

TOWN OF DOVER
COUNTY OF MORRIS
REPORT OF AUDIT

2013

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF DOVER
COUNTY OF MORRIS
REPORT OF AUDIT
2013

TOWN OF DOVER
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TOWN OF DOVER

PART I

FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2013



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Independent Auditors' Report

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 financial statements – *regulatory basis* - of the various funds of the Town of Dover in the County of Morris (the "Town") as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. 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 fraud or error.

Auditors' Responsibility

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

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

The Honorable Mayor and Members
of the Board of Aldermen
Town of Dover
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June 19, 2014

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, these financial statements have been prepared by the Town on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above 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, 2013 and 2012, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – *regulatory basis* - referred to above present fairly, in all material respects, the financial position of the various funds of the Town of Dover as of December 31, 2013 and 2012, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Town's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various funds financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various funds financial statements or to the various funds 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 schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Honorable Mayor and Members
of the Board of Aldermen
Town of Dover
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June 19, 2014

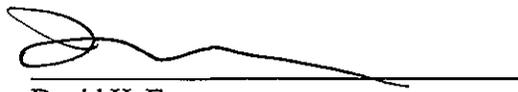
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2014 on our consideration of the Town of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Dover's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
June 19, 2014



NISIVOCCIA LLP



David H. Evans
Registered Municipal Accountant No. 98
Certified Public Accountant

TOWN OF DOVER
COUNTY OF MORRIS
2013
CURRENT FUND

TOWN OF DOVER
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 3,106,659.40	\$ 1,967,712.49
Change Funds		645.00	645.00
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes	A-7	644,352.86	711,968.22
Tax Title Liens	A-8	276,454.17	257,599.70
Property Acquired for Taxes - Assessed Valuation		137,400.00	137,400.00
Revenue Accounts Receivable	A-9	28,998.89	21,596.34
Sewer Rents Receivable	A-10	84,150.75	71,502.38
Prepaid School Taxes	A-12		89,504.42
Due from:			
Police Outside Services		13,344.84	9,905.67
Federal and State Grant Fund	A		95,688.24
Animal Control Fund	B	12,902.00	5,647.42
General Capital Fund	C	5,113.25	
Total Receivables and Other Assets with Full Reserves		<u>1,202,716.76</u>	<u>1,400,812.39</u>
Deferred Charges:			
Special Emergency Authorizations		209,402.71	175,000.00
		<u>209,402.71</u>	<u>175,000.00</u>
Total Regular Fund		<u>4,519,423.87</u>	<u>3,544,169.88</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-13	1,057,060.41	755,794.16
Due from Current Fund	A	18,764.83	
Total Federal and State Grant Fund		<u>1,075,825.24</u>	<u>755,794.16</u>
<u>TOTAL ASSETS</u>		<u>\$ 5,595,249.11</u>	<u>\$ 4,299,964.04</u>

TOWN OF DOVER
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	December 31,	
		2013	2012
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 667,951.24	\$ 807,039.51
Encumbered	A-3;A-11	264,328.60	95,534.48
Total Appropriation Reserves		<u>932,279.84</u>	<u>902,573.99</u>
County Taxes Payable		2,612.97	3,315.68
Local School Taxes Payable	A-12	893,761.44	
Prepaid Taxes		127,708.39	107,605.87
Tax Overpayments		1,501.41	37,451.89
Prepaid Sewer Rents		839.63	1,098.08
Accounts Payable - Vendors		1,252.00	1,252.00
Due to:			
Federal and State Grant Fund	A	18,764.83	
Other Trust Funds - Tax Sale Premiums	B		100,000.00
Other Trust Funds - Recycling Trust Fund	B	164.00	484.00
State of NJ - Marriage License Fees		2,000.00	1,950.00
State of NJ - Veterans' and Senior Citizens' Deductions		13,962.20	15,175.22
State of NJ - Building Fees		3,806.00	390.00
Reserve for:			
Maintenance of Free Public Library		25,600.27	25,161.61
Hurricane Sandy		2,382.23	5,663.66
Hurricane Irene		11,414.26	23,206.21
Tropical Storm Lee		3,028.36	3,028.36
Sale of Municipal Assets		5,355.35	5,355.35
Library Damage		74,402.71	
Tax Appeals		120,000.00	120,000.00
		<u>2,240,835.89</u>	<u>1,353,711.92</u>
Reserve for Receivables and Other Assets	A	1,202,716.76	1,400,812.39
Fund Balance	A-1	1,075,871.22	789,645.57
Total Regular Fund		<u>4,519,423.87</u>	<u>3,544,169.88</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-14	331,050.73	274,335.23
Unappropriated Reserves	A-15	72,848.18	74,704.54
Encumbrances Payable	A-14	671,926.33	311,066.15
Due Current Fund	A		95,688.24
Total Federal and State Grant Fund		<u>1,075,825.24</u>	<u>755,794.16</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 5,595,249.11</u>	<u>\$ 4,299,964.04</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	Year Ended December 31,	
	2013	2012
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 603,600.00	\$ 724,000.00
Miscellaneous Revenue Anticipated	6,449,329.20	6,085,446.46
Receipts from:		
Delinquent Taxes	704,997.87	509,514.08
Current Taxes	28,538,789.38	28,447,241.69
Nonbudget Revenue	421,773.85	515,736.58
Other Credits to Income:		
Interfunds Returned	79,881.24	
Cancellation of Appropriated Reserves - Federal and State Grant Fund		200,779.54
Cancellation of Reserve for Master Plan		4,144.56
Cancellation of Reserve for Tax Maps and Revaluation		29,399.97
Cancellation of Reserve for Attorney Foreclosure Fees		318.13
Unexpended Balance of Appropriation Reserves	318,719.27	386,587.21
 Total Income	 <u>37,117,090.81</u>	 <u>36,903,168.22</u>
 <u>Expenditures</u>		
Budget Appropriations:		
Municipal Purposes	20,001,426.54	19,367,812.41
County Taxes	3,378,548.33	3,608,896.54
Local School District Taxes	12,921,693.00	12,922,239.41
Interfunds and Other Receivables Advanced		64,842.38
Prepaid School Taxes		89,504.42
Cancellation of Police Outside Services Receivable		17,282.96
Cancellation of Federal and State Grant Funds Receivable		172,650.01
Refund of Prior Year Revenue		257,479.16
 Total Expenditures	 <u>36,301,667.87</u>	 <u>36,500,707.29</u>
 Excess in Revenue	 815,422.94	 402,460.93

TOWN OF DOVER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

(Continued)

	Ref.	Year Ended December 31,	
		2013	2012
Adjustments to Income Before Fund Balance:			
Expenditures Included above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Special Emergency Authorization		\$ 74,402.71	\$ 75,000.00
Statutory Excess to Fund Balance		889,825.65	477,460.93
<u>Fund Balance</u>			
Balance January 1		789,645.57	1,036,184.64
		1,679,471.22	1,513,645.57
Decreased by:			
Utilized as Anticipated Revenue		603,600.00	724,000.00
Balance December 31	A	\$ 1,075,871.22	\$ 789,645.57

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Fund Balance Anticipated	\$ 603,600.00		\$ 603,600.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	45,000.00		42,232.00	\$ 2,768.00 *
Other	40,000.00		38,690.00	1,310.00 *
Fees and Permits	145,000.00		135,069.80	9,930.20 *
Fines and Costs:				
Municipal Court	390,000.00		369,443.37	20,556.63 *
Interest and Costs on Taxes	130,000.00		162,072.17	32,072.17
Interest on Investments and Deposits	10,000.00		24,010.20	14,010.20
In Lieu of Taxes - Mill Pond Towers				
Senior Citizen Apartments	181,000.00		181,232.00	232.00
Sewer Rents	1,800,000.00		1,726,753.02	73,246.98 *
Fire Prevention Inspection Fees	43,000.00		40,776.00	2,224.00 *
Consolidated Municipal Property Tax Relief Aid	240,214.00		240,214.00	
Energy Receipts Taxes	1,024,408.00		1,024,408.32	0.32
Uniform Construction Code Fees	115,000.00		124,560.50	9,560.50
Interlocal Services - Municipal Court & Fire	400,200.00		393,126.96	7,073.04 *

TOWN OF DOVER
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Miscellaneous Revenue (Cont'd):				
N.J. Transportation Trust Fund Authority Act	\$ 130,000.00		\$ 130,000.00	
Reserve for Recycling Tonnage Grant	17,202.83		17,202.83	
Clean Communities Program	23,732.10		23,732.10	
Municipal Alliance on Alcoholism and Drug Abuse	21,758.00	\$ 2,000.00	23,758.00	
Reserve for Alcohol Rehabilitation Grant	1,132.97		1,132.97	
Small Cities Grant	400,000.00		400,000.00	
Reserve for Housing Rehabilitation	53,188.00		53,188.00	
Drive Sober Grant	4,400.00	4,400.00	8,800.00	
Drunk Driving Enforcement Fund Grant		12,088.15	12,088.15	
NJ DOT Central Avenue Grant		49,140.55	49,140.55	
Baseball Tomorrow Grant		200,000.00	200,000.00	
NJ Safer Grant	120,601.00		120,601.00	
Body Armor Replacement Grant	3,126.99		3,126.99	
Prepaid School Tax	89,504.42		89,504.42	
Municipal Alliance Donation - Borough of Victory Gardens	1,000.00		1,000.00	
Utility Operating Surplus of Prior Year (Water Utility)	125,000.00		125,000.00	
Utility Operating Surplus of Prior Year (Parking Utility)	100,000.00		100,000.00	
Uniform Fire Safety Act	35,000.00		41,388.10	\$ 6,388.10
Cell Tower Rental	180,000.00		185,969.65	5,969.65
Cable TV Franchise Fee	160,000.00		161,108.10	1,108.10
Reserve to Pay Debt Service	200,000.00		200,000.00	
Total Miscellaneous Revenue	6,229,468.31	267,628.70	6,449,329.20	47,767.81 *
Receipts from Delinquent Taxes	650,000.00		704,997.87	54,997.87

TOWN OF DOVER
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	\$ 12,618,601.22		\$ 12,680,822.45	\$ 62,221.23
Minimum Library Tax	446,168.70		446,168.70	
Budget Totals	20,547,838.23	\$ 267,628.70	20,884,918.22	<u>\$ 69,451.29</u>
Nonbudget Revenue			421,773.85	
	<u>\$ 20,547,838.23</u>	<u>\$ 267,628.70</u>	<u>\$ 21,306,692.07</u>	

TOWN OF DOVER
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Collection of Current Taxes		\$ 28,538,789.38
Allocated to:		
School and County Taxes		16,300,241.33
		12,238,548.05
Add: Appropriation "Reserve for Uncollected Taxes"		888,443.10
		\$ 13,126,991.15
Realized for Support of Municipal Budget		\$ 13,126,991.15
Receipts from Delinquent Taxes:		
Delinquent Taxes Receivable		\$ 704,997.87
		\$ 704,997.87

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:		
Division of Motor Vehicles - Fines	\$	12,245.00
Flea Market Fee/Dover Marketplace		35,695.56
Clerk Miscellaneous Revenue		3,733.80
Morris County Shared Radio Communication		13,925.06
State of New Jersey - Prior Year FEMA		99,449.94
Prudential Dividend		136,867.00
Morris County Municipal Joint Insurance Fund Refund		54,997.11
Housing Authority Refund		11,531.19
Prior Year Refunds		6,600.00
Senior Citizen and Veteran Deductions - Administrative Fee		1,490.96
Other Receipts		31,236.23
		\$ 407,771.85
Due from Animal Control Fund:		
Statutory Excess in Reserve for Animal Control		12,902.00
Tax Collector Miscellaneous Revenue		1,100.00
		\$ 421,773.85
	<u>Interest Earned</u>	
	Current Fund	\$ 9,321.33
	General Capital Fund	14,688.87
		\$ 24,010.20

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operations Within "CAPS":				
GENERAL GOVERNMENT:				
Mayor and Board of Aldermen:				
Salaries and Wages	\$ 52,035.00	\$ 52,035.00	\$ 51,861.05	\$ 173.95
Other Expenses	48,392.00	48,392.00	27,859.23	20,532.77
Administrative and Executive:				
Salaries and Wages	175,709.00	175,709.00	168,151.84	7,557.16
Other Expenses	101,622.00	101,622.00	101,040.77	581.23
Town Clerk:				
Salaries and Wages	125,412.00	125,412.00	125,412.00	
Other Expenses	20,995.00	20,995.00	16,043.25	4,951.75
Financial Administration:				
Salaries and Wages	130,138.00	130,138.00	129,337.95	800.05
Other Expenses	34,495.00	34,495.00	32,414.44	2,080.56
Annual Audit	36,929.00	36,929.00	31,960.00	4,969.00
Assessment of Taxes:				
Salaries and Wages	85,645.00	85,645.00	85,570.72	74.28
Other Expenses	27,203.00	27,203.00	22,189.44	5,013.56
Collection of Taxes:				
Salaries and Wages	64,500.00	64,500.00	58,469.24	6,030.76
Other Expenses	9,735.00	10,735.00	10,569.25	165.75
Legal Services and Costs:				
Legal Fees	115,175.00	150,175.00	130,175.00	20,000.00
Municipal Prosecutor:				
Salaries and Wages	92,580.00	87,580.00	83,999.96	3,580.04

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operations Within "CAPS" (Continued):				
GENERAL GOVERNMENT (Continued):				
Engineering Services and Costs:				
Salaries and Wages	\$ 151,285.00	\$ 151,285.00	\$ 150,852.16	\$ 432.84
Other Expenses	31,062.00	31,062.00	29,670.68	1,391.32
Municipal Land Use Law (N.J.S.A.40:55D-1):				
Planning Board:				
Salaries and Wages	6,170.00	6,170.00	6,170.00	
Other Expenses	7,245.00	7,245.00	5,028.27	2,216.73
Board of Adjustment:				
Salaries and Wages	6,170.00	6,170.00	6,170.00	
Other Expenses	7,435.00	7,435.00	5,863.99	1,571.01
Insurance:				
General Liability	204,052.00	204,052.00	204,052.00	
Workers Compensation	237,000.00	237,000.00	237,000.00	
Employee Group Health	3,349,929.00	3,329,929.00	3,219,356.61	110,572.39
Code Enforcement:				
Salaries and Wages	278,850.00	256,850.00	252,665.01	4,184.99
Other Expenses	6,433.00	6,433.00	3,979.62	2,453.38
PUBLIC SAFETY:				
Police:				
Salaries and Wages	3,887,286.00	3,947,286.00	3,928,132.59	19,153.41
Other Expenses	158,129.00	158,129.00	140,469.52	17,659.48
Shared Services Dispatching:				
Other Expenses	310,500.00	304,018.00	304,018.00	
Office of Emergency Management:				
Salaries and Wages	2,215.00	2,215.00	1,215.00	1,000.00
Other Expenses	7,625.00	2,625.00	980.00	1,645.00
Public Defender:				
Other Expenses	38,500.00	45,150.00	44,619.76	530.24

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS" (Continued):				
PUBLIC SAFETY:				
Uniform Fire Safety Act (P.L. 1983,Ch. 383):				
Salaries and Wages	\$ 101,765.00	\$ 101,765.00	\$ 99,059.22	\$ 2,705.78
Other Expenses	6,888.00	6,888.00	3,558.32	3,329.68
Fire:				
Salaries and Wages	404,780.00	396,780.00	362,957.47	33,822.53
Other Expenses	78,613.00	85,613.00	83,603.17	2,009.83
Municipal Court:				
Salaries & Wages	107,465.00	107,465.00	86,662.25	20,802.75
Other Expenses	67,255.00	67,255.00	66,558.93	696.07
HEALTH & WELFARE:				
Board of Health:				
Salaries and Wages	97,770.00	92,770.00	87,524.35	5,245.65
Other Expenses	109,394.00	84,394.00	69,158.16	15,235.84
Other Expenses Shared Services	44,550.00	44,550.00	44,550.00	
Solid Waste and Recycling:				
Salaries and Wages	86,170.00	90,170.00	88,281.11	1,888.89
Other Expenses	1,074,470.00	1,003,302.00	849,165.55	154,136.45
RECREATION & EDUCATION:				
Shade Trees:				
Salaries and Wages	1,715.00	1,715.00	1,715.00	
Other Expenses	21,684.00	26,684.00	21,715.00	4,969.00
Senior Citizens Transportation:				
Salaries and Wages	38,005.00	38,005.00	37,727.39	277.61
Other Expenses	10,030.00	10,030.00	9,280.82	749.18

