

TOWN OF DOVER
COUNTY OF MORRIS
REPORT OF AUDIT
2017

NISIVOCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF DOVER
COUNTY OF MORRIS
REPORT OF AUDIT
2017

TOWN OF DOVER
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TOWN OF DOVER

PART I

FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2017



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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, 2017 and 2016, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed or permitted 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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May 2, 2018

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 each fund and account group of the Town as of December 31, 2017 and 2016, 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 referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Town of Dover as of December 31, 2017 and 2016, 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 and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *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 fund 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 fund financial statements or to the various fund 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
Page 3
May 2, 2018

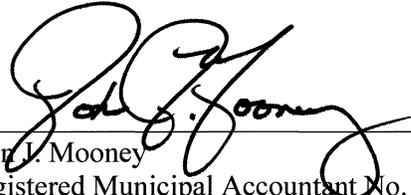
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2018 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
May 2, 2018

N. SIVOC CIA LLP

NISIVOCCIA LLP

A handwritten signature in black ink, appearing to read "John J. Mooney", written over a horizontal line.

John J. Mooney
Registered Municipal Accountant No. 560
Certified Public Accountant

TOWN OF DOVER

COUNTY OF MORRIS

2017

CURRENT FUND

TOWN OF DOVER
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 5,825,016.21	\$ 5,312,103.18
Change Funds		675.00	675.00
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes	A-7	605,218.61	509,225.53
Tax Title Liens	A-8	352,240.17	305,703.97
Property Acquired for Taxes - Assessed Valuation		204,400.00	204,400.00
Revenue Accounts Receivable	A-9	31,437.03	43,244.01
Sewer Rents Receivable	A-10	30,123.99	38,457.63
Due from:			
Police Outside Services		22,770.68	34,271.21
Federal and State Grant Fund	A	46,757.52	
Animal Control Fund	B	12,153.20	3,646.20
Total Receivables and Other Assets with Full Reserves		<u>1,305,101.20</u>	<u>1,138,948.55</u>
Deferred Charges:			
Special Emergency Authorizations		134,880.55	204,761.09
		<u>134,880.55</u>	<u>204,761.09</u>
Total Regular Fund		<u>7,265,672.96</u>	<u>6,656,487.82</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-13	766,340.41	587,988.41
Due from Current Fund	A		128,481.71
Total Federal and State Grant Fund		<u>766,340.41</u>	<u>716,470.12</u>
<u>TOTAL ASSETS</u>		<u>\$ 8,032,013.37</u>	<u>\$ 7,372,957.94</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2017</u>	<u>2016</u>
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 717,412.69	\$ 882,356.08
Encumbered	A-3;A-11	98,596.82	89,580.00
Total Appropriation Reserves		<u>816,009.51</u>	<u>971,936.08</u>
County Taxes Payable		11,766.17	23,978.85
Local School Taxes Payable	A-12	1,024,527.92	1,026,004.27
Prepaid Taxes		369,254.70	401,760.55
Tax Overpayments		11,364.12	9,165.91
Prepaid Sewer Rents		1,766.64	1,766.64
Accounts Payable - Vendors			7,967.27
Due to:			
Federal and State Grant Fund	A		128,481.71
Other Trust Funds - Recycling Trust Fund	B	341.00	396.00
Other Trust Funds -Tax Sale Premiums	B		293,700.00
State of NJ - Marriage License Fees		2,110.00	2,860.00
State of NJ - Veterans' and Senior Citizens' Deductions		23,142.68	23,322.82
State of NJ - Building Fees		1,266.00	1,428.00
Reserve for:			
Third Party Liens		10,550.65	10,550.08
Maintenance of Free Public Library		10,875.31	7,775.82
Sale of Municipal Assets		1,003,355.35	5,355.35
Tax Appeals		120,000.00	120,000.00
		<u>3,406,330.05</u>	<u>3,036,449.35</u>
Reserve for Receivables and Other Assets	A	1,305,101.20	1,138,948.55
Fund Balance	A-1	2,554,241.71	2,481,089.92
Total Regular Fund		<u><u>7,265,672.96</u></u>	<u><u>6,656,487.82</u></u>
Federal and State Grant Fund:			
Appropriated Reserves	A-14	338,452.00	551,449.60
Unappropriated Reserves	A-15	43,596.32	4,394.72
Encumbrances Payable	A-14	337,534.57	160,625.80
Due Current Fund	A	46,757.52	
Total Federal and State Grant Fund		<u><u>766,340.41</u></u>	<u><u>716,470.12</u></u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u><u>\$ 8,032,013.37</u></u>	<u><u>\$ 7,372,957.94</u></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,	
	2017	2016
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,325,000.00	\$ 1,100,500.00
Miscellaneous Revenue Anticipated	6,132,982.08	5,673,603.62
Receipts from:		
Delinquent Taxes	500,865.59	549,688.79
Current Taxes	31,021,684.43	30,675,469.39
Nonbudget Revenue	531,407.80	465,267.22
Other Credits to Income:		
Cancellation of Appropriated Reserves - Federal and State Grant Fund	5,814.81	10,737.29
Unexpended Balance of Appropriation Reserves	489,110.17	421,488.68
Prepaid School Taxes Applied		89,504.24
Total Income	<u>40,006,864.88</u>	<u>38,986,259.23</u>
<u>Expenditures</u>		
Budget Appropriations:		
Municipal Purposes	21,712,948.99	20,447,103.21
County Taxes	3,468,943.26	3,469,677.16
Local School District Taxes	13,377,245.00	13,155,237.00
Interfunds and Other Receivables Advanced	43,763.99	13,827.54
Prior Year Senior Citizens' and Veterans Deductions Disallowed		3,798.88
Cancellation of Federal and State Grant Funds Receivable	5,811.85	1,768.17
Total Expenditures	<u>38,608,713.09</u>	<u>37,091,411.96</u>
Statutory Excess to Fund Balance	\$ 1,398,151.79	1,894,847.27
<u>Fund Balance</u>		
Balance January 1	<u>2,481,089.92</u>	<u>1,686,742.65</u>
	3,879,241.71	3,581,589.92
Decreased by:		
Utilized as Anticipated Revenue	<u>1,325,000.00</u>	<u>1,100,500.00</u>
Balance December 31	<u><u>\$ 2,554,241.71</u></u>	<u><u>\$ 2,481,089.92</u></u>

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, 2017

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit*
Fund Balance Anticipated	\$ 1,325,000.00		\$ 1,325,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	35,000.00		42,132.00	\$ 7,132.00
Other	40,000.00		63,625.00	23,625.00
Fees and Permits	175,000.00		186,645.76	11,645.76
Fines and Costs:				
Municipal Court	475,000.00		522,708.67	47,708.67
Interest and Costs on Taxes	120,000.00		91,200.77	28,799.23 *
Interest on Investments and Deposits	20,000.00		41,347.12	21,347.12
Payment In Lieu of Taxes - Mill Pond Towers				
Senior Citizen Apartments	181,000.00		181,232.00	232.00
Sewer Rents	1,750,000.00		1,723,594.47	26,405.53 *
Fire Prevention Inspection Fees	20,000.00		21,002.00	1,002.00
Consolidated Municipal Property Tax Relief Aid	212,312.00		205,485.00	6,827.00 *
Energy Receipts Taxes	1,052,310.00		1,059,137.00	6,827.00
Uniform Construction Code Fees	275,000.00		385,746.14	110,746.14
Interlocal Services - Municipal Court & Fire	319,000.00		335,136.38	16,136.38

TOWN OF DOVER
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit*
Miscellaneous Revenue (Cont'd):				
Reserve for Recycling Tonnage Grant	\$ 16,619.25		\$ 16,619.25	
Clean Communities Program		\$ 26,274.36	26,274.36	
Small Cities Grant	290,000.00		290,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	23,361.00		23,361.00	
Reserve for Housing Rehabilitation	19,466.00		19,466.00	
NJ Department of Transportation Safe Corridor Grant	20,108.81		20,108.81	
Body Armor Replacement Grant	3,306.95		3,306.95	
Drive Sober Holiday Crackdown	3,228.56		3,228.56	
Alcohol Education and Rehabilitation	1,087.77		1,087.77	
Pedestrian Safety Grant		14,000.00	14,000.00	
Community Policing Grant		7,200.00	7,200.00	
Utility Operating Surplus of Prior Year - Water Utility	125,000.00		125,000.00	
Utility Operating Surplus of Prior Year - Parking Utility	55,000.00		55,000.00	
Uniform Fire Safety Act	35,000.00		38,380.76	\$ 3,380.76
Cell Tower Rental	150,000.00		161,252.32	11,252.32
Community Champions	115,000.00		281,800.00	166,800.00
Cable TV Franchise Fee	185,000.00		187,903.99	2,903.99
Total Miscellaneous Revenue	5,716,800.34	47,474.36	6,132,982.08	368,707.38
Receipts from Delinquent Taxes	515,000.00		500,865.59	14,134.41 *

TOWN OF DOVER
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Amount to be Raised by Taxes for Support of

Municipal Budget:

Local Tax for Municipal Purposes
Minimum Library Tax

Budget Totals

Nonbudget Revenue

	Budget	Added by NISA 40A:4-87	Realized	Excess or Deficit*
	\$ 14,456,567.50		\$ 14,523,389.38	\$ 66,821.88
	443,354.85		443,354.85	
	<u>14,899,922.35</u>		<u>14,966,744.23</u>	<u>66,821.88</u>
	22,456,722.69	\$ 47,474.36	22,925,591.90	\$ 421,394.85
			<u>531,407.80</u>	
	<u>\$ 22,456,722.69</u>	<u>\$ 47,474.36</u>	<u>\$ 23,456,999.70</u>	

TOWN OF DOVER
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Collection of Current Taxes	\$ 31,021,684.43
Allocated to:	
School and County Taxes	16,846,188.26
	14,175,496.17
Add: Appropriation "Reserve for Uncollected Taxes"	
	791,248.06
Realized for Support of Municipal Budget	\$ 14,966,744.23

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

New Jersey Division of Motor Vehicles - Fines	\$ 17,905.50	
Morris County Shared Radio Communication	15,672.82	
Dover Housing Authority - Payments in Lieu of Taxes	11,094.19	
New Jersey Municipal Employee Benefit Fund Dividend	118,697.00	
FEMA Winter Storm Jonas Reimbursement	55,999.23	
Hotel Occupancy Tax	168,084.17	
Board of Education Gas and Fuel Prior Year Reimbursement	1,910.53	
Victory Gardens Municipal Alliance	1,000.00	
Senior Citizen and Veteran Deductions - Administrative Fee	1,145.16	
Other Receipts	127,666.13	
		\$ 519,174.73

Due from Animal Control Fund:

Statutory Excess in Reserve for Animal Control Fund Expenditures	12,153.20
Tax Collector Miscellaneous Revenue	79.87
	\$ 531,407.80

Interest on Investments and Deposits:

Current Fund	\$ 19,219.69	
General Capital Fund	22,127.43	
	\$ 41,347.12	

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS":				
GENERAL GOVERNMENT:				
Mayor and Board of Aldermen:				
Salaries and Wages	\$ 128,371.00	\$ 198,371.00	\$ 197,500.00	\$ 871.00
Other Expenses	53,135.00	53,135.00	51,308.34	1,826.66
Administrative and Executive:				
Salaries and Wages	173,800.00	153,800.00	131,955.52	21,844.48
Other Expenses	120,300.00	120,300.00	109,552.89	10,747.11
Town Clerk:				
Salaries and Wages	210,820.00	248,820.00	247,011.32	1,808.68
Other Expenses	27,225.00	27,225.00	22,346.86	4,878.14
Financial Administration:				
Salaries and Wages	205,904.00	205,904.00	203,935.50	1,968.50
Other Expenses	53,395.00	53,395.00	50,919.77	2,475.23
Annual Audit	36,929.00	36,929.00	11,950.00	24,979.00
Assessment of Taxes:				
Salaries and Wages	91,916.00	85,566.00	85,559.35	6.65
Other Expenses	27,590.00	27,590.00	11,551.71	16,038.29
Collection of Taxes:				
Salaries and Wages	76,637.00	79,837.00	79,773.34	63.66
Other Expenses	10,595.00	10,595.00	7,942.31	2,652.69
Legal Services and Costs:				
Legal Fees	201,400.00	181,400.00	137,565.45	43,834.55
Municipal Prosecutor:				
Salaries and Wages	87,200.00	87,200.00	80,836.04	6,363.96
Engineering Services and Costs:				
Salaries and Wages	181,631.00	185,631.00	172,730.88	12,900.12
Other Expenses	68,660.00	68,660.00	48,898.69	19,761.31

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(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):				
Economic Development:				
Salaries and Wages	\$ 206,248.00	\$ 191,248.00	\$ 190,887.38	\$ 360.62
Other Expenses	59,500.00	69,500.00	61,056.34	8,443.66
Municipal Land Use Law (N.J.S.A.40:55D-1):				
Planning Board:				
Salaries and Wages	3,000.00	3,000.00	3,000.00	
Other Expenses	8,050.00	8,050.00	6,858.49	1,191.51
Board of Adjustment:				
Salaries and Wages	3,000.00	3,000.00	3,000.00	
Other Expenses	7,850.00	7,850.00	4,097.59	3,752.41
Insurance:				
General Liability	320,000.00	338,000.00	332,799.67	5,200.33
Workers Compensation	309,200.00	309,200.00	309,163.02	36.98
Employee Group Health	3,205,500.00	3,205,500.00	3,141,455.20	64,044.80
Health Benefit Waivers	150,000.00	150,000.00	142,392.61	7,607.39
Code Enforcement:				
Salaries and Wages	313,044.00	255,744.00	252,657.32	3,086.68
Other Expenses	3,900.00	5,100.00	3,880.36	1,219.64
PUBLIC SAFETY:				
Police:				
Salaries and Wages	4,499,611.00	4,499,611.00	4,478,747.89	20,863.11
Other Expenses	204,450.00	223,450.00	202,044.63	21,405.37
Shared Services Dispatching:				
Other Expenses	322,500.00	322,500.00	322,123.66	376.34
Office of Emergency Management:				
Salaries and Wages	5,100.00	6,600.00	5,250.00	1,350.00
Other Expenses	8,425.00	8,425.00	8,425.00	8,425.00

