u>	<u>-</u>
Total Miscellaneous Revenues	Ref.	<u>\$ 20,107.91</u>	<u>\$ 4,253,211.90</u>	<u>\$ 4,265,793.57</u>	<u>\$ 7,526.24</u>
	A			Below	A
Cash Receipts - Treasurer	A-4			\$ 3,723,907.46	
Cash Receipts - Tax Collector	A-6			141,886.11	
Due from General Capital Fund	A-15			200,000.00	
Due from Water Utility Operating Fund	A-15			<u>200,000.00</u>	
	Above			<u>\$ 4,265,793.57</u>	

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
SCHEDULE OF SEWER RENTS RECEIVABLE**

	<u>Ref.</u>	
Balance: December 31, 2019	A	\$ 59,266.62
Increased by:		
Sewer Rents Levied	Reserve	<u>1,752,288.45</u>
		1,811,555.07
Decreased by:		
Sewer Collections	A-4	\$ 1,643,843.56
Prepaid Applied	A-22	<u>3,796.72</u>
	A-2	<u>1,647,640.28</u>
Balance: December 31, 2020	A	<u><u>\$ 163,914.79</u></u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DUE FROM POLICE OUTSIDE SERVICES

	Ref.	
Balance: December 31, 2019	A	\$ 21,835.05
Increased by:		
Cash Disbursements	A-4	366,535.34
		388,370.39
Decreased by:		
Cash Receipts	A-4	358,822.38
Balance: December 31, 2020	A	\$ 29,548.01

SCHEDULE OF FEDERAL GRANT RECEIVABLE

	Ref.	
Balance: December 31, 2019	A	\$ -
Increased by:		
CARES Act Funding	A-28	334,939.00
Balance: December 31, 2020	A	\$ 334,939.00

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DEFERRED CHARGES

	<u>Balance:</u> <u>Dec. 31, 2019</u>	<u>Authorized</u>	<u>Budget</u> <u>Appropriations</u>	<u>Balance:</u> <u>Dec. 31, 2020</u>
Special Emergency Appropriation:				
2015 Reassessment	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -
COVID-19 Related	-	2,109,341.86	-	2,109,341.86
Emergency Appropriation:				
Severance - Salaries & Wages	-	600,000.00	-	600,000.00
	<u>\$ 40,000.00</u>	<u>\$ 2,709,341.86</u>	<u>\$ 40,000.00</u>	<u>\$ 2,709,341.86</u>
<u>Ref.</u>	<u>A</u>	<u>Below</u>	<u>A-3</u>	<u>A</u>
Special Emergency Funded in Advance -				
COVID-19 Related	A-1	\$ 2,109,341.86		
Emergency Appropriation -				
Severance - Salaries & Wages	A-1	<u>600,000.00</u>		
Above		<u>\$ 2,709,341.86</u>		

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF INTERFUNDS

	Ref.	Total	Federal and State Grant Fund	Other Trust Fund	General Capital Fund	Water Utility Operating Fund
Balance: December 31, 2019	A	\$ (43,271.40)	\$ (42,869.07)	\$ (225.00)	\$ -	\$ (177.33)
Increased by:						
Grants Revenue	A-2	208,710.79	208,710.79	-	-	-
Revenue Realized	A-2	400,000.00	-	-	200,000.00	200,000.00
Cash Disbursements	A-4	666,974.00	666,571.67	225.00	-	177.33
Grant Appropriation Cancelled	A-1	-	-	-	-	-
		<u>1,275,684.79</u>	<u>875,282.46</u>	<u>225.00</u>	<u>200,000.00</u>	<u>200,177.33</u>
		1,232,413.39	832,413.39	-	200,000.00	200,000.00
Decreased by:						
Grants Appropriation	A-3	208,710.79	208,710.79	-	-	-
Cash Receipts	A-4	1,013,279.51	613,279.51	-	200,000.00	200,000.00
		<u>1,221,990.30</u>	<u>821,990.30</u>	<u>-</u>	<u>200,000.00</u>	<u>200,000.00</u>
Balance: December 31, 2020	A	<u>\$ 10,423.09</u>	<u>\$ 10,423.09</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Operations - within "CAPS":					
General Government:					
Mayor and Board of Alderman					
Salaries and Wages	\$ 5,201.82	\$ -	\$ 1.82	\$ -	\$ 1.82
Other Expenses	1,733.84	19,019.10	27,499.94	24,013.37	3,486.57
Administrative and Executive					
Salaries and Wages	1,004.06	-	1,004.06	1,004.06	-
Other Expenses	2,243.88	1,166.04	7,809.92	6,462.47	1,347.45
Town Clerk					
Salaries and Wages	38.58	-	38.58	-	38.58
Other Expenses	2,371.95	229.92	2,601.87	1,287.77	1,314.10
Finance Director's Office					
Salaries and Wages	43.59	-	43.59	-	43.59
Other Expenses	3,443.83	7,747.39	13,521.22	13,503.17	18.05
Annual Audit	24,829.00	-	24,829.00	24,829.00	-
Assessment of Taxes					
Salaries and Wages	369.93	-	369.93	-	369.93
Other Expenses	2,528.30	41.25	2,569.55	122.55	2,447.00
Collection of Taxes					
Salaries and Wages	756.02	-	756.02	-	756.02
Other Expenses	467.58	1,545.67	2,013.25	1,545.67	467.58
Legal Services					
Other Expenses	25,929.19	27,945.97	58,175.16	44,946.95	13,228.21
Prosecutor's Office					
Salaries and Wages	700.14	-	700.14	-	700.14
Other Expenses	-	-	1,500.00	1,500.00	-
Engineering Services and Costs:					
Salary & Wages	135.66	-	135.66	-	135.66
Other Expenses	645.71	3,949.99	4,595.70	3,780.90	814.80
Economic Development					
Salary & Wages	9.32	-	9.32	-	9.32
Other Expenses	1,062.92	3,444.71	5,312.63	4,286.75	1,025.88
Planning Board					
Other Expenses	66.72	886.25	2,152.97	1,697.25	455.72
Board of Adjustment					
Other Expenses	361.33	336.25	697.58	430.59	266.99
Insurance:N.J.S.A. 40A:4-45.3(00)					
General Liability	3,808.94	3,012.00	6,820.94	-	6,820.94
Employee Group Health	313,869.29	329.28	314,198.57	312,564.68	1,633.89
Health Benefit Waiver	1,369.26	-	1,369.26	-	1,369.26
Code Enforcement					
Salary & Wages	11,636.37	-	6,856.37	-	6,856.37
Other Expenses	1,405.82	1,677.56	3,083.38	2,988.93	94.45
Public Safety:					
Police:					
Salary & Wages	40,043.32	-	(2,026.68)	(2,026.71)	0.03
Other Expenses	38,359.13	16,494.43	54,853.56	53,639.55	1,214.01
Shared Services Dispatching:					
Other Expenses	76.34	-	76.34	-	76.34
Office of Emergency Management:					
Other Expenses	960.00	105.00	1,065.00	105.00	960.00
Public Defender					
Other Expenses	5,107.50	200.00	5,307.50	2,119.25	3,188.25
Fire					
Salary & Wages	1,967.76	-	1,967.76	-	1,967.76
Other Expenses	12,076.98	31,633.63	45,710.61	43,409.72	2,300.89
Uniformed Fire Safety Act (P.L. 1983, Ch. 383):					
Other Expenses	4,534.33	549.95	5,084.28	4,572.95	511.33
Municipal Court					
Salary & Wages	12,823.00	-	12,823.00	-	12,823.00
Other Expenses	3,742.13	1,517.68	6,109.81	6,013.34	96.47
Health and Welfare:					
Board of Health					
Salary & Wages	7,468.57	-	7,468.57	-	7,468.57
Other Expenses	2,239.68	4,171.14	6,410.82	4,787.26	1,623.56
Solid Waste and Recycling					
Salary & Wages	2,508.78	-	1,511.78	-	1,511.78
Other Expenses	91,904.81	34,090.54	131,995.35	130,058.04	1,937.31
Recreation and Education					
Shade Trees:					
Other Expenses	2,375.15	4,343.32	6,718.47	4,343.32	2,375.15
Senior Citizen Transportation:					
Salary & Wages	1,537.00	-	1,537.00	-	1,537.00
Other Expenses	2,163.55	4,457.11	6,620.66	5,890.12	730.54

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF APPROPRIATION RESERVES

	Balance: December 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Operations - within "CAPS" (continued):					
Recreation Department:					
Salary & Wages	\$ 3,207.79	\$ -	\$ 3,207.79	\$ -	\$ 3,207.79
Other Expenses	1,311.35	7,512.21	16,528.56	14,804.63	1,723.93
Historic Preservation					
Other Expenses	-	150.00	150.00	150.00	-
Department of Public Works:					
Streets and Road Maintenance					
Salary & Wages	6,462.01	-	5,057.01	-	5,057.01
Other Expenses	10,501.74	16,618.45	27,120.19	19,646.66	7,473.53
Division of Sewer Maintenance					
Salary & Wages	3,420.23	-	1,120.23	-	1,120.23
Other Expenses	5,900.08	2,068.47	7,968.55	2,354.32	5,614.23
Buildings and Grounds					
Salary & Wages	820.14	-	820.14	-	820.14
Other Expenses	8,961.07	5,246.88	19,922.95	18,075.88	1,847.07
Snow and Ice Removal:					
Salary & Wages	864.21	-	864.21	-	864.21
Other Expenses	20,825.02	21,744.00	42,569.02	20,562.94	22,006.08
State Uniform Construction Code Official:					
Salary & Wages	3,068.23	-	3,068.23	-	3,068.23
Other Expenses	1,032.21	2,587.95	3,620.16	2,480.00	1,140.16
Unclassified:					
Utilities	51,237.61	28,937.66	93,375.27	85,074.24	8,301.03
Total Operations - within "CAPS"	<u>753,532.77</u>	<u>253,759.80</u>	<u>1,007,292.57</u>	<u>861,024.62</u>	<u>146,267.95</u>
Statutory Expenditures within "CAPS":					
Contribution to:					
Public Employees Retirement System	21.24	-	21.24	-	21.24
Total Statutory Expenditures within "CAPS"	<u>21.24</u>	<u>-</u>	<u>21.24</u>	<u>-</u>	<u>21.24</u>
Total General Appropriations for Municipal Purposes - within "CAPS"	<u>753,554.01</u>	<u>253,759.80</u>	<u>1,007,313.81</u>	<u>861,024.62</u>	<u>146,289.19</u>
Operations - Excluded From "CAPS":					
General Government:					
Maintenance of Free Public Library (Ch. 82 and 541, P.L. 1985)	8,219.00	-	8,219.00	8,218.98	0.02
Total General Appropriations Excluded from "CAPS"	<u>8,219.00</u>	<u>-</u>	<u>8,219.00</u>	<u>8,218.98</u>	<u>0.02</u>
Total General Appropriations	<u>\$ 761,773.01</u>	<u>\$ 253,759.80</u>	<u>\$ 1,015,532.81</u>	<u>\$ 869,243.60</u>	<u>\$ 146,289.21</u>
Ref.	A	A		Below	A-1
Cash Disbursements	A-4			\$ 865,843.06	
Accounts Payable	A-17			3,400.54	
				<u>\$ 869,243.60</u>	

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance: December 31, 2019	A	\$ -
Increased by:		
Appropriation Reserves	A-16	<u>3,400.54</u>
Balance: December 31, 2020	A	<u><u>\$ 3,400.54</u></u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SCHEDULE OF DUE TO STATE OF NEW JERSEY -
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

	Ref.		
Balance: December 31, 2019	A		\$ 10,961.86
Increased by:			
Cash Receipts	A-4	\$ 50,000.00	
Disallowed by Tax Collector: Senior Citizens' Deductions	Below	250.00	
			50,250.00
			61,211.86
Decreased by:			
Senior Citizens' Deductions per Tax Billing	Below	16,750.00	
Veterans' Deductions per Tax Billing	Below	32,750.00	
Allowed by Tax Collector: Senior Citizens' Deductions	Below	250.00	
Veterans' Deductions	Below	500.00	
			50,250.00
Balance: December 31, 2020	A		\$ 10,961.86

Analysis of State's Share of Senior Citizens' and Veterans' Deductions

Per Tax Billing:			
Senior Citizens' Deductions	Above	\$ 16,750.00	
Veterans' Deductions	Above	32,750.00	
			\$ 49,500.00
Add: Allowed by Tax Collector			
Senior Citizens' Deductions	Above	250.00	
Veterans' Deductions	Above	500.00	
			750.00
			50,250.00
Less: Disallowed by Tax Collector			
Senior Citizens' Deductions	Above		250.00
Veterans' Deductions			
	A-7		\$ 50,000.00