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operations Within "CAPS" (Continued):				
RECREATION & EDUCATION:				
Recreation Department:				
Salaries and Wages	\$ 64,920.00	\$ 64,920.00	\$ 58,700.86	\$ 6,219.14
Other Expenses	26,434.00	28,434.00	27,811.83	622.17
Historic Preservation:				
Salaries and Wages	5,760.00	5,760.00	5,760.00	
Other Expenses	5,890.00	5,890.00	2,997.37	2,892.63
STREETS & ROADS:				
Division of Streets and Roads:				
Salaries and Wages	703,170.00	708,170.00	693,062.21	15,107.79
Other Expenses	96,500.00	106,500.00	103,303.56	3,196.44
Division of Sewer Maintenance:				
Salaries and Wages	194,040.00	196,040.00	195,798.00	242.00
Other Expenses	7,268.00	12,268.00	7,293.27	4,974.73
Buildings and Grounds Maintenance Division:				
Salaries and Wages	72,125.00	72,125.00	71,698.32	426.68
Other Expenses	45,838.00	50,838.00	49,391.08	1,446.92
Snow and Ice Removal:				
Salaries and Wages	30,000.00	30,000.00	20,588.62	9,411.38
Other Expenses	70,000.00	90,000.00	87,269.24	2,730.76
State Uniform Construction Code:				
Salaries and Wages	129,020.00	129,020.00	125,209.75	3,810.25
Other Expenses	6,296.00	6,296.00	5,818.40	477.60
Unclassified:				
Utility Expenses & Bulk Purchases	497,000.00	497,000.00	404,313.95	92,686.05
Reserve for Accumulated Absence				
Compensation Salaries & Wages	63,795.00	63,795.00	63,785.22	9.78

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Total Operations Within "CAPS"	<u>\$ 14,079,061.00</u>	<u>\$ 14,079,061.00</u>	<u>\$ 13,449,615.77</u>	<u>\$ 629,445.23</u>
Total Operations Including Contingent Within "CAPS"	<u>14,079,061.00</u>	<u>14,079,061.00</u>	<u>13,449,615.77</u>	<u>629,445.23</u>
Detail:				
Salaries and Wages	7,158,495.00	7,189,495.00	7,046,537.29	142,957.71
Other Expenses	<u>6,920,566.00</u>	<u>6,889,566.00</u>	<u>6,403,078.48</u>	<u>486,487.52</u>
Deferred Charges and Statutory Expenditures - Municipal within "CAPS":				
Statutory Expenditures:				
Contributions to:				
Public Employees' Retirement System	337,044.00	337,044.00	337,044.00	
Social Security System (O.A.S.I.)	352,690.00	352,690.00	316,887.07	35,802.93
Consolidated Police and Firemen's Pension Fund	86.00	86.00	85.64	0.36
Police and Fireman's Retirement System of New Jersey	1,006,218.00	1,006,218.00	1,006,132.00	86.00
Defined Contribution Retirement Program	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,500.00</u>	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,700,538.00</u>	<u>1,700,538.00</u>	<u>1,664,648.71</u>	<u>35,889.29</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>15,779,599.00</u>	<u>15,779,599.00</u>	<u>15,114,264.48</u>	<u>665,334.52</u>

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operations Excluded from "CAPS":				
Rockaway Valley Regional Sewerage Authority Contribution	\$ 1,114,845.00	\$ 1,114,845.00	\$ 1,114,845.00	
Maintenance of Free Public Library (Ch. 82 and 541, P.L. 1985) - Special Emergency (N.J.S.A. 40A:4-54 + \$74,402.71)	446,168.70	520,571.41	517,954.69	\$ 2,616.72
Interlocal Municipal Service Agreements	400,200.00	400,200.00	400,200.00	
Public and Private Programs Offset by Revenue:				
Clean Communities Program	23,732.10	23,732.10	23,732.10	
Small Cities Grants	400,000.00	400,000.00	400,000.00	
Reserve for Recycling Tonnage Grant	17,202.83	17,202.83	17,202.83	
Body Armor Replacement Grant	3,126.99	3,126.99	3,126.99	
Reserve for Housing Rehabilitation	53,188.00	53,188.00	53,188.00	
Drive Sober Grant (N.J.S.A. 40A:4-87 + \$4,400.00)	4,400.00	8,800.00	8,800.00	
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 + \$12,088.15)		12,088.15	12,088.15	
NJ Safer Grant	120,601.00	120,601.00	120,601.00	
NJ DOT Safe Corridor (N.J.S.A. 40A:4-87 + \$49,140.55)		49,140.55	49,140.55	
Baseball Tomorrow Grant (N.J.S.A. 40A:4-87 + \$200,000.00)		200,000.00	200,000.00	
Reserve for Alcohol Rehabilitation Grant	1,132.97	1,132.97	1,132.97	
Municipal Alliance on Alcoholism and Drug Abuse:				
State Share (N.J.S.A. 40A:4-87 + \$2,000.00)	21,758.00	23,758.00	23,758.00	
Local Share	5,439.50	5,439.50	5,439.50	
Total Operations Excluded from "CAPS"	2,611,795.09	2,953,826.50	2,951,209.78	2,616.72

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operations Excluded from "CAPS" (Continued):				
Detail:				
Other Expenses	<u>\$ 2,611,795.09</u>	<u>\$ 2,953,826.50</u>	<u>\$ 2,951,209.78</u>	<u>\$ 2,616.72</u>
Capital Improvements - Excluded from "CAPS":				
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	
New Jersey Transportation Trust Fund Authority Act	<u>130,000.00</u>	<u>130,000.00</u>	<u>130,000.00</u>	
Total Capital Improvements - Excluded from "CAPS"	<u>180,000.00</u>	<u>180,000.00</u>	<u>180,000.00</u>	

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Municipal Debt Service Excluded from "CAPS":				
Payment of Bond Principal	\$ 805,000.00	\$ 805,000.00	\$ 805,000.00	
Payment of Bond Anticipation Notes	78,050.00	78,050.00	78,050.00	
Interest on Bonds	78,305.00	78,305.00	78,305.00	
Interest on Notes	57,923.00	57,923.00	57,923.00	
Capital Lease:				
Principal	28,089.62	28,089.62	28,089.62	
Interest	633.42	633.42	633.42	
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,048,001.04</u>	<u>1,048,001.04</u>	<u>1,048,001.04</u>	
Deferred Charges - Municipal - Excluded from "CAPS"				
Special Emergency Authorizations - 5 Years	<u>40,000.00</u>	<u>40,000.00</u>	<u>40,000.00</u>	
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>40,000.00</u>	<u>40,000.00</u>	<u>40,000.00</u>	
Total General Appropriations Excluded from "CAPS"	<u>3,879,796.13</u>	<u>4,221,827.54</u>	<u>4,219,210.82</u>	<u>\$ 2,616.72</u>
Subtotal General Appropriations	19,659,395.13	20,001,426.54	19,333,475.30	667,951.24
Reserve for Uncollected Taxes	<u>888,443.10</u>	<u>888,443.10</u>	<u>888,443.10</u>	
Total General Appropriations	<u>\$ 20,547,838.23</u>	<u>\$ 20,889,869.64</u>	<u>\$ 20,221,918.40</u>	<u>\$ 667,951.24</u>

Ref.

A

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Analysis of Paid or Charged</u>
Adopted Budget		\$ 20,547,838.23	
Added by:			
N.J.S.A. 40A:4-87		267,628.70	
Special Emergency Authorizations N.J.S.A. 40A: 4-54		74,402.71	
		<u>\$ 20,889,869.64</u>	
Cash Disbursed			\$ 18,474,064.97
Reserve for Uncollected Taxes			888,443.10
Deferred Charges - Special Emergency			40,000.00
Reserve for Library Damages			74,402.71
Encumbrances	A		264,328.60
Transfer to Appropriated Grant Reserves:			
Federal and State Grants			1,042,770.59
Local Matching Funds			5,439.50
			<u>20,789,449.47</u>
Less: Appropriation Refunds			<u>567,531.07</u>
			<u>\$ 20,221,918.40</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
COUNTY OF MORRIS
2013
TRUST FUNDS

TOWN OF DOVER
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 33,893.80	\$ 28,071.82
		<u>33,893.80</u>	<u>28,071.82</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	803,124.36	643,577.75
Due from Current Fund - Recycling Trust Fund	A	164.00	484.00
Due from Current Fund - Tax Sale Premiums	A		100,000.00
		<u>803,288.36</u>	<u>744,061.75</u>
<u>TOTAL ASSETS</u>		<u>\$ 837,182.16</u>	<u>\$ 772,133.57</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 5.40	\$ 2.40
Due to Current Fund	A	12,902.00	5,647.42
Reserve for Animal Control Fund Expenditures	B-6	20,986.40	22,422.00
		<u>33,893.80</u>	<u>28,071.82</u>
Other Trust Funds:			
Reserve for:			
Other Deposits		352,435.47	345,338.02
Recycling Trust Fund		2,851.49	46,835.82
Forfeited Assets Deposits		50,222.02	48,675.38
Fire Penalty Fees		16,574.43	13,924.43
Recreation		26,199.35	37,185.82
Historical Preservation		6,414.00	5,224.00
Accumulated Absences		276.34	276.34
Tax Sale Premiums		317,100.00	215,900.00
Unemployment Compensation		31,215.26	30,701.94
		<u>803,288.36</u>	<u>744,061.75</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 837,182.16</u>	<u>\$ 772,133.57</u>

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER

COUNTY OF MORRIS

2013

GENERAL CAPITAL FUND

TOWN OF DOVER
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	December 31,	
		<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 2,132,910.48	\$ 2,517,196.39
Deferred Charges to Future Taxation:			
Funded		6,028,000.00	2,128,089.62
Unfunded	C-4	57,928.00	3,861,978.00
<u>TOTAL ASSETS</u>		<u>\$ 8,218,838.48</u>	<u>\$ 8,507,264.01</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 6,028,000.00	\$ 2,100,000.00
Bond Anticipation Notes Payable	C-7		3,861,529.00
Morris County Improvement Authority Lease Payable	C-9		28,089.62
Improvement Authorizations:			
Funded	C-5	1,359,439.01	233,007.04
Unfunded	C-5	57,928.00	1,906,468.42
Capital Improvement Fund	C-6		3,000.00
Downpayments on Improvements	C-6A	792.20	792.20
Due Current Fund	A	5,113.25	
Due Parking Utility Capital Fund	E	20.00	
Reserve to Pay Debt Service		2,750.56	202,750.56
Encumbrances Payable		737,588.43	145,240.65
Fund Balance	C-1	27,207.03	26,386.52
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 8,218,838.48</u>	<u>\$ 8,507,264.01</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 26,386.52
Increased by:		
Premium Received on Sale of Bond Anticipation Notes		\$ 25,735.06
Cancellation of Funded Ordinances		<u>424,085.45</u>
		<u>449,820.51</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>449,000.00</u>
Balance December 31, 2013	C	<u>\$ 27,207.03</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER

COUNTY OF MORRIS

2013

WATER UTILITY FUND

TOWN OF DOVER
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 521,579.90	\$ 560,358.25
Collector's Change Fund		100.00	100.00
Due from Water Utility Capital Fund	D		805.43
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	121,037.86	89,223.56
Inventory	D-7	68,481.34	68,481.34
Total Receivables and Inventory with Full Reserves		<u>189,519.20</u>	<u>157,704.90</u>
Total Operating Fund		<u>711,199.10</u>	<u>718,968.58</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	1,145,362.70	418,431.02
Bond Sale Premium Receivable		10,358.47	
New Jersey Department of Transportation Receivable		97,491.57	98,729.07
New Jersey Infrastructure Trust Loan Receivable			339,295.00
Fixed Capital	D-8	7,565,463.15	7,565,463.15
Fixed Capital Authorized and Uncompleted	D-9	4,400,214.16	3,900,214.16
Total Capital Fund		<u>13,218,890.05</u>	<u>12,322,132.40</u>
<u>TOTAL ASSETS</u>		<u>\$ 13,930,089.15</u>	<u>\$ 13,041,100.98</u>

TOWN OF DOVER
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Unencumbered	D-3;D-10	\$ 156,471.91	\$ 255,499.39
Encumbered	D-3;D-10	51,653.84	4,937.28
Total Appropriation Reserves		<u>208,125.75</u>	<u>260,436.67</u>
Prepaid Water Rents		3,603.64	3,157.10
Accrued Interest on Bonds		37,112.62	40,754.91
Accrued Interest on Notes			805.43
		<u>248,842.01</u>	<u>305,154.11</u>
Reserve for Receivables and Inventory	D	189,519.20	157,704.90
Fund Balance	D-1	<u>272,837.89</u>	<u>256,109.57</u>
Total Operating Fund		<u>711,199.10</u>	<u>718,968.58</u>
Capital Fund:			
Serial Bonds Payable	D-14	3,066,575.00	2,470,575.00
Bond Anticipation Notes Payable	D-15		270,750.00
NJEIT Loans Payable	D-16	507,203.43	535,466.13
Due Water Utility Operating Fund	D		805.43
Improvement Authorizations:			
Funded	D-11	1,203,989.70	803,560.72
Unfunded	D-11	106,641.57	315,012.94
Capital Improvement Fund	D-12	31,773.48	6,773.48
Reserve for:			
Receivables		97,491.57	98,729.07
Amortization		7,785,088.03	7,611,088.03
Deferred Amortization	D-13	237,455.00	207,954.80
To Pay Debt Service		170,897.00	
Fund Balance	D-1A	<u>11,775.27</u>	<u>1,416.80</u>
Total Capital Fund		<u>13,218,890.05</u>	<u>12,322,132.40</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 13,930,089.15</u>	<u>\$ 13,041,100.98</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2013	2012
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 100,000.00	
Rents		2,422,794.23	\$ 2,490,598.51
Miscellaneous Revenue Anticipated		30,721.61	16,718.58
Other Credits to Income:			
Appropriation Reserves Lapsed		172,242.30	103,722.97
Accrued Interest on Notes Cancelled		805.43	
		<u>2,726,563.57</u>	<u>2,611,040.06</u>
<u>Total Income</u>			
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,981,019.00	1,904,366.50
Capital Improvement Fund		25,000.00	14,250.00
Debt Service		374,973.25	370,902.88
Deferred Charges and Statutory Expenditures		103,843.00	97,997.00
		<u>2,484,835.25</u>	<u>2,387,516.38</u>
<u>Total Expenditures</u>			
Excess in Revenue		241,728.32	223,523.68
<u>Fund Balance</u>			
Balance January 1	D	256,109.57	157,585.89
		497,837.89	381,109.57
Decreased by:			
Utilized as Anticipated Revenue		100,000.00	
Utilized as Anticipated Revenue - Current Fund		125,000.00	125,000.00
		<u>272,837.89</u>	<u>256,109.57</u>
Balance December 31	D	\$ 272,837.89	\$ 256,109.57

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 1,416.80
Increased by:		
Premium on Sale of Bond Anticipation Notes		<u>10,358.47</u>
Balance December 31, 2013	D	<u>\$ 11,775.27</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit*</u>
Fund Balance Anticipated	\$ 100,000.00	\$ 100,000.00	
Water Rents	2,390,000.00	2,422,794.23	\$ 32,794.23
Miscellaneous Revenue	7,844.00	30,721.61	22,877.61
	<u>\$ 2,497,844.00</u>	<u>\$ 2,553,515.84</u>	<u>\$ 55,671.84</u>

Analysis of Water Rents Revenue:

Cash Received	\$ 2,419,637.13
Prepaid Rents Applied	<u>3,157.10</u>
	<u>\$ 2,422,794.23</u>

Analysis of Miscellaneous Revenue:

Water Collector:	
Copy Fees	\$ 467.00
Miscellaneous	<u>25,136.28</u>
	25,603.28

Treasurer:

Interest on Investments	3,066.74
Interest on Investments - Water Capital Fund	<u>2,051.59</u>
	<u>\$ 30,721.61</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 731,150.00	\$ 731,150.00	\$ 629,633.64	\$ 101,516.36	
Other Expenses	1,249,869.00	1,249,869.00	1,199,822.26	50,046.74	
Capital Improvements:					
Capital Improvement Fund	25,000.00	25,000.00	25,000.00		
Debt Service:					
Payment of Bond Principal	215,000.00	215,000.00	215,000.00		
Interest on Bonds	119,566.00	119,566.00	106,557.89		\$ 13,008.11
Interest on Notes	4,820.00	4,820.00	4,820.00		
NJEIT Principal and Interest	48,596.00	48,596.00	48,595.36		0.64
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	49,993.00	49,993.00	49,993.00		
Social Security System (O.A.S.I.)	49,050.00	49,050.00	44,141.19	4,908.81	
Unemployment Compensation Insurance	1,600.00	1,600.00	1,600.00		
State Disability Insurance	3,200.00	3,200.00	3,200.00		
	<u>\$ 2,497,844.00</u>	<u>\$ 2,497,844.00</u>	<u>\$ 2,328,363.34</u>	<u>\$ 156,471.91</u>	<u>\$ 13,008.75</u>
				D	
Cash Disbursed			\$ 2,242,735.10		
Encumbrances			51,653.84		
Accrued Interest on Bonds			106,557.89		
			<u>2,400,946.83</u>		
Less: Appropriation Refunds			72,583.49		
			<u>\$ 2,328,363.34</u>		

Ref.