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(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):				
PUBLIC SAFETY:				
Public Defender:				
Other Expenses	\$ 48,562.00	\$ 48,562.00	\$ 48,042.75	\$ 519.25
Uniform Fire Safety Act (P.L. 1983, Ch. 383):				
Salaries and Wages	115,321.00	105,321.00	103,901.32	1,419.68
Other Expenses	12,685.00	12,685.00	7,842.72	4,842.28
Fire:				
Salaries and Wages	590,524.00	553,474.00	551,179.28	2,294.72
Other Expenses	113,225.00	113,225.00	106,866.43	6,358.57
Municipal Court:				
Salaries & Wages	169,877.00	169,877.00	151,973.97	17,903.03
Other Expenses	57,575.00	57,575.00	40,293.89	17,281.11
HEALTH & WELFARE:				
Board of Health:				
Salaries and Wages	122,910.00	130,910.00	130,242.93	667.07
Other Expenses	176,085.00	176,085.00	153,657.24	22,427.76
Solid Waste and Recycling:				
Salaries and Wages	211,283.00	211,283.00	186,734.53	24,548.47
Other Expenses	1,231,000.00	1,130,900.00	1,011,501.97	119,398.03
RECREATION & EDUCATION:				
Shade Trees:				
Salaries and Wages	1,785.00	1,785.00	1,785.00	
Other Expenses	27,775.00	27,775.00	20,474.90	7,300.10
Senior Citizens Transportation:				
Salaries and Wages	40,948.00	40,948.00	39,199.45	1,748.55
Other Expenses	9,130.00	14,130.00	10,036.19	4,093.81

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS" (Continued):				
RECREATION & EDUCATION:				
Recreation Department:				
Salaries and Wages	\$ 91,435.00	\$ 100,335.00	\$ 99,612.13	\$ 722.87
Other Expenses	114,000.00	124,000.00	122,487.25	1,512.75
Historic Preservation:				
Salaries and Wages	3,000.00	3,000.00	3,000.00	
Other Expenses	2,850.00	2,850.00	1,332.59	1,517.41
STREETS & ROADS:				
Division of Streets and Roads:				
Salaries and Wages	584,176.00	551,676.00	533,735.35	17,940.65
Other Expenses	141,100.00	141,100.00	107,849.22	33,250.78
Division of Sewer Maintenance:				
Salaries and Wages	278,283.00	278,283.00	271,217.32	7,065.68
Other Expenses	10,450.00	25,450.00	14,994.46	10,455.54
Buildings and Grounds Maintenance Division:				
Salaries and Wages	265,255.00	265,255.00	261,166.22	4,088.78
Other Expenses	66,750.00	116,750.00	106,508.30	10,241.70
Snow and Ice Removal:				
Salaries and Wages	50,000.00	50,000.00	25,458.40	24,541.60
Other Expenses	80,000.00	80,000.00	79,168.95	831.05
State Uniform Construction Code:				
Salaries and Wages	220,184.00	229,684.00	228,982.54	701.46
Other Expenses	9,810.00	9,810.00	8,292.37	1,517.63
Unclassified:				
Utility Expenses & Bulk Purchases	408,500.00	408,500.00	367,518.37	40,981.63

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Total Operations Within "CAPS"	\$ 16,639,364.00	\$ 16,612,364.00	\$ 15,905,808.17	\$ 706,555.83
Total Operations Including Contingent Within "CAPS"	16,639,364.00	16,612,364.00	15,905,808.17	706,555.83
Detail:				
Salaries and Wages	8,931,263.00	8,896,163.00	8,721,032.98	174,769.40
Other Expenses	7,708,101.00	7,716,201.00	7,184,775.19	531,786.43
Deferred Charges and Statutory Expenditures - Municipal within "CAPS":				
Statutory Expenditures:				
Contributions to:				
Public Employees' Retirement System	371,789.00	371,789.00	371,789.00	
Social Security System (O.A.S.I.)	372,000.00	399,000.00	394,992.75	4,007.25
Police and Fireman's Retirement System of New Jersey	1,060,000.00	1,060,000.00	1,057,247.87	2,752.13
State Unemployment Insurance	5,000.00	5,000.00	5,000.00	
Defined Contribution Retirement Program	10,000.00	10,000.00	10,000.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,818,789.00	1,845,789.00	1,839,029.62	6,759.38
Total General Appropriations for Municipal Purposes Within "CAPS"	18,458,153.00	18,458,153.00	17,744,837.79	713,315.21

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Excluded from "CAPS":				
Rockaway Valley Regional Sewerage Authority Contribution	\$ 800,000.00	\$ 800,000.00	\$ 796,380.00	\$ 3,620.00
Maintenance of Free Public Library (Ch. 82 and 541, P.L. 1985)	443,355.00	443,355.00	442,877.52	477.48
Shared Municipal Service Agreements				
Interlocal Services - Municipal Court	286,000.00	286,000.00	286,000.00	
Victory Gardens Fire Department	33,000.00	33,000.00	33,000.00	
Public and Private Programs Offset by Revenue:				
Clean Communities Program (N.J.S.A. 40A: 4-87 \$26,274.36)		26,274.36	26,274.36	
Small Cities Grants	290,000.00	290,000.00	290,000.00	
Reserve for Recycling Tonnage Grant	16,619.25	16,619.25	16,619.25	
Body Armor Replacement Fund	3,306.95	3,306.95	3,306.95	
Reserve for Housing Rehabilitation	19,466.00	19,466.00	19,466.00	
Drive Sober Holiday Crackdown	3,228.56	3,228.56	3,228.56	
Reserve for Alcohol Rehabilitation Grant	1,087.77	1,087.77	1,087.77	
Pedestrian Safety Grant (N.J.S.A. 40A: 4-87 \$14,000.00)		14,000.00	14,000.00	
Community Policing Grant (N.J.S.A. 40A: 4-87 \$7,200.00)		7,200.00	7,200.00	
Municipal Alliance on Alcoholism and Drug Abuse:				
State Share	23,361.00	23,361.00	23,361.00	
Local Share	5,840.25	5,840.25	5,840.25	
Total Operations Excluded from "CAPS"	<u>1,925,264.78</u>	<u>1,972,739.14</u>	<u>1,968,641.66</u>	<u>4,097.48</u>
Detail:				
Other Expenses	<u>1,925,264.78</u>	<u>1,972,739.14</u>	<u>1,968,641.66</u>	<u>4,097.48</u>

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Excluded from "CAPS" (Continued):				
Capital Improvements - Excluded from "CAPS":				
NJ Department of Transportation Safe Corridor Capital Improvement Fund	\$ 20,108.81	\$ 20,108.81	\$ 20,108.81	
Total Capital Improvements - Excluded from "CAPS"	150,000.00	150,000.00	150,000.00	
Municipal Debt Service Excluded from "CAPS":	170,108.81	170,108.81	170,108.81	
Payment of Bond Principal	825,000.00	825,000.00	825,000.00	
Interest on Bonds	217,067.50	217,067.50	217,067.50	
Total Municipal Debt Service - Excluded from "CAPS"	1,042,067.50	1,042,067.50	1,042,067.50	
Deferred Charges - Municipal - Excluded from "CAPS"				
Special Emergency Authorizations - 5 Years	69,880.54	69,880.54	69,880.54	
Total Deferred Charges - Municipal - Excluded from "CAPS"	69,880.54	69,880.54	69,880.54	
Total General Appropriations Excluded from "CAPS"	3,207,321.63	3,254,795.99	3,250,698.51	\$ 4,097.48
Subtotal General Appropriations	21,665,474.63	21,712,948.99	20,995,536.30	717,412.69
Reserve for Uncollected Taxes	791,248.06	791,248.06	791,248.06	
Total General Appropriations	\$ 22,456,722.69	\$ 22,504,197.05	\$ 21,786,784.36	\$ 717,412.69

Ref.

A

TOWN OF DOVER
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Analysis of Paid or Charged</u>
Adopted Budget		\$ 22,456,722.69	
Added by:			
N.J.S.A. 40A:4-87		<u>47,474.36</u>	
		<u>\$ 22,504,197.05</u>	
Cash Disbursed			\$ 21,054,220.47
Reserve for Uncollected Taxes			791,248.06
Deferred Charges - Special Emergency			69,880.54
Encumbrances	A		98,596.82
Transfer to Appropriated Grant Reserves:			
Federal and State Grants			424,652.70
Local Matching Funds			5,840.25
			<u>22,444,438.84</u>
Less: Appropriation Refunds			<u>657,654.48</u>
			<u>\$ 21,786,784.36</u>

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

TOWN OF DOVER

COUNTY OF MORRIS

2017

TRUST FUNDS

TOWN OF DOVER
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 37,086.20	\$ 28,235.00
		<u>37,086.20</u>	<u>28,235.00</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,301,134.69	838,199.18
Due from Current Fund - Recycling Trust Fund	A	341.00	396.00
Due from Current Fund - Tax Sale Premiums	A		293,700.00
		<u>1,301,475.69</u>	<u>1,132,295.18</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,338,561.89</u>	<u>\$ 1,160,530.18</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 5.40	\$ 5.40
Due to Current Fund	A	12,153.20	3,646.20
Reserve for Animal Control Fund Expenditures	B-6	24,927.60	24,583.40
		<u>37,086.20</u>	<u>28,235.00</u>
Other Trust Funds:			
Reserve for:			
Other Deposits		715,340.78	563,363.02
Recycling Trust Fund		3,420.20	2,529.50
Forfeited Assets Deposits		23,089.41	16,893.22
Fire Penalty Fees		13,280.48	10,530.48
Recreation		21,361.33	9,635.35
Historical Preservation		4,308.00	4,458.00
Accumulated Absences		74,047.78	262.99
Tax Sale Premiums		405,700.00	483,200.00
Unemployment Compensation		40,927.71	41,422.62
		<u>1,301,475.69</u>	<u>1,132,295.18</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 1,338,561.89</u>	<u>\$ 1,160,530.18</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, 2017

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, 2017

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

TOWN OF DOVER

COUNTY OF MORRIS

2017

GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 4,347,819.81	\$ 1,716,403.10
Deferred Charges to Future Taxation:			
Funded		8,365,000.00	9,190,000.00
Unfunded	C-4	15,600,449.00	4,750,928.00
<u>TOTAL ASSETS</u>		<u>\$ 28,313,268.81</u>	<u>\$ 15,657,331.10</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 8,365,000.00	\$ 9,190,000.00
Bond Anticipation Notes Payable	C-7	12,750,000.00	
Improvement Authorizations:			
Funded	C-5	333,345.37	554,344.03
Unfunded	C-5	4,338,960.24	4,058,704.58
Downpayments on Improvements	C-6A	792.20	792.20
Encumbrances Payable		2,406,979.35	1,820,416.78
Reserve to Pay Debt Service		5,866.48	5,866.48
Fund Balance	C-1	112,325.17	27,207.03
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 28,313,268.81</u>	<u>\$ 15,657,331.10</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, 2016	C	\$ 27,207.03
Increased by:		
Premium Received on Sale of Bond Anticipation Notes		\$ 30,482.00
Cancellation of Funded Ordinances		<u>54,636.14</u>
		<u>85,118.14</u>
Balance December 31, 2017	C	<u><u>\$ 112,325.17</u></u>

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

TOWN OF DOVER

COUNTY OF MORRIS

2017

WATER UTILITY FUND

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 1,444,241.80	\$ 1,262,569.13
Collector's Change Fund		100.00	100.00
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	56,501.51	121,505.19
Inventory	D-7	401,109.98	404,890.29
Total Receivables and Inventory with Full Reserves		<u>457,611.49</u>	<u>526,395.48</u>
Total Operating Fund		<u>1,901,953.29</u>	<u>1,789,064.61</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	3,089,152.84	3,885,784.70
New Jersey Department of Transportation Grant Receivable			97,491.57
Fixed Capital	D-8	8,466,085.95	7,932,463.15
Fixed Capital Authorized and Uncompleted	D-9	10,818,214.16	8,625,214.16
Total Capital Fund		<u>22,373,452.95</u>	<u>20,540,953.58</u>
<u>TOTAL ASSETS</u>		<u>\$ 24,275,406.24</u>	<u>\$ 22,330,018.19</u>

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

	Ref.	December 31,	
		2017	2016
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-10	\$ 622,729.33	\$ 301,169.03
Encumbered	D-3;D-10	63,596.64	53,956.05
Total Appropriation Reserves		<u>686,325.97</u>	<u>355,125.08</u>
Prepaid Water Rents		4,254.24	2,038.48
Accrued Interest on Bonds		36,765.37	13,144.54
Third Party Lien		213.49	213.49
		<u>727,559.07</u>	<u>370,521.59</u>
Reserve for Receivables and Inventory	D	457,611.49	526,395.48
Fund Balance	D-1	716,782.73	892,147.54
Total Operating Fund		<u>1,901,953.29</u>	<u>1,789,064.61</u>
Capital Fund:			
Serial Bonds Payable	D-14	6,203,575.00	6,703,575.00
NJ Environmental Infrastructure Trust Loans Payable	D-16	550,221.70	589,246.74
Improvement Authorizations:			
Funded	D-11	2,793,469.44	3,542,434.83
Unfunded	D-11	2,766,623.17	107,391.57
Capital Improvement Fund	D-12	6,773.48	6,773.48
Encumbrances Payable	D-11	290,951.13	371,226.40
Reserve for:			
Receivables			97,491.57
Amortization		9,379,574.20	8,740,088.03
Deferred Amortization	D-13	203,383.93	370,580.69
Fund Balance	D-1A	178,880.90	12,145.27
Total Capital Fund		<u>22,373,452.95</u>	<u>20,540,953.58</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 24,275,406.24</u>	<u>\$ 22,330,018.19</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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 349,797.00	\$ 74,941.00
Rents		3,370,036.22	3,370,805.81
Miscellaneous Revenue Anticipated		50,182.86	60,887.50
Other Credits to Income:			
Appropriation Reserves Lapsed		221,405.74	65,099.19
Interfunds Returned			940.28
		<u>3,991,421.82</u>	<u>3,572,673.78</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		2,717,313.00	2,476,586.00
Capital Improvement Fund		100,000.00	25,000.00
Debt Service		720,907.63	419,884.62
Deferred Charges and Statutory Expenditures		153,769.00	137,475.00
		<u>3,691,989.63</u>	<u>3,058,945.62</u>
Excess in Revenue		299,432.19	513,728.16
<u>Fund Balance</u>			
Balance January 1	D	892,147.54	578,360.38
		1,191,579.73	1,092,088.54
Decreased by:			
Utilized as Anticipated Revenue		349,797.00	74,941.00
Utilized as Anticipated Revenue - Current Fund		125,000.00	125,000.00
		<u>716,782.73</u>	<u>892,147.54</u>
Balance December 31	D	<u>\$ 716,782.73</u>	<u>\$ 892,147.54</u>