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DUE TO STATE OF NEW JERSEY - OTHER

	Balance: Dec. 31, 2019	Cash Receipts	Cash Disbursements	Balance: Dec. 31, 2020
Marriage License Fees	\$ 3,510.00	\$ 2,500.00	\$ 3,200.00	\$ 2,810.00
Building Fees	7,541.00	9,688.00	17,229.00	-
	<u>\$ 11,051.00</u>	<u>\$ 12,188.00</u>	<u>\$ 20,429.00</u>	<u>\$ 2,810.00</u>
<u>Ref.</u>	A	A-4	A-4	A

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF TAX OVERPAYMENTS

	Ref.	
Balance: December 31, 2019	A	\$ 22,586.02
Increased by:		
Cash Receipts - Tax Collector	A-6	54,948.85
		77,534.87
Decreased by:		
Cash Disbursements	A-4	22,586.02
Balance: December 31, 2020	A	\$ 54,948.85

SCHEDULE OF PREPAID TAXES

	Ref.	
Balance: December 31, 2019	A	\$ 289,375.47
Increased by:		
Cash Receipts - Tax Collector	A-6	249,677.76
		539,053.23
Decreased by:		
Applied to Current Year Taxes Receivable	A-7	289,375.47
Balance: December 31, 2020	A	\$ 249,677.76

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF PREPAID SEWER RENTS

	<u>Ref.</u>	
Balance: December 31, 2019	A	\$ 3,796.72
Increased by:		
Cash Receipts	A-4	<u>807.24</u>
		4,603.96
Decreased by:		
Applied to Current Year Sewer Rents Receivable	A-11	<u>3,796.72</u>
Balance: December 31, 2020	A	<u><u>\$ 807.24</u></u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF COUNTY TAXES PAYABLE

	Ref.	
Balance: December 31, 2019	A	\$ 4,016.37
Increased by:		
General County Taxes	A-7	\$ 3,630,974.93
Open Space Tax	A-7	107,506.49
Added and Omitted	A-7	16,845.01
		3,755,326.43
		3,759,342.80
Decreased by:		
Cash Disbursements	A-4	3,742,497.79
Balance: December 31, 2020	A	\$ 16,845.01

SCHEDULE OF LOCAL SCHOOL DISTRICT SCHOOL TAX PAYABLE

	Ref.	
Balance: December 31, 2019	A	\$ 1,211,252.96
Increased by:		
Levy - Calendar Year 2020	A-7	15,719,453.00
		16,930,705.96
Decreased by:		
Cash Disbursements	A-4	15,700,967.54
Balance: December 31, 2020	A	\$ 1,229,738.42

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DUE TO DOVER HOUSING AUTHORITY

	<u>Ref.</u>	
Balance: December 31, 2019	A	\$ 6,666.72
Increased by:		
Cash Receipts	A-4	<u>63,740.82</u>
		70,407.54
Decreased by:		
Cash Disbursements	A-4	<u>70,407.54</u>
Balance: December 31, 2020	A	<u><u>\$ -</u></u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF EMERGENCY NOTES PAYABLE

	<u>Balance Dec. 31, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance Dec. 31, 2020</u>
Special Emergency Note Payable: COVID-19 Related	\$ -	\$ 2,109,341.86	\$ -	\$ 2,109,341.86
Emergency Note Payable: Severance - Salaries & Wages	-	600,000.00		600,000.00
	<u>\$ -</u>	<u>\$ 2,709,341.86</u>	<u>\$ -</u>	<u>\$ 2,709,341.86</u>
<u>Ref.</u>	A	A-4	A-4	A

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVES FOR OTHER

	Balance Dec. 31, 2019	Cash Receipts	Cash Disbursements	Balance Dec. 31, 2020
Reserve for:				
Third Party Liens	\$ 3,808.48	\$ 37,135.62	\$ 34,403.57	\$ 6,540.53
Sale of Municipal Assets	8,155.35	-	-	8,155.35
Tax Appeals	86,848.27	-	86,848.27	-
Library State Aid	-	7,868.00	-	7,868.00
Maintenance of Free Public Library	10,785.05	-	-	10,785.05
	<u>\$ 109,597.15</u>	<u>\$ 45,003.62</u>	<u>\$ 121,251.84</u>	<u>\$ 33,348.93</u>
<u>Ref.</u>	A	A-4	A-4	A

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVE FOR CARES ACT FUNDING

	<u>Ref.</u>	
Balance: December 31, 2019	A	\$ -
Increased by:		
Cash Disbursements	A-4	<u>334,939.00</u>
		334,939.00
Decreased by:		
Due from Federal Government	A-13	<u>334,939.00</u>
Balance: December 31, 2020	A	<u><u>\$ -</u></u>

**TOWN OF DOVER
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVES FOR DOVER FREE PUBLIC LIBRARY

	Balance Dec. 31, 2019	Cash Receipts	Cash Disbursements	Balance Dec. 31, 2020
Funds Held for Operations	\$ 16,713.72	\$ 5,762.45	\$ 10,978.26	\$ 11,497.91
Funds from Sale of Asset Held in Trust	3,911,594.90	131,528.62	158,721.91	3,884,401.61
	\$ 3,928,308.62	\$ 137,291.07	\$ 169,700.17	\$ 3,895,899.52
Ref.	A	A-4	A-4	A

**TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Program	Year	Balance Dec. 31, 2019	Current Year Awards	Received in Current Fund	Transfer from Unappropriated Reserve	Balance Dec. 31, 2020
Federal:						
Small Cities CDBG Program:						
Roadway Improvements	2018	\$ 110,000.00	\$ -	\$ -	\$ -	\$ 110,000.00
Housing Rehabilitation	2018	120,000.00	-	4,100.00	-	115,900.00
Housing Rehabilitation	2017	290,000.00	-	208,995.05	-	81,004.95
Housing Rehabilitation Revolving Loan Funds	2020	-	177,750.00	-	177,750.00	-
Bulletproof Vest Program	2020	-	1,909.57	-	-	1,909.57
Bulletproof Vest Program	Various	7,455.41	-	-	-	7,455.41
Assistance to Firefighters Grant	2019	35,785.85	-	-	-	35,785.85
SAFER	2019	368,084.75	-	265,418.54	-	102,666.21
Total Federal		<u>931,326.01</u>	<u>179,659.57</u>	<u>478,513.59</u>	<u>177,750.00</u>	<u>454,721.99</u>
State:						
Recycling Tonnage Grant	2020	-	15,691.74	-	15,691.74	-
Body Armor Replacement Grant	2020	-	3,437.71	3,437.71	-	-
Pedestrian Safety Grant	2018	212.50	-	-	-	212.50
Drunk Driving Enforcement Fund	2020	-	9,921.77	9,921.77	-	-
Click it or Ticket it	2019	2,640.00	-	-	-	2,640.00
NJ Department of Transportation:						
Bergen Street	2019	36,250.00	-	36,250.00	-	-
William Street	2019	44,000.00	-	-	-	44,000.00
Municipal Alliance on Alcoholism and Drug Abuse	2018	23,361.00	-	-	-	23,361.00
Municipal Alliance on Alcoholism and Drug Abuse	2019	6,051.37	-	-	-	6,051.37
NJ Department of Environmental Protection:						
It Pays to Plug In	2019	24,000.00	-	-	-	24,000.00
Total State		<u>136,514.87</u>	<u>29,051.22</u>	<u>49,609.48</u>	<u>15,691.74</u>	<u>100,264.87</u>
County:						
Historic Preservation Grant	2019	\$ 480,000.00	\$ -	\$ -	\$ -	\$ 480,000.00
Private:						
Global Fire Prevention Grant	2018	1,500.00	-	-	-	1,500.00
		<u>\$ 1,549,340.88</u>	<u>\$ 208,710.79</u>	<u>\$ 528,123.07</u>	<u>\$ 193,441.74</u>	<u>\$ 1,036,486.86</u>
Ref.		A	A-32	A-31	A-33	A

**TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DUE FROM/(TO) CURRENT FUND

	<u>Ref.</u>	
Balance: December 31, 2019, Due From	A	\$ 42,869.07
Increased by:		
Appropriated Grants Received	A-30	\$ 528,123.07
Appropriated Grants Prior Year Adjustments	A-32	5,340.25
Unappropriated Grants Received	A-33	<u>79,816.19</u>
		<u>613,279.51</u>
		656,148.58
Decreased by:		
Appropriated Grants Expended	A-32	<u>666,571.67</u>
Balance: December 31, 2020, (Due to)	A	<u><u>\$ 10,423.09</u></u>

**TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

Program	Year	Balance: December 31, 2019		Current Year Awards	Paid or Charged in Current Fund	Prior Year Adjustments	Balance: December 31, 2020	
		Reserved	Encumbered				Encumbered	Reserved
Federal:								
Small Cities CDBG Program:								
Roadway Improvements	2018	\$ -	\$ 345,052.88	\$ -	\$ 290,077.43	\$ -	\$ 54,975.45	\$ -
Housing Rehabilitation	2018	120,000.00	-	-	-	-	-	120,000.00
Housing Rehabilitation Revolving Loan Funds	2020	-	-	177,750.00	-	-	-	177,750.00
Housing Rehabilitation Revolving Loan Funds	2019	19,496.75	-	-	-	-	-	19,496.75
Housing Rehabilitation Revolving Loan Funds	2018	29,950.00	-	-	-	-	-	29,950.00
Housing Rehabilitation Revolving Loan Funds	2017	19,466.00	-	-	-	-	-	19,466.00
Housing Rehabilitation Revolving Loan Funds	2016	43,728.00	-	-	-	-	-	43,728.00
Housing Rehabilitation Revolving Loan Funds	2015	49,500.00	-	-	-	-	-	49,500.00
Housing Rehabilitation Revolving Loan Funds	2014	52,698.47	-	-	12,678.90	-	-	40,019.57
Housing Rehabilitation Revolving Loan Funds	2013	-	9,250.00	-	9,250.00	-	-	-
Bulletproof Vest Program	2020	-	-	1,909.57	1,909.57	-	-	-
Bulletproof Vest Program	2019	2,655.00	-	-	2,655.00	-	-	-
Assistance to Firefighters Grant	2019	20,771.00	16,763.85	-	16,763.85	-	-	20,771.00
SAFER	2019	315,657.23	-	-	165,238.23	-	-	150,419.00
SAFER - Local Match	2019	43,627.00	-	-	-	-	-	43,627.00
		<u>717,549.45</u>	<u>371,066.73</u>	<u>179,659.57</u>	<u>498,572.98</u>	<u>-</u>	<u>54,975.45</u>	<u>714,727.32</u>
State:								
Recycling Tonnage Grant	2020	-	-	15,691.74	-	-	-	15,691.74
Recycling Tonnage Grant	2019	17,145.20	-	-	-	-	-	17,145.20
Recycling Tonnage Grant	2018	18,439.50	-	-	-	-	-	18,439.50
Recycling Tonnage Grant	2017	14,994.25	-	-	-	-	-	14,994.25
Recycling Tonnage Grant	2016	6,056.90	2,775.00	-	3,975.00	-	1,525.00	3,331.90
Alcohol Education and Rehabilitation Grant	2018	801.52	-	-	-	-	-	801.52
Hepatitis B Grant	2006	686.00	-	-	-	-	-	686.00
Hepatitis B Grant	2005	1,132.00	-	-	-	-	-	1,132.00
Hepatitis B Grant	2004	272.21	-	-	-	-	-	272.21
Body Armor Replacement Fund	2020	-	-	3,437.71	-	-	-	3,437.71
Pedestrian Safety Grant	2019	212.50	-	-	-	-	-	212.50
Drunk Driving Enforcement Fund Grant	2020	-	-	9,921.77	-	-	-	9,921.77
Drunk Driving Enforcement Fund Grant	2018	10,963.72	-	-	6,428.63	-	-	4,535.09
Click it or Ticket	2019	2,640.00	-	-	-	-	-	2,640.00
NJ Department of Transportation:								
Bergen Street	2019	-	3,125.00	-	3,125.00	-	-	-
Williams Street	2019	-	176,000.00	-	145,499.02	-	30,500.98	-
Municipal Alliance on Alcoholism and Drug Abuse:								
State Portion	2019	24,205.91	138.11	-	6,976.83	(203.39)	-	17,570.58
Local Portion	2019	-	-	-	1,994.21	(6,636.86)	-	4,642.65
Municipal Alliance on Alcoholism and Drug Abuse:								
State Portion	2018	4,051.36	-	-	-	-	-	4,051.36
Local Portion	2018	1,012.85	-	-	-	-	-	1,012.85
NJ Department of Environmental Protection:								
It Pays to Plug In	2019	24,000.00	-	-	-	-	-	24,000.00
		<u>126,613.92</u>	<u>182,038.11</u>	<u>29,051.22</u>	<u>167,998.69</u>	<u>(6,840.25)</u>	<u>32,025.98</u>	<u>144,518.83</u>

**TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

Program	Year	Balance: December 31, 2019		Current Year Awards	Paid or Charged in Current Fund	Prior Year Adjustments	Balance: December 31, 2020	
		Reserved	Encumbered				Encumbered	Reserved
Private:								
Global Fire Prevention Grant	2018	\$ 1,500.00	\$ -	\$ -	\$ -	\$ 1,500.00	\$ -	\$ -
		\$ 845,663.37	\$ 553,104.84	\$ 208,710.79	\$ 666,571.67	\$ (5,340.25)	\$ 87,001.43	\$ 859,246.15
	Ref.	A	A	A-30	A-31	A-31	A	A

**TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF UNAPPROPRIATED GRANT FUNDS

	Balance Dec. 31, 2019	Due from Current	Amount Budgeted	Balance Dec. 31, 2020
Federal:				
Small Cities CDBG Program:				
Housing Rehabilitation Revolving Loan Funds	\$ 177,750.00	\$ -	\$ 177,750.00	\$ -
Housing Rehabilitation Revolving Loan Funds	-	54,514.00	-	54,514.00
State:				
Recycling Tonnage Grant	15,691.74	-	15,691.74	-
Clean Communities Grant	-	25,302.19	-	25,302.19
	<u>\$ 193,441.74</u>	<u>\$ 79,816.19</u>	<u>\$ 193,441.74</u>	<u>\$ 79,816.19</u>
<u>Ref.</u>	<u>A</u>	<u>A-31</u>	<u>A-30</u>	<u>A</u>

REPORT OF AUDIT

**FINANCIAL SECTION:
Supplementary Data -
Trust Fund**

Town of Dover

**TOWN OF DOVER
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CASH AND CASH EQUIVALENTS - ALL TRUST FUNDS

	Ref.	Animal Control Trust Fund	Other Trusts	Payroll Agency
Balance: December 31, 2019	B	\$ 18,915.30	\$ 1,015,238.49	\$ 165,244.71
Cash Receipts:				
Due from Current Fund	B-2	-	225.00	-
Due to State of New Jersey	B-3	873.60	-	-
Reserve for Animal Control Expenditures	B-4	8,610.40	-	-
Other Reserves	B-5	-	1,050,886.94	-
Reserve for Payroll Deductions	B-6	-	-	4,288,628.34
		<u>9,484.00</u>	<u>1,051,111.94</u>	<u>4,288,628.34</u>
Cash Disbursements:				
Due to Current Fund	B-2	-	-	-
Due to State of New Jersey	B-3	12.00	-	-
Reserve for Animal Control Animal Control Expenditures	B-4	18,677.24	-	-
Other Reserves	B-5	-	1,117,364.46	-
Reserve for Payroll Deductions	B-6	-	-	4,020,370.55
		<u>18,689.24</u>	<u>1,117,364.46</u>	<u>4,020,370.55</u>
Balance: December 31, 2020	B	<u>\$ 9,710.06</u>	<u>\$ 948,985.97</u>	<u>\$ 433,502.50</u>

**TOWN OF DOVER
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DUE FROM (TO) CURRENT FUND - ALL TRUST FUNDS

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trusts</u>
Balance: December 31, 2019	B	\$ -	\$ 225.00
Decreased by:			
Cash Receipts		-	225.00
Balance: December 31, 2020	B	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF DOVER
TRUST FUNDS - ANIMAL CONTROL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DUE TO STATE OF NEW JERSEY - DOG LICENSE FEES

	<u>Ref.</u>	
Balance: December 31, 2019	B	\$ 12.00
Increased by:		
State Fees Collected:		
Dog License Registration Fees		\$ 585.60
Animal Population Control		288.00
	B-1	<u>873.60</u>
		885.60
Decreased by:		
Cash Disbursements	B-1	<u>12.00</u>
Balance: December 31, 2020	B	<u><u>\$ 873.60</u></u>

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

	<u>Ref.</u>	
Balance: December 31, 2019	B	\$ 18,903.30
Increased by:		
Dog License Fees Collected		\$ 7,222.40
Cat License Fees Collected		928.00
Miscellaneous Revenue - Dog and Cat Penalties		460.00
	B-1	<u>8,610.40</u>
		27,513.70
Decreased by:		
Statutory Excess Due to Current		
Cash Disbursements	B-1	<u>18,677.24</u>
Balance: December 31, 2020	B	<u><u>\$ 8,836.46</u></u>

<u>License Fees Collected</u>	
<u>Year Ended,</u>	<u>Amount</u>
Dec. 31, 2019	\$ 10,904.20
Dec. 31, 2018	<u>10,704.20</u>
	<u><u>\$ 21,608.40</u></u>

**TOWN OF DOVER
TRUST FUNDS - OTHER TRUSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF OTHER RESERVES

Description	Balance: Dec. 31, 2019	Increased by	Cash Disbursements	Balance: Dec. 31, 2020
Other Deposits	\$ 779,286.14	\$ 299,154.98	\$ 548,542.15	\$ 529,898.97
Recycling Trust Fund	2,187.20	13,277.10	9,870.85	5,593.45
Forfeited Assets Deposits	13,091.44	9,599.82	4,109.61	18,581.65
Fire Penalty Fees	11,939.76	-	-	11,939.76
Recreation	24,377.98	3,155.04	7,417.28	20,115.74
Historical Preservation	4,308.00	-	-	4,308.00
Accumulated Absences	31,875.06	600,000.00	526,396.23	105,478.83
Tax Sale Premiums	147,700.00	55,700.00	100.00	203,300.00
Unemployment Compensation	697.91	70,000.00	20,928.34	49,769.57
	<u>\$ 1,015,463.49</u>	<u>\$ 1,050,886.94</u>	<u>\$ 1,117,364.46</u>	<u>\$ 948,985.97</u>
Ref.	B	B-1	B-1	B

**TOWN OF DOVER
TRUST FUNDS - PAYROLL AGENCY
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF PAYROLL DEDUCTIONS

	<u>Ref.</u>	
Balance: December 31, 2019	B	\$ 165,244.71
Increased by:		
Cash Receipts	B-1	4,288,628.34
		<u>4,453,873.05</u>
Decreased by:		
Cash Disbursements	B-1	4,020,370.55
Balance: December 31, 2020	B	<u>\$ 433,502.50</u>

REPORT OF AUDIT

**FINANCIAL SECTION:
Supplementary Data -
General Capital Fund**

Town of Dover

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance: December 31, 2019	C		\$ 14,920,932.53
Cash Receipts:			
Fund Balance - Premiums	C-1	\$ 212,932.60	
Capital Improvement Appropriation	C-8	50,000.00	
Reserve for Debt Service	C-9	<u>8,041,175.50</u>	
	C-3		<u>8,304,108.10</u>
			<u>23,225,040.63</u>
Cash Disbursements:			
Fund Balance - Due to Current Fund	C-1	200,000.00	
Improvement Authorizations	C-7	1,336,888.91	
General Bond Anticipation Notes Refunded	C-11	<u>7,000,000.00</u>	
	C-3		<u>8,536,888.91</u>
Balance: December 31, 2020	C		<u><u>\$ 14,688,151.72</u></u>

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

ANALYSIS OF CASH AND CASH EQUIVALENTS ENDING BALANCE

Description	Balance/(Deficit) Dec. 31, 2018	Cash Receipts	Cash Disbursements	Transfers		Balance/(Deficit) Dec. 31, 2019	Analysis of Ending Balance	
				From	To		Balance Sheet Account	Improvement Authorizations - Funded (Unfunded)
Encumbrances Payable	\$ 11,138,344.07	\$ -	\$ -	\$ 11,138,344.07	\$ 1,372,906.46	\$ 1,372,906.46	\$ 1,372,906.46	\$ -
Capital Improvement Fund	-	50,000.00	-	-	-	50,000.00	50,000.00	-
Reserve for Debt Service	0.50	8,041,175.50	-	-	-	8,041,176.00	8,041,176.00	-
Reserve for Downpayments on Improvements	792.20	-	-	-	-	792.20	792.20	-
Fund Balance	309,998.03	212,932.60	200,000.00	-	-	322,930.63	322,930.63	-
Improvement Authorizations								
Ord. No.	Improvement Description							
30-4	Various General Improvements	(449.00)	-	-	-	(449.00)	-	(449.00)
15-14	Various General Improvements	209,708.99	-	10,772.35	24,842.61	29,113.64	203,207.67	203,207.67
13-15	Various General Improvements	55,454.12	-	19,957.11	1,577.89	21,535.00	55,454.12	55,454.12
11-16	Various General Improvements	8,086.53	-	174,547.27	107,997.81	279,509.28	5,050.73	5,050.73
17-16	Improvements to Meridia Transit Plaza	977,680.75	-	-	-	-	977,680.75	977,680.75
09-17	Various Improvements	4,256.08	-	31,445.19	57,297.98	99,124.91	14,637.82	14,637.82
10-17	Various Improvements	784,500.00	-	-	-	-	784,500.00	784,500.00
24-17	Various Improvements	-	-	31,900.00	5,694.57	37,594.57	-	-
01-18	Acquisition Renovation and Improvement Berkeley College Building and Property	479,898.24	-	7,542,746.50	1,078,312.97	10,119,841.69	1,978,680.46	1,978,680.46
04-18	Various Improvements	997,895.27	-	374,733.65	97,182.63	427,524.99	953,503.98	953,503.98
05-19	Various Improvements	(453,942.75)	-	150,786.84	-	124,099.99	(480,629.60)	(480,629.60)
15-19	Various Improvements to	408,709.50	-	-	-	-	408,709.50	408,709.50
Ref.	\$ 14,920,932.53	\$ 8,304,108.10	\$ 8,536,888.91	\$ 12,511,250.53	\$ 12,511,250.53	\$ 14,688,151.72	\$ 9,787,805.29	\$ 4,900,346.43
	C	C-2	C-2	Contra	Contra	C		

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	Ref.	
Balance: December 31, 2019	C	\$ 6,655,000.00
Decreased by Payments for:		
General Serial Bonds Payable	C-12	880,000.00
Balance: December 31, 2020	C	\$ 5,775,000.00

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2019	Budget Appropriation	Balance Dec. 31, 2020	Analysis of Ending Balance	
					Notes Payable	Bonds and Notes Authorized But Not Issued
30-04	Various General Improvements	\$ 449.00	\$ -	\$ 449.00	\$ -	\$ 449.00
11-16	Various General Improvements	2,850,000.00	-	2,850,000.00	2,850,000.00	-
17-16	Improvements to Meridia Transit Plaza	1,548,740.75	100,000.00	1,448,740.75	1,448,740.75	-
09-17	Various Improvements	2,792,549.75	110,000.00	2,682,549.75	2,682,549.75	-
10-17	Various Improvements	8,000,000.00	102,000.00	7,898,000.00	7,898,000.00	-
01-18	Acquisition, Renovation and Improvement of the Berkeley College Building and Property	15,000,000.00	-	15,000,000.00	8,000,000.00	7,000,000.00
04-18	Various Improvements	2,850,000.00	-	2,850,000.00	2,850,000.00	-
05-19	Various Improvements	950,000.00	-	950,000.00	-	950,000.00
15-19	Various Improvements to Public Facilities	408,709.50	-	408,709.50	408,709.50	-
		<u>\$ 34,400,449.00</u>	<u>\$ 312,000.00</u>	<u>\$ 34,088,449.00</u>	<u>\$ 26,138,000.00</u>	<u>\$ 7,950,449.00</u>
	<u>Ref.</u>	C	C-11	C	C-11	C-13

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	
Balance: December 31, 2019	C	\$ 11,138,344.07
Increased by:		
Improvement Authorizations	C-7	<div style="border-bottom: 1px solid black;">1,372,906.46</div>
		12,511,250.53
Decreased by:		
Improvement Authorizations Cancelled	C-7	<div style="border-bottom: 1px solid black;">11,138,344.07</div>
Balance: December 31, 2020	C	<div style="border-bottom: 3px double black;">\$ 1,372,906.46</div>