D

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER

COUNTY OF MORRIS

2013

PARKING UTILITY FUND

TOWN OF DOVER
PARKING UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-4	\$ 229,662.20	\$ 248,343.27
Due from Parking Capital Fund	E		9,672.24
Total Operating Fund		<u>229,662.20</u>	<u>258,015.51</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	57,163.62	64,355.86
Due General Capital Fund	C	20.00	
Fixed Capital	E-6	610,815.40	610,815.40
Fixed Capital Authorized and Uncompleted	E-7	910,614.00	910,614.00
Total Capital Fund		<u>1,578,613.02</u>	<u>1,585,785.26</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,808,275.22</u>	<u>\$ 1,843,800.77</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Unencumbered	E-3;E-8	\$ 38,460.30	\$ 21,851.63
Encumbered	E-3;E-8	16,872.18	31,251.74
Total Appropriation Reserves		<u>55,332.48</u>	<u>53,103.37</u>
Prepaid Parking Decals		6,073.00	2,130.00
Accrued Interest on Notes			9,672.24
Accrued Interest on Bonds		9,672.24	
		<u>71,077.72</u>	<u>64,905.61</u>
Fund Balance	E-1	<u>158,584.48</u>	<u>193,109.90</u>
Total Operating Fund		<u>229,662.20</u>	<u>258,015.51</u>
Capital Fund:			
Serial Bonds Payable	E-12	791,000.00	
Bond Anticipation Notes Payable	E-13		806,020.00
Due Parking Operating Fund	E		9,672.24
Improvement Authorizations:			
Funded	E-9	22,604.53	315.44
Unfunded	E-9		22,289.09
Capital Improvement Fund	E-10	29,783.23	27,283.23
Reserves For:			
Amortization		625,815.40	625,815.40
Deferred Amortization	E-11	104,614.00	89,594.00
Fund Balance	E-1A	4,795.86	4,795.86
Total Capital Fund		<u>1,578,613.02</u>	<u>1,585,785.26</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 1,808,275.22</u>	<u>\$ 1,843,800.77</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
PARKING UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	<u>Year Ended December 31,</u>	
		<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>			
Revenue - Parking Meters		\$ 267,238.03	\$ 275,984.44
Miscellaneous		57,299.74	103,923.72
Other Credits to Income:			
Appropriation Reserves Lapsed		<u>5,067.81</u>	<u>23,783.87</u>
Total Income		<u>329,605.58</u>	<u>403,692.03</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		218,382.00	182,361.00
Capital Improvements		2,500.00	2,500.00
Payment of Bond Anticipation Note		15,000.00	15,000.00
Interest on Notes		12,091.00	13,596.35
Statutory Expenditures		<u>16,158.00</u>	<u>15,600.00</u>
Total Expenditures		<u>264,131.00</u>	<u>229,057.35</u>
Excess in Revenue		65,474.58	174,634.68
<u>Fund Balance</u>			
Balance January 1	E	<u>193,109.90</u>	<u>118,475.22</u>
		258,584.48	293,109.90
Decreased by:			
Prior Year Fund Balance Anticipated as			
Current Fund Revenue		<u>100,000.00</u>	<u>100,000.00</u>
Balance December 31	E	<u>\$ 158,584.48</u>	<u>\$ 193,109.90</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2012	E	<u>\$ 4,795.86</u>
Balance December 31, 2013	E	<u><u>\$ 4,795.86</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Revenue - Parking Meters	\$ 200,000.00	\$ 267,238.03	\$ 67,238.03
Miscellaneous	<u>64,131.00</u>	<u>57,299.74</u>	<u>6,831.26 *</u>
	<u>\$ 264,131.00</u>	<u>\$ 324,537.77</u>	<u>\$ 60,406.77</u>

Analysis of Miscellaneous Revenue:

Collector:

Parking Agreements	\$ 14,333.00
Parking Permits - Decals	41,855.00
Prepaid Parking Decals Applied	2,130.00
Interest	<u>1,140.74</u>
	57,328.74

Less:

Refunds	<u>29.00</u>
	<u>\$ 57,299.74</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Appropriations</u>		<u>Expended by</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 98,810.00	\$ 98,810.00	\$ 87,412.71	\$ 11,397.29
Other Expenses	119,572.00	119,572.00	94,226.31	25,345.69
Capital Improvements:				
Capital Improvement Fund	2,500.00	2,500.00	2,500.00	
Debt Service:				
Payment of Bond Anticipation Note	15,000.00	15,000.00	15,000.00	
Interest on Notes	12,091.00	12,091.00	12,091.00	
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	8,333.00	8,333.00	8,333.00	
Social Security System (O.A.S.I.)	6,885.00	6,885.00	5,167.68	1,717.32
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	400.00	400.00	400.00	
Workers Compensation Insurance	540.00	540.00	540.00	
	<u>\$ 264,131.00</u>	<u>\$ 264,131.00</u>	<u>\$ 225,670.70</u>	<u>\$ 38,460.30</u>
				E
Cash Disbursed			\$ 208,798.52	
Encumbrances	E		<u>16,872.18</u>	
			<u>\$ 225,670.70</u>	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER

COUNTY OF MORRIS

2013

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWN OF DOVER
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>ASSETS</u>	December 31,	
	2013	2012
Land	\$ 4,105,200.00	\$ 4,105,200.00
Buildings	2,326,500.00	2,326,500.00
Machinery and Equipment	8,281,019.79	7,767,039.10
 <u>TOTAL ASSETS</u>	<u>\$ 14,712,719.79</u>	<u>\$ 14,198,739.10</u>
 <u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 14,712,719.79	\$ 14,198,739.10
 <u>TOTAL RESERVES</u>	<u>\$ 14,712,719.79</u>	<u>\$ 14,198,739.10</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Town of Dover include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Town of Dover, as required by N.J.S. 40A:5-5.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Town of Dover conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 of Dover accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of 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 Account Group - These accounts were established with estimated values of land, buildings and certain fixed assets of the Town as discussed in Note 1E.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Grant revenue is realized in the Operating Funds when it is budgeted and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

The cash basis of accounting is followed in the Trust Funds.

Had the Town's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded or budgeted; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Utility Capital Funds would be depreciated.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget or collecting a grant. The unfunded deferred charge may also be funded by selling bonds and by issuing loans or capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets, except for the Water Utility Operating Fund. The value of inventory is offset by a reserve.

General Fixed Assets Account Group - General fixed assets are recorded at historical value as estimated by the independent appraisal company which conducted an inventory of the Town's equipment during 2001 plus the cost of any additions since 2001 except for land (which is recorded at the 1987 assessed value) and buildings (which are recorded at historical cost). Infrastructure assets are not included in general fixed assets, as per state directive.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

General Fixed Assets Account Group (Cont'd) – Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current, General Capital, Water Utility and Parking Utility Funds. The values recorded in the General Fixed Assets Account Group and the Current, General Capital, Water Utility and Parking Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements. The Utility Funds do not record depreciation on fixed assets.

Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current, Water Utility Operating and Parking Utility Operating Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Town during the year.

Note 2: Long-Term Debt

Summary of Municipal Debt

The Local Bond Law governs the issuance of bond to finance general Town capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Town are general obligation bonds. The Town's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt (Cont'd)

	December 31,		
	2013	2012	2011
<u>Issued</u>			
General:			
Bonds and Notes	\$ 6,028,000.00	\$ 5,989,618.62	\$ 4,604,053.17
Water Utility:			
Bonds and Loans	3,573,778.43	3,276,791.13	3,249,303.83
Parking Utility:			
Bonds and Notes	791,000.00	806,020.00	821,020.00
Total Issued	<u>10,392,778.43</u>	<u>10,072,429.75</u>	<u>8,674,377.00</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	57,928.00	449.00	857,349.00
Water Utility:			
Bonds and Notes	369,355.85	369,843.35	377,848.35
Total Authorized but not Issued	<u>427,283.85</u>	<u>370,292.35</u>	<u>1,235,197.35</u>
Less: Reserve to Pay Debt Service	<u>2,750.56</u>		
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 10,817,311.72</u>	<u>\$ 10,442,722.10</u>	<u>\$ 9,909,574.35</u>

Summary of Municipal Debt Issued and Outstanding

Summary of Municipal Debt Issued and Outstanding - Current Year

	Balance 12/31/2012	Additions	Defeased	Retirements	Balance 12/31/2013
Serial Bonds Payable:					
General Capital Fund	\$ 2,100,000.00	\$4,733,000.00		\$ 805,000.00	\$ 6,028,000.00
Water Utility Fund	2,470,575.00	2,495,000.00	\$1,684,000.00	215,000.00	3,066,575.00
Parking Utility Fund		791,000.00			791,000.00
Lease Payable:					
General Capital Fund	28,089.62			28,089.62	
Loan Payable:					
Water Utility Fund	535,466.13			28,262.70	507,203.43
Bond Anticipation Notes Payable:					
General Capital Fund	3,861,529.00			3,861,529.00	
Water Utility Fund	270,750.00			270,750.00	
Parking Utility Fund	806,020.00			806,020.00	
Total	<u>\$ 10,072,429.75</u>	<u>\$8,019,000.00</u>	<u>\$1,684,000.00</u>	<u>\$6,014,651.32</u>	<u>\$ 10,392,778.43</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Prior Year				
	Balance 12/31/2011	Additions	Retirements	Balance 12/31/2012
Serial Bonds Payable:				
General Capital Fund	\$ 2,885,000.00		\$ 785,000.00	\$ 2,100,000.00
Water Utility Fund	2,685,575.00		215,000.00	2,470,575.00
Lease Payable:				
General Capital Fund	82,424.17		54,334.55	28,089.62
Loan Payable:				
Water Utility Fund	563,728.83		28,262.70	535,466.13
Bond Anticipation Notes Payable:				
General Capital Fund	1,636,629.00	\$ 5,498,158.00	3,273,258.00	3,861,529.00
Water Utility Fund		270,750.00		270,750.00
Parking Utility Fund	821,020.00	1,612,040.00	1,627,040.00	806,020.00
Total	\$ 8,674,377.00	\$ 7,380,948.00	\$ 5,982,895.25	\$ 10,072,429.75

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .438%.

	Gross Debt	Deductions	Net Debt
Local School Debt	\$ 7,380,000.00	\$ 7,380,000.00	
Water Utility Debt	3,942,384.73	3,942,384.73	
Parking Utility Debt	791,000.00	791,000.00	
General Debt	6,085,928.00	2,750.56	\$ 6,083,177.44
	\$ 17,408,312.73	\$ 11,325,135.29	\$ 6,083,177.44

Net Debt \$6,083,177.44 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,387,961,822.67 = .438%.

Borrowing Power Under N.J.S. 40A:2-6 As Amended

3-1/2% Average Equalized Valuation of Real Property	\$ 48,578,663.81
Net Debt	6,083,177.44
Remaining Borrowing Power	\$ 42,495,486.37

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,554,321.27
Deductions:		
Operating and Maintenance Costs	\$ 2,084,862.00	
Debt Service	374,973.25	
Total Deductions		2,459,835.25
Excess in Revenue		\$ 94,486.02

Calculation of "Self-Liquidating Purpose", Parking Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 324,537.77
Deductions:		
Operating and Maintenance Costs	\$ 234,540.00	
Debt Service	27,091.00	
Total Deductions		261,631.00
Excess in Revenue		\$ 62,906.77

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

The Town's debt issued and outstanding on December 31, 2013 is described as follows:

General Capital Serial Bonds

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding Dec. 31, 2013</u>
General Improvement	10/15/19	3.75% - 4.00%	\$ 1,295,000.00
General Improvement	09/15/23	2.00%-3.250%	4,733,000.00
			\$ 6,028,000.00

Water Utility Capital Serial Bonds

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding Dec. 31, 2013</u>
Water Improvements	07/15/19	4.90%	\$ 571,575.00
Water Improvements	9/15/28	2.00%-3.25%	770,000.00
Water Refunding Bond	9/1/23	2.00%-3.00%	1,725,000.00
			\$ 3,066,575.00

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Town's debt issued and outstanding on December 31, 2013 is described as follows:
(Cont'd)

<u>Parking Utility Capital Serial Bonds</u>			
<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding Dec. 31, 2013</u>
Parking Improvements	9/15/2028	2.00%-3.250%	\$ 791,000.00
			<u>\$ 791,000.00</u>
<u>Water Utility Capital Loan Payable</u>			
<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding Dec. 31, 2012</u>
Various Improvements to the Water Department	8/1/2029	3.00%-5.00%	\$ 507,203.43
TOTAL DEBT ISSUED AND OUTSTANDING			<u><u>\$ 10,392,778.43</u></u>

New Jersey Department of Environmental Protection Loan Payable –

A loan agreement was entered into with the New Jersey Department of Environmental Protection in 2010 for various improvements to the water department. The loan is payable over 20 years and the original principal amount of the loan was \$607,500.

Morris County Improvement Authority Lease Payable

On May 30, 2007, the Town of Dover entered into a lease agreement with the Morris County Improvement Authority in the amount of \$341,568.35. The lease was to fund existing ordinances in the amount of \$434,242, for the purchase of a street sweeper and an EMS vehicle. Principal payments to the Improvement Authority commenced December 21, 2006 and continued on a semiannual basis over 7 years.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonded Debt, Loans and Leases Payable Issued and Outstanding

Calendar Year	General Capital Fund		
	Principal	Interest	Total
2014	\$ 530,000.00	\$ 173,010.00	\$ 703,010.00
2015	545,000.00	158,735.00	703,735.00
2016	570,000.00	144,160.00	714,160.00
2017	590,000.00	128,910.00	718,910.00
2018	610,000.00	112,710.00	722,710.00
2019-2023	3,183,000.00	293,600.00	3,476,600.00
	<u>\$ 6,028,000.00</u>	<u>\$ 1,011,125.00</u>	<u>\$ 7,039,125.00</u>

Calendar Year	Water Utility Capital Fund		
	Principal	Interest	Total
2014	\$ 313,262.70	\$ 92,632.87	\$ 405,895.57
2015	313,262.70	95,559.68	408,822.38
2016	313,262.70	86,609.68	399,872.38
2017	313,262.70	76,409.68	389,672.38
2018	313,262.70	66,109.68	379,372.38
2019-2023	1,457,888.50	190,109.68	1,647,998.18
2024-2028	516,313.50	41,975.00	558,288.50
2029	33,262.93	400.00	33,662.93
	<u>\$ 3,573,778.43</u>	<u>\$ 649,806.27</u>	<u>\$ 4,223,584.70</u>

Calendar Year	Parking Utility Capital Fund		
	Principal	Interest	Total
2014	\$ 40,000.00	\$ 22,045.00	\$ 62,045.00
2015	40,000.00	21,245.00	61,245.00
2016	45,000.00	20,445.00	65,445.00
2017	45,000.00	19,545.00	64,545.00
2018	50,000.00	18,645.00	68,645.00
2019-2023	275,000.00	73,825.00	348,825.00
2024-2028	296,000.00	28,600.00	324,600.00
	<u>\$ 791,000.00</u>	<u>\$ 204,350.00</u>	<u>\$ 995,350.00</u>

Note 3: Fund Balances Appropriated

As of the date of this report, the budget for 2014 has not been introduced. Thus, the amount of fund balance at December, 31, 2013, which will be included in the Current Fund, Water Utility Operating Fund and Parking Utility Operating Fund budgets for the year ending December 31, 2014, is not known at this time.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 4: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Town of Dover has elected not to defer school taxes.