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, 2016	D	\$ 12,145.27
Increased by:		
Cancellation of Fully Funded Ordinances		<u>166,735.63</u>
Balance December 31, 2017	D	<u>\$ 178,880.90</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, 2017

	Anticipated	Realized	Excess or Deficit*
Fund Balance Anticipated	\$ 349,797.00	\$ 349,797.00	
Water Rents	3,315,000.00	3,370,036.22	\$ 55,036.22
Miscellaneous Revenue	30,000.00	50,182.86	20,182.86
	\$ 3,694,797.00	\$ 3,770,016.08	\$ 75,219.08

Analysis of Water Rents Revenue:

Cash Received	\$ 3,367,997.74
Prepaid Rents Applied	2,038.48
	\$ 3,370,036.22

Analysis of Miscellaneous Revenue:

<u>Water Collector:</u>	
New Service Fee	\$ 4,180.00
Bypass New Meter Fees	11,893.00
Miscellaneous	15,169.35
	31,242.35
 <u>Treasurer:</u>	
Interest on Investments	18,940.51
	\$ 50,182.86
 Total Miscellaneous Revenue	 \$ 50,182.86

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

TOWN OF DOVER

COUNTY OF MORRIS

2017

PARKING UTILITY FUND

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

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-4	\$ 76,812.50	\$ 159,259.25
Due from Parking Utility Capital Fund	E		685.00
Total Operating Fund		<u>76,812.50</u>	<u>159,944.25</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	395,204.35	395,204.35
Fixed Capital	E-6	610,815.40	610,815.40
Fixed Capital Authorized and Uncompleted	E-7	1,327,229.00	1,327,914.00
Total Capital Fund		<u>2,333,248.75</u>	<u>2,333,933.75</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,410,061.25</u>	<u>\$ 2,493,878.00</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Unencumbered	E-3;E-8	\$ 23,055.76	\$ 40,234.81
Encumbered	E-3;E-8	11,721.17	801.39
Total Appropriation Reserves		<u>34,776.93</u>	<u>41,036.20</u>
Prepaid Parking Decals		9,780.00	8,423.00
Accrued Interest on Bonds		5,193.33	2,775.00
		<u>49,750.26</u>	<u>52,234.20</u>
Fund Balance	E-1	27,062.24	107,710.05
Total Operating Fund		<u>76,812.50</u>	<u>159,944.25</u>
Capital Fund:			
Serial Bonds Payable	E-12	998,000.00	1,063,000.00
Improvement Authorizations:			
Funded	E-9	372,055.26	372,055.26
Unfunded	E-9		685.00
Due Parking Utility Operating Fund	E		685.00
Capital Improvement Fund	E-10	17,668.23	17,668.23
Reserves For:			
Amortization		815,815.40	750,815.40
Deferred Amortization	E-11	124,229.00	124,229.00
Fund Balance	E-1A	5,480.86	4,795.86
Total Capital Fund		<u>2,333,248.75</u>	<u>2,333,933.75</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,410,061.25</u>	<u>\$ 2,493,878.00</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.	Year Ended December 31,	
		2017	2016
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 50,000.00	\$ 44,513.00
Revenue - Parking Meters		261,583.76	297,718.96
Miscellaneous		64,066.70	48,119.28
Other Credits to Income:			
Appropriation Reserves Lapsed		16,503.80	51,071.77
Total Income		<u>392,154.26</u>	<u>441,423.01</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		254,308.00	253,294.00
Capital Improvements			2,500.00
Cancellation of Due from Parking Utility Capital Fund		685.00	
Debt Service		112,809.07	88,531.50
Total Expenditures		<u>367,802.07</u>	<u>344,325.50</u>
Excess in Revenue		24,352.19	97,097.51
<u>Fund Balance</u>			
Balance January 1	E	<u>107,710.05</u>	<u>55,125.54</u>
		132,062.24	152,223.05
Decreased by:			
Utilized as Anticipated Revenue		50,000.00	44,513.00
Prior Year Fund Balance Anticipated as Current Fund Revenue		<u>55,000.00</u>	
Balance December 31	E	<u>\$ 27,062.24</u>	<u>\$ 107,710.05</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, 2016	E	\$ 4,795.86
Increased by:		
Cancellation of Due to Parking Utility Operating Fund		<u>685.00</u>
Balance December 31, 2017	E	<u>\$ 5,480.86</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, 2017

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 50,000.00	\$ 50,000.00	
Revenue - Parking Meters	290,000.00	261,583.76	\$ 28,416.24 *
Miscellaneous	45,126.00	64,066.70	18,940.70
	<u>\$ 385,126.00</u>	<u>\$ 375,650.46</u>	<u>\$ 9,475.54 *</u>

Analysis of Miscellaneous Revenue:

Collector:

Parking Permits - Decals	\$ 53,644.05
Prepaid Parking Decals Applied	8,423.00
Interest	1,999.65
	<u>\$ 64,066.70</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, 2017

	Appropriations		Expended by		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 137,118.00	\$ 117,118.00	\$ 106,964.44	\$ 153.56	\$ 10,000.00
Other Expenses	135,190.00	155,190.00	125,536.54	21,653.46	8,000.00
Debt Service:					
Payment of Bond Principal	65,000.00	65,000.00	65,000.00		
Interest on Bonds	26,611.00	28,911.00	28,902.07		8.93
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	8,617.00	8,617.00	8,500.00	117.00	
Social Security System (O.A.S.I.)	11,650.00	9,350.00	8,218.26	1,131.74	
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>\$ 385,126.00</u>	<u>\$ 385,126.00</u>	<u>\$ 344,061.31</u>	<u>\$ 23,055.76</u>	<u>\$ 18,008.93</u>

Ref.

E

Cash Disbursed	\$ 303,438.07
Accrued Interest on Bonds	28,902.07
Encumbrances	11,721.17
	<u>\$ 344,061.31</u>

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

TOWN OF DOVER

COUNTY OF MORRIS

2017

GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	2017	2016
<u>ASSETS</u>		
Land	\$ 4,105,200.00	\$ 4,105,200.00
Buildings	2,326,500.00	2,326,500.00
Machinery and Equipment	9,611,052.07	8,936,264.70
<u>TOTAL ASSETS</u>	\$ 16,042,752.07	\$ 15,367,964.70
 <u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 16,042,752.07	\$ 15,367,964.70
<u>TOTAL RESERVES</u>	\$ 16,042,752.07	\$ 15,367,964.70

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

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
 (Continued)

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

B. Description of Funds (Cont'd)

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.

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.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

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

C. Basis of Accounting (Cont'd)

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; investments would generally be stated at fair value; fixed assets purchased by the Utility Capital Funds would be depreciated, investments would generally be stated at fair value, and the Town's net pension liability and related deferred inflows and outflows would be recorded.

- 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.

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.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

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

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

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 cost 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 historical cost) and buildings (which are recorded at historical cost). Infrastructure assets are not included in general fixed assets, as per state directive.

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.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

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.

	December 31,		
	2017	2016	2015
<u>Issued</u>			
General:			
Bonds and Notes	\$ 21,115,000.00	\$ 9,190,000.00	\$ 9,760,000.00
Water Utility:			
Bonds, Notes and Loans	6,753,796.70	7,292,821.74	4,716,830.78
Parking Utility:			
Bonds and Notes	998,000.00	1,063,000.00	1,108,685.00
Total Issued	<u>28,866,796.70</u>	<u>17,545,821.74</u>	<u>15,585,515.78</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	2,850,449.00	4,750,928.00	928.00
Water Utility:			
Bonds and Notes	2,947,545.28	154,186.85	154,186.85
Total Authorized but not Issued	<u>5,797,994.28</u>	<u>4,905,114.85</u>	<u>155,114.85</u>
Less: Reserve to Pay Debt Service	<u>5,866.48</u>	<u>5,866.48</u>	<u>2,750.56</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 34,658,924.50</u>	<u>\$ 22,445,070.11</u>	<u>\$ 15,737,880.07</u>

Summary of Municipal Debt Issued and Outstanding

Summary of Municipal Debt Issued and Outstanding - Current Year

	Balance			Balance
	12/31/2016			Additions
Serial Bonds Payable:				
General Capital Fund	\$ 9,190,000.00		\$ 825,000.00	\$ 8,365,000.00
Water Utility Fund	6,703,575.00		500,000.00	6,203,575.00
Parking Utility Fund	1,063,000.00		65,000.00	998,000.00
Loan Payable:				
Water Utility Fund	589,246.74		39,025.04	550,221.70
Bond Anticipation Notes Payable:				
General Capital Fund		\$ 12,750,000.00		12,750,000.00
Total	<u>\$ 17,545,821.74</u>	<u>\$ 12,750,000.00</u>	<u>\$ 1,429,025.04</u>	<u>\$ 28,866,796.70</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(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 12/31/2015	Additions	Retirements	Balance 12/31/2016
Serial Bonds Payable:				
General Capital Fund	\$ 4,953,000.00	\$ 4,807,000.00	\$ 570,000.00	\$ 9,190,000.00
Water Utility Fund	2,496,575.00	4,492,000.00	285,000.00	6,703,575.00
Parking Utility Fund	711,000.00	397,000.00	45,000.00	1,063,000.00
Loan Payable:				
Water Utility Fund	628,255.78		39,009.04	589,246.74
Bond Anticipation Notes Payable:				
General Capital Fund	4,807,000.00		4,807,000.00	
Water Utility Fund	1,592,000.00		1,592,000.00	
Parking Utility Fund	397,685.00		397,685.00	
Total	<u>\$ 15,585,515.78</u>	<u>\$ 9,696,000.00</u>	<u>\$7,735,694.04</u>	<u>\$ 17,545,821.74</u>

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 1.805%.

	Gross Debt	Deductions	Net Debt
Local School Debt	\$ 5,350,000.00	\$ 5,350,000.00	
Water Utility Debt	9,701,341.98	9,701,341.98	
Parking Utility Debt	998,000.00	998,000.00	
General Debt	23,965,449.00	5,866.48	\$ 23,959,582.52
	<u>\$ 40,014,790.98</u>	<u>\$ 16,055,208.46</u>	<u>\$ 23,959,582.52</u>

Net Debt \$23,959,582.52 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,327,055,471 = 1.805%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 46,446,941.49
Net Debt	23,959,582.52
Remaining Borrowing Power	<u>\$ 22,487,358.97</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(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		\$ 3,770,016.08
Deductions:		
Operating and Maintenance Costs	\$ 2,871,082.00	
Debt Service	720,907.63	
Total Deductions		3,591,989.63
Excess in Revenue		\$ 178,026.45

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 377,007.46
Deductions:		
Operating and Maintenance Costs	\$ 273,215.00	
Debt Service	93,902.07	
Total Deductions		367,117.07
Excess in Revenue		\$ 9,890.39

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, 2017 is described as follows:

<u>General Capital Serial Bonds</u>			
Purpose	Final Maturity Date	Interest Rate	Balance Outstanding Dec. 31, 2017
General Improvement	10/15/2019	4.00%	\$ 435,000.00
General Improvement	9/15/2023	2.00% - 3.250%	3,358,000.00
General Improvement	8/3/2033	1.00% - 2.50%	4,572,000.00
			\$ 8,365,000.00

<u>Water Utility Capital Serial Bonds</u>			
Purpose	Final Maturity Date	Interest Rate	Balance Outstanding Dec. 31, 2017
Water Improvements	7/15/2019	4.90%	\$ 181,575.00
Water Improvements	9/15/2028	2.00%-3.25%	620,000.00
Water Refunding Bond	9/1/2023	3.00%	1,125,000.00
Water Improvements	8/1/2033	1.00% - 2.50%	4,277,000.00
			\$ 6,203,575.00

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

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

The Town's debt issued and outstanding on December 31, 2017 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, 2017</u>
Parking Improvements	9/15/2031	2.00%-3.250%	\$ 621,000.00
Parking Improvements	8/1/2030	1.00% - 2.00%	377,000.00
			<u>\$ 998,000.00</u>
<u>Water Utility Capital Loans Payable</u>			
<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding Dec. 31, 2017</u>
Various Improvements to the Water Department	8/1/2029	3.00%-5.00%	\$ 550,221.70
<u>General Capital Bond Anticipation Notes Payable</u>			
<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding Dec. 31, 2017</u>
Various General Improvements	8/4/2016	0.63%	\$ 1,900,000.00
Various General Improvements	8/4/2016	0.63%	2,850,000.00
Various General Improvements	8/4/2016	0.63%	8,000,000.00
			<u>\$ 12,750,000.00</u>
TOTAL DEBT ISSUED AND OUTSTANDING			<u>\$ 28,866,796.70</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 \$589,246.74.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(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 and Loans Payable Issued and Outstanding

Calendar Year	General Capital Fund		
	Principal	Interest	Total
2018	\$ 845,000.00	\$ 199,010.00	\$ 1,044,010.00
2019	865,000.00	180,060.00	1,045,060.00
2020	880,000.00	159,772.50	1,039,772.50
2021	960,000.00	136,972.50	1,096,972.50
2022	960,000.00	112,972.50	1,072,972.50
2023-2027	2,153,000.00	296,872.50	2,449,872.50
2028-2032	1,420,000.00	128,250.00	1,548,250.00
2033	282,000.00	7,050.00	289,050.00
	<u>\$ 8,365,000.00</u>	<u>\$ 1,220,960.00</u>	<u>\$ 9,585,960.00</u>

Calendar Year	Water Utility Capital Fund		
	Principal	Interest	Total
2018	\$ 539,046.04	\$ 148,225.72	\$ 687,271.76
2019	550,650.04	135,746.46	686,396.50
2020	514,112.04	123,199.94	637,311.98
2021	589,157.04	111,855.52	701,012.56
2022	589,207.04	99,579.82	688,786.86
2023-2027	2,166,983.20	326,141.62	2,493,124.82
2028-2032	1,542,641.30	127,408.30	1,670,049.60
2033	262,000.00	6,550.00	268,550.00
	<u>\$ 6,753,796.70</u>	<u>\$ 1,078,707.38</u>	<u>\$ 7,832,504.08</u>

Calendar Year	Parking Utility Capital Fund		
	Principal	Interest	Total
2018	\$ 70,000.00	\$ 25,422.50	\$ 95,422.50
2019	75,000.00	24,222.50	99,222.50
2020	80,000.00	22,847.50	102,847.50
2021	80,000.00	20,822.50	100,822.50
2022	115,000.00	24,790.00	139,790.00
2023-2027	441,000.00	51,137.50	492,137.50
2028-2030	137,000.00	7,060.00	144,060.00
	<u>\$ 998,000.00</u>	<u>\$ 176,302.50</u>	<u>\$ 1,174,302.50</u>

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

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

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$13,378,746 at June 30, 2017. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$20,852,762 at June 30, 2017. See Note 5 for further information on the PERS and PFRS.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2017, which were appropriated and included as anticipated revenue in the adopted budget for the year ending December 31, 2018, were as follows:

Current Fund	\$ 1,450,000
Water Utility Operating Fund	497,662
Parking Utility Operating Fund	24,932
	\$ 1,972,594

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

Town employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Town contributions to PERS amounted to \$371,789 for 2017.