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance: December 31, 2019		Current Year Authorizations/ Reappropriations	Paid or Charged	Balance: December 31, 2020	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
15-14	Various General Improvements and Equipment Purchases	07/22/14	\$ 2,057,812.11	\$ 209,708.99	\$ -	\$ -	\$ 6,501.32	\$ 203,207.67	\$ -
13-15	Various General Improvements and Equipment Purchases	09/22/15	3,000,000.00	55,454.12	-	-	-	55,454.12	-
11-16	Various General Improvements	05/24/16	3,000,000.00	-	8,086.53	-	3,035.80	-	5,050.73
17-16	Improvements to Meridia Transit Plaza	07/12/16	2,000,000.00	-	977,680.75	-	-	-	977,680.75
09-17	Various Improvements	05/09/17	3,000,000.00	-	4,256.08	-	(10,381.74)	-	14,637.82
10-17	Various Improvements	05/09/17	8,000,000.00	-	784,500.00	-	-	-	784,500.00
01-18	Acquisition, Renovation and Improvements of Berkeley College Building and Property	02/27/18	16,000,000.00	-	479,898.24	-	(8,498,782.22)	-	8,978,680.46
04-18	Various Improvements	04/24/18	3,000,000.00	-	997,895.27	-	44,391.29	-	953,503.98
05-19	Various Improvements	05/30/19	1,000,000.00	-	496,057.25	-	26,686.85	-	469,370.40
15-19	Various Improvements	05/30/19	408,709.50	-	408,709.50	-	-	-	408,709.50
				<u>\$ 265,163.11</u>	<u>\$ 4,157,083.62</u>	<u>\$ -</u>	<u>\$ (8,428,548.70)</u>	<u>\$ 258,661.79</u>	<u>\$ 12,592,133.64</u>
		Ref.		C	C		Below	C	C
	Cash Disbursements		C-2				\$ 1,336,888.91		
	Encumbrances Payable Cancelled		C-6				(11,138,344.07)		
	Encumbrances Payable		C-6				1,372,906.46		
			Above				<u>\$ (8,428,548.70)</u>		

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance: December 31, 2019	C	\$ -
Increased by:		
Cash receipts	C-2	50,000.00
Balance: December 31, 2020	C	\$ 50,000.00

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVE FOR DEBT SERVICE

	Ref.	
Balance: December 31, 2019	C	\$ 0.50
Increased by:		
Cash Receipts	C-2	8,041,175.50
		8,041,176.00
Decreased by:		
Cash Disbursements to Current Fund		-
Balance: December 31, 2020	C	\$ 8,041,176.00

SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

	Ref.	
Balance: December 31, 2020 and 2019	C	\$ 792.20

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF GENERAL BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Purpose	Date of			Interest Rate	Balance Dec. 31, 2019	Issued/ Redeemed	Refunded	Paid by Budget Appropriation	Balance Dec. 31, 2020
		Original Issue	Issue	Maturity						
17-16	Various General Improvements	06/16/17	05/30/19	05/29/20	3.000%	\$ 1,548,740.75	\$ (1,448,740.75)	\$ -	\$ 100,000.00	\$ -
09-17	Various General Improvements	06/16/17	05/30/19	05/29/20	3.000%	2,792,549.75	(2,682,549.75)	-	110,000.00	-
10-17	Various General Improvements	06/30/17	05/30/19	05/29/20	2.750%	8,000,000.00	(7,898,000.00)	-	102,000.00	-
01-18	Acquisition, Renovation and Improvement of the Berkeley College:									
	Building	05/31/18	05/30/19	05/29/20	3.000%	7,500,000.00	(7,500,000.00)	-	-	-
	Property	05/31/18	05/30/19	05/29/20	2.750%	7,500,000.00	(500,000.00)	7,000,000.00	-	-
11-16	Various General Improvements	05/30/19	05/30/19	05/29/20	3.000%	2,850,000.00	(2,850,000.00)	-	-	-
04-18	Various General Improvements	05/30/19	05/30/19	05/29/20	3.000%	2,850,000.00	(2,850,000.00)	-	-	-
15-19	Various Improvements to Public Facilities	05/30/19	05/30/19	05/29/20	3.000%	408,709.50	(408,709.50)	-	-	-
17-16	Various General Improvements	06/16/17	05/28/20	05/27/21	1.250%	-	1,448,740.75	-	-	1,448,740.75
09-17	Various General Improvements	06/16/17	05/28/20	05/27/21	1.250%	-	2,682,549.75	-	-	2,682,549.75
10-17	Various General Improvements	06/30/17	05/28/20	05/27/21	1.250%	-	7,898,000.00	-	-	7,898,000.00
01-18	Acquisition, Renovation and Improvement of the Berkeley College:									
	Building	05/31/18	05/28/20	05/27/21	1.250%	-	7,500,000.00	-	-	7,500,000.00
	Property	05/31/18	05/28/20	05/27/21	1.250%	-	500,000.00	-	-	500,000.00
11-16	Various General Improvements	05/30/19	05/28/20	05/27/21	1.250%	-	2,850,000.00	-	-	2,850,000.00
04-18	Various General Improvements	05/30/19	05/28/20	05/27/21	1.250%	-	2,850,000.00	-	-	2,850,000.00
15-19	Various Improvements to Public Facilities	05/30/19	05/28/20	05/27/21	1.250%	-	408,709.50	-	-	408,709.50
						<u>\$ 33,450,000.00</u>	<u>\$ -</u>	<u>\$ 7,000,000.00</u>	<u>\$ 312,000.00</u>	<u>\$ 26,138,000.00</u>
Ref.						C	Contra	C-2	C-5	C, C-5

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2020			Balance Dec. 31, 2019	Paid By Budget Appropriation	Balance Dec. 31, 2020
	Date	Amount	Maturity Date	Principal Amount	Interest Rate			
General Improvement Bonds 2013A	09/15/13	\$ 4,733,000	09/15/21	\$ 640,000.00	3.000%	\$ 2,553,000.00	\$ 640,000.00	\$ 1,913,000.00
			09/15/22	640,000.00	3.000%			
			09/15/23	633,000.00	3.250%			
General Improvement Bonds 2016	07/20/16	4,807,000.00	08/01/21	320,000.00	1.500%	4,102,000.00	240,000.00	3,862,000.00
			08/01/22	320,000.00	1.750%			
			08/01/23	310,000.00	2.000%			
			08/01/24	310,000.00	2.000%			
			08/01/25	305,000.00	2.000%			
			08/01/26	305,000.00	2.000%			
			08/01/27	290,000.00	2.000%			
			08/01/28	290,000.00	2.000%			
			08/01/29	290,000.00	2.000%			
			08/01/30	280,000.00	2.000%			
			08/01/31	280,000.00	2.125%			
			08/01/32	280,000.00	2.500%			
			08/01/33	282,000.00	2.500%			
						<u>\$ 6,655,000.00</u>	<u>\$ 880,000.00</u>	<u>\$ 5,775,000.00</u>
					<u>Ref.</u>	<u>C</u>	<u>C-4</u>	<u>C</u>

**TOWN OF DOVER
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2019	Refund of Bond Anticipation Note	Balance Dec. 31, 2020
30-04		Various General Improvements	\$ 449.00	\$ -	\$ 449.00
01-18	02/27/18	Acquisition, Renovation and Improvement of the Berkeley College: Property	-	7,000,000.00	7,000,000.00
05-19	05/30/19	Various General Improvements	<u>950,000.00</u>	<u>-</u>	<u>950,000.00</u>
			<u>\$ 950,449.00</u>	<u>\$ 7,000,000.00</u>	<u>\$ 7,950,449.00</u>
		Ref.	C		C, C-5

REPORT OF AUDIT

FINANCIAL SECTION:
Supplementary Data -
Water Utility Fund

Town of Dover

**TOWN OF DOVER
WATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CASH AND CASH EQUIVALENTS

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance: December 31, 2019	D	\$ 1,881,353.86	\$ 4,884,090.26
Increased by Cash Receipts:			
Miscellaneous Revenues	D-3	43,581.18	-
Due from Current Fund	D-7	177.33	-
Consumer Accounts Receivable	D-8	4,349,011.57	-
Overpayments	D-16	2,869.02	-
Capital Improvement Fund	D-22	-	200,000.00
	D-6	<u>4,395,639.10</u>	<u>200,000.00</u>
		6,276,992.96	5,084,090.26
Decreased by Cash Disbursements:			
Expenditure without Appropriation - Bond Anticipation Note Payable	D-1	50,000.00	
Budget Appropriations	D-4	3,269,862.62	-
Due from Current Fund	D-7	200,000.00	-
Appropriation Reserves	D-13	229,666.88	-
Accrued Interest on Notes	D-18	52,864.56	-
Accrued Interest Bonds	D-19	36,875.00	-
Improvement Authorizations	D-21	-	3,712,559.35
	D-6	<u>3,839,269.06</u>	<u>3,712,559.35</u>
Balance: December 31, 2020	D	<u>\$ 2,437,723.90</u>	<u>\$ 1,371,530.91</u>

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

ANALYSIS OF WATER UTILITY CAPITAL CASH AND CASH EQUIVALENTS

	Balance/(Deficit) Dec 31, 2019	Cash Receipts	Cash Disbursements	Transfers		Balance/(Deficit) Dec 31, 2020	Analysis of Ending Balance	
				From	To		Balance Sheet Account	Improvement Authorizations - (Unfunded)
Reserve for Encumbrances Payable	\$ 3,333,618.62	\$ -	\$ -	\$ 3,333,618.62	\$ 2,845,916.63	\$ 2,845,916.63	\$ 2,845,916.63	\$ -
Capital Improvement Fund	13,773.48	200,000.00	-	-	-	213,773.48	213,773.48	-
Fund Balance	54,072.27	-	-	-	-	54,072.27	54,072.27	-
 Improvement Authorizations:								
<u>Ord. No.</u>	<u>Improvement Description</u>							
10-01	Various Improvements for the Water Department	(714.28)	-	-	-	(714.28)	-	(714.28)
18-03	Various Improvements for the Water Department	-	-	136,197.46	-	136,197.46	-	-
03-11	Various Improvements for the Water Department	(46,081.00)	-	-	-	(46,081.00)	-	(46,081.00)
10-12	Various Improvements for the Water Department	(750.00)	-	7,518.89	-	7,518.89	-	(750.00)
11-13	Various Improvements for the Water Department	59,947.85	-	66,155.55	20,844.47	87,000.02	59,947.85	-
14-15	Various Improvements for the Water Department	344,679.41	-	347,008.81	32,230.03	34,559.45	0.02	-
12-16	Various Improvements for the Water Department	1,189,536.86	-	436,767.28	805,200.99	103,764.25	51,332.84	-
8-17	Various Improvements for the Water Department	676,797.82	-	1,129,050.21	1,552,836.16	2,010,437.78	5,349.23	-
5-18	Various Improvements for the Water Department	(110,332.77)	-	791,303.90	202,996.88	182,182.77	(922,450.78)	(1,850,000.00)
6-19	Various Improvements for the Water Department	(630,458.00)	-	798,557.25	231,808.10	771,958.00	(888,865.35)	(2,857,000.00)
		<u>\$ 4,884,090.26</u>	<u>\$ 200,000.00</u>	<u>\$ 3,712,559.35</u>	<u>\$ 6,179,535.25</u>	<u>\$ 6,179,535.25</u>	<u>\$ 1,371,530.91</u>	<u>\$ (4,754,545.28)</u>
	<u>Ref.</u>	D	D-5	D-5	Contra	Contra	D	D-21
								D-28

**TOWN OF DOVER
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DUE FROM CURRENT FUND

	Ref.	
Balance: December 31, 2019	D	\$ 177.33
Increased by:		
Cash Disbursements	D-5	200,000.00
		200,177.33
Decreased by:		
Operating Surplus	D-1	\$ 200,000.00
Cash Receipts	D-5	177.33
		200,177.33
Balance: December 31, 2020	D	\$ -

**TOWN OF DOVER
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CONSUMER ACCOUNTS RECIEVABLE

	Ref.	
Balance: December 31, 2019	D	\$ 125,624.10
Increased by:		
Water Rents Levied	Reserve	4,607,688.36
		4,733,312.46
Decreased by:		
Collections	D-5	\$ 4,349,011.57
Prepaid Rents Applied	D-15	4,508.70
Overpayments Applied	D-16	8,202.40
	D-3	4,361,722.67
Balance: December 31, 2020	D	\$ 371,589.79

Exhibit D-9

SCHEDULE OF INVENTORY

	Ref.	
Balance: December 31, 2019	D	\$ 112,301.70
Decreased by:		
Adjustment to Listing Submitted by Water Superintendent	Reserve	18,227.61
Balance: December 31, 2020	D	\$ 94,074.09

Exhibit D-10

SCHEDULE OF DEFERRED CHARGE - EXPENDITURE WITHOUT APPROPRIATION

	Ref.	
Balance: December 31, 2019	D	\$ -
Increased by:		
Operations - Bond Anticipation Note Payable	D-1	50,000.00
Balance: December 31, 2020	D	\$ 50,000.00