Note 5: Pension Plans

Current Town employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers the PERS and the PFRS which cover substantially all Town employees. As a general rule, all full-time employees are eligible to join the PERS or the PFRS. However, if an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. Several retired Town police and firemen are enrolled in the Consolidated Police and Firemen's Pension Fund (CPFPPF) of New Jersey.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 each of the above systems, funds and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.64% of base salary effective July 1, 2012 and increased to 6.78% effective July 1, 2013. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in the PERS, PFRS and CPFPPF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits for PERS and PFRS. Employee contributions remained at 5.5% for DCRP. 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

Town contributions to PERS amounted to \$395,370, \$387,886.00 and \$425,696.00 for 2013, 2012 and 2011 respectively.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 5: Pension Plans

Town contributions for PFRS amounted to \$1,006,132.00, \$992,990.00 and \$1,004,597.00 for 2013, 2012 and 2011 respectively.

The employer contributions for the DCRP for the years ended December 31, 2013, 2012 and 2011 were \$4,500.00, \$4,500.00 and \$2,554.32, respectively.

Note 6: Accrued Sick and Vacation Benefits

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. It is estimated that the current cost of such unpaid compensation would approximate \$850,806.28. 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. This amount is partially funded in the Reserve for Accumulated Absences of \$276.34 on the Trust Funds balance sheet at December 31, 2013.

Note 7: Supplemental Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1.

A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	\$ 1.99	\$ 1.96	\$ 1.88
<u>Apportionment of Tax Rate</u>			
Municipal	0.88	0.85	0.80
County	0.23	0.24	0.23
Local School	0.87	0.87	0.85
<u>Assessed Valuations</u>			
2013	<u>\$ 1,478,210,300.00</u>		
2012		<u>\$ 1,492,435,800.00</u>	
2011			<u>\$ 1,517,017,200.00</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 7: Supplemental Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$ 29,394,612	\$ 28,538,789	97.08%
2012	29,248,732	28,447,242	97.25%
2011	28,600,057	27,716,529	96.91%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents

Cash and cash equivalents include change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Town classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Town in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Town ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Town limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed on the following pages.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Deposits (Cont'd)

The market value of the collateral must equal 5% of the average daily balance of public funds; and

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Town to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) 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;
- (4) 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;
- (5) 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;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (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 as defined in statute; and

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2013, cash and cash equivalents of the Town of Dover consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Totals</u>
Current	\$ 645.00	\$ 3,106,659.40	\$ 3,107,304.40
Animal Control		33,893.80	33,893.80
Other Trust		803,124.36	803,124.36
General Capital		2,132,910.48	2,132,910.48
Water Utility Operating	100.00	521,579.90	521,679.90
Water Utility Capital		1,145,362.70	1,145,362.70
Parking Utility Operating		229,662.20	229,662.20
Parking Utility Capital		57,163.62	57,163.62
	<u>\$ 745.00</u>	<u>\$ 8,030,356.46</u>	<u>\$ 8,031,101.46</u>

The carrying amount of the Town's cash and cash equivalents at year end was \$8,031,101.46 and the bank balance was \$8,067,050.58.

Note 9: Post-Retirement Medical/Dental Benefits

The Town of Dover provides post-retirement benefits, as follows, to Town employees who meet the following criteria:

Upon retirement, full time employees with twenty-five (25) years in the state Pension Plan at age fifty-five (55) or with twenty (20) years in the state Pension Plan at age sixty (60) will receive full hospitalization, medical and prescription benefits which will cover the retiring employees and their families.

Funding Policy

The Town is not required to nor does it contribute the annual required contribution (ARC) per N.J.S.A. 40A:4-1 et. seq. There is currently no provision under State statute for the Town to accrue funds, create a trust or issue debt to finance their other post employment benefit ("OPEB") liability.

Currently, there are no contribution requirements of plan members.

The Town's portion of post retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. As of December 31, 2011, there were 85 participants receiving retiree benefits, and 104 active participants of whom 4 are eligible to retire as of the valuation date. The average age of the active population is 47 and the average age of the retiree population is 68. Those hired on or after January 1, 2009 are not eligible for retiree benefits.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 9: Post-Retirement Medical/Dental Benefits (Cont'd)

The Town accounts for certain post-employment health care benefits provided in accordance with Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Employers that participate in *single-employer* or *agent multiple-employer defined benefit* OPEB plans (sole and agent employers) are required to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting. Annual OPEB cost is equal to the employer's annual required contribution to the plan (ARC), with certain adjustments if the employer has a net OPEB obligation for past under- or over contributions.

The ARC is defined as the employer's required contributions for the year, calculated in accordance with certain parameters, and includes (a) the normal cost for the year and (b) a component for amortization of the total unfunded actuarial accrued liabilities (or funding excess) of the plan over a period not to exceed thirty years. If the methods and assumptions used in determining a plan's funding requirements meet the parameters, the same methods and assumptions are required for financial reporting by both a plan and its participating employer(s). However, if a plan's method of financing does not meet the parameters (for example, the plan is financed on a pay-as-you-go basis), the parameters nevertheless apply for financial reporting purposes.

The Town as a sole employer should recognize OPEB expense in an amount equal to annual OPEB cost. Net OPEB obligations, if any, should be displayed as liabilities (or assets) in the financial statements.

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 the post-employment health care benefits as detailed below.

The Town provides medical, prescription drug, and dental to retirees and their covered dependents that meet the appropriate requirements. The Town provides Medicare Part B reimbursement 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 will receive these benefits. As of February 1, 2009, new hires are no longer eligible for lifetime post employment health care benefits. As of December 31, 2011, the valuation date, approximately 85 retirees and surviving spouses, and 104 active members meet the eligibility requirements put forth in P.L. 1992, c 126. The Town sponsors and participates in a single-employer defined benefit OPEB plan. The OPEB plan is administered by the Town and does not issue a stand-alone financial statement.

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

- Retires after 25 years or more of service credit in a New Jersey State retirement system and with at least 10 years of service with the Town of Dover, or
- Retires at age 60 or older with at least 20 years of service with the Town of Dover, or
- Retires at age 55 or older with at least 25 years of service with the Town of Dover

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 20 years of service as of 5/21/10, the Town will reimburse 100% of eligible Policemen's Benevolent Association and Superior Officer Association retiree's Medicare Part B premiums.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 9: Post-Retirement Medical/Dental (Cont'd)

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer. The Town engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial accrued liabilities over a period not to exceed 30 years, with an assumption that payroll increases by 4% per year.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage. Finally, demographic assumptions include probabilities concerning retirement, mortality, termination without being eligible for benefits, disability, participation rates and coverage levels were based on those used to value the New Jersey State Health Benefits Program. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. .

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the 2011 actuarial valuation, the projected unit credit cost method was used. Under this method, the present value of benefits was allocated uniformly over an employee's expected working lifetime.

The actuarial assumptions per the 2011 valuation include a 2.50% anticipated rate of return on investments. For medical benefits, the initial rate utilized is 9.0% or 8.0% (depending on medical plan) and decreases to a 5.0% long-term trend rate for all medical benefits after 10 years. For prescription drug benefits, the initial trend rate is 10.0%, decreasing to a 5.0% long-term trend rate after 10 years. For Medicare Part B reimbursements, the trend rate is 5.0%.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 9: Post-Retirement Medical/Dental (Cont'd)

Annual OPEB Cost per Actuarial Valuation

The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contribution to the plan and the Town's obligation to the Plan at December 31, 2011, 2012 and 2013:

Benefit Obligations and Normal Cost

	Valuation December 31,		
	2011	2012	2013
Actuarial accrued liability (AAL)	\$ 51,500,916	N/A	N/A
Unfunded actuarial accrued liability (UAAL)	\$ 51,500,916	N/A	N/A
Normal cost at beginning of year	\$ 3,776,900	N/A	N/A
Amortization factor based on 30 years	\$ 3,161,721	N/A	N/A
Annual covered payroll	N/A	N/A	N/A
UAAL as a percentage of covered payroll	N/A	N/A	N/A

Since it has fewer than 200 plan members, the Town follows the three year rotation cycle. The tables above and below indicates N/A in the year when the valuation report was not available.

Level Dollar Amortization

Calculation of ARC under Projected Unit Credit Cost Method

ARC normal cost with interest to end of year	\$ 1,349,627	N/A	N/A
(UAAL) over 30 years with interest at year end	3,161,721	N/A	N/A
Annual Required Contribution (ARC)	4,511,348		
Interest on net OPEB obligation			
Adjustment to ARC			
Annual OPEB cost (expense)	4,511,348		
Pay as you go benefits			
Net OPEB expense at June 30,:			
2011, 2012 and 2013, respectively	4,511,348		
Prior year	5,962,800	N/A	N/A
Net OPEB obligation June 30,:			
2011, 2012 and 2013, respectively	10,474,148	N/A	N/A
Unfunded actuarial accrued liability (December 31, 2011)		\$ 51,500,916	N/A
Unfunded actuarial accrued liability (December 31, 2012)		N/A	N/A
Projected unfunded actuarial accrued liability (December 31, 2013)		N/A	N/A

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 10: 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.

Property, Liability and Workers' Compensation

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

The Municipal Excess Liability Joint Insurance Fund also offers Public Officials' Liability 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.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 10: Risk Management (Cont'd)

The December 31, 2013 audit report for the Fund is not filed as of the date of this audit. Selected, summarized financial information for the Morris County Municipal Joint Insurance Fund as of December 31, 2012 is as follows:

	<u>Morris County Municipal Joint Insurance Fund</u>
Total Assets	\$ 23,194,903
Net Position	\$ 9,573,823
Total Revenue	\$ 14,615,049
Total Expenses	\$ 16,961,968
Change in Net Position for the Year Ended December 31, 2012	\$ (2,346,919)
Members Dividends	\$ -

Financial statements for the Funds are available at the offices of the Fund's Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 16
Parsippany, NJ 07054
(201) 881-7632

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.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 10: Risk Management (Cont'd)

The December 31, 2013 audit report for the Fund is not filed as of the date of this audit. Selected, summarized financial information for the North Jersey Municipal Employee Benefits Fund as of December 31, 2012 is as follows:

	<u>North Jersey Municipal Employee Benefits Fund</u>
Total Assets	\$ 17,484,472
Total Net Position	\$ 14,745,677
Total Revenue	\$ 39,017,316
Total Expenses	\$ 33,409,538
Change in Net Assets for the Year Ended December 31, 2012	\$ 5,607,778
Members Dividends	\$ 1,200,000

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 16
Parsippany, NJ 07054
(201) 881-7632

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	Town Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2013	\$ 5,740.00	\$ -0-	\$ 30,978.30	\$ 36,204.98	\$ 31,215.26
2012	5,740.00	-	24,051.72	33,336.41	30,701.94
2011	5,727.61	12.39	34,070.95	38,950.44	34,246.63

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(Continued)

Note 11: Contingencies

The Town is periodically involved in lawsuits arising in the normal course of business, including claims for disputes over contract awards. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Town's financial position as of December 31, 2013.

The city of Jersey City is currently a member of the Rockaway Valley Regional Sewerage Authority, as is the Town of Dover. Jersey City has filed a lawsuit to discontinue its membership to the Authority. If the lawsuit is successful and Jersey City is no longer a member, future contributions by the Town of Dover to the RVRSA could be materially impacted. The lawsuit is in its very early stages and the outcome cannot be predicted at this time.

The municipality has been advised that a number of tax appeals have been filed. Potential refunds on tax appeals could be as much as \$120,000. A reserve for pending tax appeals in the amount of \$120,000 has been recorded as a liability as of December 31, 2013.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Town as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Town officials expect such amounts, if any, to be immaterial.

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 18,015.25	\$ 18,928.83
Federal and State Grant Fund	18,764.83	
Animal Control Fund		12,902.00
Other Trust Funds	164.00	
General Capital Fund		5,133.25
Parking Capital Fund	20.00	
	<u>\$ 36,964.08</u>	<u>\$ 36,964.08</u>

There was interfund activity throughout the year in the Town of Dover. A majority of the interfund activity was the forwarding of funds from utilities and trusts to cover expenses in the Current Fund, which subsequently returned those advances prior to year end. Bank interest earned in General Capital Fund and Other Trust Funds were also turned over to the Current Fund prior to the end of the year. The interfund receivable between the Current Fund and the Federal and State Grant Fund is comprised of the excess of grant revenue received in Current Fund and due to the Grant Fund.

The interfund receivable in the Other Trust Fund is due to recycling trust receipts collected in the Current Fund.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
 (Continued)

Note 13: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charge is shown on the balance sheet of the Current Fund:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Required</u> <u>2014 Budget</u> <u>Appropriation</u>	<u>Balance Deferred</u> <u>to Succeeding</u> <u>Years' Budgets</u>
Current Fund:			
Special Emergency Authorization - Hurricane Sandy	\$ 60,000.00	\$ 15,000.00	\$ 60,000.00
Special Emergency Authorization - Hurricane Irene	75,000.00	25,000.00	75,000.00
Special Emergency Authorization - Library Damage	74,402.71	14,880.54	59,522.17
	<u>\$ 209,402.71</u>	<u>\$ 54,880.54</u>	<u>\$ 194,522.17</u>

The amounts appropriated in the 2014 budget will not be less than the amount required by statute.

Note 14: Economic Dependency

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 15: Deferred Compensation

The Town offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, which are administered by the entities noted below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are Nationwide Retirement Solution and Transamerica Life Insurance.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 16: Fixed Assets

The following schedules are a summarization of general fixed assets for the years ended December 31, 2012 and 2013:

	Balance December 31, 2012	Additions	Deletions	Balance December 31, 2013
Land	\$ 4,105,200			\$ 4,105,200
Buildings	2,326,500			2,326,500
Machinery and Equipment	7,767,039	\$ 584,314	\$ 70,334	8,281,019
	<u>\$ 14,198,739</u>	<u>\$ 584,314</u>	<u>\$ 70,334</u>	<u>\$ 14,712,719</u>
	Balance December 31, 2011	Additions	Deletions	Balance December 31, 2012
Land	\$ 4,105,200			\$ 4,105,200
Buildings	2,326,500			2,326,500
Machinery and Equipment	7,778,819	\$ 103,494	\$ 115,274	7,767,039
	<u>\$ 14,210,519</u>	<u>\$ 103,494</u>	<u>\$ 115,274</u>	<u>\$ 14,198,739</u>

TOWN OF DOVER
SUPPLEMENTARY DATA

TOWN OF DOVER
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2013

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
James P. Dodd	Mayor		
Thomas MacDonald	Alderman		
Christine Noriega	Alderman		
Carolyn Blackman	Alderman		
Michael Picciallo	Alderman		
Robert Rutan	Alderman		
Michelle Yzarnotegui	Alderman		
Cindy Romaine	Alderman		
James Visioli	Alderman		
William Close	Administrator	(A)	
Margaret Verga	Town Clerk; Assessment Search Officer	\$ 1,000,000.00	MELJIF
Kelly N. Toohey	Chief Financial Officer; Treasurer	1,000,000.00	MELJIF
Andrea Coroneos	Tax Collector	1,000,000.00	MELJIF
Maria Acuria	Principal Water Cashier	(A)	
Gerard Smith	Magistrate	(A)	
Sonia Barria	Court Administrator	(A)	
Timothy Downs	Town Attorney		
Luis Acevedo	Water Superintendent/DPW Director	(A)	
Andrew Dujack	Water President/Water Commissioner	(A)	
Aldo Cicchetti	Water Commissioner	(A)	

(A) There is a Faithful Performance Blanket Position Bond for \$50,000 with MCMJIF and \$950,000 with MELJIF for employees not separately bonded and \$1,000,000 with MELJIF for those separately bonded.