The employee contribution rate was 7.20% effective July 1, 2016 and increased to 7.34% effective July 1, 2017. 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.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities and Pension Expense

At June 30, 2017, the Town's liability was \$13,378,746 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the Town's proportion was 0.057%, which was an increase of 0.006% from its proportion measured as of June 30, 2016. The Town has rolled forward the net pension liability to December 31, 2015 with no adjustments.

For the year ended December 31, 2017, the Town recognized actual pension expense in the amount of \$371,789.

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

The following presents the Town's proportionate share of the collective net pension liability as of June 30, 2017 calculated using the discount rate as disclosed below, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Town's proportionate share of the Net Pension Liability	\$ 16,597,243	\$ 13,378,746	\$ 10,697,340

Pension Plan Fiduciary Net Position

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

B. Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey, State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after 4 years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

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

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. The June 30, 2017 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2017 State special funding situation pension expense is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2017. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Town contributions to PFRS amounted to \$1,057,247.87 for the year ended December 31, 2017. During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$105,030 to the PFRS for normal pension benefits on behalf of the Town, which is less than the contractually required contribution of \$256,929.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2017, the Town's liability for its proportionate share of the net pension liability was \$18,752,342. . The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the Town's proportion was 0.121%, which was an increase of 0.003% from its proportion measured as of June 30, 2016.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense

Additionally, the State's proportionate share of the net pension liability attributable to the Town is \$2,100,420 as of June 30, 2017. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the Town was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the State's proportion was 0.121%, which was an increase of 0.003% from its proportion measured as of June 30, 2016 which is the same proportion as the Town's.

Town's Proportionate Share of the Net Pension Liability	\$ 18,752,342
State's Proportionate Share of the Net Pension Liability Associated with the Town	<u>2,100,420</u>
Total Net Pension Liability	<u>\$ 20,852,762</u>

For the year ended December 31, 2017, the Town recognized total pension expense of \$1,057,247.87.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Pre-retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability retirement rates were based on the special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2017 are summarized in the following table:

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the average of the last five years of contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 5: Pension Plans (Cont'd)

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Town) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Town) as of June 30, 2017 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Town's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Town	\$ 27,475,231	\$ 20,852,762	\$ 15,411,651

Pension

Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. 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 the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

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

For DCRP, the Town recognized pension expense of \$10,000 for the year ended December 31, 2017. Employee contributions to DCRP amounted to \$18,378 for the year ended December 31, 2017.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

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 \$1,033,182.89. 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 \$74,047.78 on the Trust Funds balance sheet at December 31, 2017.

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>2017</u>	<u>2016*</u>	<u>2015</u>
<u>Tax Rate</u>	\$ 2.460	\$ 2.402	\$ 2.055
<u>Apportionment of Tax Rate</u>			
Municipal	1.155	1.115	0.949
County	0.268	0.268	0.220
Local School	1.037	1.019	0.886
<u>Assessed Valuations</u>			
2017	<u>\$ 1,290,447,700.00</u>		
2016 *		<u>\$ 1,352,109,546.00</u>	
2015			<u>\$ 1,464,460,900.00</u>

*-Reassessment

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(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>
2017	\$ 31,852,994	\$ 31,021,684	97.39%
2016	31,258,193	30,675,469	98.13%
2015	30,095,611	29,198,346	97.01%

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. 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 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.

Custodial Credit Risk – The Town's policy with respect to custodial credit risk requires that the Town ensures that Town funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

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, 2017
 (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 on deposit; and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least 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, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

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

Investments (Cont'd)

- (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 section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2017, 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	\$ 675.00	\$ 5,825,016.21	\$ 5,825,691.21
Animal Control		37,086.20	37,086.20
Other Trust		1,301,134.69	1,301,134.69
General Capital		4,347,819.81	4,347,819.81
Water Utility Operating	100.00	1,444,241.80	1,444,341.80
Water Utility Capital		3,089,152.84	3,089,152.84
Parking Utility Operating		76,812.50	76,812.50
Parking Utility Capital		395,204.35	395,204.35
	<u>\$ 775.00</u>	<u>\$16,516,468.40</u>	<u>\$16,517,243.40</u>

The carrying amount of the Town's cash and cash equivalents at year end was \$16,517,243.40, and the bank balance was \$16,476,510.60.

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. Those hired on or after February 2009 are not eligible for retiree benefits.

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.

TOWN OF DOVER
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2017
 (Continued)

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

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, 2017, there were 112 participants receiving retiree benefits, and 10 active participants of whom 6 are eligible to retire as of the valuation date. The average age of the active population is 45 and the average age of the retiree population is 67.

The Town discloses 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. As the Town does not account for OPEB in accordance with GAAP requirements, they do disclose OPEB in accordance with GAAP.

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, 2017, the valuation date, approximately 112 retirees and surviving spouses, and 101 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 in the state Pension Plan, or
- Retires at age 60 or older with at least 20 years of service in the state Pension Plan, or

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

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

- Retires at age 55 or older with at least 25 years of service in the state Pension Plan

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

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 2017 actuarial valuation, the projected unit credit 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 2017 valuation include a 2.50% anticipated rate of return on investments. For medical benefits, the initial rate utilized is 6.0% (depending on medical plan) and decreases to a 5.0% long-term trend rate for all medical benefits after 2026. 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, 2017
(Continued)

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

Annual OPEB Cost per Actuarial Valuation

The December 31, 2017 actuarial valuation report was not available as of the date of this report. 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, 2015, 2016 and 2017:

Benefit Obligations and Normal Cost

	Valuation December 31,		
	2015	2016	2017
Actuarial accrued liability (AAL)	N/A	N/A	\$ 63,000,345
Unfunded actuarial accrued liability (UAAL)	N/A	N/A	63,000,345
Normal cost at beginning of year	N/A	N/A	1,518,546
Amortization factor based on 30 years	N/A	N/A	3,867,688
Annual covered payroll	N/A	N/A	N/A
UAAL as a percentage of covered payroll	N/A	N/A	N/A

Level Dollar Amortization

Calculation of ARC under Projected Unit Credit Method

ARC normal cost with interest to end of year	N/A	N/A	1,518,546
(UAAL) over 30 years with interest at year end	N/A	N/A	3,867,688
Annual Required Contribution (ARC)	N/A	N/A	5,386,234
Interest on net OPEB obligation			
Adjustment to ARC			
Annual OPEB cost (expense)			5,386,234
Pay as you go benefits			
Net OPEB expense at June 30,:			
2015, 2016 and 2017, respectively			5,386,234
Prior year	N/A	N/A	N/A
Net OPEB obligation June 30,:			
2015, 2016 and 2017, respectively	N/A	N/A	N/A
Unfunded actuarial accrued liability (December 31, 2015)	N/A	N/A	N/A
Unfunded actuarial accrued liability (December 31, 2016)	N/A	N/A	N/A
Unfunded actuarial accrued liability (December 31, 2017)	N/A	N/A	\$ 63,000,345

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

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(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

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, 2017
(Continued)

Note 10: Risk Management (Cont'd)

The 2017 audit report was not available as of the date of this report. Selected, summarized financial information for the Morris County Municipal Joint Insurance Fund as of December 31, 2016 is as follows:

	<u>Morris County Municipal Joint Insurance Fund</u>
Total Assets	<u>\$ 27,753,863</u>
Net Position	<u>\$ 12,178,035</u>
Total Revenue	<u>\$ 19,261,910</u>
Total Expenses	<u>\$ 15,715,706</u>
Change in Net Position	<u>\$ 3,546,204</u>
Members Dividends	<u>\$ -0-</u>

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

PERMA Risk Management Services
9 Campus Drive, Suite 216
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, 2017
(Continued)

Note 10: Risk Management (Cont'd)

The 2017 audit report was not available as of the date of this report. Selected, summarized financial information for the December 31, 2016 audit report for North Jersey Municipal Employee Benefits Fund is as follows:

Total Assets	\$ 20,658,810
Total Net Position	\$ 18,007,291
Total Revenue	\$ 41,782,291
Total Expenses	\$ 38,418,024
Change in Net Position	\$ 1,861,758
Members Dividends	\$ 1,502,509

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

PERMA Risk Management Services
9 Campus Drive, Suite 216
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:

<u>Year</u>	<u>Town Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ -0-	\$ -0-	\$ 12,992.33	\$ 13,487.24	\$ 40,927.71
2016	-0-	-0-	9,533.42	12,477.26	41,422.62
2015	16,019.00	-0-	25,906.69	35,453.84	44,366.46

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(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, 2017.

The City of Jersey City and the Jersey City Municipal Utilities Authority (the "plaintiffs") are currently members of the Rockaway Valley Regional Sewerage Authority ("RVRSA"), as is the Town as well as a number of Morris County municipalities. A lawsuit was filed in a prior year by the City of Jersey claiming that they have 1) no obligation to contribute to the RVRSA's capital costs; 2) that the 1984 settlement agreement among the parties is void or in the alternative that it be reformed to decrease the plaintiffs' share of the costs and 3) damages for what plaintiffs contend was an incorrect assessment of capital costs. A motion for partial summary judgement was granted to the member municipalities of the RVRSA finding that Jersey City's obligation to pay for operating costs, maintenance, and repairs must continue. However, the City of Jersey City has added another claim to its lawsuit asserting that the terms of the 1971/1984 agreements should be interpreted to mean that the City of Jersey City's obligation to make payments should end now or in the very near future. The parties to this lawsuit are currently in mediation with respect to the amended lawsuit. If the lawsuit is successful and the City of Jersey City is successful in its lawsuit, the contributions by the Town to the RVRSA would increase significantly. However, an estimate of the impact on future RVRSA contributions to be paid by the Town cannot be determined at this point.

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, 2017.

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, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 58,922.57	\$ 341.00
Federal and State Grant Fund		46,769.37
Animal Control Fund		12,153.20
Other Trust Funds	341.00	
Parking Utility Operating Fund	685.00	
Parking Utility Capital Fund		685.00
	<u>\$ 59,948.57</u>	<u>\$ 59,948.57</u>

There was interfund activity throughout the year in the Town of Dover. The interfund receivable in the Current Fund is for the statutory excess of Animal Control funds due to the Current Fund at year end and grant expenditures paid from Current Fund for which grant monies were not received by year end. The interfund receivable in the Other Trust Funds is comprised of Recycling Trust payments which were not received by year end.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(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, 2017, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance Dec. 31, 2017	Required 2018 Budget Appropriation	Balance Deferred to Succeeding Years' Budgets
Current Fund:			
Special Emergency Authorization - Library Damage	\$ 14,880.55	\$ 14,880.55	
Special Emergency Authorization - Reassessment	<u>120,000.00</u>	<u>40,000.00</u>	<u>\$ 80,000.00</u>
	<u>\$ 134,880.55</u>	<u>\$ 54,880.55</u>	<u>\$ 80,000.00</u>

The amounts appropriated in the 2018 budget are not 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, Transamerica Life Insurance and Valic.

TOWN OF DOVER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 16: Fixed Assets

The following schedules are a summarization of general fixed assets for the years ended December 31, 2016 and 2017:

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
Land	\$ 4,105,200			\$ 4,105,200
Buildings	2,326,500			2,326,500
Machinery and Equipment	8,936,265	\$ 680,412	\$ 5,625	9,611,052
	<u>\$ 15,367,965</u>	<u>\$ 680,412</u>	<u>\$ 5,625</u>	<u>\$ 16,042,752</u>
	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
Land	\$ 4,105,200			\$ 4,105,200
Buildings	2,326,500			2,326,500
Machinery and Equipment	8,527,127	\$ 411,823	\$ 2,685	8,936,265
	<u>\$ 14,958,827</u>	<u>\$ 411,823</u>	<u>\$ 2,685</u>	<u>\$ 15,367,965</u>

Note 17: Tax Abatements

During the year ended December 31, 2016, the Town implemented Governmental Accounting Standards Board (GASB) Statement 77, *Tax Abatements*, which requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

As of December 31, 2017, The Town provides a tax abatement to a nonprofit housing corporation for its senior citizen housing development in the Town pursuant to the authority contained in Section 5 of the Senior Citizens Nonprofit Rental Housing Tax Law (N.J.S.A. 55:14I-5) (the "Law") and a resolution of the governing body dated July 10, 2014 and an agreement dated July 16, 2014. In consideration of the full abatement of taxes, the nonprofit housing corporation is required to pay to the Town an annual service charge. The annual service charge made by the nonprofit corporation will be equal to 15% of the annual gross rents derived from such housing project as detailed in the tax abatement agreement. The tax abatement provided under the agreement shall be terminated when the nonprofit corporation or its successors and the development cease to remain subject to the provisions of the Law or a period of not more than 50 years from the effective date of the tax exemption, whichever event occurs first.

The Town recognized revenue in the amount of \$181,232 from this annual service charge or payment in lieu of taxes which is recorded as a miscellaneous revenue anticipated in the Current Fund. The taxes which would have been paid on this property for 2017 without the abatement would have been \$208,731 of which \$98,002 would have been for the local municipal tax and minimum library tax.