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF FIXED CAPITAL

	<u>2020</u>	<u>2019</u>
Reservation Land	\$ 20,683.37	\$ 20,683.37
Reservation Structures	16,754.34	16,754.34
Springs and Wells	131,839.04	131,839.04
Collecting Reservoir	60,916.75	60,916.75
Chemical Treatment Plant	14,211.78	14,211.78
Clear Water Basin	250.00	250.00
Pumping Station Structures	89,258.84	89,258.84
Electrical Pumping Power Equipment	120,450.76	120,450.76
Miscellaneous Pumping Equipment	9,054.18	9,054.18
Transmission Mains and Accessories	370,999.29	370,999.29
Storage Reservoir Tank and Standpipe	437,430.51	437,430.51
Distribution Mains and Accessories	654,571.77	654,571.77
Meters, Meter Boxes and Vaults	299,534.67	299,534.67
Fire Hydrants	37,939.22	37,939.22
General Structures	40,710.14	40,710.14
General Equipment	1,439,837.46	1,439,837.46
Office Equipment	8,130.11	8,130.11
Miscellaneous Construction Expenses	36,862.09	36,862.09
Pumping Station Land	2,290.00	2,290.00
Communication Equipment	11,484.61	11,484.61
Transportation Equipment	157,011.79	157,011.79
Water Treatment Equipment	17,735.40	17,735.40
Services	32,036.65	32,036.65
Tools, Shop and Garage Equipment	3,861.10	3,861.10
Power Operated Equipment	13,702.96	13,702.96
Various Improvements to Water System	4,033,529.12	4,033,529.12
Improvement of Water Supply and Distribution System	405,000.00	405,000.00
	<u>\$ 8,466,085.95</u>	<u>\$ 8,466,085.95</u>
<u>Ref.</u>	<u>D</u>	<u>D</u>

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance			Balance Dec. 31, 2019	Balance Dec. 31, 2020
	No.	Date	Amount		
Various Improvements for the Water Department	18-03	06/10/03	\$ 2,800,000.00	\$ 2,533,214.16	\$ 2,533,214.16
Various Improvements for the Water Department	10-12	07/24/12	285,000.00	285,000.00	285,000.00
Various Improvements for the Water Department	11-13	07/23/13	500,000.00	500,000.00	500,000.00
Various Improvements for the Water Department	14-15	08/22/15	1,500,000.00	1,500,000.00	1,500,000.00
Various Improvements for the Water Department	12-16	05/24/16	3,000,000.00	3,000,000.00	3,000,000.00
Various Improvements for the Water Department	8-17	05/09/17	3,000,000.00	3,000,000.00	3,000,000.00
Various Improvements for the Water Department	5-18	04/24/18	2,000,000.00	2,000,000.00	2,000,000.00
Various Improvements for the Water Department	6-19	06/25/19	3,000,000.00	3,000,000.00	3,000,000.00
				<u>\$ 15,818,214.16</u>	<u>\$ 15,818,214.16</u>
			<u>Ref.</u>	D	D

**TOWN OF DOVER
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF APPROPRIATION RESERVES

		Balance: December 31, 2019				
		Reserved	Encumbered	Balance after Transfers	Paid or Charged	Balance Lapsed
Operating:						
Salaries and Wages		\$ 72,836.81	\$ -	\$ 72,836.81	\$ -	\$ 72,836.81
Other Expenses		285,627.15	126,323.97	411,951.12	237,437.85	174,513.27
		<u>358,463.96</u>	<u>126,323.97</u>	<u>484,787.93</u>	<u>237,437.85</u>	<u>247,350.08</u>
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		0.75	-	0.75	-	0.75
Social Security (O.A.S.I.)		11,440.95	-	11,440.95	-	11,440.95
		<u>11,441.70</u>	<u>-</u>	<u>11,441.70</u>	<u>-</u>	<u>11,441.70</u>
Total Water Utility Appropriations		<u>\$ 369,905.66</u>	<u>\$ 126,323.97</u>	<u>\$ 496,229.63</u>	<u>\$ 237,437.85</u>	<u>\$ 258,791.78</u>
	Ref.	D	D		Below	D-1
Cash Disbursements	D-5				\$ 229,666.88	
Accounts Payable	D-14				<u>7,770.97</u>	
	Above				<u>\$ 237,437.85</u>	

**TOWN OF DOVER
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF ACCOUNTS PAYABLE

	Ref.	
Balance: December 31, 2019	D	\$ -
Increased by:		
Appropriation Reserves	D-13	7,770.97
Balance: December 31, 2020	D	\$ 7,770.97

Exhibit D-15

SCHEDULE OF PREPAID WATER RENTS

	Ref.	
Balance: December 31, 2019	D	\$ 4,508.70
Decreased by:		
Water Rents Revenue	D-8	4,508.70
Balance: December 31, 2020	D	\$ -

Exhibit D-16

SCHEDULE OF OVERPAYMENTS

	Ref.	
Balance: December 31, 2019	D	\$ 8,202.40
Increased by:		
Cash Receipts	D-5	2,869.02
		11,071.42
Decreased by:		
Water Rents Revenue	D-8	8,202.40
Balance: December 31, 2020	D	\$ 2,869.02

Exhibit D-17

SCHEDULE OF THIRD PARTY LIEN

	Ref.	
Balance: December 31, 2019	D	\$ 213.49
Balance: December 31, 2020	D	\$ 213.49

**TOWN OF DOVER
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF ACCRUED INTEREST ON NOTES

	Ref.	
Balance: December 31, 2019	D	\$ 52,864.56
Increased by:		
Interest on Notes		21,145.83
		74,010.39
Decreased by Disbursements:		
Cash Disbursements		52,864.56
Balance: December 31, 2020	D	\$ 21,145.83

Principal Outstanding Dec. 31, 2020	Interest Rate	From	To	Period	Amount
\$ 2,900,000.00	1.25%	05/21/20	12/31/20	7 Months, 10 Days	\$ 21,145.83
					\$ 21,145.83

**TOWN OF DOVER
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF ACCRUED INTEREST ON BONDS

	Ref.	
Balance: December 31, 2019	D	\$ 36,875.00
Increased by:		
Interest on Bonds	D-4	33,056.25
		69,931.25
Decreased by Disbursements:		
Cash Disbursements	D-5	36,875.00
Balance: December 31, 2020	D	\$ 33,056.25

	Principal Outstanding Dec. 31, 2020	Interest Rate	From	To	Period	Amount
\$	490,000.00	3.00%	09/16/20	12/31/20	3.5 Months	\$ 4,287.50
	610,000.00	3.00%	09/02/20	12/31/20	4 Months	6,100.00
	3,627,000.00	1.50%	08/02/20	12/31/20	5 Months	22,668.75
						\$ 33,056.25

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	Ref.	
Balance: December 31, 2019	D	\$ 3,333,618.62
Increased by:		
Improvement Authorizations Charged	D-21	2,845,916.63
		6,179,535.25
Decreased by:		
Improvement Authorizations Reversed	D-21	3,333,618.62
Balance: December 31, 2020	D	\$ 2,845,916.63

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2019		Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded		Funded	Unfunded
18-03	Various Improvements for the Water Department	06/10/03	\$ 2,800,000	\$ -	\$ -	\$ -	\$ -	\$ -
10-12	Various Improvements for the Water Department	07/24/12	585,000.00	-	-	-	-	-
11-13	Various Improvements for the Water Department	07/23/13	500,000.00	59,947.85	-	-	59,947.85	-
14-15	Various Improvements for the Water Department	09/22/15	1,500,000.00	344,679.41	-	344,679.39	0.02	-
12-16	Various Improvements for the Water Department	05/24/16	3,000,000.00	1,189,536.86	-	1,138,204.02	51,332.84	-
8-17	Various Improvements for the Water Department	05/09/17	3,000,000.00	-	676,797.82	671,448.59	-	5,349.23
5-18	Various Improvements for the Water Department	04/24/18	2,000,000.00	-	1,739,667.23	812,118.01	-	927,549.22
6-19	Various Improvements for the Water Department	06/25/19	3,000,000.00	-	2,226,542.00	258,407.35	-	1,968,134.65
				<u>\$ 1,594,164.12</u>	<u>\$ 4,643,007.05</u>	<u>\$ 3,224,857.36</u>	<u>\$ 111,280.71</u>	<u>\$ 2,901,033.10</u>
			Ref.	D	D	Below	D	D
	Cash Disbursements		D-5			\$ 3,712,559.35		
	Reserve for Encumbrances Payable - Reversed		D-20			(3,333,618.62)		
	Reserve for Encumbrances Payable - Charged		D-20			2,845,916.63		
			Above			<u>\$ 3,224,857.36</u>		

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance: December 31, 2019	D	\$ 13,773.48
Increased by:		
Cash Receipts	D-5	<u>200,000.00</u>
Balance: December 31, 2020	D	<u><u>\$ 213,773.48</u></u>

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance: December 31, 2019	D	\$ 10,386,149.20
Increased by:		
Serial Bond Principal Amortization	D-27	470,000.00
Balance: December 31, 2020	D	\$ 10,856,149.20

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date	Balance Dec. 31, 2019	Paid By Budget Appropriation	Paid By Expenditure without Appropriation	Balance Dec. 31, 2020
08-03	Various Improvements for the Water Department	06/01/03	\$ 16,300.00	\$ -	\$ -	\$ 16,300.00
03-09	Various Improvements for the Water Department	02/24/09	61,525.40	33,262.70	-	94,788.10
03-11	Various Improvements for the Water Department	03/14/11	94,429.61	10,849.34	-	105,278.95
10-12	Various Improvements for the Water Department	07/24/12	14,250.00	-	-	14,250.00
08-17	Various Improvements for the Water Department	05/09/17	100,000.00	-	50,000.00	150,000.00
05-18	Various Improvements for the Water Department	04/24/18	150,000.00	-	-	150,000.00
06-19	Various Improvements for the Water Department	06/25/19	143,000.00	-	-	143,000.00
			<u>\$ 579,505.01</u>	<u>\$ 44,112.04</u>	<u>\$ 50,000.00</u>	<u>\$ 673,617.05</u>
	Ref.		D	D-26	D-25	D

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Purpose	Date of			Interest Rate	Balance Dec. 31, 2019	Issued/ Redeemed	Paid By Expenditure without Appropriation	Balance Dec. 31, 2020
		Original Issue	Issue	Maturity					
08-17	Various Improvements for the Water Department	05/31/18	05/29/19	05/29/20	3.000%	\$ 2,900,000.00	\$ (2,850,000.00)	\$ 50,000.00	\$ -
08-17	Various Improvements for the Water Department	05/31/18	05/21/20	05/20/21	1.250%	-	2,850,000.00	-	2,850,000.00
						<u>\$ 2,900,000.00</u>	<u>\$ -</u>	<u>\$ 50,000.00</u>	<u>\$ 2,850,000.00</u>
					Ref.	D	Contra	D-24	D

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

Ord. No.	Purpose	Balance Dec. 31, 2019	Paid By Budget Appropriation	Balance Dec. 31, 2020
03-09	Various Improvements for the Water Depa	\$ 467,100.62	\$ 44,112.04	\$ 422,988.58
	<u>Ref.</u>	D	D-24	D

Schedule Of Principal Payments Outstanding - Fund Loan Agreement

Payment Number	Due Date	Interest	Principal
22	02/01/21	\$ -	\$ 7,754.23
23	08/01/21	-	15,508.47
24	02/01/22	-	7,754.23
25	08/01/22	-	15,508.47
26	02/01/23	-	7,754.23
27	08/01/23	-	15,508.47
28	02/01/24	-	7,754.23
29	08/01/24	-	15,508.47
30	02/01/25	-	7,754.23
31	08/01/25	-	15,508.47
32	02/01/26	-	7,754.23
33	08/01/26	-	15,508.47
34	02/01/27	-	7,754.23
35	08/01/27	-	15,508.47
36	02/01/28	-	7,754.23
37	08/01/28	-	15,508.47
38	02/01/29	-	7,754.23
39	08/01/29	-	15,508.70
			<u>\$ 209,364.53</u>

Schedule Of Principal Payments Outstanding - Trust Loan Agreement

Payment Number	Due Date	Interest	Principal
22	02/01/21	\$ 1,725.00	\$ -
23	08/01/21	1,725.00	10,000.00
24	02/01/22	1,575.00	-
25	08/01/22	1,575.00	10,000.00
26	02/01/23	1,375.00	-
27	08/01/23	1,375.00	10,000.00
28	02/01/24	1,175.00	-
29	08/01/24	1,175.00	10,000.00
30	02/01/25	975.00	-
31	08/01/25	975.00	10,000.00
32	02/01/26	775.00	-
33	08/01/26	775.00	10,000.00
34	02/01/27	600.00	-
35	08/01/27	600.00	10,000.00
36	02/01/28	400.00	-
37	08/01/28	400.00	10,000.00
38	01/17/78	200.00	-
39	08/01/29	200.00	10,000.00
			<u>\$ 90,000.00</u>