All bonds were examined and were properly executed.

TOWN OF DOVER

COUNTY OF MORRIS

2013

CURRENT FUND

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 1,967,712.49
Increased by Receipts:		
Tax Collector		\$ 29,986,172.00
Revenue Accounts Receivable		3,204,218.80
Sewer Rents Receivable		1,725,654.94
Prepaid Sewer Rents		839.63
Miscellaneous Revenue Not Anticipated		407,771.85
Interest on Investments and Deposits		9,321.33
Due to/from:		
State of N.J. - Veterans' and Senior Citizens' Deductions		73,086.31
Police Outside Services		173,757.07
Dover Housing Authority		59,963.76
Federal and State Grant Fund:		
Unappropriated Grant Reserves		188,007.58
Grant Funds Receivable		551,640.40
Animal Control Fund:		
Settlement of Prior Year Interfund		5,647.42
General Capital Fund:		
Reserve to Pay Debt Service		200,000.00
Interest Earned		9,575.62
Recycling Trust Fund:		
Reserve for Recycling		3,286.00
Budget Appropriation Refunds:		
2013 Budget		567,531.07
2012 Appropriation Reserves		449.42
Due to State of N.J.:		
Marriage License Fees		3,900.00
Building Fees		10,852.00
Reserve for:		
Maintenance of Free Public Library		7,955.00
		37,189,630.20
		39,157,342.69

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF CASH - TREASURER
(Continued)

Ref.

Decreased by Disbursements:

2013 Budget Appropriations	\$ 18,474,064.97
2012 Appropriation Reserves	584,304.14
County Taxes	3,379,251.04
Local School District Taxes	11,938,427.14

Due to State of N.J.:

Marriage Licenses	3,850.00
Building Fees	7,436.00

Refunds:

Tax Overpayments	9,718.54
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Due to/from:

Dover Housing Authority	59,963.76
Police Outside Services	177,196.24

Federal and State Grant Fund:

Appropriated Grant Reserves Expenditures	630,634.41
Other Trust - Tax Sale Premium	343,100.00

Recycling Trust Fund:

Recycling Trust Fees	3,606.00
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Reserve for:

Hurricane Irene	11,791.95
Third Party Liens	416,541.33
Hurricane Sandy	3,281.43
Maintenance of Free Public Library	7,516.34

\$ 36,050,683.29

Balance December 31, 2013

A

\$ 3,106,659.40

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by Receipts:

Taxes Receivable	\$ 29,024,430.16
2014 Prepaid Taxes	127,708.39
Tax Overpayments	11,219.95
Interest and Costs on Taxes	162,072.17
Tax Sale Premiums	243,100.00
Third Party Liens Redeemed	416,541.33
Miscellaneous Revenue	1,100.00
	<hr/>
	29,986,172.00

Decreased by:

Payments to Treasurer	<u>\$ 29,986,172.00</u>
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FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWN OF DOVER
CURRENT FUND
TAX COLLECTOR - SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2013 Levy	Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2012		2012	2013					Dec. 31, 2013
2012	\$ 711,968.22			\$ 704,997.87			\$ 6,970.35		
	711,968.22			704,997.87			6,970.35		
2013		\$ 29,394,612.46	\$ 107,605.87	28,319,432.29	\$ 37,451.89	\$ 74,299.33	193,106.35	\$ 18,363.87	\$ 644,352.86
	\$ 711,968.22	\$ 29,394,612.46	\$ 107,605.87	\$ 29,024,430.16	\$ 37,451.89	\$ 74,299.33	\$ 200,076.70	\$ 18,363.87	\$ 644,352.86
Ref.	A								A

Tax Yield:

General Property Tax	\$ 29,372,038.66
Added Taxes (54:4-63.1 et seq.)	22,573.80
	<u>\$ 29,394,612.46</u>

Tax Levy:

Local School District Taxes	\$ 12,921,693.00
County Taxes	\$ 3,375,935.36
Due County for Added and Omitted Taxes	2,612.97
	<u>3,378,548.33</u>
	16,300,241.33
Local Tax for Municipal Purposes	12,618,601.22
Municipal Library Tax	446,168.70
Add: Additional Tax Levied	29,601.21
	<u>13,094,371.13</u>
	<u>\$ 29,394,612.46</u>

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 257,599.70
Increased by:		
2013 Taxes Transferred		\$ 18,363.87
Interest and Costs		<u>490.60</u>
		<u>18,854.47</u>
Balance December 31, 2013	A	<u>\$ 276,454.17</u>

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2012	Accrued In 2013	Received Treasurer	Balance Dec. 31, 2013
Alcoholic Beverages Licenses		\$ 42,232.00	\$ 42,232.00	
Other Licenses		38,690.00	38,690.00	
Fees and Permits		135,069.80	135,069.80	
Municipal Court:				
Fines and Costs	\$ 21,596.34	376,845.92	369,443.37	\$ 28,998.89
Energy Receipts Taxes		1,024,408.32	1,024,408.32	
In Lieu of Taxes - Mill Pond Towers				
Senior Citizens Apartments		181,232.00	181,232.00	
Fire Prevention Inspection Fees		40,776.00	40,776.00	
Consolidated Municipal Property Tax				
Relief Aid		240,214.00	240,214.00	
Construction Code Official:				
Fees and Permits		124,560.50	124,560.50	
Municipal Alliance Donation -				
Borough of Victory Gardens		1,000.00	1,000.00	
Water Utility Operating Fund:				
Fund Balance Anticipated		125,000.00	125,000.00	
Parking Utility Operating Fund:				
Fund Balance Anticipated		100,000.00	100,000.00	
Interlocal Services -				
Municipal Court & Fire		393,126.96	393,126.96	
Cell Tower Rental		185,969.65	185,969.65	
Uniform Fire Safety Act		41,388.10	41,388.10	
Cable TV Franchise Fee		161,108.10	161,108.10	
	<u>\$ 21,596.34</u>	<u>\$ 3,211,621.35</u>	<u>\$ 3,204,218.80</u>	<u>\$ 28,998.89</u>

Ref.

A

A

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF SEWER RENTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 71,502.38
Increased by:		
Sewer Rents Levied		<u>1,739,401.39</u>
		1,810,903.77
Decreased by:		
Sewer Collections	\$ 1,725,654.94	
Overpayments Applied	<u>1,098.08</u>	
		<u>1,726,753.02</u>
Balance December 31, 2013	A	<u><u>\$ 84,150.75</u></u>

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Mayor and Board of Aldermen:				
Other Expenses	\$ 16,278.58	\$ 16,278.58	\$ 16,278.58	
Administrative and Executive:				
Salaries and Wages				
Other Expenses	14,554.03	14,554.03	13,138.43	\$ 1,415.60
Town Clerk:				
Salaries and Wages	863.29	863.29		863.29
Other Expenses	6,996.38	6,996.38	6,992.22	4.16
Financial Administration:				
Salaries and Wages	2,488.86	2,488.86	1,368.15	1,120.71
Other Expenses	6,252.85	6,252.85	6,242.89	9.96
Assessment of Taxes:				
Salaries and Wages	870.04	870.04	863.00	7.04
Other Expenses	12,988.15	12,988.15	6,582.01	6,406.14
Collection of Taxes:				
Salaries and Wages	0.08	0.08		0.08
Other Expenses	659.00	659.00	659.00	
Legal Services and Costs:				
Legal Fees	883.90	23,583.90	23,583.90	
Municipal Prosecutor:				
Salaries and Wages	4,228.04	4,228.04	148.00	4,080.04
Engineering Services and Costs:				
Salaries and Wages	437.20	437.20	431.50	5.70
Other Expenses	11,949.90	11,949.90	11,945.76	4.14
Municipal Land Use Law:				
Planning Board:				
Other Expenses	4,412.68	4,412.68	275.00	4,137.68
Board of Adjustment:				
Other Expenses	2,871.58	2,871.58	1,025.00	1,846.58
Code Enforcement:				
Salaries and Wages	20,206.04	2,956.04	1,053.05	1,902.99
Other Expenses	3,509.81	3,509.81	898.85	2,610.96
Police:				
Salaries and Wages	105,257.04	138,357.04	138,357.04	
Other Expenses	7,583.44	14,833.44	10,457.71	4,375.73
Shared Services Dispatching				
Other Expenses	663.70	663.70		663.70

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Balance Dec. 31, 2012	Balance After Modification	Paid or Charged	Balance Lapsed
Office of Emergency Management:				
Other Expenses	\$ 457.97	\$ 457.97		\$ 457.97
Public Defender:				
Other Expenses	5,583.00	5,583.00	\$ 3,236.00	2,347.00
Uniform Fire Safety Act:				
Salaries and Wages	8,053.90	8,053.90	1,809.78	6,244.12
Other Expenses	4,732.73	4,732.73		4,732.73
Fire:				
Salaries and Wages	46,315.16	36,315.16	30,501.00	5,814.16
Other Expenses	14,142.24	14,142.24	9,259.11	4,883.13
Municipal Court:				
Salaries and Wages	13,191.44	13,191.44	3,378.10	9,813.34
Other Expenses	1,734.03	1,734.03	1,356.25	377.78
Board of Health:				
Salaries and Wages	17,693.57	14,593.57	1,697.83	12,895.74
Other Expenses	26,413.45	26,413.45	19,843.63	6,569.82
Solid Waste and Recycling:				
Salaries and Wages	281.85	281.85	281.85	
Other Expenses	113,568.86	100,868.86	84,911.04	15,957.82
Senior Citizen Transportation:				
Salaries and Wages	2,659.04	2,659.04	692.94	1,966.10
Other Expenses	3,762.79	3,762.79	1,689.91	2,072.88
Recreation Department:				
Salaries and Wages	1,896.29	1,896.29	1,182.49	713.80
Other Expenses	16,979.66	16,979.66	10,062.18	6,917.48
Historic Preservation:				
Other Expenses	5,869.20	5,869.20	2,490.29	3,378.91
Division of Streets and Roads:				
Salaries and Wages	67,129.06	67,129.06	14,256.37	52,872.69
Other Expenses	24,334.57	24,334.57	11,184.29	13,150.28
Division of Sewer Maintenance:				
Salaries and Wages	1,620.34	1,620.34	1,620.34	
Other Expenses	5,957.13	5,957.13	891.40	5,065.73
Buildings and Grounds Maintenance Division:				
Salaries and Wages	2,809.50	2,809.50	1,981.43	828.07
Other Expenses	8,161.62	8,161.62	4,969.21	3,192.41
Snow and Ice Removal:				
Salaries and Wages	22,803.84	22,803.84	22,803.84	
Other Expenses	38,808.82	38,808.82	38,715.43	93.39

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Balance Dec. 31, 2012</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
State Uniform Construction Code:				
Salaries and Wages	\$ 6,188.83	\$ 6,188.83	\$ 1,531.50	\$ 4,657.33
Other Expenses	828.50	828.50	267.92	560.58
Unclassified:				
Utility Expenses & Bulk Purchases	90,377.02	70,377.02	39,344.41	31,032.61
Accumulated Absence	9.78	9.78		9.78
Contribution to:				
Social Security System	27,150.88	27,150.88	4,435.30	22,715.58
Consolidated Police and Firemen's Pension Fund	0.17	0.17		0.17
Insurance:				
General Liability	8,321.63	8,321.63	2,963.63	5,358.00
Employee Group Health	64,585.37	64,585.37		64,585.37
Maintenance of Free Public Library (Ch. 82 and 541, P.L. 1985):				
Salaries and Wages	1,963.07	1,963.07	1,963.07	
Other Expenses	24,234.09	24,234.09	24,234.09	
	<u>\$ 902,573.99</u>	<u>\$ 902,573.99</u>	<u>\$ 583,854.72</u>	<u>\$ 318,719.27</u>

<u>Analysis of Balance December 31, 2012:</u>	<u>Ref.</u>			
Unencumbered	A	\$ 807,039.51	Cash Disbursed	\$ 584,304.14
Encumbered	A	95,534.48	Less: Refunds	449.42
		<u>\$ 902,573.99</u>		<u>\$ 583,854.72</u>

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2012 (Prepaid)	A	\$ (89,504.42)
Increased by:		
Levy - Calendar Year 2013		12,921,693.00
		<u>12,832,188.58</u>
Decreased by:		
Payments to Local School District		11,938,427.14
		<u>11,938,427.14</u>
Balance December 31, 2013	A	<u>\$ 893,761.44</u>

TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013</u> <u>Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Cash</u> <u>Received</u>	<u>Transfer</u> <u>from</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Municipal Alliance on Alcoholism and Drug Abuse:					
2012	\$ 24,694.65		\$ 15,723.37		\$ 8,971.28
2013		\$ 21,758.00	4,069.93		17,688.07
Municipal Alliance - Boy Scout					
2013-County of Morris		2,000.00			2,000.00
Alcohol Education and Rehabilitation Grant - 2012		1,132.97		\$ 1,132.97	
Small Cities:					
CDBG Rehabilitation - 2011	1,885.00		1,885.00		
Harding Avenue Area - 2009	94,930.00				94,930.00
Schley Street, Ekstrom Area - 2012	400,000.00		400,000.00		
Housing Rehab 2012	200,000.00				200,000.00
Roadway Improvements - 2013		400,000.00			400,000.00
Reserve for Housing Rehabilitation - 2012		53,188.00		53,188.00	
Clean Communities Grant - 2013		23,732.10	23,732.10		
Recycling Tonnage Grant - 2013		17,202.83		17,202.83	
Drive Sober Grant		4,400.00	4,400.00		
Drive Sober Grant - Labor Day		4,400.00		3,125.00	1,275.00
Drunk Driving Enforcement Grant		12,088.15		12,088.15	
Body Armor Replacement Fund:					
2013		3,126.99		3,126.99	

TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
(Continued)

	Balance Dec. 31, 2012	2013 Budget Revenue Realized	Cash Received	Transfer from Unappropriated Reserves	Balance Dec. 31, 2013
FEMA Grant - Staffing for Adequate Fire and Emergency Response		\$ 120,601.00	\$ 4,330.00		\$ 116,271.00
Major League Baseball - Baseball Tomorrow		200,000.00		\$ 100,000.00	100,000.00
NJ Department of Transportation:					
2011 - Orchard Street	\$ 9,284.51				9,284.51
2012- Leonard Street	25,000.00				25,000.00
2013- Safe Corridor		49,140.55			49,140.55
2013- Central Ave		130,000.00	97,500.00		32,500.00
	<u>\$ 755,794.16</u>	<u>\$ 1,042,770.59</u>	<u>\$ 551,640.40</u>	<u>\$ 189,863.94</u>	<u>\$ 1,057,060.41</u>

Ref.