TOWN OF DOVER

SUPPLEMENTARY DATA

TOWN OF DOVER
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2017

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
James P. Dodd	Mayor		
Thomas MacDonald	Alderman		
William O'Connor	Alderman		
Carolyn Blackman	Alderman		
Michael Picciallo	Alderman		
Ronald Camacho	Alderman		
Steven Toth	Alderman		
Cindy Romaine	Alderman		
James Visioli	Alderman		
Donald Travisano	Administrator		
Margaret Verga	Municipal Clerk; Assessment Search Officer (until 1/31/18)	\$ 1,000,000.00	MELJIF
Tara Pettoni	Acting Municipal Clerk; Acting Assessment Search Officer (from 1/1/18)	\$ 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		
Robert Kinsey	Water Superintendent	(A)	
Frank Dann	Director of Municipal Services	(A)	
Andrew Dujack	Water President/Water Commissioner	(A)	
Aldo Cicchetti	Water Commissioner	(A)	
Gene Secola	Water Commissioner		

(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

2017

CURRENT FUND

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 5,312,103.18
Increased by Receipts:		
Tax Collector		\$ 32,168,378.93
Revenue Accounts Receivable		3,852,187.02
Sewer Rents Receivable		1,721,827.83
Prepaid Sewer Rents		1,766.64
Miscellaneous Revenue Not Anticipated		519,174.73
Interest on Investments and Deposits		19,219.69
Due to/from:		
State of N.J. - Veterans' and Senior Citizens' Deductions		57,258.23
Police Outside Services		240,118.63
Dover Housing Authority		87,332.40
Federal and State Grant Fund:		
Unappropriated Grant Reserves		43,596.32
Grant Funds Receivable		236,094.13
Animal Control Fund:		
Settlement of Prior Year Interfund		3,646.20
General Capital Fund:		
Interest Earned		22,127.43
Recycling Trust Fund:		
Reserve for Recycling		4,413.00
Appropriation Refunds		657,654.48
Due to State of N.J.:		
Marriage License Fees		5,500.00
Building Fees		21,967.00
Reserve for:		
Maintenance of Free Public Library		7,872.00
Sale of Municipal Assets		998,000.00
		40,668,134.66
		45,980,237.84

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

Ref.

Decreased by Disbursements:			
2017 Budget Appropriations	\$	21,054,220.47	
2016 Appropriation Reserves		482,825.91	
County Taxes		3,481,155.94	
Local School District Taxes		13,378,721.35	
Accounts Payable		7,967.27	
Due to State of N.J.:			
Marriage Licenses		6,250.00	
Building Fees		22,129.00	
Due to/from:			
Dover Housing Authority		87,332.40	
Police Outside Services		228,618.10	
Federal and State Grant Fund:			
Appropriated Grant Reserves Expenditures		460,766.97	
Other Trust Funds- Reserve for Tax Sale Premiums		591,600.00	
Recycling Trust Fund:			
Prior Year Interfund Returned		4,468.00	
Reserve for:			
Third Party Liens		344,393.71	
Maintenance of Free Public Library		4,772.51	
		<hr/>	
			<u>\$ 40,155,221.63</u>
Balance December 31, 2017	A		<u><u>\$ 5,825,016.21</u></u>

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2017

Increased by Receipts:

Taxes Receivable	\$ 31,055,068.38
2018 Prepaid Taxes	369,254.70
Tax Overpayments	10,480.93
Interest and Costs on Taxes	91,200.77
Tax Sale Premiums	297,900.00
Third Party Liens Redeemed	344,394.28
Miscellaneous Revenue	79.87
	32,168,378.93

Decreased by:

Payments to Treasurer	\$ 32,168,378.93
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FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

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

Year	Balance Dec. 31, 2016	2017 Levy	Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec. 31, 2017
			2016	2017					
2015	\$ 123.34							\$ 123.34	
2016	509,102.19			\$ 500,865.59			\$ 8,176.57	60.03	
	509,225.53			500,865.59			8,176.57	183.37	
2017		\$ 31,852,993.92	\$ 401,760.55	30,554,202.79	\$ 8,282.72	\$ 57,438.37	\$ 189,082.13	605,035.24	
	\$ 509,225.53	\$ 31,852,993.92	\$ 401,760.55	\$ 31,055,068.38	\$ 8,282.72	\$ 57,438.37	\$ 189,082.13	\$ 605,218.61	
	A								

Ref.

Tax Yield:

General Property Tax	\$ 31,745,013.42
Added Taxes (54:4-63.1 et seq.)	107,980.50
	<u>\$ 31,852,993.92</u>

Tax Levy:

Local School District Taxes	\$ 13,377,245.00
County Taxes	\$ 3,457,176.09
Due County for Added and Omitted Taxes	11,767.17
	<u>3,468,943.26</u>
	16,846,188.26
Local Tax for Municipal Purposes	14,456,567.50
Minimum Library Tax	443,354.85
Add: Additional Tax Levied	106,883.31
	<u>15,006,805.66</u>
	<u>\$ 31,852,993.92</u>

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 305,703.97
Increased by:		
2016 Tax Sale		\$ 8,176.57
Interest and Costs		1,167.51
2017 Taxes Transferred to Lien		<u>37,192.12</u>
		<u>46,536.20</u>
Balance December 31, 2017	A	<u>\$ 352,240.17</u>

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2016	Accrued In 2017	Received Treasurer	Balance Dec. 31, 2017
Alcoholic Beverages Licenses	\$	42,132.00	\$ 42,132.00	
Other Licenses		63,625.00	63,625.00	
Fees and Permits		186,645.76	186,645.76	
Municipal Court:				
Fines and Costs	\$ 43,244.01	510,901.69	522,708.67	\$ 31,437.03
Energy Receipts Taxes		1,059,137.00	1,059,137.00	
In Lieu of Taxes - Mill Pond Towers				
Senior Citizens Apartments		181,232.00	181,232.00	
Fire Prevention Inspection Fees		21,002.00	21,002.00	
Consolidated Municipal Property Tax				
Relief Aid		205,485.00	205,485.00	
Construction Code Official:				
Fees and Permits		385,746.14	385,746.14	
Water Utility Operating Fund:				
Fund Balance Anticipated		125,000.00	125,000.00	
Parking Utility Operating Fund:				
Fund Balance Anticipated		55,000.00	55,000.00	
Interlocal Services -				
Municipal Court & Fire		335,136.38	335,136.38	
Cell Tower Rental		161,252.32	161,252.32	
Community Champions		281,800.00	281,800.00	
Uniform Fire Safety Act		38,380.76	38,380.76	
Cable TV Franchise Fee		187,903.99	187,903.99	
	\$ 43,244.01	\$ 3,840,380.04	\$ 3,852,187.02	\$ 31,437.03

Ref.

A

A

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF SEWER RENTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 38,457.63
Increased by:		
Sewer Rents Levied		1,715,260.83
		<u>1,753,718.46</u>
Decreased by:		
Sewer Collections	\$ 1,721,827.83	
Overpayments Applied	<u>1,766.64</u>	
		<u>1,723,594.47</u>
Balance December 31, 2017	A	<u><u>\$ 30,123.99</u></u>

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</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	\$ 241.98	\$ 4,241.98	\$ 4,147.52	\$ 94.46
Administrative and Executive:				
Salaries and Wages	1.26	1.26		1.26
Other Expenses	17,623.76	17,623.76	8,005.27	9,618.49
Town Clerk:				
Salaries and Wages	5,136.71	36.71		36.71
Other Expenses	1,454.22	6,454.22	6,227.33	226.89
Financial Administration:				
Salaries and Wages	3,982.61	82.61		82.61
Other Expenses	11,888.68	11,888.68	9,333.05	2,555.63
Annual Audit	36,929.00	36,929.00	36,929.00	
Assessment of Taxes:				
Salaries and Wages	36.12	36.12		36.12
Other Expenses	12,546.45	12,546.45	1,024.61	11,521.84
Collection of Taxes:				
Salaries and Wages	59.60	59.60		59.60
Other Expenses	2,555.80	2,555.80	1.89	2,553.91
Legal Services and Costs:				
Other Expenses	12,881.63	12,881.63	10,014.37	2,867.26
Municipal Prosecutor:				
Salaries and Wages	6,620.28	20.28		20.28
Engineering Services and Costs:				
Salaries and Wages	26.95	26.95		26.95
Other Expenses	16,834.51	16,834.51	11,114.96	5,719.55
Economic Development:				
Salaries and Wages	43.24	43.24		43.24
Other Expenses	4,516.73	4,516.73	4,341.91	174.82
Municipal Land Use Law:				
Planning Board:				
Other Expenses	8,037.61	8,037.61	300.00	7,737.61
Board of Adjustment:				
Other Expenses	3,662.75	3,662.75	1,300.00	2,362.75
Code Enforcement:				
Salaries and Wages	943.26	943.26		943.26
Other Expenses	462.20	462.20	300.00	162.20
Police:				
Salaries and Wages	42,788.47	42,788.47	20,414.83	22,373.64
Other Expenses	7,453.87	23,453.87	23,453.87	
Shared Services Dispatching:				
Other Expenses	596.37	596.37		596.37

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Balance Dec. 31, 2016	Balance After Modification	Paid or Charged	Balance Lapsed
Office of Emergency Management:				
Salaries and Wages	\$ 43.00	\$ 43.00		\$ 43.00
Other Expenses	2,633.49	2,633.49		2,633.49
Public Defender:				
Other Expenses	3,319.25	3,319.25	\$ 3,019.25	300.00
Uniform Fire Safety Act:				
Salaries and Wages	1,416.52	1,416.52	484.50	932.02
Other Expenses	2,002.43	2,002.43	1,971.36	31.07
Fire:				
Salaries and Wages	16,713.27	3,013.27	2,952.12	61.15
Other Expenses	12,693.37	12,693.37	9,378.61	3,314.76
Municipal Court:				
Salaries and Wages	33,854.92	4.92		4.92
Other Expenses	2,274.25	5,774.25	5,594.82	179.43
Board of Health:				
Salaries and Wages	11,867.10	67.10		67.10
Other Expenses	22,735.85	22,735.85	13,702.67	9,033.18
Solid Waste and Recycling:				
Salaries and Wages	4,406.57	306.57	290.22	16.35
Other Expenses	146,081.33	146,081.33	99,549.55	46,531.78
Shade Trees:				
Other Expenses	11,148.80	11,148.80	20.00	11,128.80
Senior Citizen Transportation:				
Salaries and Wages	1,836.18	36.18		36.18
Other Expenses	2,236.87	2,236.87	395.70	1,841.17
Recreation Department:				
Salaries and Wages	5,427.23	27.23		27.23
Other Expenses	2,645.32	2,645.32	2,504.10	141.22
Historic Preservation:				
Other Expenses	2,273.20	2,273.20	1,052.84	1,220.36
Division of Streets and Roads:				
Salaries and Wages	11,163.41	11,163.41	2,728.69	8,434.72
Other Expenses	13,879.17	13,879.17	11,190.22	2,688.95
Division of Sewer Maintenance:				
Other Expenses	4,756.72	8,256.72	3,873.35	4,383.37
Buildings and Grounds Maintenance Division:				
Salaries and Wages	1,439.05	1,439.05	1,439.05	
Other Expenses	5,792.94	10,792.94	10,728.73	64.21
Snow and Ice Removal:				
Salaries and Wages	1,531.79	1,531.79	1,531.79	
Other Expenses	8,373.19	8,373.19	7,359.01	1,014.18

TOWN OF DOVER
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Balance Dec. 31, 2016	Balance After Modification	Paid or Charged	Balance Lapsed
State Uniform Construction Code:				
Salaries and Wages	\$ 11.58	\$ 11.58		\$ 11.58
Other Expenses	2,082.00	2,082.00	\$ 340.00	1,742.00
Unclassified:				
Utility Expenses & Bulk Purchases	119,832.90	119,832.90	56,801.57	63,031.33
Accumulated Absence	0.20	82,750.20	82,750.20	
Contribution to:				
Public Employees' Retirement System	106.25	106.25		106.25
Social Security System	3,516.40	3,516.40		3,516.40
Police and Fire Retirement System	1.04	1.04		1.04
Insurance:				
General Liability	658.90	20,658.90	19,717.30	941.60
Employee Group Health	289,270.97	235,770.97	928.60	234,842.37
Health Benefit Waiver	3,793.51	3,793.51		3,793.51
Rockaway Valley Regional Sewerage				
Authority Contribution	17,180.00	17,180.00		17,180.00
Maintenance of Free Public Library (Ch. 82 and 541, P.L. 1985):				
Other Expenses	5,613.05	5,613.05	5,613.05	
	<u>\$ 971,936.08</u>	<u>\$ 971,936.08</u>	<u>\$ 482,825.91</u>	<u>\$ 489,110.17</u>
<u>Analysis of Balance December 31, 2016:</u>	<u>Ref.</u>			
Unencumbered	A	\$ 882,356.08		
Encumbered	A	89,580.00		
		<u>\$ 971,936.08</u>		

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

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 1,026,004.27
Increased by:		
Levy - Calendar Year 2017		13,377,245.00
		<u>14,403,249.27</u>
Decreased by:		
Payments to Local School District		<u>13,378,721.35</u>
Balance Payable December 31, 2017	A	<u>\$ 1,024,527.92</u>

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

	Balance Dec. 31, 2016	2017 Budget Revenue Realized	Cash Received	Transfer from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2017
Municipal Alliance on Alcoholism and Drug Abuse:						
2017	\$ 23,361.00	\$ 23,361.00				\$ 23,361.00
2016		1,087.77	23,349.15	1,087.77	11.85	
Alcohol Education and Rehabilitation Grant						
Small Cities:						
Housing Rehabilitation	85,439.00	290,000.00	85,439.00			290,000.00
Reserve for Housing Rehabilitation	93,228.00	19,466.00				112,694.00
Clean Communities Grant		26,274.36	26,274.36			
Recycling Tonnage Grant		16,619.25	16,619.25			
Drive Sober or Get Pulled Over Grant		3,228.56	3,228.56			
Pedestrian Safety Grant		14,000.00	8,200.00		5,800.00	
Community Policing Grant		7,200.00				7,200.00
Bulletproof Vest Program	4,800.41					4,800.41
Body Armor Replacement Fund		3,306.95		3,306.95		
Hazard Mitigation Grant	140,000.00					140,000.00
NJ Department of Transportation:						
2015- Thompson Ave/Legion Place	120,000.00					120,000.00
2017- Safe Corridor		20,108.81	20,108.81			
2016 - Perry Street	70,500.00		52,875.00			17,625.00
Energy Audit Grant Program	14,975.00					14,975.00
USDA Farmers Market Grant	35,685.00					35,685.00
	<u>\$ 587,988.41</u>	<u>\$ 424,652.70</u>	<u>\$ 236,094.13</u>	<u>\$ 4,394.72</u>	<u>\$ 5,811.85</u>	<u>\$ 766,340.41</u>

Ref.