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

Schedule Of Principal Payments Outstanding - Supplemental Fund Loan Agreement

Payment Number	Due Date	Interest	Principal
18	02/01/21	\$ -	\$ 2,708.11
19	08/01/21	-	5,416.23
20	02/01/22	-	2,708.11
21	08/01/22	-	5,416.23
22	02/01/23	-	2,708.11
23	08/01/23	-	5,416.23
24	02/01/24	-	2,708.11
25	08/01/24	-	5,416.23
26	02/01/25	-	2,708.11
27	08/01/25	-	5,416.23
28	02/01/26	-	2,708.11
29	08/01/26	-	5,416.23
30	02/01/27	-	2,708.11
31	08/01/27	-	5,416.23
32	02/01/28	-	2,708.11
33	08/01/28	-	5,416.23
34	02/01/29	-	2,708.11
35	08/01/29	-	5,416.23
36	02/01/30	-	2,708.11
37	08/01/30	-	5,416.23
38	02/01/31	-	2,708.11
39	08/01/31	-	5,416.54
			<u>\$ 89,368.05</u>

Schedule Of Principal Payments Outstanding - Supplemental Trust Loan Agreement

Payment Number	Due Date	Interest	Principal
9	08/01/21	\$ 1,080.52	\$ 2,770.00
10	08/01/22	1,029.82	2,820.00
11	08/01/23	974.26	2,876.00
12	08/01/24	912.70	2,938.00
13	08/01/25	845.70	3,005.00
14	08/01/26	773.88	3,076.00
15	08/01/27	697.58	3,153.00
16	08/01/28	602.34	3,248.00
17	08/01/29	501.64	3,349.00
18	08/01/30	395.46	3,455.00
19	08/01/31	283.86	3,566.00
			<u>\$ 34,256.00</u>

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2020			Balance Dec. 31, 2019	Paid By Budget Appropriation	Balance Dec. 31, 2020						
	Date	Amount	Maturity Date	Principal Amount	Interest Rate									
Water Improvements	09/15/13	\$ 770,000.00	09/15/21	\$ 45,000.00	3.00%	\$ 535,000.00	\$ 45,000.00	\$ 490,000.00						
			09/15/22	45,000.00	3.00%									
			09/15/23	50,000.00	3.25%									
			09/15/24	70,000.00	3.25%									
			09/15/25	70,000.00	3.25%									
			09/15/26	70,000.00	3.25%									
			09/15/27	70,000.00	3.25%									
			09/15/28	70,000.00	3.25%									
Water Refunding Issue	11/26/13	1,725,000.00	09/01/21	205,000.00	3.00%	815,000.00	205,000.00	610,000.00						
			09/01/22	205,000.00	3.00%									
			09/01/23	200,000.00	3.00%									
Water Improvements	07/20/16	4,492,000.00	08/01/21	295,000.00	1.50%	3,847,000.00	220,000.00	3,627,000.00						
			08/01/22	295,000.00	1.75%									
			08/01/23	290,000.00	2.00%									
			08/01/24	290,000.00	2.00%									
			08/01/25	280,000.00	2.00%									
			08/01/26	280,000.00	2.00%									
			08/01/27	275,000.00	2.00%									
			08/01/28	275,000.00	2.00%									
			08/01/29	275,000.00	2.00%									
			08/01/30	270,000.00	2.00%									
			08/01/31	270,000.00	2.13%									
			08/01/32	270,000.00	2.50%									
			08/01/33	262,000.00	2.50%									
												<u>\$ 5,197,000.00</u>	<u>\$ 470,000.00</u>	<u>\$ 4,727,000.00</u>
				Ref.		D	D-23	D						

**TOWN OF DOVER
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2019	Balance Dec. 31, 2020
10-01	05/08/01	Various Improvements for the Water Department	\$ 714.28	\$ 714.28
03-11	03/14/11	Various Improvements for the Water Department	46,081.00	46,081.00
10-12	07/24/12	Various Improvements for the Water Department	750.00	750.00
8-17	05/09/17	Various Improvements for the Water Department	-	-
5-18	04/24/18	Various Improvements for the Water Department	1,850,000.00	1,850,000.00
6-19	06/25/19	Various Improvements for the Water Department	2,857,000.00	2,857,000.00
			<u>\$ 4,754,545.28</u>	<u>\$ 4,754,545.28</u>
		<u>Ref.</u>	D	D, D-6

REPORT OF AUDIT

**FINANCIAL SECTION:
Supplementary Data -
Parking Utility Fund**

Town of Dover

**TOWN OF DOVER
PARKING UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CASH AND CASH EQUIVALENTS

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance: December 31, 2019	E	\$ 125,081.38	\$ 395,204.35
Increased by Cash Receipts:			
Parking Utility Revenues	E-3	142,123.79	-
Emergency Note Payable	E-13	166,672.14	-
		<u>308,795.93</u>	<u>-</u>
		433,877.31	395,204.35
Decreased by Cash Disbursements:			
Budget Appropriations	E-4	204,486.30	-
Appropriation Reserves	E-10	33,946.82	-
Accrued Interest Bonds	E-12	6,633.75	-
		<u>245,066.87</u>	<u>-</u>
Balance: December 31, 2020	E	<u>\$ 188,810.44</u>	<u>\$ 395,204.35</u>

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

ANALYSIS OF PARKING UTILITY CAPITAL CASH AND CASH EQUIVALENTS

	Balance Dec 31, 2019	Transfers		Balance Dec 31, 2020
		From	To	
Reserve for Encumbrances	\$ -	\$ -	\$ 32,371.00	\$ 32,371.00
Capital Improvement Fund	17,668.23	-	-	17,668.23
Fund Balance	5,480.86	-	-	5,480.86
Improvement Authori				
<u>Ord. No.</u>	<u>Improvement Description</u>			
17-06; 33-06	Various Improvements	315.44	-	315.44
37-08	Various Improvements	2,256.59	2,256.59	-
04-11	Various Improvements	17,082.50	17,082.50	-
17-14	Various Improvements	351,629.28	13,031.91	338,597.37
15-15	New Vehicle	771.45	-	771.45
		<u>\$ 395,204.35</u>	<u>\$ 32,371.00</u>	<u>\$ 395,204.35</u>
<u>Ref.</u>		E	Contra	Contra
			Contra	E

**TOWN OF DOVER
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DEFERRED CHARGE FOR SPECIAL EMERGENCY

	Ref.	
Balance: December 31, 2019	E	\$ -
Increased by:		
Funding of Losses Due to COVID	E-1	166,672.14
Balance: December 31, 2020	E	\$ 166,672.14

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF FIXED CAPITAL

	2020	2019
Parking Authority Facilities	\$ 494,637.93	\$ 494,637.93
Parking Meters	116,177.47	116,177.47
	\$ 610,815.40	\$ 610,815.40
<u>Ref.</u>	E	E

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance			Balance Dec. 31, 2019	Balance Dec. 31, 2020
	No.	Date	Amount		
Various Improvements	17-06;	07/25/06;	\$ 40,000.00	\$ 46,314.00	\$ 46,314.00
	33-06	12/12/06	6,314.00		
Various Improvements	37-08	12/15/08	370,714.00	370,714.00	370,714.00
Various Improvements	04-11	03/22/11	493,586.00	493,586.00	493,586.00
Various Improvements	17-14	07/22/14	392,300.00	391,615.00	391,615.00
New Vehicle	15-15	08/22/15	25,000.00	25,000.00	25,000.00
				<u>\$ 1,327,229.00</u>	<u>\$ 1,327,229.00</u>
			<u>Ref.</u>	<u>E</u>	<u>E</u>

**TOWN OF DOVER
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance: December 31, 2019</u>		<u>Balance after Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Operating:					
Salaries and Wages	\$ 14,303.31	\$ -	\$ 14,303.31	\$ -	\$ 14,303.31
Other Expenses	35,027.88	3,056.91	38,084.79	33,946.82	4,137.97
	<u>49,331.19</u>	<u>3,056.91</u>	<u>52,388.10</u>	<u>33,946.82</u>	<u>18,441.28</u>
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	0.10	-	0.10	-	0.10
Social Security (O.A.S.I.)	3,573.17	-	3,573.17	-	3,573.17
	<u>3,573.27</u>	<u>-</u>	<u>3,573.27</u>	<u>-</u>	<u>3,573.27</u>
Total Parking Utility Appropriations	<u>\$ 52,904.46</u>	<u>\$ 3,056.91</u>	<u>\$ 55,961.37</u>	<u>\$ 33,946.82</u>	<u>\$ 22,014.55</u>
Ref.	E	E		E-5	E-1

**TOWN OF DOVER
 PARKING UTILITY OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020
 SCHEDULE OF PREPAID PARKING DECALS**

	Ref.	
Balance: December 31, 2019	E	\$ 150.00
Decreased by:		
Parking Revenue	E-3	150.00
Balance: December 31, 2020	E	\$ -

**TOWN OF DOVER
PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF ACCRUED INTEREST ON BONDS

	Ref.	
Balance: December 31, 2019	E	\$ 6,633.75
Increased by:		
Interest on Bonds	E-4	5,996.25
		12,630.00
Decreased by Disbursements:		
Cash Disbursements	E-5	6,633.75
Balance: December 31, 2020	E	\$ 5,996.25

	Principal Outstanding Dec. 31, 2020	Interest Rate	From	To	Period	Amount
\$	466,000.00	3.00%	09/16/20	12/31/20	3.5 Months	\$ 4,077.50
	307,000.00	1.50%	08/02/20	12/31/20	5 Months	1,918.75
						\$ 5,996.25

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF EMERGENCY NOTE PAYABLE

	<u>Ref.</u>	
Balance: December 31, 2019	E	\$ -
Increased by:		
Cash Receipts	E-5	<u>166,672.14</u>
Balance: December 31, 2020	E	<u><u>\$ 166,672.14</u></u>

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	Ref.	
Balance: December 31, 2019	E	\$ -
Increased by:		
Improvement Authorizations	E-15	32,371.00
Balance: December 31, 2020	E	\$ 32,371.00

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance		Balance	Paid or Charged	Balance	
				Amount	Dec. 31, 2019		Dec. 31, 2020	
					Funded		Funded	
17-06; 33-06	Various Improvements	07/25/06; 12/12/06	\$	40,000.00 6,314.00	\$	315.44	\$	315.44
37-08	Various Improvements	12/15/08		585,000.00		2,256.59		2,256.59
04-11	Various Improvements	03/22/11		500,000.00		17,082.50		17,082.50
17-14	Various Improvements	07/22/14		1,500,000.00		351,629.28		13,031.91
15-15	New Vehicle	08/22/15		3,000,000.00		771.45		-
						<u>771.45</u>		<u>771.45</u>
						<u>\$ 372,055.26</u>		<u>\$ 32,371.00</u>
				Ref.		E		E-14
								E

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance: December 31, 2019	E	<u>\$ 17,668.23</u>
Balance: December 31, 2020	E	<u><u>\$ 17,668.23</u></u>

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance: December 31, 2019	E	\$ 960,815.40
Increased by:		
Serial Bond Principal Amortization	E-19	<u>80,000.00</u>
Balance: December 31, 2020	E	<u><u>\$ 1,040,815.40</u></u>

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date	Balance Dec. 31, 2019	Balance Dec. 31, 2020
17-06; 33-06	Various Improvements	07/25/06; 12/12/06	\$ 46,314.00	\$ 46,314.00
37-08	Various Improvements	12/15/08	33,620.00	33,620.00
04-11	Various Improvements	03/22/11	24,680.00	24,680.00
17-14	Various Improvements	07/22/14	19,615.00	19,615.00
			<u>\$ 124,229.00</u>	<u>\$ 124,229.00</u>
		<u>Ref.</u>	E	E

**TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2020			Interest Rate	Balance Dec. 31, 2019	Paid By Budget Appropriation	Balance Dec. 31, 2020					
	Date	Amount	Maturity Date	Principal Amount										
Parking Utility Capital Bonds Series 2013A	09/12/13	\$ 791,000.00	09/15/21	\$ 55,000.00	3.00%	\$ 521,000.00	\$ 55,000.00	\$ 466,000.00						
			09/15/22	55,000.00	3.00%									
			09/15/23	60,000.00	3.25%									
			09/15/24	60,000.00	3.25%									
			09/15/25	60,000.00	3.25%									
			09/15/26	60,000.00	3.25%									
			09/15/27	60,000.00	3.25%									
			09/15/28	56,000.00	3.25%									
			Parking Utility Capital Bonds Series 2016	07/20/16	397,000.00				08/01/21	25,000.00	1.50%	332,000.00	25,000.00	307,000.00
08/01/22	25,000.00	1.75%												
08/01/23	30,000.00	2.00%												
08/01/24	30,000.00	2.00%												
08/01/25	30,000.00	2.00%												
08/01/26	30,000.00	2.00%												
08/01/27	30,000.00	2.00%												
08/01/28	35,000.00	2.00%												
08/01/29	35,000.00	2.00%												
08/01/30	37,000.00	2.00%												
Ref.						<u>\$ 853,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 773,000.00</u>						
						E	E-17	E						

REPORT OF AUDIT

FINANCIAL SECTION:
Supplementary Data -
General Fixed Assets

Town of Dover

**TOWN OF DOVER
GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY CLASS

	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2020</u>
Land	\$ 25,519,400.00	\$ -	\$ -	\$ 25,519,400.00
Buildings	11,224,522.17	-	-	11,224,522.17
Machinery, Equipment & Other	<u>9,296,640.47</u>	<u>406,416.26</u>	<u>-</u>	<u>9,703,056.73</u>
	<u>\$ 46,040,562.64</u>	<u>\$ 406,416.26</u>	<u>\$ -</u>	<u>\$ 46,446,978.90</u>
<u>Ref.</u>	<u>F</u>			<u>F</u>

REPORT OF AUDIT

GOVERNMENT AUDITING
STANDARDS SECTION

Town of Dover

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and
Members of the Board of Aldermen
Town of Dover
Dover, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the accompanying financial statements – regulatory basis of the Town of Dover, New Jersey (the "Town"), which comprise the comparative balance sheet – regulatory basis, of each fund and General Fixed Assets as of December 31, 2020, and the related comparative statement of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, Water Utility Operating Fund, and Parking Utility Operating Fund, and the related statement of changes in Fund Balance – Regulatory basis, of the General Capital Fund, Water Utility Capital Fund, and Parking Utility Capital Fund, for the year ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2021.