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TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Transferred</u> <u>from</u> <u>2013 Budget</u>	<u>Cash</u> <u>Disbursed</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Municipal Alliance on Alcoholism and Drug Abuse:					
2012 (State)	\$ 22,004.91		\$ 10,535.67	\$ 391.51	\$ 11,077.73
2012 (Local Matching)	6,126.23		2,833.84	97.87	3,194.52
2013 (State)		\$ 23,758.00	4,869.93	3,068.72	15,819.35
2013 (Local Matching)		5,439.50	1,217.49	267.19	3,954.82
C.D.B.G. - Small Cities Program:					
CDBG Housing Rehabilitation - 2010	125.00			125.00	
Schley Street, Ekstrom Area - 2012	213,792.60		213,792.60		
Housing Rehab 2012	197,941.68		122,091.50		75,850.18
Princeton Avenue - 2013		400,000.00	192.41	380,000.00	19,807.59
Reserve for Housing Rehabilitation		53,188.00	53.11		53,134.89
Alcohol Education and Rehabilitation:					
2013		1,132.97			1,132.97
Clean Communities Program:					
2011	4,787.70		4,787.70		
2012	20,213.34		20,213.34		
2013		23,732.10	3,050.02	10,250.00	10,432.08
Public Health Priority Funding:					
2007	157.48				157.48
2009	16.95				16.95

TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
(Continued)

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Transferred</u> <u>from</u> <u>2013 Budget</u>	<u>Cash</u> <u>Disbursed</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Hepatitis B Grant:					
2004	\$ 402.21				\$ 402.21
2005	1,132.00				1,132.00
2006	686.00				686.00
Body Armor Replacement Program:					
2010	2,321.03				2,321.03
2012	3,311.85				3,311.85
2013		\$ 3,126.99			3,126.99
Bulletproof Vest Program:					
2009	579.32				579.32
2011	1,732.58				1,732.58
Recycling Tonnage Grant:					
2011	4,883.99		\$ 4,883.99		
2013		17,202.83	13,399.31	\$ 3,627.83	175.69
Drunk Driving Enforcement Fund Grant:					
2013		12,088.15			12,088.15
Drive Sober or Get Pulled Over:					
2013		8,800.00	7,525.00		1,275.00

TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
(Continued)

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Transferred</u> <u>from</u> <u>2013 Budget</u>	<u>Cash</u> <u>Disbursed</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
NJ Department of Transportation:					
2011 Orchard Street	\$ 1,684.51				\$ 1,684.51
2012- Leonard Street	100,000.00		\$ 100,000.00		
2013 - Safe Corridor		\$ 49,140.55	11,094.48	\$ 33,688.00	4,358.07
2013 - Central Avenue		130,000.00	89,589.79	40,410.21	0.00
NJ Department of Environmental Protection					
Community Forestry Management Plan-Green Communities	3,000.00				3,000.00
Staffing Adequate for Fire and Emergency Response		120,601.00	20,504.23		100,096.77
Baseball Tomorrow Grant		200,000.00		200,000.00	
Local Acadia Lodge No. 20 - Hurricane Irene Relief	500.00				500.00
State Health Services Grant					
2010 - H1N1 Public Health Response	2.00				2.00
	<u>\$ 585,401.38</u>	<u>\$ 1,048,210.09</u>	<u>\$ 630,634.41</u>	<u>\$ 671,926.33</u>	<u>\$ 331,050.73</u>
<u>Ref.</u>				A	A
<u>Balance December 31, 2012:</u>					
Appropriated Reserves	\$ 274,335.23				
Encumbrances Payable	311,066.15				
	<u>\$ 585,401.38</u>				

TOWN OF DOVER
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Cash</u> <u>Received</u>	<u>Revenue</u> <u>Realized</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Alcohol Education and Rehab Funds	\$ 1,132.97	\$ 686.07	\$ 1,132.97	\$ 686.07
Body Armor	3,126.99		3,126.99	
Recycling Tonnage Grant	17,202.83	15,501.21	17,202.83	15,501.21
Bulletproof Vest Program	0.75	2,945.25		2,946.00
Drunk Driving Enforcement Fund		12,088.15	12,088.15	
Major League Baseball - Baseball Tomorrow		100,000.00	100,000.00	
Housing Rehabilitation Repayments	53,188.00	53,661.90	53,188.00	53,661.90
Drive Sober Grant -Labor Day		3,125.00	3,125.00	
Cooperative Housing Inspection Grant	53.00			53.00
	<u>\$ 74,704.54</u>	<u>\$ 188,007.58</u>	<u>\$ 189,863.94</u>	<u>\$ 72,848.18</u>
<u>Ref.</u>	A			A

TOWN OF DOVER

COUNTY OF MORRIS

2013

TRUST FUNDS

TOWN OF DOVER
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2012	B	\$ 28,071.82	\$ 643,577.75
Increased by Receipts:			
Dog License Fees		13,660.40	
Cat License Fees		2,242.00	
Replacement Tags - Dog Licenses		10.00	
Miscellaneous Revenue- Dog and Cat Penalties		1,861.00	
State Registration Fees		2,013.60	
Other Deposits			230,473.88
Fire Penalty Fees			2,650.00
Forfeited Assets Trust Deposits			15,157.89
Tax Sale Premiums:			
Receipts			343,100.00
Due from Current Fund			100,000.00
Recycling Deposits:			
Receipts			3,833.43
Due from Current Fund			3,606.00
Recreation			49,009.48
Historic Preservation			1,350.00
Unemployment Insurance Contributions:			
Employer			5,740.00
		<u>19,787.00</u>	<u>754,920.68</u>
		<u>47,858.82</u>	<u>1,398,498.43</u>

TOWN OF DOVER
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Administrative Expenses		\$ 6,307.00	
State of N.J. - Board of Health		2,010.60	
Due to Current Fund - Animal Control Fund:			
Settlement of Prior Year Interfund		5,647.42	
Due to/from Current Fund - Tax Sale Premiums:			
Interfund Returned			\$ 100,000.00
Historic Preservation			160.00
Forfeited Assets Trust			13,611.25
Other Deposits			223,376.43
Tax Sale Premiums:			
Returned			141,900.00
Unemployment Insurance			5,226.68
Recreation			59,995.95
Recycling Trust Expenses			47,817.76
Recycling Trust - Due Current Fund			3,286.00
		<u>13,965.02</u>	<u>595,374.07</u>
Balance December 31, 2013	B	<u>\$ 33,893.80</u>	<u>\$ 803,124.36</u>

TOWN OF DOVER
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWN OF DOVER
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 22,422.00
Increased by:		
Dog License Fees Collected		\$ 13,660.40
Cat License Fees Collected		2,242.00
Replacement Tags - Dog Licenses		10.00
Miscellaneous Revenue- Dog and Cat Penalties		1,861.00
		17,773.40
		40,195.40
Decreased by:		
Expenditures Under R.S.4:19-15.11		6,307.00
Statutory Excess Due Current Fund		12,902.00
		19,209.00
Balance December 31, 2013	B	\$ 20,986.40

License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 10,789.20
2012	10,197.20
	20,986.40
Maximum Allowable Reserve	\$ 20,986.40

TOWN OF DOVER

COUNTY OF MORRIS

2013

GENERAL CAPITAL FUND

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 2,517,196.39
Increased by:		
Budget Appropriations:		
Capital Improvement Fund	\$ 50,000.00	
Payment of Bond Anticipation Note Principal	78,050.00	
Serial Bond Proceeds	4,733,000.00	
Reserve to Pay Debt Service:		
Ordinance Refunds	2,812.50	
Due Current Fund:		
Interest Earned	9,575.62	
Accrued Interest on Sale of Bonds	5,113.25	
Due Parking Utility Capital Fund:		
Interfund Advanced	20.00	
Premium on Bond Sale	<u>25,735.06</u>	
		<u>4,904,306.43</u>
		<u>7,421,502.82</u>
Decreased by:		
Improvement Authorization Expenditures	1,217,487.72	
Bond Anticipation Notes Matured	3,861,529.00	
Due to Current Fund:		
Interest Earned	9,575.62	
Anticipated Revenue - Reserve to Pay Debt Service	<u>200,000.00</u>	
		<u>5,288,592.34</u>
Balance December 31, 2013	C	<u>\$ 2,132,910.48</u>

TOWN OF DOVER
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2012	Receipts			Disbursements			Transfers		Balance Dec. 31, 2013
		Budget Appropriation	Serial Bond Proceeds	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Fund Balance	\$ 26,386.52			\$ 25,735.06				\$ 449,000.00	\$ 424,085.45	\$ 27,207.03
Capital Improvement Fund	3,000.00			50,000.00				53,000.00		
Downpayments on Improvements Due to Current Fund	792.20									792.20
Due to Parking Utility Capital Fund				14,688.87			\$ 209,575.62		200,000.00	5,113.25
Encumbrances Payable	145,240.65			20.00				145,240.65	737,588.43	737,588.43
Reserve to Pay Debt Service	202,750.56							200,000.00		2,750.56
Improvement Authorizations:										
Ord. No.	Improvement Description									
31-99;										
11-01;										
20-03	Various General Improvements	235.00								235.00
26-02	Various General Improvements	3,279.80								3,279.80
30-04	Various General Improvements	12,282.84								12,282.84
37-05	Certain General Improvements	14,000.00								14,000.00
17-06;										
33-06	Various Improvements	65,992.33			\$ 33,235.79			20,235.84	1,500.00	14,020.70
18-07	Various General Improvements	103,857.71						64,944.92		38,912.79
29-08	Various General Improvements	33,359.36			3,568.91			29,790.45		
14-09	Various General Improvements	301,396.62	\$ 44,300.00	\$ 885,100.00	111,575.82	\$ 929,879.00		13,777.53		175,564.27
16-10	Various General Improvements	235,620.71	33,750.00	673,000.00	5,406.63	706,750.00		223,173.94	5,141.63	12,181.77
05-11	Acquisition of Police and Fire Equipment	77,223.67		180,500.00		180,500.00		50,000.00		27,223.67
18-11	Various General Improvements	268,455.44		676,400.00	106,979.98	676,400.00		34,000.00		127,475.46
9-12	Various General Improvements	1,023,322.98		1,368,000.00	911,429.17	1,368,000.00		88,916.68	138,599.02	164,388.65
12-13	Various General Improvements			950,000.00	44,579.65			364,992.52	50,000.00	590,427.83
13-13	Various General Improvements							269,844.00	424,000.00	154,156.00
16-13	Recreation Field and Park Improvements				711.77			1,998.00	28,000.00	25,290.23
		<u>\$ 2,517,196.39</u>	<u>\$ 44,300.00</u>	<u>\$ 4,733,000.00</u>	<u>\$ 93,256.43</u>	<u>\$ 1,217,487.72</u>	<u>\$ 3,861,529.00</u>	<u>\$ 209,575.62</u>	<u>\$ 2,008,914.53</u>	<u>\$ 2,008,914.53</u>
										<u>\$ 2,132,910.48</u>

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Paid by Budget Appropriation	Serial Bonds Issued	Balance Dec. 31, 2013	Analysis of Balance Dec. 31, 2013
							Unexpended Improvement Authorizations
30-04	Various General Improvements	\$ 449.00				\$ 449.00	\$ 449.00
14-09	Various General Improvements	929,879.00		\$ 44,300.00	\$ 885,100.00	479.00	479.00
16-10	Various General Improvements	706,750.00		33,750.00	673,000.00		
05-11	Acquisition of Police and Fire Equipment	180,500.00			180,500.00		
18-11	Various General Improvements	676,400.00			676,400.00		
09-12	Various General Improvements	1,368,000.00			1,368,000.00		
12-13	Various General Improvements		\$ 950,000.00		950,000.00		
16-13	Recreation Field and Park Improvements		57,000.00			57,000.00	57,000.00
		<u>\$ 3,861,978.00</u>	<u>\$ 1,007,000.00</u>	<u>\$ 78,050.00</u>	<u>\$ 4,733,000.00</u>	<u>\$ 57,928.00</u>	<u>\$ 57,928.00</u>

Ref.

C

C

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 3,000.00
Increased by:		
Current Fund Budget Appropriation		50,000.00
		<u>53,000.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		53,000.00
		<u><u>53,000.00</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS

	<u>Ref.</u>	
Balance December 31, 2012	C	<u>\$ 792.20</u>
Balance December 31, 2013	C	<u><u>\$ 792.20</u></u>

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2012	Matured
		Issue of Original Note	Issue	Maturity			
14-09	Various General Improvements	12/15/10	09/27/12	09/26/13	1.50%	\$ 929,879.00	\$ 929,879.00
16-10	Various General Improvements	12/15/10	09/27/12	09/26/13	1.50%	706,750.00	706,750.00
05-11	Acquisition of Police and Fire Equipment	07/24/12	09/27/12	09/26/13	1.50%	180,500.00	180,500.00
18-11	Various General Improvements	07/24/12	09/27/12	09/26/13	1.50%	676,400.00	676,400.00
9-12	Various General Improvements	07/24/12	09/27/12	09/26/13	1.50%	<u>1,368,000.00</u>	<u>1,368,000.00</u>
						<u>\$ 3,861,529.00</u>	<u>\$ 3,861,529.00</u>
					<u>Ref.</u>		
						C	
						Paid by Budget Appropriation	\$ 78,050.00
						Paid from Capital Cash	479.00
						Serial Bonds Issued	3,783,000.00
							<u>\$ 3,861,529.00</u>

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF MORRIS COUNTY IMPROVEMENT AUTHORITY LEASE PAYABLE
YEAR ENDED DECEMBER 31, 2013

Ord. No.	Improvement Description	Balance Dec. 31, 2012	Matured
04-06	Emergency Medical Vehicle and Street Sweeper	\$ 28,089.62	\$ 28,089.62
	<u>Ref.</u>	C	

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Payment of Bond Anticipation Note</u>	<u>Serial Bonds Issued</u>	<u>Balance Dec. 31, 2013</u>
30-04	Various General Improvements	\$ 449.00				\$ 449.00
14-09	Various General Improvements			\$ 479.00		479.00
12-13	Various General Improvements		\$ 950,000.00		\$ 950,000.00	
16-13	Recreation Field and Park Improvements		57,000.00			57,000.00
		<u>\$ 449.00</u>	<u>\$ 1,007,000.00</u>	<u>\$ 479.00</u>	<u>\$ 950,000.00</u>	<u>\$ 57,928.00</u>

TOWN OF DOVER

COUNTY OF MORRIS

2013

WATER UTILITY FUND

TOWN OF DOVER
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	D	\$ 560,358.25	\$ 418,431.02
Increased by Receipts:			
Collector		\$ 2,448,844.05	
2013 Appropriation Refunds		72,583.49	
New Jersey Infrastructure Trust Loan			\$ 510,192.00
Refund of Ordinance			1,237.50
Bond Sale Proceeds			769,250.00
Capital Improvement Fund			25,000.00
Due Water Utility Capital:			
Interfund Returned		805.43	
Interest Earned		2,051.59	2,051.59
Interest on Investments - Treasurer		3,066.74	
		<u>2,527,351.30</u>	<u>1,307,731.09</u>
		3,087,709.55	1,726,162.11
Decreased by Disbursements:			
2013 Appropriation Expenditures		2,242,735.10	
2012 Appropriation Reserves		88,194.37	
Interest on Bonds		110,200.18	
Bond Anticipation Note Matured			270,000.00
Due Water Utility Operating Fund			2,857.02
Water Utility Operating Fund Balance:			
Payment to Current Fund		125,000.00	
Improvement Authorizations Expenditures			307,942.39
		<u>2,566,129.65</u>	<u>580,799.41</u>
Balance December 31, 2013	D	<u>\$ 521,579.90</u>	<u>\$ 1,145,362.70</u>

TOWN OF DOVER
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - WATER COLLECTOR
YEAR ENDED DECEMBER 31, 2013

Increased by:

Consumer Accounts Receivable	\$ 2,419,637.13
Prepaid Water Rents	3,603.64
Miscellaneous Revenue Anticipated	<u>25,603.28</u>

\$ 2,448,844.05

Decreased by:

Disbursed to Treasurer	<u>\$ 2,448,844.05</u>
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TOWN OF DOVER
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2012	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2013	
		Bond Proceeds	Due From State of New Jersey	Miscellaneous	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	From	To		
Fund Balance	\$ 1,416.80								\$ 10,358.47	\$ 11,775.27	
Capital Improvement Fund	6,773.48			\$ 25,000.00						31,773.48	
Due General Capital Fund							\$ 750.00	750.00			
Due Water Utility Operating Fund	805.43			2,051.59		\$ 2,857.02					
Receivable New Jersey Infrastructure Trust Loan	(339,295.00)		\$ 339,295.00								
Receivable State of New Jersey - DOT Route 46	(98,729.07)			1,237.50						(97,491.57)	
Reserve for Receivables	98,729.07							1,237.50		97,491.57	
Reserve to Pay Debt Service			170,897.00							170,897.00	
Bond Premium Receivable							10,358.47			(10,358.47)	
<u>Ord.</u>											
<u>No.</u>	<u>General Improvements</u>										
10-01	Various Improvements for the Water Department	(714.28)								(714.28)	
18-03	Various Improvements for the Water Department	457,634.69								457,634.69	
24-08	Various Improvements for the Water Department	6,262.50							1,237.50	7,500.00	
03-09	Various Improvements for the Water Department	339,663.53						\$ 106,241.02		233,422.51	
03-11	Various Improvements for the Water Department	(261,250.00)								(261,250.00)	
10-12	Various Improvements for the Water Department	207,133.87	\$ 270,000.00		\$ 270,000.00		129,703.72	750.00		76,680.15	
11-13	Various Improvements for the Water Department		499,250.00				71,997.65		750.00	428,002.35	
		<u>\$ 418,431.02</u>	<u>\$ 769,250.00</u>	<u>\$ 510,192.00</u>	<u>\$ 28,289.09</u>	<u>\$ 270,000.00</u>	<u>\$ 2,857.02</u>	<u>\$ 307,942.39</u>	<u>\$ 13,095.97</u>	<u>\$ 13,095.97</u>	<u>\$ 1,145,362.70</u>

TOWN OF DOVER
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 89,223.56
Increased by:		
Water Rents Levied		2,454,608.53
		<u>2,543,832.09</u>
Decreased by:		
Collections	\$ 2,419,637.13	
Prepaid Rents Applied	<u>3,157.10</u>	
		<u>2,422,794.23</u>
Balance December 31, 2013	D	<u>\$ 121,037.86</u>

TOWN OF DOVER
WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2012	D	<u>\$ 68,481.34</u>
Balance December 31, 2013	D	<u><u>\$ 68,481.34</u></u>

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2012	Balance Dec. 31, 2013
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	3,407,906.32	3,407,906.32
Improvement of Water Supply and Distribution System	130,000.00	130,000.00
	<u>\$ 7,565,463.15</u>	<u>\$ 7,565,463.15</u>

Ref.