A

A

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

	Balance Dec. 31, 2016	Transferred from 2017 Budget	Cash Disbursed	Encumbered	Unexpended Balance Cancelled	Balance Dec. 31, 2017
Municipal Alliance on Alcoholism and Drug Abuse:						
2017 (State)	\$ 18,394.80	\$ 23,361.00	\$ 5,023.71			\$ 18,337.29
2017 (Local Matching)		5,840.25	1,255.92			4,584.33
2016 (State)	\$ 4,598.70		18,060.48		\$ 11.85	322.47
2016 (Local Matching)			4,515.12		2.96	80.62
Small Cities:						
Housing Rehabilitation - 2015	59,333.29		59,333.29			
Reserve for Housing Rehabilitation	181,542.93	309,466.00	18,597.28	\$ 289,886.68		182,524.97
Alcohol Education and Rehabilitation:						
2013	467.97		467.97			
2014	686.07		686.07			
2016	1,001.87		1,001.87			
2017		1,087.77	1,087.77			
Clean Communities Program:						
2016	30,871.24		30,871.24			
2017		26,274.36	26,274.36			

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

	Balance Dec. 31, 2016	Transferred from 2017 Budget	Cash Disbursed	Encumbered	Unexpended Balance Cancelled	Balance Dec. 31, 2017
Hepatitis B Grant:						
2004	\$ 402.21		\$ 130.00			\$ 272.21
2005	1,132.00					1,132.00
2006	686.00					686.00
Body Armor Replacement Program:						
2015	2,303.62		2,303.62			
2017		\$ 3,306.95	3,306.95			
Bulletproof Vest Program	9,600.82		9,600.82			
Recycling Tonnage Grant:						
2016	14,411.98		4,041.00	\$ 1,539.08		8,831.90
2017		16,619.25				16,619.25
Pedestrian Safety Grant		14,000.00	8,200.00		\$ 5,800.00	
Community Policing Grant		7,200.00				7,200.00
Drunk Driving Enforcement Fund Grant:						
2013	12,088.15		10,590.00			1,498.15
Drive Sober or Get Pulled Over		3,228.56	3,228.56			

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

	Balance Dec. 31, 2016	Transferred from 2017 Budget	Cash Disbursed	Encumbered	Unexpended Balance Cancelled	Balance Dec. 31, 2017
NJ Department of Transportation:						
2015 - Thompson Ave/Legion Place	\$ 120,000.00		\$ 79,360.74	\$ 40,639.26		\$ 20,108.81
2017 - Safe Corridor		\$ 20,108.81				
2016 - Perry Street	70,500.00		68,004.20	2,495.80		28,567.75
Hazard Mitigation Grant	133,393.75		104,826.00			14,975.00
Energy Audit Grant Program	14,975.00					32,711.25
USDA Farmers Market Grant	35,685.00			2,973.75		
	<u>\$ 712,075.40</u>	<u>\$ 430,492.95</u>	<u>\$ 460,766.97</u>	<u>\$ 337,534.57</u>	<u>\$ 5,814.81</u>	<u>\$ 338,452.00</u>
			A	A		A
<u>Balance December 31, 2016:</u>						
Appropriated Reserves	\$ 551,449.60					
Encumbrances Payable	160,625.80					
	<u>\$ 712,075.40</u>					

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

	Balance Dec. 31, 2016	Cash Received	Transferred to 2017 Budget Revenue	Balance Dec. 31, 2017
Alcohol Education and Rehabilitation Funds	\$ 1,087.77	\$ 1,801.52	\$ 1,087.77	\$ 1,801.52
Recycling Tonnage Grant		18,439.50		18,439.50
Body Armor	3,306.95	3,312.08	3,306.95	3,312.08
Drunk Driving Enforcement Fund		20,043.22		20,043.22
	<u>\$ 4,394.72</u>	<u>\$ 43,596.32</u>	<u>\$ 4,394.72</u>	<u>\$ 43,596.32</u>
<u>Ref.</u>	A			A

TOWN OF DOVER

COUNTY OF MORRIS

2017

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, 2016	B	\$ 28,235.00	\$ 838,199.18
Increased by Receipts:			
Dog License Fees		10,404.40	
Cat License Fees		1,190.00	
Replacement Tags - Dog Licenses		4.00	
Miscellaneous Revenue- Dog and Cat Penalties		1,382.00	
State Registration Fees		1,413.60	
Other Deposits			525,567.48
Fire Penalty Fees			2,750.00
Forfeited Assets Trust Deposits			35,170.93
Tax Sale Premiums:			
Receipts			299,100.00
Due from Current Fund - Prior Year Interfund			293,700.00
Recycling Deposits:			
Receipts			10,901.60
Settlement of Prior Year Interfund			396.00
Recreation			115,204.82
Unemployment Insurance Contributions:			
Employee			12,992.33
Accumulated Absences			82,750.20
		<u>14,394.00</u>	<u>1,378,533.36</u>
		<u>42,629.00</u>	<u>2,216,732.54</u>
Decreased by Disbursements:			
State of N.J. - Board of Health		1,413.60	
Expenditures under R.S.4:19-15.11		483.00	
Due to Current Fund - Animal Control Fund:			
Settlement of Prior Year Interfund		3,646.20	
Historic Preservation			150.00
Forfeited Assets Trust			28,974.74
Accumulated Absences			8,965.41
Other Deposits			373,589.72
Tax Sale Premiums:			
Returned			376,600.00
Unemployment Insurance			13,487.24
Recreation			103,478.84
Recycling Trust Expenses			10,010.90
Recycling Trust - Settlement of Prior Year Interfund			341.00
		<u>5,542.80</u>	<u>915,597.85</u>
Balance December 31, 2017	B	\$ 37,086.20	\$ 1,301,134.69

TOWN OF DOVER
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2016	B	\$ 24,583.40
Increased by:		
Dog License Fees Collected		\$ 10,404.40
Cat License Fees Collected		1,190.00
Replacement Tags - Dog Licenses		4.00
Miscellaneous Revenue- Dog and Cat Penalties		1,382.00
		12,980.40
		37,563.80
Decreased by:		
Expenditures Under R.S.4:19-15.11		483.00
Statutory Excess Due Current Fund		12,153.20
		12,636.20
Balance December 31, 2017	B	\$ 24,927.60

License Fees Collected

<u>Year</u>	<u>Amount</u>
2015	\$ 12,595.40
2016	12,332.20
	24,927.60
Maximum Allowable Reserve	\$ 24,927.60

TOWN OF DOVER

COUNTY OF MORRIS

2017

GENERAL CAPITAL FUND

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 1,716,403.10
Increased by:		
Due Current Fund:		
Interest Earned	\$ 22,127.43	
Ordinances Refunded	20,352.00	
Budget Appropriations:		
Capital Improvement Fund	150,000.00	
Bond Anticipation Notes Issued	12,750,000.00	
Premium on Bond Anticipation Notes	30,482.00	
	12,972,961.43	14,689,364.53
Decreased by:		
Improvement Authorization Expenditures	10,319,417.29	
Due to Current Fund:		
Interest Earned	22,127.43	
	10,341,544.72	10,341,544.72
Balance December 31, 2017	C	\$ 4,347,819.81

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2016		2017 Authorizations		Paid or Charged	Ordinance Refunds	Cancellations	Prior Year Encumbrances Returned	Balance Dec. 31, 2017	
				Funded	Unfunded	Deferred Charges to Future Taxation Unfunded	Capital Improvement Fund					Funded	Unfunded
30-04	Various General Improvements	11/09/04	\$ 711,646.80	\$ 9,421.34	\$ 449.00		\$ 2,861.50			\$ 3,112.08	\$ 2,861.50	\$ 9,421.34	\$ 449.00
18-07	Various General Improvements	06/26/07	599,900.00	3,112.08						50,094.56			
14-09	Various General Improvements	08/25/09	978,820.00	51,135.56	479.00		1,520.00						
16-10	Various General Improvements	09/14/10	742,100.00	1.24			1.24						
9-12	Various General Improvements	07/24/12	1,440,000.00	2,519.97			2,675.37				660.00	504.60	
16-13	Recreation Field and Park Improvements	09/24/13	85,000.00				34,843.25				34,843.25		
15-14	Various General Improvements and Equipment Purchases	07/22/14	2,057,812.11	207,843.18			241,146.03	\$ 15,852.00			235,455.55	218,004.70	
13-15	Various General Improvements and Equipment Purchases	09/22/15	3,000,000.00	180,310.66			1,109,714.07	4,500.00		1,908.50	1,032,226.64	105,414.73	
11-16	Various General Improvements	05/24/16	3,000,000.00	2,157,776.58			1,171,996.46				514,369.84		1,500,149.96
17-16	Improvement of Meridia Transit Plaza	07/12/16	2,000,000.00	100,000.00	1,900,000.00		1,001,464.74						998,535.26
9-17	Various Improvements	05/09/17	3,000,000.00				2,360,173.98						639,826.02
10-17	Various Improvements	05/09/17	8,000,000.00				6,800,000.00						1,200,000.00
				\$ 554,344.03	\$ 4,058,704.58	\$ 10,850,000.00	\$ 12,726,396.64	\$ 20,352.00	\$ 55,115.14	\$ 1,820,416.78	\$ 333,345.37	\$ 4,338,960.24	

Ref.	Cash Disbursed	Encumbrances Payable	Fund Balance	Authorized But Not Issued
	\$ 10,319,417.29	2,406,979.35	\$ 54,636.14	479.00
		\$ 12,726,396.64		\$ 55,115.14

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

Increased by:		
Current Fund Budget Appropriation	\$	150,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	\$	<u>150,000.00</u>

GENERAL CAPITAL FUND
SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS

Balance December 31, 2016	\$	<u>792.20</u>
Balance December 31, 2017	\$	<u>792.20</u>

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2017
		Issue of Original Note	Issue	Maturity			
17-2016	Various General Improvements	06/16/17	06/16/17	06/15/18	1.15%	\$ 1,900,000.00	\$ 1,900,000.00
09-2017	Various General Improvements	06/16/17	06/16/17	06/15/18	1.15%	2,850,000.00	2,850,000.00
10-2017	Various General Improvements	06/30/17	06/30/17	06/29/18	2.25%	8,000,000.00	8,000,000.00
						<u>\$ 12,750,000.00</u>	<u>\$ 12,750,000.00</u>
					<u>Ref.</u>		C
						<u>Issued for Cash</u>	<u>\$ 12,750,000.00</u>

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2016	Matured	Balance Dec. 31, 2017
			Outstanding Date	Amount				
General Improvement Bonds of 2007A	10/15/07	\$ 2,135,000.00	10/15/18	\$ 220,000.00	4.000%	\$ 655,000.00	\$ 220,000.00	\$ 435,000.00
			10/15/19	215,000.00	4.000%			
General Improvement Bonds of 2013A	9/15/13	4,733,000.00	09/15/18	390,000.00	2.000%	3,728,000.00	370,000.00	3,358,000.00
			09/15/19	415,000.00	2.250%			
			09/15/20	640,000.00	3.000%			
			09/15/21	640,000.00	3.000%			
			09/15/22	640,000.00	3.000%			
			09/15/23	633,000.00	3.250%			
General Improvement Bonds of 2016	7/20/16	4,807,000.00	08/01/18	235,000.00	1.000%	4,807,000.00	235,000.00	4,572,000.00
			08/01/19	235,000.00	1.000%			
			08/01/20	240,000.00	1.500%			
			08/01/21	320,000.00	1.500%			
			08/01/22	320,000.00	1.750%			
			08/01/23	310,000.00	2.000%			
			08/01/24	310,000.00	2.000%			
			08/01/25	305,000.00	2.000%			
			08/01/26	305,000.00	2.000%			
			08/01/27	290,000.00	2.000%			
			08/01/28	290,000.00	2.000%			
		08/01/29	290,000.00	2.000%				
		08/01/30	280,000.00	2.000%				
		08/01/31	280,000.00	2.125%				
		08/01/32	280,000.00	2.500%				
		08/01/33	282,000.00	2.500%				
						\$ 9,190,000.00	\$ 825,000.00	\$ 8,365,000.00

Ref.

C

C

TOWN OF DOVER
GENERAL CAPITAL FUND
SCHEDULE OF MORRIS COUNTY IMPROVEMENT AUTHORITY LEASE PAYABLE
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

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

Ord. No.	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Authorization Cancelled	Bond Anticipation Notes Issued	Balance Dec. 31, 2017
30-2004	Various General Improvements	\$ 449.00				\$ 449.00
14-2009	Various General Improvements	479.00		\$ 479.00		
11-2016	Various General Improvements	2,850,000.00				2,850,000.00
17-2016	Improvement of Meridia Transit Plaza	1,900,000.00			\$ 1,900,000.00	
09-2017	Various General Improvements		\$ 2,850,000.00		2,850,000.00	
10-2017	Improvement of Meridia Transit Plaza		8,000,000.00		8,000,000.00	
		<u>\$ 4,750,928.00</u>	<u>\$ 10,850,000.00</u>	<u>\$ 479.00</u>	<u>\$ 12,750,000.00</u>	<u>\$ 2,850,449.00</u>

TOWN OF DOVER

COUNTY OF MORRIS

2017

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, 2016	D	\$ 1,262,569.13	\$ 3,885,784.70
Increased by Receipts:			
Collector		\$ 3,403,494.33	
Capital Improvement Fund			\$ 100,000.00
Interest on Investments - Treasurer		<u>18,940.51</u>	
		<u>3,422,434.84</u>	<u>100,000.00</u>
		4,685,003.97	3,985,784.70
Decreased by Disbursements:			
2017 Appropriation Expenditures		2,827,869.68	
2016 Appropriation Reserves		133,719.34	
Interest on Bonds		154,173.15	
Water Utility Operating Fund Balance:			
Payment to Current Fund		125,000.00	
Improvement Authorizations Expenditures			<u>896,631.86</u>
		<u>3,240,762.17</u>	<u>896,631.86</u>
Balance December 31, 2017	D	<u>\$ 1,444,241.80</u>	<u>\$ 3,089,152.84</u>

TOWN OF DOVER
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - WATER COLLECTOR
YEAR ENDED DECEMBER 31, 2017

Increased by:			
Consumer Accounts Receivable	\$	3,367,997.74	
Prepaid Water Rents		4,254.24	
Miscellaneous Revenue Anticipated		<u>31,242.35</u>	
			<u>\$ 3,403,494.33</u>
Decreased by:			
Disbursed to Treasurer			<u><u>\$ 3,403,494.33</u></u>