As described in Note 1, the Town prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

We noted additional instances of noncompliance or other matters which are required to be reported under audit requirements prescribed by the Division, and which are described in the accompanying "Comments and Recommendations" section of this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants


MAURICIO CANTO
RMA No. 555

Bayonne, New Jersey
September 30, 2021

TOWN OF DOVER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Department and Program	Federal CFDA Number	State Account Number	Grant Period		Program or Award Amount	Received	Expended	Expended to Subrecipients	Cumulative Expenditures
			From	To					
U.S. Department of Housing and Urban Development									
Passed through NJ Department of Community Affairs									
Division of Housing and Community Resources									
Small Cities CDBG Program:									
Housing Rehabilitation	14.228	022-8020-100-078-022920	01/01/18	12/31/18	120,000.00	\$ 4,100.00	\$ -	\$ -	\$ -
Housing Rehabilitation	14.228	022-8020-100-078-022920	01/01/19	12/31/19	290,000.00	208,995.05	-	-	-
Housing Rehabilitation Revolving Loans	14.228	022-8020-100-078-022920		Revolving	-	54,514.00	12,678.90	-	29,811.40
Total U.S. Department of Housing and Urban Development						<u>267,609.05</u>	<u>12,678.90</u>	<u>-</u>	
U.S. Department of Justice									
Bullet Proof Vest Program	16.607	Not Applicable	01/01/20	12/31/20	1,909.57	-	1,909.57	-	1,909.57
Bullet Proof Vest Program	16.607	Not Applicable	01/01/19	12/31/19	2,655.00	-	2,655.00	-	2,655.00
Total U.S. Department of Justice						<u>-</u>	<u>4,564.57</u>	<u>-</u>	
U.S. Department of Treasury									
Passed through NJ Department of Community Affairs									
Division of Local Government Services									
CARES Act Coronavirus Relief Fund -									
Local Government Emergency Fund	21.019	20-100-022-8030-686	03/01/20	12/31/20	334,939.00	-	334,939.00	-	334,939.00
Total U.S. Department of Treasury						<u>-</u>	<u>334,939.00</u>	<u>-</u>	
U.S. Department of Homeland Security									
Federal Emergency Management Administration (FEMA):									
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Not Applicable	02/23/19	02/22/22	463,418.00	265,418.54	165,238.23	-	147,760.77
Total U.S. Department of Homeland Security						<u>265,418.54</u>	<u>165,238.23</u>	<u>-</u>	
Total Federal Awards						<u>\$ 533,027.59</u>	<u>\$ 517,420.70</u>	<u>\$ -</u>	

TOWN OF DOVER
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

State Department and Program	State Account Number	Grant Period		Program or Award Amount	Received	Expended	Cumulative Expenditures
		From	To				
Department of Environmental Protection							
Recycling Tonnage Grant	042-4910-100-224-238490	07/01/15	Completion	6,056.90	\$ -	\$ 2,725.00	\$ 2,775.00
Clean Communities Grant	042-4900-765-004-178910	07/01/19	06/30/20	25,302.19	25,302.19	-	-
Total Department of Environmental Protection					25,302.19	2,725.00	
Department of Law and Public Safety							
Division of Criminal Justice:							
Body Armor Replacement Fund	066-1020-718-001-090160	01/01/20	12/31/20	3,437.71	3,437.71	-	-
Division of Highway Traffic Safety:							
Drive Sober or Get Pulled Over	066-1160-100-165-030350	12/07/19	01/01/20	9,921.77	9,921.77	-	-
Drive Sober or Get Pulled Over	066-1160-100-165-030350	12/07/18	01/01/19	6,428.63	-	6,428.63	6,428.63
Total Department of Law and Public Safety					13,359.48	6,428.63	
Department of Transportation							
Highway Planning and Construction:							
Bergen Street	078-6320-480-AM2-605178	02/17/18	02/16/20	145,000.00	36,250.00	-	145,000.00
Williams Street	078-6320-480-ANP-605179	03/25/19	03/24/21	176,000.00	-	-	176,000.00
Total Department of Transportation					36,250.00	-	
Department of Treasury							
Governor's Council on Alcoholism and Drug Abuse:							
Passed through the County of Morris							
Municipal Alliance to Prevent Alcoholism and Drug Abuse	082-2000-100-044-6010	07/01/19	06/30/20	25,361.00	-	8,832.93	9,988.02
Total Department of Treasury					-	8,832.93	
Total State Financial Assistance					\$ 74,911.67	\$ 17,986.56	

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TOWN OF DOVER
NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1. REPORTING ENTITY

The Town of Dover (the “Town”), received and continues to participate in numerous federal award and state financial assistance programs, in the form of grant cost reimbursements and revenue sharing entitlements. The Town is the reporting entity for the grant programs received. Administration of the grant programs is performed by the various departments of the Town.

The Town, for purposes of the Schedule of Expenditures of Federal Awards and State Financial Assistance, includes all the funds of the primary government as defined by criteria established by the Governmental Accounting Standards Board Statement 14, The Financial Reporting Entity.

The Town administers certain federal and state award programs through subrecipients. Those subrecipients are not considered part of the Town’s reporting entity.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state grant programs of the Town. All federal awards received directly from federal agencies or passed through other government agencies are included on the Schedule of Expenditures of Federal Awards. All state awards received directly from state agencies or passed through other government agencies are included on the Schedule of expenditures of State Financial Assistance.

The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Federal awards provided to sub-recipients are treated as expenditures when paid.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Town accounts for federal awards and state financial assistance through the following accounting practices which differ from those required by accounting principles generally accepted in the United States of America.

The Town, in accordance with the Division’s directives, fully realizes revenues and charges appropriations when grants are adopted by the governing body in the budget of its Current Fund. The revenues are charged and the receivable accounted for in the State and Federal grants fund. Appropriations are charged and the amount allotted for spending is accounted for as an appropriated reserve. Programs within the General Capital Fund and various Trust Funds (other than the State and Federal Grants Fund) are accounted for within the equivalent revenue accounts for those respective funds. Expenditures are measured from payments charged directly to specific grant programs.

Local Contributions – Local matching contributions are required by certain federal and state grants. The amount of percentage of matching contributions varies with each program. Local matching contributions are raised in the Current Fund budget.

Indirect Costs - The Town is not utilizing the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. PASS-THROUGH AWARDS

The Town receives certain federal awards from pass-through awards of the state. The amounts received are commingled by the state with other funds and cannot be separately identified.

TOWN OF DOVER
NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5. CONTINGENCIES

Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable laws and regulations. Federal and state grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors.

NOTE 6. MONITORING OF SUBRECIPIENTS

Under the requirements of the Single Audit Act and State regulations, if the Town, as a primary recipient, receives federal and state financial assistance and provides \$750,000 or more of such assistance to a subrecipient in a fiscal year, the Town is responsible for determining that the expenditures of federal and state monies passed-through to subrecipients are utilized in accordance with applicable laws and regulations.

NOTE 7. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The regulations and guidelines governing the preparation of federal and state financial reports vary by federal and state agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal and state financial reports do not necessarily agree with the amounts reported in the accompanying schedules of expenditures of federal awards and state financial assistance, which are prepared on the basis of accounting explained in Note 2.

NOTE 8. NO SINGLE AUDITS REQUIRED

The Town did not expend \$750,000 or more in federal or state funds, and is therefore not subject to a single audit in accordance with the Uniform Guidance and the provisions of the New Jersey OMB Circular Letter 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.

TOWN OF DOVER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified-as prescribed by NJ DLGS
 Adverse-according to GAAP

Internal Control over Financial Reporting:

1) Material weakness(es) identified?

Yes

✓ No

2) Significant deficiency(ies) identified?

Yes

✓ No

Noncompliance material to basic financial statements noted?

Yes

✓ No

Federal Awards

Not applicable. Expended less than \$750,000 of Federal Awards.

State Financial Assistance

Not applicable. Expended less than \$750,000 of State Financial Assistance.

TOWN OF DOVER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

Section II - Schedule of Financial Statement Findings

(This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting.)

No matters were reported.

TOWN OF DOVER
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

(This section identifies the status of prior-year audit findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 4 of Government Auditing Standards and 2 CFR 200.516(a).)

STATUS OF PRIOR YEAR FINDINGS

Financial Statements

Finding 2019-001

Material Weakness in Internal control
Noncompliance Material to Basic Financial Statements

Condition:

Fixed assets accounting is not being adequately maintained and was not properly reflected in the 2018 audited financial statements.

Current Year Status:

This finding has been corrected.

Finding 2019-002

Material Weakness in Internal control
Noncompliance Material to Basic Financial Statements

Condition:

Accumulated absences accounting is not being adequately maintained.

Current Year Status:

This finding has been corrected.

Finding 2019-003

Reportable Matter of Noncompliance

Condition:

The “fair and open” process for contracting professional services was not being administered properly with publicly opening and qualifying proposals/qualifications.

Current Year Status:

This finding has been corrected.

TOWN OF DOVER
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Awards

Finding 2019-004

Significant Deficiency in Internal Control over Compliance – Program Income

- U.S. Department of Housing and Urban Renewal (HUD)

Passed through NJ Department of Community Affairs,

Division of Housing and Community Resources

Small Cities CDBG Program – Housing Rehabilitation – CFDA No. 14.228

Condition:

Repayments of housing rehabilitation revolving loans that originated from Small Cities CDBG federal grant funds were initially reported as unrestricted current fund revenue. As a result of audit, the revenue was reclassified to program income in a grant reserve for housing rehabilitation that is restricted to Small Cities CDBG federal program.

Current Year Status:

This finding has been corrected.

REPORT OF AUDIT

GENERAL COMMENTS SECTION

Town of Dover

**TOWN OF DOVER
GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-3 AND 40A:11-4, et seq.

N.J.S.A. 40A:11-3 states “When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent or other employee so designated by the governing body when so authorized by ordinance or resolution, as appropriate to the contracting unit, without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If a purchasing agent has been appointed, the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000 or the threshold amount adjusted by the Governor pursuant to subsection c. of this section. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.”

The current threshold amount as adjusted by the Governor is \$44,000. The Town has appointed a Qualified Purchasing Agent and has passed a resolution raising its bid threshold to the maximum allowable amount of \$44,000.

N.J.S.A. 40A:11-4 states “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.”

The governing body of the Town has the responsibility of determining whether the expenditures in any category will exceed \$44,000 within the fiscal year. Where questions arise as to whether any contract or agreement might result in a violation of the Statute, the opinion of Town’s Attorney should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertisement and contracts awarded for the following items:

- Reservoir Ave Water Main Improvements
- DPW Building Generator Project
- Crane Hill and Princeton Avenue Pump Station Upgrades

Inasmuch as the system of records did not provide for an accumulation by categories of payments for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not be reasonably ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts, or agreements in excess of \$44,000, "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those for which bids had been previously sought by public advertisements or for which a resolution had been previously adopted under the provision of N.J.S.A. 40A:11-6.

CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND 40A:11-12

N.J.S.A. 40A:11-12 states: “Any contracting unit under this act [the Town] may without advertising for bids, or having rejected all bids obtained pursuant to advertising therefore, purchase any goods or services under any contract or contracts for such goods or services entered into on behalf of the State by the Division of Purchase and Property in the Department of the Treasury.”

When utilizing state contracts, as the contracts are commonly referred to, the Town is required to place its order with the vendor offering the lowest price, including delivery charges, that best meets the Town’s requirements, and is also required to document such with specificity prior to placing the order.

**TOWN OF DOVER
GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND 40A:11-12 (Continued)

The minutes did not indicate that any resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “state contracts” per N.J.S.A. 40A:11-12.

N.J.S.A. 40A:11-5.1(a)(i) states: “Any contract the amount of which exceeds the bid threshold, may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor and shall be awarded by resolution of the governing body if the subject matter thereof consists of professional services. The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk.”

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “professional services” per N.J.S.A. 40A:11-5 as follows:

- | | |
|--|-----------------------------------|
| - Forensic Auditing and Budget Consulting Services | - Municipal Auditing Services |
| - Legal Services - Redevelopment Counsel | - Legal Services - Bond Counsel |
| - Legal Services - Special OPRA Attorney | - Legal Services - Labor Counsel |
| - Legal Services - Water Commission Attorney | - Grant Writing |
| - Legal Services - Historic Preservation Attorney | - Ombudsman |
| - Legal Services- Conflicts Counsel | - Special Tax Appeal Counsel |
| - Health Insurance Brokerage/Consulting Services | - IT Consulting Services |
| - Risk Management Consulting Services | - IT Cybersecurity Services |
| - Conflict Counsel Services | - Municipal Planner Services |
| - Consulting Engineering Services/Water | - Consulting Engineering Services |
| - Municipal I Educational Consultant | - General Legal Services |

There are additional exceptions noted in N.J.S.A. 40A:11-5, et seq., for contracts which may be negotiated and awarded by resolution of the governing body without public advertising for bids. The Town has also awarded contracts under other exceptions noted in N.J.S.A. 40A:11-5 including:

- N.J.S.A. 40A:11-5.1(dd), the provision or performance of goods or services for the support or maintenance of proprietary computer hardware and software, except that this provision shall not be utilized to acquire or upgrade non-proprietary hardware or to acquire or update non-proprietary software;
- N.J.S.A. 40A:11-5.1(f), the supplying of any product or the rendering of any service by a public utility, which is subject to the jurisdiction of the Board of Public Utilities or the Federal Energy Regulatory Commission or its successor, in accordance with tariffs and schedules of charges made, charged or exacted, filed with the board or commission, and
- N.J.S.A. 40A:11-5.1(x) The printing of municipal ordinances or other services necessarily incurred in connection with the revision and codification of municipal ordinances.

N.J.S.A. 40A:11-6.1(b) states: “When in excess of the bid threshold, and after documented effort by the contracting agent [the Town] to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded upon a determination in writing by the contracting agent that the solicitation of competitive quotations is impracticable. Any such contract shall be awarded by resolution of the governing body.”

N.J.S.A. 40A:11-5.1(a)(ii) further states: “The governing body shall in each instance state supporting reasons for its action in the resolution awarding each [extraordinary unspecifiable service] contract and reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed...a brief notice of the award of such contract.”

**TOWN OF DOVER
GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CONTRACTS AND AGREEMENTS EXCEPTED FROM PUBLIC ADVERTISEMENT FOR BIDS PER N.J.S.A. 40A:11-5, et seq., 40A:11-6.1(b) AND 40A:11-12 (continued)

The notice shall be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “extraordinary unspecifiable services” per N.J.S.A. 40A:11-6.1(b) as follows:

- Design, Purchase, Installation, Removal and Storage of Winter Holiday Decorations

EXPENDITURE LESS THAN BID THRESHOLD, BUT 15% OR MORE OF THAT AMOUNT PER N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states: “For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, except for paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting unit shall award the contract after soliciting at least two competitive quotations, if practicable.” The Town advised us that quotations were, for the most part, solicited for items, the cost of which was \$6,000 or more, within the terms of N.J.S.A. 40A:11-6.1.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

Statutes provide the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes, or assessments on or before the date when they would become delinquent.

On January 1, 2020, the governing body adopted a resolution authorizing interest to be charged on delinquent taxes and delinquent sewer transmission fees as follows:

8% per year on sums up to \$1,500.00 and 18% per year on the portion of tax and sewer transmission delinquencies in excess of \$1,500.00 to be calculated from the date the tax and sewer transmission fees were payable until the date of actual payment.

In addition, the governing body adopted a resolution authorizing a penalty to be charged on delinquent taxes as follows:

6% penalty for delinquency in excess of \$10,000.00 outstanding at year end, with the penalty calculated with interest included in the total delinquency.

In all instances tested, the collector’s records indicate that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The Town did not hold a traditional tax sale but held a bulk levy tax sale and was complete.

The following comparison is made of the number of tax title liens receivable for the most recent three years:

<u>Year Ended</u>	<u>Number of Liens</u>
Dec. 31, 2020	27
Dec. 31, 2019	27
Dec. 31, 2018	27

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

**TOWN OF DOVER
GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

MUNICIPAL COURT

The Town of Dover is the host of a joint municipal court. The joint municipal court serves the Town of Dover and the Borough of Victory Gardens. A summary of the transactions of the Municipal Court for the year 2020 is as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING DECEMBER 31, 2020

	Balance Dec. 31, 2019	Cash Receipts	Cash Disbursements	Balance Dec. 31, 2020
State of New Jersey	\$ 10,757.43	\$ 62,516.76	\$ 69,998.59	\$ 3,275.60
County of Morris	5,188.25	31,332.50	34,474.25	2,046.50
Municipality	20,696.45	141,904.32	155,074.53	7,526.24
Weights and Measures	900.00	571.00	1,471.00	-
Restitution	-	100.00	75.00	25.00
Interest-General Account	-	158.98	153.84	5.14
Interest-Bail Account	-	11.75	11.40	0.35
Bail Account	1,500.00	12,015.00	13,415.00	100.00
	<u>\$ 39,042.13</u>	<u>\$ 248,610.31</u>	<u>\$ 274,673.61</u>	<u>\$ 12,978.83</u>

CHANGE ORDERS EXCEEDING 20 PERCENT OF ORIGINALLY AWARDED CONTRACT PRICE

Change orders exceeding the originally awarded contract price by more than 20% are allowed only in limited instances. The authorization process requires a resolution of the governing body and an affidavit of publication for notice in an officially designated newspaper of the entity. The Town has certified in its 2021 budget no orders which exceeded 20% of the originally awarded contract during 2020.

**TOWN OF DOVER
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Comment 1: Bank Reconciliations

Bank reconciliations were not being prepared on a regular basis during 2020 to prevent or detect misstatements or abuses on a timely basis. Bank reconciliations are current and being prepared on a regular basis at the time of the audit.

Recommendation:

Bank reconciliations be prepared on a regular basis to prevent or detect misstatements or abuses on a timely basis.

Comment 2: Cash Management Plan

Cash appears to be managed properly, however a 2020 Cash Management Plan was not adopted. A 2021 Cash Management Plan was adopted at the time of the audit. This comment is repeated from the prior year.

Recommendation:

A Cash Management Plan be adopted annually.

Comment 3: Budgeting

An expenditure without an appropriation was incurred for the payment of debt service principal for bond anticipation note in the Water Utility Operating Fund.

Recommendation:

Debt service requirements be adequately appropriated in budget to prevent expenditures without appropriations.

Comment 4: State Grant Reserves

There are state grant reserves for Hepatitis B Grants with balances that have been inactive for more than 5 years and have no offsetting receivables as follows:

<u>Years Since Last Activity</u>	<u>Year of Last Activity</u>	<u>Amount Reserved</u>
5 or more	2006	\$ 686.00
5 or more	2005	1,132.00
5 or more	2004	<u>272.21</u>
		<u><u>\$ 2,090.21</u></u>

This comment is repeated from the prior year.

Recommendation:

Grants with dormant reserve balances should be investigated for proper follow-up or disposition, including: whether reserve balances exist as a result of charges to incorrect grant years and whether aged reserves are expendable or must be returned to grantor agencies. Going forward, all grants should be continuously monitored for inactivity and aging.

Comment 5: Purchasing

An audit of expenditures found thirty-six instances where purchase orders were processed after the invoices were received, whereby “confirming orders”. This comment is repeated from the prior year.

Recommendation:

Purchase orders be processed when contracts are awarded and prior to purchasing goods and services.

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Comment 6: Payroll

An audit of 2020 payroll found instances where employee health benefit contribution deductions appeared to be inaccurate or outdated. It appears health benefit contribution deductions were reviewed and updated by the time of the audit. This comment is repeated from the prior year.

Recommendation:

Employee health benefit contribution deduction calculations be reviewed and updated on a periodic basis to ensure accuracy.

Comment 7: Payroll

An audit of 2020 payroll found instances where employee salaries were inconsistent with title pursuant to applicable collective bargaining agreements and civil service regulations. It appears salaries were reviewed and updated by time of the audit. This comment is repeated from the prior year.

Recommendation:

Employee titles and salaries be reviewed and compared to collective bargaining agreements and civil service regulations to ensure consistency.

Comment 8: Payroll

Overtime is being inputted directly into payroll system by authorized supervisors without formal approval to document monitoring controls.

Recommendation:

Although overtime is being inputted directly into payroll system by authorized supervisors, formal approval should be recorded to document monitoring controls.

Comment 9: Reserve for Tax Appeals

The Current Fund Reserve for Tax Appeals are not adequate to fund the potential exposure from various tax appeals, some of which are substantial in size and have been pending for several years. This comment is repeated from the prior year.

Recommendation:

The Current Fund Reserve for Tax Appeals be increased to adequately fund potential exposure from pending tax appeals.

Comment 10: Developer Escrow Deposits

There were two instances where \$25,000 escrow deposits were not designated to specific and rightful developer escrow account.

Recommendation:

Accounting of developer escrow deposits be adequately maintained to ensure rightfulness of specific escrow deposits.

Comment 11: Capital Ordinances

The analysis of General Capital Fund Cash reports a cash deficit of \$449 for capital ordinance number 30-04 which is over 5 years old. This comment is repeated from the prior year.

Recommendation:

Cash deficits for capital ordinances be funded within 5 years.

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Comment 12: Outside Department Cash Receipts

Audit procedures of outside departments' cash receipts found reoccurring instances of cash receipts not being deposited timely. This comment is repeated from the prior year.

Recommendation:

Cash receipts be deposited timely within 48 hours of receipt.

Comment 13: Municipal Court

Audit procedures on the municipal court found: a) two violations older than three years in the Case Processing Follow Up Incomplete Report; b) a case backlog in excess of recommended threshold in monthly Management Reports for Case Management; c) there were tickets assigned but not issued over 6 months that had not been properly recalled; and d) there were special complaints issued that had not been assigned to an officer. Items a and b of this comment are repeated from the prior year.

Recommendation:

As per Rule 7:8-9(f), once a case is over three years old, and the follow-up procedures available to the municipal court have not been completed, the ticket must be dismissed. Case backlog be reduced to below recommended threshold in monthly Management Reports for Case Management. Tickets assigned but not issued over 6 months be properly recalled and only special complaints assigned to an officer being issued.

Comment 14: Uniform Construction Code – Annual Report

The construction code official did not file the required annual report with the State in a timely manner and as a result, this filing could not be audited as required by Statute. This comment is repeated from the prior year.

Recommendation:

The construction code official prepare and timely file the required annual report with the State and retain documentation sufficient to support report.

Comment 15: Small Cities CDBG Grant Program

A summary statement on the balance of Small Cities CDBG revolving loan funds was not submitted to the State as required by 24 CFR section 570.489(e)(3).

Recommendation:

The Small Cities CDBG grant program be administered with knowledge of grant compliance requirements and adequate internal controls over such compliance be implemented.

Comment 16: Dover Free Public Library

The Dover Free Public Library as a free public library with its own governing Board of Trustees has not had its own annual audit performed and reported separately from the Town. Furthermore, the Town has not determined the legal custodian of funds from sale of asset being held in trust by the Dover Free Public Library. This comment is repeated from the prior year.

Recommendation:

The Dover Free Public Library as a free public library with its own governing Board of Trustees have its own annual audit performed and reported separately from the Town. Furthermore, the Town determine the legal custodian of funds from sale of asset being held in trust by the Dover Free Public Library.

Corrective Action

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the governing body and submitted within 60 days from the date the audit is received.

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Status of Prior Years' Audit Recommendations

In accordance with Government Auditing Standards, a review was performed on all prior year's recommendations. With the exception of those findings noted as being repeated from the prior year, corrective action was taken on all prior year recommendations.