D

D

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance		Balance Dec. 31, 2012	2013 Authorizations	Balance Dec. 31, 2013
	No.	Date			
Various Improvements for the Water Department	18-03	06/10/03	\$ 2,800,000.00		\$ 2,533,214.16
Various Improvements for the Water Department	24-08	08/12/08	150,000.00		150,000.00
Various Improvements for the Water Department	03-09	02/24/09	657,000.00		657,000.00
Various Improvements for the Water Department	03-11	03/14/11	275,000.00		275,000.00
Various Improvements for the Water Department	10-12	07/24/12	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
			<u>\$ 3,900,214.16</u>	<u>\$ 500,000.00</u>	<u>\$ 4,400,214.16</u>
		<u>Ref.</u>			
			D		D

TOWN OF DOVER
WATER UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 84,848.17	\$ 84,848.17	\$ 11,937.90	\$ 72,910.27
Other Expenses	167,988.27	167,988.27	75,683.99	92,304.28
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	7,600.23	7,600.23	572.48	7,027.75
	<u>\$ 260,436.67</u>	<u>\$ 260,436.67</u>	<u>\$ 88,194.37</u>	<u>\$ 172,242.30</u>

Ref.

Analysis of Balance December 31, 2012:

Unencumbered	D	\$ 255,499.39
Encumbered	D	<u>4,937.28</u>
		<u>\$ 260,436.67</u>

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2012		2013 Authorizations	Paid or Charged	Balance Dec. 31, 2013	
				Funded	Unfunded	Deferred Charges to Future Revenue		Funded	Unfunded
18-03	Various Improvements for the Water Department	06/10/03	\$ 2,800,000.00	\$ 457,634.69				\$ 457,634.69	
24-08	Various Improvements for the Water Department	08/12/08	150,000.00	6,262.50	\$ 91,229.07			7,500.00	\$ 89,991.57
03-09	Various Improvements for the Water Department	02/24/09	657,000.00	339,663.53	16,650.00		\$ 106,241.02	233,422.51	16,650.00
03-11	Various Improvements for the Water Department	03/14/11	275,000.00						
10-12	Various Improvements for the Water Department	07/24/12	285,000.00		207,133.87		129,703.72	77,430.15	
11-13	Various Improvements for the Water Department	07/23/13	500,000.00			\$ 500,000.00	71,997.65	428,002.35	
				\$ 803,560.72	\$ 315,012.94	\$ 500,000.00	\$ 307,942.39	\$ 1,203,989.70	\$ 106,641.57
				<u>Ref.</u>	D	D		D	D

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 6,773.48
Increased by:		
Budget Appropriation		<u>25,000.00</u>
Balance December 31, 2013	D	<u>\$ 31,773.48</u>

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2012	Funded by New Jersey Infrastructure Trust Loans	Funded by State of New Jersey Department of Transportation Grant	Balance Dec. 31, 2013
18-03	Various Improvements for the Water Department	06/10/03	\$ 16,300.00			\$ 16,300.00
24-08	Various Improvements for the Water Department	08/12/08	58,770.93		\$ 1,237.50	60,008.43
03-09	Various Improvements for the Water Department	02/24/09	104,883.87	\$ 28,262.70		133,146.57
03-11	Various Improvements for the Water Department	03/14/11	13,750.00			13,750.00
10-12	Various Improvements for the Water Department	07/24/12	14,250.00			14,250.00
			<u>\$ 207,954.80</u>	<u>\$ 28,262.70</u>	<u>\$ 1,237.50</u>	<u>\$ 237,455.00</u>
		<u>Ref.</u>	D			D

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Ord. No.	Improvement Description	Issue of Original Note	Date of		Interest Rate	Balance Dec. 31, 2012	Matured
			Issue	Maturity			
10-12	Various Improvements for the Water Department	9/27/12	9/27/12	9/26/13	1.50%	<u>\$ 270,750.00</u>	<u>\$ 270,750.00</u>
						<u>\$ 270,750.00</u>	<u>\$ 270,750.00</u>
					<u>Ref.</u>	D	
						Serial Bonds Issued	\$ 270,000.00
						Paid from Capital Cash	750.00
							<u>\$ 270,750.00</u>

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN

Ord. No.	Improvement Description	Balance Dec. 31, 2012	Matured	Balance Dec. 31, 2013
03-09	Various Improvements for the Water Department	\$ 535,466.13	\$ 28,262.70	\$ 507,203.43
		D		D

SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING - FUND LOAN AGREEMENT - DECEMBER 31, 2013

Payment Number	Due Date	Principal	Balance of Loan
			\$ 372,203.43
8	2/1/14	\$ 7,754.23	364,449.20
9	8/1/14	15,508.47	348,940.73
10	2/1/15	7,754.23	341,186.50
11	8/1/15	15,508.47	325,678.03
12	2/1/16	7,754.23	317,923.80
13	8/1/16	15,508.47	302,415.33
14	2/1/17	7,754.23	294,661.10
15	8/1/17	15,508.47	279,152.63
16	2/1/18	7,754.23	271,398.40
17	8/1/18	15,508.47	255,889.93
18	2/1/19	7,754.23	248,135.70
19	8/1/19	15,508.47	232,627.23
20	2/1/20	7,754.23	224,873.00
21	8/1/20	15,508.47	209,364.53
22	2/1/21	7,754.23	201,610.30
23	8/1/21	15,508.47	186,101.83
24	2/1/22	7,754.23	178,347.60
25	8/1/22	15,508.47	162,839.13
26	2/1/23	7,754.23	155,084.90
27	8/1/23	15,508.47	139,576.43
28	2/1/24	7,754.23	131,822.20
29	8/1/24	15,508.47	116,313.73
30	2/1/25	7,754.23	108,559.50
31	8/1/25	15,508.47	93,051.03
32	2/1/26	7,754.23	85,296.80
33	8/1/26	15,508.47	69,788.33
34	2/1/27	7,754.23	62,034.10
35	8/1/27	15,508.47	46,525.63
36	2/1/28	7,754.23	38,771.40
37	8/1/28	15,508.47	23,262.93
38	2/1/29	7,754.23	15,508.70
39	8/1/29	15,508.70	
		<u>\$ 372,203.43</u>	

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN
(Continued)

SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING - TRUST LOAN AGREEMENT - DECEMBER 31, 2013

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 135,000.00
8	2/1/14	\$ 2,800.00		135,000.00
9	8/1/14	2,800.00	\$ 5,000.00	130,000.00
10	2/1/15	2,675.00		130,000.00
11	8/1/15	2,675.00	5,000.00	125,000.00
12	2/1/16	2,550.00		125,000.00
13	8/1/16	2,550.00	5,000.00	120,000.00
14	2/1/17	2,425.00		120,000.00
15	8/1/17	2,425.00	5,000.00	115,000.00
16	2/1/18	2,300.00		115,000.00
17	8/1/18	2,300.00	5,000.00	110,000.00
18	2/1/19	2,175.00		110,000.00
19	8/1/19	2,175.00	10,000.00	100,000.00
20	2/1/20	1,975.00		100,000.00
21	8/1/20	1,975.00	10,000.00	90,000.00
22	2/1/21	1,725.00		90,000.00
23	8/1/21	1,725.00	10,000.00	80,000.00
24	2/1/22	1,575.00		80,000.00
25	8/1/22	1,575.00	10,000.00	70,000.00
26	2/1/23	1,375.00		70,000.00
27	8/1/23	1,375.00	10,000.00	60,000.00
28	2/1/24	1,175.00		60,000.00
29	8/1/24	1,175.00	10,000.00	50,000.00
30	2/1/25	975.00		50,000.00
31	8/1/25	975.00	10,000.00	40,000.00
32	2/1/26	775.00		40,000.00
33	8/1/26	775.00	10,000.00	30,000.00
34	2/1/27	600.00		30,000.00
35	8/1/27	600.00	10,000.00	20,000.00
36	2/1/28	400.00		20,000.00
37	8/1/28	400.00	10,000.00	10,000.00
38	2/1/29	200.00		10,000.00
39	8/1/29	200.00	10,000.00	
			<u>\$ 135,000.00</u>	

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Serial Bonds Issued</u>	<u>Payment of Bond Anticipation Note</u>	<u>Grant Funds Received</u>	<u>Balance Dec. 31, 2013</u>
10-01	05/08/01	Various Improvements for the Water Department	\$ 714.28					\$ 714.28
24-08	08/12/08	Various Improvements for the Water Department	91,229.07				\$ 1,237.50	89,991.57
03-09	02/24/09	Various Improvements for the Water Department	16,650.00					16,650.00
03-11	03/14/11	Various Improvements for the Water Department	261,250.00					261,250.00
10-12	07/24/12	Various Improvements for the Water Department				\$ 750.00		750.00
11-13	07/23/13	Various Improvements for the Water Department		\$ 500,000.00	\$ 500,000.00			
			<u>\$ 369,843.35</u>	<u>\$ 500,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 750.00</u>	<u>\$ 1,237.50</u>	<u>\$ 369,355.85</u>

TOWN OF DOVER

COUNTY OF MORRIS

2013

PARKING UTILITY FUND

TOWN OF DOVER
PARKING UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	E	\$248,343.27	\$ 64,355.86
Increased by Receipts:			
Parking Meters		\$267,238.03	
Parking Decals		39,725.00	
Prepaid Parking Decals		6,073.00	
Parking Agreements		14,333.00	
Interest		1,140.74	
Due Parking Utility Capital Fund		9,672.24	
2013 Budget Appropriation:			
Capital Improvement Fund			\$ 2,500.00
Debt Service			15,000.00
Serial Bonds Issued			791,000.00
		<u>338,182.01</u>	<u>808,500.00</u>
		586,525.28	872,855.86
Decreased by Disbursements:			
2013 Appropriation Expenditures		208,798.52	
2012 Appropriation Reserves		48,035.56	
Parking Decals Refunded		29.00	
Bond Anticipation Notes Matured			806,000.00
Due General Capital - Interfund Advanced			20.00
Due Parking Utility Operating Fund			9,672.24
Due to Current Fund:			
Prior Year Fund Balance Anticipated as Current Fund Revenue		<u>100,000.00</u>	
		356,863.08	<u>815,692.24</u>
Balance December 31, 2013	E	<u>\$229,662.20</u>	<u>\$ 57,163.62</u>

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2012	Receipts			Disbursements		Balance Dec. 31, 2013
		Bond Proceeds	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Miscellaneous	
Capital Improvement Fund	\$ 27,283.23		\$ 2,500.00				\$ 29,783.23
Due General Capital Fund					\$ 20.00		(20.00)
Due Parking Utility Operating Fund	9,672.24					\$ 9,672.24	
Fund Balance	4,795.86						4,795.86
<u>Ord.</u>							
<u>No.</u>							
<u>General Improvements</u>							
17-06; 33-06	Various Improvements 315.44						315.44
37-08	Various Improvements 2,256.59	\$ 322,094.00		\$ 15,000.00	337,094.00		2,256.59
04-11	Various Improvements 20,032.50	468,906.00			468,906.00		20,032.50
	<u>\$ 64,355.86</u>	<u>\$ 791,000.00</u>	<u>\$ 2,500.00</u>	<u>\$ 15,000.00</u>	<u>\$ 806,020.00</u>	<u>\$ 9,672.24</u>	<u>\$ 57,163.62</u>

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Parking Authority Facilities	\$ 494,637.93	\$ 494,637.93
Parking Meters	<u>116,177.47</u>	<u>116,177.47</u>
	<u>\$ 610,815.40</u>	<u>\$ 610,815.40</u>
<u>Ref.</u>	E	E

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Amount</u>	<u>Balance</u>	<u>Balance</u>
	<u>No.</u>	<u>Date</u>		<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>
Various Improvements	17-06;	07/25/06;	\$ 40,000.00		
	33-06	12/12/06	6,314.00	\$ 46,314.00	\$ 46,314.00
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	<u>493,586.00</u>	<u>493,586.00</u>
				<u>\$ 910,614.00</u>	<u>\$ 910,614.00</u>
			<u>Ref.</u>	E	E

TOWN OF DOVER
PARKING UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 3,680.97	\$ 3,680.97	\$ 1,224.00	\$ 2,456.97
Other Expenses	47,961.76	47,961.76	46,717.93	1,243.83
Statutory Expenditures:				
Contribution to:				
Social Security System	1,460.64	1,460.64	93.63	1,367.01
	<u>\$ 53,103.37</u>	<u>\$ 53,103.37</u>	<u>\$ 48,035.56</u>	<u>\$ 5,067.81</u>

Ref.

Analysis of Balance December 31, 2012:

Unencumbered	E	\$ 21,851.63
Encumbered	E	<u>31,251.74</u>
		<u>\$ 53,103.37</u>

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012		Balance Dec. 31, 2013
		Date	Amount	Funded	Unfunded	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	370,714.00		\$ 2,256.59	2,256.59
04-11	Various Improvements	3/22/11	493,586.00		20,032.50	20,032.50
				<u>\$ 315.44</u>	<u>\$ 22,289.09</u>	<u>\$ 22,604.53</u>
		<u>Ref.</u>		E	E	E

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 27,283.23
Increased by:		
2013 Budget Appropriation		<u>2,500.00</u>
Balance December 31, 2013	E	<u>\$ 29,783.23</u>

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR DEFERRED AMORTIZATION

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Appropriation</u>	<u>Paid by General Capital Fund</u>	<u>Balance Dec. 31, 2013</u>
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	18,600.00	\$ 15,000.00	\$ 20.00	33,620.00
04-11	Various Improvements	03/22/11	<u>24,680.00</u>			<u>24,680.00</u>
			<u>\$ 89,594.00</u>	<u>\$ 15,000.00</u>	<u>\$ 20.00</u>	<u>\$ 104,614.00</u>
		<u>Ref.</u>	E			E

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2013		Interest Rate	Issued	Balance Dec. 31, 2013
			Date	Amount			
Parking Utility Capital Bonds Series 2013A	09/12/13	\$ 791,000.00	09/15/14	\$ 40,000.00	2.000%	\$ 791,000.00	\$ 791,000.00
			09/15/15	40,000.00	2.000%		
			09/15/16	45,000.00	2.000%		
			09/15/17	45,000.00	2.000%		
			09/15/18	50,000.00	2.000%		
			09/15/19	50,000.00	2.250%		
			09/15/20	55,000.00	3.000%		
			09/15/21	55,000.00	3.000%		
			09/15/22	55,000.00	3.000%		
			09/15/23	60,000.00	3.250%		
			09/15/24	60,000.00	3.250%		
			09/15/25	60,000.00	3.250%		
			09/15/26	60,000.00	3.250%		
			09/15/27	60,000.00	3.250%		
			09/15/28	56,000.00	3.250%		
						\$ 791,000.00	\$ 791,000.00

Ref.