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2016	Receipts		Disbursements		Transfers		Balance/ (Deficit) Dec. 31, 2017
		Miscellaneous		Improvement Authorizations		From	To	
Fund Balance	\$ 12,145.27						\$ 166,735.63	\$ 178,880.90
Capital Improvement Fund	6,773.48	\$ 100,000.00			\$ 100,000.00			6,773.48
Receivable State of New Jersey - Department of Transportation Route 46	(97,491.57)						97,491.57	
Reserve for Receivables	97,491.57				97,491.57			
Reserve for Encumbrances Payable	371,226.40				371,226.40		290,951.13	290,951.13
Ord. No.	General Improvements							
10-01	Various Improvements for the Water Department	(714.28)						(714.28)
18-03	Various Improvements for the Water Department	153,805.10		\$ 161,937.20	38,062.80	200,000.00		153,805.10
24-08	Various Improvements for the Water Department	7,500.00			7,500.00			
03-09	Various Improvements for the Water Department	159,235.63			159,235.63			
03-11	Various Improvements for the Water Department	(46,081.00)						(46,081.00)
10-12	Various Improvements for the Water Department	64,195.57		12,484.58		12,484.58		64,195.57
11-13	Various Improvements for the Water Department	254,761.35						254,761.35
14-15	Various Improvements for the Water Department	903,748.52		144,831.86	13,875.00	13,981.82		759,023.48
12-16	Various Improvements for the Water Department	1,999,188.66		531,864.72	50,400.00	144,760.00		1,561,683.94
8-17	Various Improvements for the Water Department			45,513.50	188,613.33	100,000.00		(134,126.83)
		<u>\$3,885,784.70</u>	<u>\$ 100,000.00</u>	<u>\$ 896,631.86</u>	<u>\$1,026,404.73</u>	<u>\$1,026,404.73</u>		<u>\$3,089,152.84</u>

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

	<u>Ref.</u>	
Balance December 31, 2016	D	\$ 121,505.19
Increased by:		
Water Rents Levied		<u>3,305,032.54</u>
		3,426,537.73
Decreased by:		
Collections	\$ 3,367,997.74	
Prepaid Rents Applied	<u>2,038.48</u>	
		<u>3,370,036.22</u>
Balance December 31, 2017	D	<u>\$ 56,501.51</u>

TOWN OF DOVER
WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2016	D	\$ 404,890.29
Decreased by:		
Adjustment to Listing Submitted by Water Superintendent		<u>3,780.31</u>
Balance December 31, 2017	D	<u><u>\$ 401,109.98</u></u>

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2016	Transferred from Fixed Capital Authorized and Uncompleted	Balance Dec. 31, 2017
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	3,499,906.32	\$ 533,622.80	4,033,529.12
Improvement of Water Supply and Distribution System	405,000.00		405,000.00
	<u>\$ 7,932,463.15</u>	<u>\$ 533,622.80</u>	<u>\$ 8,466,085.95</u>

Ref.

D

D

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

Improvement Description	No.	Ordinance		Balance Dec. 31, 2016	2017 Authorizations	Costs to Fixed Capital	Authorized but Not Issued Debt Cancelled	Balance Dec. 31, 2017
		Date	Amount					
Various Improvements for the Water Department	18-03	06/10/03	\$ 2,800,000.00	\$ 2,533,214.16				\$ 2,533,214.16
Various Improvements for the Water Department	24-08	08/12/08	150,000.00	150,000.00	\$ 52,508.43	\$ 97,491.57		
Various Improvements for the Water Department	03-09	02/24/09	657,000.00	657,000.00	481,114.37	175,885.63		
Various Improvements for the Water Department	10-12	07/24/12	285,000.00	285,000.00			285,000.00	
Various Improvements for the Water Department	11-13	07/23/13	500,000.00	500,000.00			500,000.00	
Various Improvements for the Water Department	14-15	08/22/15	1,500,000.00	1,500,000.00			1,500,000.00	
Various Improvements for the Water Department	12-16	05/24/16	3,000,000.00	3,000,000.00			3,000,000.00	
Various Improvements for the Water Department	8-17	05/09/17	3,000,000.00		\$ 3,000,000.00		3,000,000.00	
				<u>\$ 8,625,214.16</u>	<u>\$ 3,000,000.00</u>	<u>\$ 533,622.80</u>	<u>\$ 273,377.20</u>	<u>\$ 10,818,214.16</u>

Ref.

D

D

TOWN OF DOVER
WATER UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</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	\$ 50,619.79	\$ 50,619.79	\$ 2,804.43	\$ 47,815.36
Other Expenses	297,560.00	297,560.00	130,914.91	166,645.09
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement				
System	5,329.00	5,329.00		5,329.00
Social Security System (O.A.S.I.)	1,616.29	1,616.29		1,616.29
	<u>\$ 355,125.08</u>	<u>\$ 355,125.08</u>	<u>\$ 133,719.34</u>	<u>\$ 221,405.74</u>

Ref.

Analysis of Balance December 31, 2016:

Unencumbered	D	\$ 301,169.03
Encumbered	D	<u>53,956.05</u>
		<u>\$ 355,125.08</u>

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance	Amount	Balance Dec. 31, 2016		Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Prior Year Encumbrances Returned	Balance Dec. 31, 2017	
					Funded	Unfunded					Cancelled	Unfunded
18-03	Various Improvements for the Water Department	06/10/03	\$2,800,000.00	\$ 153,805.10				\$ 200,000.00	\$ 200,000.00	\$ 97,491.57	\$ 153,805.10	
24-08	Various Improvements for the Water Department	08/12/08	150,000.00	7,500.00	\$ 89,991.57							
03-09	Various Improvements for the Water Department	02/24/09	657,000.00	159,235.63	16,650.00					175,885.63		
10-12	Various Improvements for the Water Department	07/24/12	285,000.00	64,195.57	750.00			12,484.58	12,484.58		64,195.57	
11-13	Various Improvements for the Water Department	07/23/13	500,000.00	254,761.35				158,706.86	13,981.82		254,761.35	
14-15	Various Improvements for the Water Department	09/22/15	1,500,000.00	903,748.52				582,264.72	144,760.00		759,023.48	
12-16	Various Improvements for the Water Department	05/24/16	3,000,000.00	1,999,188.66				234,126.83			1,561,683.94	
8-17	Various Improvements for the Water Department	05/09/17	3,000,000.00			\$ 100,000.00	\$ 2,900,000.00				2,765,873.17	
						\$ 1,543,246.17	\$ 107,391.57	\$ 1,187,582.99	\$ 371,226.40	\$ 273,377.20	\$ 2,793,469.44	

Ref. D D

Cash Disbursements \$ 896,631.86
Encumbrances Payable 290,951.13
\$ 1,187,582.99

Capital Fund Balance \$ 166,735.63
Authorized but Not Issued 106,641.57
\$ 273,377.20

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

	<u>Ref.</u>	
Balance December 31, 2016	D	\$ 6,773.48
Increased by:		
Budget Appropriation		<u>100,000.00</u>
		106,773.48
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>100,000.00</u>
Balance December 31, 2017	D	<u><u>\$ 6,773.48</u></u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2016	2017 Authorizations	New Jersey Infrastructure Trust Loans Paid by Operating Budget	Transferred To Reserve for Amortization	Balance Dec. 31, 2017
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	60,008.43			\$ 60,008.43	
03-09	Various Improvements for the Water Department	02/24/09	217,934.67		\$ 28,278.70	246,213.37	
03-11	Various Improvements for the Water Department	03/14/11	62,087.59		10,746.34		72,833.93
10-12	Various Improvements for the Water Department	07/24/12	14,250.00				14,250.00
08-17	Various Improvements for the Water Department	05/09/17		\$ 100,000.00			100,000.00
			\$ 370,580.69	\$ 100,000.00	\$ 39,025.04	\$ 306,221.80	\$ 203,383.93

Ref.

D

D

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Int. Rate	Balance Dec. 31, 2016	Matured	Balance Dec. 31, 2017
			Date	Amount	December 31, 2017				
Water Improvements	07/15/99	\$ 1,536,575.00	07/15/18	\$ 100,000.00		4.90%			
			07/15/19	81,575.00		4.90%	\$ 281,575.00	\$ 100,000.00	\$ 181,575.00
Water Improvements	09/15/13	770,000.00	09/15/18	40,000.00		2.000%			
			09/15/19	45,000.00		2.250%			
			09/15/20	45,000.00		3.000%			
			09/15/21	45,000.00		3.000%			
			09/15/22	45,000.00		3.000%			
			09/15/23	50,000.00		3.250%			
			09/15/24	70,000.00		3.250%			
			09/15/25	70,000.00		3.250%			
			09/15/26	70,000.00		3.250%			
			09/15/27	70,000.00		3.250%			
			09/15/28	70,000.00		3.250%	660,000.00	40,000.00	620,000.00
Water Refunding Issue	11/26/13	1,725,000.00	09/1/18	145,000.00		3.000%			
			09/1/19	165,000.00		3.000%			
			09/1/20	205,000.00		3.000%			
			09/1/21	205,000.00		3.000%			
			09/1/22	205,000.00		3.000%			
			09/1/23	200,000.00		3.000%	1,270,000.00	145,000.00	1,125,000.00

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Matured	Balance Dec. 31, 2016	Balance Dec. 31, 2017
			Date	Amount	Int. Rate			
			Outstanding					
			December 31, 2017					
Water Improvements	7/20/16	\$ 4,492,000.00	8/1/18	\$ 215,000.00	1.000%			
			8/1/19	215,000.00	1.000%			
			8/1/20	220,000.00	1.500%			
			8/1/21	295,000.00	1.500%			
			8/1/22	295,000.00	1.750%			
			8/1/23	290,000.00	2.000%			
			8/1/24	290,000.00	2.000%			
			8/1/25	280,000.00	2.000%			
			8/1/26	280,000.00	2.000%			
			8/1/27	275,000.00	2.000%			
			8/1/28	275,000.00	2.000%			
			8/1/29	275,000.00	2.000%			
			8/1/30	270,000.00	2.000%			
			8/1/31	270,000.00	2.125%			
			8/1/32	270,000.00	2.500%			
			8/1/33	262,000.00	2.500%			
						\$ 215,000.00	\$ 4,492,000.00	\$ 4,277,000.00
						\$ 500,000.00	\$ 6,703,575.00	\$ 6,203,575.00

Ref. D D

TOWN OF DOVER
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Matured</u>	<u>Balance Dec. 31, 2017</u>
03-09	Various Improvements for the Water Department	\$ 589,246.74	\$ 39,025.04	\$ 550,221.70
		D		D

SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING - FUND LOAN AGREEMENT - DECEMBER 31, 2017

<u>Payment Number</u>	<u>Due Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 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>\$ 279,152.63</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, 2017

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 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>\$ 115,000.00</u>	

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

SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING - SUPPLEMENTAL TRUST LOAN AGREEMENT - DECEMBER 31, 2017

<u>Payment Number</u>	<u>Due Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 113,741.07
12	2/1/2018	\$ 2,708.11	111,032.96
13	8/1/2018	5,416.23	105,616.73
14	2/1/2019	2,708.11	102,908.62
15	8/1/2019	5,416.23	97,492.39
16	2/1/2020	2,708.11	94,784.28
17	8/1/2020	5,416.23	89,368.05
18	2/1/2021	2,708.11	86,659.94
19	8/1/2021	5,416.23	81,243.71
20	2/1/2022	2,708.11	78,535.60
21	8/1/2022	5,416.23	73,119.37
22	2/1/2023	2,708.11	70,411.26
23	8/1/2023	5,416.23	64,995.03
24	2/1/2024	2,708.11	62,286.92
25	8/1/2024	5,416.23	56,870.69
26	2/1/2025	2,708.11	54,162.58
27	8/1/2025	5,416.23	48,746.35
28	2/1/2026	2,708.11	46,038.24
29	8/1/2026	5,416.23	40,622.01
30	2/1/2027	2,708.11	37,913.90
31	8/1/2027	5,416.23	32,497.67
32	2/1/2028	2,708.11	29,789.56
33	8/1/2028	5,416.23	24,373.33
34	2/1/2029	2,708.11	21,665.22
35	8/1/2029	5,416.23	16,248.99
36	2/1/2030	2,708.11	13,540.88
37	8/1/2030	5,416.23	8,124.65
38	2/1/2031	2,708.11	5,416.54
39	8/1/2031	5,416.54	
		<u>\$ 113,741.07</u>	

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

SCHEDULE OF PRINCIPAL PAYMENTS OUTSTANDING - SUPPLEMENTAL TRUST LOAN AGREEMENT - DECEMBER 31, 2017

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 42,328.00
6	8/1/2018	\$ 1,191.04	\$ 2,659.00	39,669.00
7	8/1/2019	1,161.78	2,688.00	36,981.00
8	8/1/2020	1,124.94	2,725.00	34,256.00
9	8/1/2021	1,080.52	2,770.00	31,486.00
10	8/1/2022	1,029.82	2,820.00	28,666.00
11	8/1/2023	974.26	2,876.00	25,790.00
12	8/1/2024	912.70	2,938.00	22,852.00
13	8/1/2025	845.70	3,005.00	19,847.00
14	8/1/2026	773.88	3,076.00	16,771.00
15	8/1/2027	697.58	3,153.00	13,618.00
16	8/1/2028	602.34	3,248.00	10,370.00
17	8/1/2029	501.64	3,349.00	7,021.00
18	8/1/2030	395.46	3,455.00	3,566.00
19	8/1/2031	283.86	3,566.00	
			<u>\$ 42,328.00</u>	

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

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Authorization Cancelled	Balance Dec. 31, 2017
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	89,991.57		\$ 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	46,081.00			46,081.00
10-12	07/24/12	Various Improvements for the Water Department	750.00			750.00
8-17	05/09/17	Various Improvements for the Water Department		\$ 2,900,000.00		2,900,000.00
			\$ 154,186.85	\$ 2,900,000.00	\$ 106,641.57	\$ 2,947,545.28