E

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2012	Matured
		Original Issue	Issue	Maturity			
37-08	Various Improvements	03/17/09	09/26/12	09/26/13	1.50%	\$ 337,114.00	\$ 337,114.00
04-11	Various Improvements	08/09/11	09/26/12	09/26/13	1.50%	468,906.00	468,906.00
						<u>\$ 806,020.00</u>	<u>\$ 806,020.00</u>
					<u>Ref.</u>	E	
						Paid by Serial Bond	\$ 791,000.00
						Paid by Budget	15,000.00
						Due From General Capital Fund	20.00
							<u>\$ 806,020.00</u>

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

TOWN OF DOVER

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2013

TOWN OF DOVER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of Federal Agency or Department/ Pass Thru Agency	Federal Program/ State Program Account #	CFDA Number	Grant Award	Grant Period		Receipts	Expenditures	Cumulative Expenditures	
				From	To				
<u>U.S. Department of Housing and Urban Development</u> (Passed Thru NJ Department of Community Affairs)	Small Cities Community Development Block Grant Program:								
	Grant Agreement #11-0347-00,2011-02292-0347-00 Housing Rehabilitation State #100-022-8020-078-6120	14.228	210,000.00	02/01/11	01/31/14	\$ 1,885.00 1,885.00		\$ 203,020.00 203,020.00	
	Grant Agreement #10-0599-00 Housing Rehabilitation State #100-022-8020-078-6120	14.228	200,000.00	02/01/12	01/31/14		\$ 122,091.50 122,091.50	124,149.82 124,149.82	
	Reserve for Housing Rehabilitation	N/A	53,188.00	02/01/12	01/31/14		53.11	53.11	
				02/01/13	01/31/15	53,661.90 53,661.90	53.11	34,460.11	
	Grant Agreement #12-0276-00 Schley Street, Ekstrom Area State #2012-02292-0276-00	14.228	400,000.00	02/01/12	01/31/14	400,000.00 400,000.00	213,792.60 213,792.60	400,000.00 400,000.00	
	Grant Agreement #2013-02292-0129-00 Princeton, Baker, Columbia, Lehigh, Yale, Harvard, and Rutgers Street State #2013-02292-0129-00	14.228	400,000.00	01/01/13	12/31/14		192.41 192.41	192.41 192.41	
	Total U.S. Department of Housing and Urban Development						455,546.90	336,129.62	761,822.34

TOWN OF DOVER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

(Continued)

Name of Federal Agency or Department/ Pass Thru Agency	Federal Program/ State Program Account #	CFDA Number	Grant Award	Grant Period		Receipts	Expenditures	Cumulative Expenditures	
				From	To				
<u>U.S. Department of Justice</u>	Bulletproof Vest Program 2013	16.607	\$ 2,945.25	01/01/13	12/31/13	\$ 2,945.25 <u>2,945.25</u>			
	Total U.S. Department of Justice					<u>2,945.25</u>			
<u>Department of Homeland Security</u>	(Passed thru NJ Department of Law and Public Safety) FEMA Reimbursement - Hurricane Sandy Damage - 2012	Disaster Grants - Public Assistance	97.036	99,449.94	01/11/12	12/31/13	99,449.94 <u>99,449.94</u>	\$ 99,449.94 * <u>99,449.94</u>	\$ 99,449.94 <u>99,449.94</u>
	FEMA	Staffing For Adequate Fire and Emergency Response Personal	97.083	120,601.00	11/01/12	09/30/14	4,330.00 <u>4,330.00</u>	20,504.23 <u>20,504.23</u>	20,504.23 <u>20,504.23</u>
	Total Department of Homeland Security					<u>103,779.94</u>	<u>119,954.17</u>	<u>119,954.17</u>	
<u>Department of Transportation</u>	(Passed Thru NJ Department of Transportation)	Safe Corridors	20.205	49,140.55	01/01/13	12/31/14	<u>11,094.48</u> <u>11,094.48</u>	<u>11,094.48</u> <u>11,094.48</u>	
		Leonard Street Roadway Improvements	20.205	100,000.00	05/07/12	12/31/13	<u>100,000.00</u> <u>100,000.00</u>	<u>100,000.00</u> <u>100,000.00</u>	
		Central Ave	20.205	130,000.00	02/22/13	12/31/14	97,500.00 <u>97,500.00</u>	89,589.79 <u>89,589.79</u>	89,589.79 <u>89,589.79</u>
	(Passed Thru NJ Department of Law and Public Safety)	Drive Sober Or Get Pulled Over	20.601	4,400.00	01/01/13	12/31/13	4,400.00 <u>4,400.00</u>	4,400.00 <u>4,400.00</u>	4,400.00 <u>4,400.00</u>
		Drive Sober Or Get Pulled Over - Labor Day	20.601	4,400.00	01/01/13	12/31/14	3,125.00 <u>3,125.00</u>	3,125.00 <u>3,125.00</u>	3,125.00 <u>3,125.00</u>
	Total Department of Transportation					<u>105,025.00</u>	<u>208,209.27</u>	<u>208,209.27</u>	
						<u>\$ 667,297.09</u>	<u>\$ 664,293.06</u>	<u>\$ 1,089,985.78</u>	

* - Expended in 2012.

N/A - Not Applicable/Available

SEE THE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWN OF DOVER
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of State Agency or Department	State Program	Program Account #	Grant Award	Grant Period		Receipts	Expenditures	Cumulative Expenditures
				From	To			
<u>Department of Environmental Protection</u>	Clean Communities Grant	765-042-4900- 004-178910	\$ 20,547.89	01/01/11	12/31/13		\$ 4,787.70	\$ 20,547.89
			20,213.34	01/01/12	12/31/13		20,213.34	20,213.34
			23,732.10	01/01/13	12/31/14	\$ 23,732.10	3,050.02	3,050.02
						<u>23,732.10</u>	<u>28,051.06</u>	<u>43,811.25</u>
	Recycling Grant	752-042-4900- 001-6020	28,724.51	01/01/11	12/31/13		4,883.99	28,724.51
			17,202.83	01/01/12	12/31/14		13,399.31	13,399.31
15,501.21			01/01/13	12/31/14	15,501.21			
					<u>15,501.21</u>	<u>18,283.30</u>	<u>42,123.82</u>	
Total Department of Environmental Protection						<u>39,233.31</u>	<u>46,334.36</u>	<u>85,935.07</u>
<u>Department of Treasury</u> Passed through the County of Morris	Governor's Council on Alcoholism/Drug Abuse:	044-6010	30,661.00	01/01/12	12/31/14	19,793.30	10,535.67	19,191.76
			23,758.00	01/01/13	12/31/14		4,869.93	4,869.93
	Municipal Alliance to Prevent Alcoholism/ Drug Abuse Alcoholism and Drug Abuse	044-6010				<u>19,793.30</u>	<u>15,405.60</u>	<u>24,061.69</u>
	Alcohol Education and Rehabilitation Funds	N/A	1,132.97	01/01/12	12/31/12	686.07		1,132.97
	Total Department of Treasury					<u>20,479.37</u>	<u>15,405.60</u>	<u>25,194.66</u>
<u>Department of Law and Public Safety</u>	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	12,088.15	01/01/13	12/31/14	12,088.15		
						<u>12,088.15</u>		
	Total Department of Law and Public Safety					<u>12,088.15</u>		
Total State Awards						<u>\$ 71,800.83</u>	<u>\$ 61,739.96</u>	<u>\$ 111,129.73</u>

SEE THE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWN OF DOVER
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Town of Dover under programs of the federal and state governments for the year ended December 31, 2013. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operation of the Commission, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Town.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

Note 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 4: THRESHOLD FOR FEDERAL AND STATE AWARDS

The threshold for distinguishing federal Type A and B programs was \$300,000. The Town qualified as a "low-risk" auditee for federal programs under the provisions of section 530 of the federal circular.

Note 5: NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS

The Town of Dover has the following loans outstanding as of December 31, 2013:

Water Utility Capital Fund:	
NJEIT Loans	<u>\$ 510,192.00</u>

The projects which related to the loans are complete and there were current year receipts of \$339,295.00 and there were no current year expenditures on the loans.



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 Mt. Arlington, NJ 07856
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 11 Lawrence Road
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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*

Independent Auditors' Report

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

We have audited in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Town of Dover, in the County of Morris (the "Town") as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated May 21, 2014. These financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on 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 Town'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 the internal control was for the limited purpose described in the first paragraph of this section 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 consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Mayor and Members
of the Board of Aldermen
Town of Dover
Page 2
June 19, 2014

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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 are required to be reported under *Government Auditing Standards*.

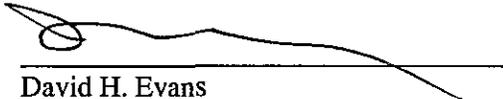
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Mount Arlington, New Jersey
June 19, 2014



NISIVOCCIA LLP



David H. Evans
Registered Municipal Accountant No. 98
Certified Public Accountant



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Report on Compliance For Each Major Federal Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133

Independent Auditors' Report

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

Report on Compliance for the Major Federal Program

We have audited the Town of Dover's (the "Town's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that that could have a direct and material effect on the Town's major federal program for the year ended December 31, 2013. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town's compliance.

The Honorable Mayor and Members
of the Board of Aldermen
Town of Dover
Page 2
June 19, 2014

Opinion on the Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town's internal control over compliance.

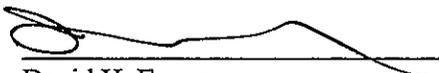
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
June 19, 2014


NISIVOCIA LLP


David H. Evans
Registered Municipal Accountant No. 98
Certified Public Accountant

TOWN OF DOVER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a unmodified opinion on the Town's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the Town which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major federal program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For teh Major Federal Program; Report on Internal Control Over Compliance Required by OMB Circular A-133*. No material weaknesses are reported.
- The auditor's report on compliance for its major federal program for the Town expresses an unmodified opinion on the major federal program.
- The audit did not disclose any findings which are required to be reported in accordance with Section 510(a) of Federal OMB Circular A-133.
- The Town's program tested as a major federal program for the year ended December 31, 2013 consisted of the following award:

	Amount Expended
Small Cities Community Development Block Grant Programs	CFDA #14.228 \$ 336,129.62

- The threshold for determining Federal Type A and B programs was \$300,000.00.
- The Town qualified as a low-risk auditee for federal programs under the provisions of Section 530 of the Federal Circular.
- The Town was not subject to the single audit provisions of New Jersey OMB Circular's 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* for 2013 as grant expenditures were less than the single audit threshold of \$500,000 identified in the circular.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

TOWN OF DOVER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in Section 510(a) Federal Circular.

Findings and Questioned Costs for State Awards:

- Not Applicable – Grant expenditures were below the single audit threshold.

TOWN OF DOVER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

There were no prior year findings.

TOWN OF DOVER

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

TOWN OF DOVER
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-3 states:

a. " 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 when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of 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 the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. 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.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

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 therefore, 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."

Effective January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

The governing body of the Town of Dover has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Town Attorney's opinion should be sought before a commitment is made.

TOWN OF DOVER
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services".

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or sewer transmission fees on or before the date when they would become delinquent.

On January 1, 2013, 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 penalties to be charged on delinquent taxes as follows:

"WHEREAS, Chapter 75 "Laws of 1991" authorizes the Governing Body to fix a 6% penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00, and who fails to pay said delinquency prior to year end closing, and

"WHEREAS, said penalty is to be calculated with interest included in the total delinquency."

It appears from tests of the Collectors' records that interest was collected in accordance with the foregoing resolutions.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

Type	Number Mailed
Payment of 2013 and 2014 Taxes	20
Delinquent Taxes	20
Payment of 2013 Water Rents	10
Payment of 2013 Sewer Rents	10
Delinquent Water Rents	10
Delinquent Sewer Rents	10
Tax Title Liens	3

TOWN OF DOVER
COMMENTS AND RECOMMENDATIONS
(Continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 6, 2013 and all eligible properties were included.

The following comparison is made of the number of tax liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2013	26
2012	26
2011	26

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 taxpaying basis.

Municipal Court

The Town of Dover is the host of a joint municipal court. The joint municipal court serves the Town of Dover, Borough of Rockaway, Township of Mine Hill, Mt. Arlington Borough and the Borough of Wharton. A summary of the transactions of the Municipal Court for the year 2013 is as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Cash</u> <u>Received</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
State of New Jersey	\$ 27,333.87	\$ 412,891.15	\$ 409,178.44	\$ 31,046.58
County	13,055.00	255,587.03	248,852.53	19,789.50
Municipality	43,508.13	771,695.11	758,206.32	56,996.92
Municipality - POAA	116.00	2,644.00	2,580.00	180.00
Conditional Discharge	247.00	3,663.00	3,542.00	368.00
Fish and Game		440.00	440.00	
Weights and Measures	10,450.00	56,750.00	62,850.00	4,350.00
Restitution	155.00	2,224.00	2,274.00	105.00
Local Park Commission		525.00	525.00	
Public Defender	2,563.00	24,339.00	24,785.00	2,117.00
Bail Account	14,300.00	159,288.00	156,938.00	16,650.00
	<u>\$ 111,728.00</u>	<u>\$ 1,690,046.29</u>	<u>\$ 1,670,171.29</u>	<u>\$ 131,603.00</u>

There were instances in which funds were turned over to agencies after the 15th day of the following month.

It is recommended that all funds be remitted to the agencies by no later than the 15th day of the following month in which the funds are collected.

Management's Response

The Town will remit all funds to their respective agencies no later than the 15th day of the following month in the future.

TOWN OF DOVER
COMMENTS AND RECOMMENDATIONS
(Continued)

Town Library

Our review of the records of the Town Library revealed the following:

1. Overall, there appears to be an inadequate control over incoming receipts. Prenumbered receipts are only issued for collections over \$1.
2. The petty cash fund is not maintained at the authorized fund amount or closed out at year end.
3. A reconciliation of the bank account for the library was not performed on a monthly basis during the year.

It is recommended that:

1. Prenumbered receipts are issued for all collections; or, a cash register is obtained and utilized for all receipts.
2. The excess in the petty cash fund be turned over to the fines and fees account. The petty cash fund is closed out at year end.
3. Bank reconciliations are performed on a monthly basis.

Management's Response

1. Consideration will be given to issuing prenumbered receipts for all collections in 2014.
2. The excess in the petty cash fund will be turned over to the fines and fees account in 2014 and the petty cash fund will be closed out at year end in the future.
3. Reconciliations will be performed on a monthly basis.

Accounting Procedures

We have found instances in the office of the Clerk that receipts were not being deposited within the forty-eight hour statutory guideline.

It is recommended that all receipts be deposited within 48 hours for the Clerk.

Management's Response

The Town Clerk will make every effort to deposit funds within forty-eight hours.

Community Development Block Grant

We noted during our single audit testing, that the expenditures records for the Community Development Block Grant, as maintained by the Town of Dover, do not agree with the records of the third party grant administrator.

It is recommended that all requests for reimbursements match the respective expenditure lines as they are charged in the accounting software.

TOWN OF DOVER
COMMENTS AND RECOMMENDATIONS
(Continued)

Community Development Block Grant (Cont'd)

Management's Response

The Town will reconcile the information provided to them by the third party grant coordinator, to ensure that all expenses are properly accounted for and are in agreement with the Town's accounting records.

Corrective Action Plan

The Town has initiated a corrective action plan to resolve comments and recommendations from the 2012 audit report. Corrective action on the recommendations is in the process of being implemented.

TOWN OF DOVER
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Library:
 - a. Prenumbered receipts are issued for all collections; or, a cash register is obtained and utilized for all receipts.
 - b. The excess in the petty cash fund be turned over to the fines and fees account. The petty cash fund is closed out at year end.
 - c. Bank reconciliations are performed on a monthly basis.

2. All funds collected by the Municipal Court are remitted to the agencies by no later than the 15th day of the following month in which the funds are collected.

3. All funds collected by the Clerk are deposited within 48 hours of receipt.

4. All requests for reimbursements match the respective expenditures lines as they are charged in the accounting software.