TOWN OF DOVER

COUNTY OF MORRIS

2017

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, 2016	E	\$ 159,259.25		\$ 395,204.35
Increased by Receipts:				
Parking Meters		\$ 261,583.76		
Parking Decals		53,644.05		
Prepaid Parking Decals		9,780.00		
Interest		1,999.65		
		327,007.46		
		486,266.71		395,204.35
Decreased by Disbursements:				
2017 Appropriation Expenditures		303,438.07		
2016 Appropriation Reserves		24,532.40		
Interest on Bonds		26,483.74		
Due to Current Fund:				
Prior Year Fund Balance Anticipated				
as Current Fund Revenue		55,000.00		
		409,454.21		
Balance December 31, 2017	E	\$ 76,812.50		\$ 395,204.35

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
ANALYSIS OF CASH

		Balance Dec. 31, 2016	Balance Dec. 31, 2017
	Capital Improvement Fund	\$ 17,668.23	\$ 17,668.23
	Due Parking Utility Operating Fund	685.00	685.00
	Fund Balance	4,795.86	4,795.86
Ord. No.	<u>General Improvements</u>		
17-2006; 33-2006	Various Improvements	315.44	315.44
37-2008	Various Improvements	2,256.59	2,256.59
04-2011	Various Improvements	17,082.50	17,082.50
17-2014	Various Improvements	351,629.28	351,629.28
15-2015	New Vehicle	771.45	771.45
		\$ 395,204.35	\$ 395,204.35
		\$ 395,204.35	\$ 395,204.35

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2017</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

Improvement Description	Ordinance		Amount	Balance	
	No.	Date		Dec. 31, 2016	Dec. 31, 2017
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	493,586.00	493,586.00
Various Improvements	17-14	07/22/14	392,300.00	392,300.00	\$ 685.00
Purchase of New Vehicle	15-15	08/22/15	25,000.00	25,000.00	
				<u>\$ 1,327,914.00</u>	<u>\$ 685.00</u>
				<u>\$ 1,327,914.00</u>	<u>\$ 1,327,229.00</u>
	<u>Ref.</u>			<u>E</u>	<u>E</u>

TOWN OF DOVER
PARKING UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</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	\$ 13,845.31	\$ 13,845.31		\$ 13,845.31
Other Expenses	24,415.90	24,415.90	\$ 24,415.90	
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	181.00	181.00	116.50	64.50
Social Security System	2,593.99	2,593.99		2,593.99
	<u>\$ 41,036.20</u>	<u>\$ 41,036.20</u>	<u>\$ 24,532.40</u>	<u>\$ 16,503.80</u>

Ref.

Analysis of Balance December 31, 2016:

Unencumbered	E	\$ 40,234.81
Encumbered	E	801.39
		<u>\$ 41,036.20</u>

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2016		Cancelled	Balance Dec. 31, 2017	
				Funded	Unfunded		Funded	Unfunded
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	17,082.50		17,082.50		
17-14	Various Improvements	7/22/14	392,300.00	351,629.28	\$ 685.00	351,629.28		
15-15	New Vehicle	8/22/15	25,000.00	771.45		771.45		
				\$ 372,055.26	\$ 685.00	\$ 372,055.26	\$ -0-	
				E	E	E	E	

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

	<u>Ref.</u>	
Balance December 31, 2016	E	<u>\$ 17,668.23</u>
Balance December 31, 2017	E	<u><u>\$ 17,668.23</u></u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2016	Balance Dec. 31, 2017
17-06; 33-06	Various Improvements	07/25/06; 12/12/06	\$ 46,314.00	\$ 46,314.00
37-08	Various Improvements	12/15/08	33,620.00	33,620.00
04-11	Various Improvements	03/22/11	24,680.00	24,680.00
17-14	Various Improvements	07/22/14	19,615.00	19,615.00
			<u>\$ 124,229.00</u>	<u>\$ 124,229.00</u>
		<u>Ref.</u>	E	E

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2016	Matured	Balance Dec. 31, 2017
			Outstanding Date	Dec. 31, 2017	Amount				
Parking Utility Capital Bonds Series 2013A	9/12/2013	\$ 791,000.00	09/15/18	\$ 50,000.00	2.000%	\$ 666,000.00	\$ 45,000.00	\$ 621,000.00	
			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%					
Parking Utility Capital Bonds Series 2016	7/20/2016	397,000.00	08/01/18	20,000.00	1.000%	397,000.00	20,000.00	377,000.00	
			08/01/19	25,000.00	1.000%				
			08/01/20	25,000.00	1.500%				
			08/01/21	25,000.00	1.500%				
			08/01/22	25,000.00	1.750%				
			08/01/23	30,000.00	2.000%				
			08/01/24	30,000.00	2.000%				
			08/01/25	30,000.00	2.000%				
			08/01/26	30,000.00	2.000%				
			08/01/27	30,000.00	2.000%				
		08/01/28	35,000.00	2.000%					
		08/01/29	35,000.00	2.000%					
		08/01/30	37,000.00	2.000%					
						\$ 1,063,000.00	\$ 65,000.00	\$ 998,000.00	

Ref.

E

E

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

TOWN OF DOVER
PARKING UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2017

<u>Ord.</u> <u>No.</u>	<u>Ord.</u> <u>Date</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Cancelled</u>
17-2014	07/22/14	Various Improvements	\$ 685.00	\$ 685.00
			<u>\$ 685.00</u>	<u>\$ 685.00</u>

TOWN OF DOVER

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2017

TOWN OF DOVER
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2017

Name of Federal Agency or Department/ Pass Thru Agency	Federal Program/ State Program Account #	CFDA Number	Grant Award	Grant Period		Receipts	Expenditures	Cumulative Expenditures	Amount Paid to Subrecipients
				From	To				
U.S. Department of Housing and Urban Development (Passed Thru NJ Department of Community Affairs)	State Administered CDBG Program: Small Cities Community Development Block Grant Program:								
	Grant Agreement #2015-02292-0154-000 Housing Rehabilitation State #100-022-8020-078-6120	14.228	\$ 150,000.00 290,000.00	01/01/15 01/01/17	12/31/17 12/31/17	\$ 85,439.00 85,439.00	\$ 59,333.29 290,000.00 349,333.29	\$ 150,000.00 290,000.00 440,000.00	
	Reserve for Housing Rehabilitation	N/A	53,188.00	02/01/12	12/31/18		18,483.96 18,483.96	37,018.93 37,018.93	
	Total U.S. Department of Housing and Urban Development					85,439.00	367,817.25	477,018.93	
U.S. Department of Justice (Passed Thru NJ Department of Law and Public Safety)	Bulldozer Vest Program State # N/A	16.607 16.607	4,800.41 4,800.41	01/01/15 01/01/16	12/31/17 12/31/17		\$ 4,800.41 4,800.41	4,800.41 4,800.41	
	Total U.S. Department of Justice						9,600.82	9,600.82	
U.S. Department of Homeland Security Division of State Police	Hazard and Mitigation Planning State # N/A	97.039	140,000.00	05/19/15	12/31/18		104,826.00	111,432.25	
	Total U.S. Department of Homeland Security						104,826.00	111,432.25	
U.S. Department of Transportation (Passed Thru NJ Department of Transportation)	Highway Planning and Construction Cluster: Perry Street #16-480-078-6320-6010	20.205	70,500.00	01/01/16	12/31/17	52,875.00	70,500.00	70,500.00	
	Safe Corridors #100-078-6100-6010	20.205	20,108.81	01/01/17	12/31/18	20,108.81			
	Thompson Avenue/Legion Place	20.205	120,000.00	01/01/15	12/31/17		120,000.00	120,000.00	
	Total U.S. Department of Transportation					3,228.56	3,228.56	3,228.56	
Total U.S. Department of Transportation	Drive Sober Or Get Pulled Over	20.601	3,228.56	01/01/17	12/31/17		3,228.56	3,228.56	
	Total Federal Awards					\$ 141,542.56	\$ 675,972.63	\$ 791,780.56	\$ -0-

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, 2017

Name of State Agency or Department of Health and Senior Services	State Program	Program Account #	Grant Award	Grant Period		Receipts	Expenditures	Cumulative Expenditures	
				From	To				
Department of Health and Senior Services	Alcohol Education and Rehabilitation Funds	N/A	\$ 1,132.97	01/01/12	12/31/17	\$	467.97	\$ 1,132.97	
			686.07	01/01/14	12/31/17		686.07	686.07	
			1,001.87	01/01/15	12/31/17		1,001.87	1,001.87	
			1,087.77	01/01/16	12/31/17		1,087.77	1,087.77	
			\$ 1,801.52	01/01/17	12/31/18	\$	1,801.52		
							3,243.68	3,908.68	
Department of Health and Senior Services	Communicable Disease Services - Hepatitis B Funds - Police/Firefighters	100-046-4781- 241-3890	1,377.86	01/01/04	12/31/18		130.00	1,105.65	
							3,373.68	5,014.33	
Department of Environmental Protection	Clean Communities Grant	765-042-4900- 004-178910	30,926.92	01/01/16	12/31/17		30,871.24	30,926.92	
			26,274.36	01/01/17	12/31/17		26,274.36	26,274.36	
							26,274.36	57,145.60	57,201.28
Department of Environmental Protection	Recycling Grant	752-042-4900- 001-6020	15,961.98	01/01/15	12/31/17		5,580.08	7,130.08	
			16,619.25	01/01/17	12/31/18		16,619.25	16,619.25	
			18,439.50	01/01/18	12/31/18		18,439.50	18,439.50	
							35,058.75	5,580.08	7,130.08
							61,333.11	64,331.36	
Department of Treasury Passed through the County of Morris	Governor's Council on Alcoholism/Drug Abuse: Municipal Alliance to Prevent Alcoholism/ Drug Abuse Alcoholism and Drug Abuse	100-082-2000- 044-6010	23,361.00	07/01/15	06/30/17		18,060.48	23,038.53	
			23,361.00	07/01/16	06/30/18		5,023.71	5,023.71	
							23,349.15	23,084.19	28,062.24
							23,349.15	28,062.24	
							23,084.19	28,062.24	

TOWN OF DOVER
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2017

Name of State Agency or Department Department of Law and Public Safety	State Program	Program Account #	Grant Award	Grant Period		Receipts	Expenditures	Cumulative Expenditures
				From	To			
	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	\$ 12,088.15 20,043.22	01/01/13 01/01/17	12/31/14 12/31/18	\$ 20,043.22 20,043.22	\$ 10,590.00 10,590.00	\$ 10,590.00 10,590.00
	Body Armor Replacement Fund	718-066-1020- 001-6120	3,278.41 3,306.95 3,312.08	01/01/15 01/01/16 01/01/17	12/31/17 12/31/17 12/31/18	3,312.08 3,312.08	2,303.62 3,306.95	3,278.41 3,306.95
	Pedestrian Safety Enforcement & Education Grant	100-066-1160- 232-6120	8,200.00	01/01/17	12/31/17	8,200.00	8,200.00	8,200.00
	Total Department of Law and Public Safety					\$ 31,555.30	24,400.57	25,375.36
Total State Awards						\$ 118,039.08	\$ 113,584.12	\$ 122,783.29

Total State Awards

N/A - Not Applicable/Available

TOWN OF DOVER
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2017

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, 2017. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *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 Town, 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Town has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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: NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS

The Town of Dover has the following loans outstanding as of December 31, 2017:

Water Utility Capital Fund:

NJ Environmental Infrastructure Trust Loans	\$ 550,221.70
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The projects which related to the loans are complete and there were no current year receipts or expenditures on the loans.



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax
 Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555

Independent Auditor's Report on Internal Control Over Financial Reporting
 and on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

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 or permitted 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, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated May 2, 2018. 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
May 2, 2018

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
May 2, 2018

NISIVOCCIA LLP

NISIVOCCIA LLP



John J. Mooney
Registered Municipal Accountant No. 560
Certified Public Accountant

TOWN OF DOVER
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2017

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an 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.
- The Town was not subject to the single audit provisions of the Uniform Guidance and New Jersey OMB's Circular 15-08 for the year ended December 31, 2017 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

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.

Findings and Questioned Costs for Federal Awards:

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

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, 2017

There were no prior year findings.

TOWN OF DOVER

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

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 July 1, 2015 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$40,000.

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, 2017, 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:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2017 and 2018 Taxes	20
Delinquent Taxes	20
Payment of 2017 and 2018 Water Rents	10
Payment of 2017 and 2018 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, 2017 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>
2017	26
2016	26
2015	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, Mt. Arlington Borough, the Borough of Victory Gardens, and the Borough of Wharton. A summary of the transactions of the Municipal Court for the year 2017 is as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Cash</u> <u>Received</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
State of New Jersey	\$ 31,964.18	\$ 427,882.49	\$ 435,037.40	\$ 24,809.27
County	15,046.75	245,092.50	247,319.75	12,819.50
Municipality	63,483.07	846,143.31	852,630.65	56,995.73
Municipality - POAA	156.00	2,430.00	2,422.00	164.00
Conditional Discharge	295.00	3,267.00	3,462.00	100.00
Conditional Dismissal	119.00	3,265.00	3,261.00	123.00
Weights and Measures	2,050.00	81,300.00	79,650.00	3,700.00
Restitution	185.00	5,549.52	5,134.52	600.00
Public Defender	1,900.00	19,949.00	20,654.50	1,194.50
Bail Account	28,385.00	145,306.00	164,276.00	9,415.00
	<u>\$ 143,584.00</u>	<u>\$ 1,780,184.82</u>	<u>\$ 1,813,847.82</u>	<u>\$ 109,921.00</u>

Municipal Public Library

During the review of the operations of the Municipal Public Library it was found that the Library is not currently in compliance with all statutory guidelines related to purchasing procedures. The Library Board of Trustees is not formally approving a bills list in their monthly minutes, and the Library has issued a debit card which they are using to make purchases without prior approval by the Board of Trustees. It is recommended that all purchases made by the Library are formally approved by the Board of Trustees in a bills list on at least a monthly basis, and that the library immediately terminate use of the debit card.

TOWN OF DOVER
COMMENTS AND RECOMMENDATIONS
(Continued)

Management's Response:

The Library will immediately stop using the debit card to make any purchases, and the Board of Trustees will begin to formally approve all purchases on at least a monthly basis through the use of a bills list.

Status of Prior Year Recommendations

There were no prior year recommendations.

Management Suggestions

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the Borough will be GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the year ending December 31, 2018. This standard replaces GASB No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the State of New Jersey.

TOWN OF DOVER
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. All purchases made by the Library are formally approved by the Board of Trustees in a bills list on at least a monthly basis, and that the library immediately terminate use of the debit card.