

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Town of Dover School District
Board of Education
Dover, New Jersey**

For the Fiscal Year Ended June 30, 2016



Prepared by

**Town of Dover School District Board of Education
Finance Department**

BOARD OF EDUCATION
TOWN OF DOVER

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	
Independent Auditor's Report on Basic Financial Statements and Supplementary Schedules of Expenditures of Federal Awards and State Financial Assistance	10-12
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis (Unaudited)	14-27
BASIC FINANCIAL STATEMENTS	
A. District – Wide Financial Statements:	
A-1 Statement of Net Position	30
A-2 Statement of Activities	31
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	34
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	35
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Proprietary Funds:	
B-4 Statement of Net Position	38
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	39
B-6 Statement of Cash Flows	40
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	42
B-8 Statement of Changes in Fiduciary Net Position	43
NOTES TO FINANCIAL STATEMENTS	45-77

BOARD OF EDUCATION
TOWN OF DOVER

TABLE OF CONTENTS
CONTINUED

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	80-83
C-2 Budgetary Comparison Schedule – Special Revenue Fund	84
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C-3 Budget to GAAP Reconciliation	86
REQUIRED SUPPLEMENTARY INFORMATION – PART III	
C-4 Schedule of the District’s Proportionate Share of Net Pension Liability – TPAF/PERS	88
C-5 Schedule of District Contributions - PERS	89
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III	
C-6 Pension Schedules	91
OTHER SUPPLEMENTARY INFORMATION	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type-Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	95-98
E-2 Schedule of Preschool Education Aid Expenditures - Preschool – All Programs – Budgetary Basis	99
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	N/A
F-2a to F-2e Schedules of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	N/A

BOARD OF EDUCATION
TOWN OF DOVER

TABLE OF CONTENTS
CONTINUED

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION –PART II (CONTINUED)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Fund	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	105
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	106
I. Long – Term Debt	
I-1 Schedule of Serial Bonds	108
I-2 Schedule of Certificates of Participation Payable	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	109
STATISTICAL SECTION (UNAUDITED)	
J. Financial Trends:	
J-1 Net Assets/Position by Component	111
J-2 Changes in Net Assets/Position	112-113
J-3 Fund Balances – Governmental Funds	114
J-4 Changes in Fund Balances – Governmental Funds	115-116
J-5 General Fund – Other Local Revenue by Source	117
Revenue Capacity:	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	118
J-7 Direct and Overlapping Property Tax Rates	119
J-8 Principal Property Taxpayers	120
J-9 Property Tax Levies and Collections	121

BOARD OF EDUCATION
TOWN OF DOVER

TABLE OF CONTENTS
CONCLUDED

	<u>Page</u>
STATISTICAL SECTION (UNAUDITED) (CONTINUED)	
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	122
J-11 Ratios of Net General Bonded Debt Outstanding	123
J-12 Direct and Overlapping Governmental Activities Debt as of June 30	124
J-13 Legal Debt Margin Information	125
Demographic and Economic Information:	
J-14 Demographic and Economic Statistics	126
J-15 Principal Employers	127
Operating Information:	
J-16 Full-time Equivalent District Employees by Function/Program	128
J-17 Operating Statistics	129
J-18 School Building Information	130
J-19 Schedule of Required Maintenance for School Facilities	131
J-20 Insurance Schedule	132

SINGLE AUDIT SECTION

K-1 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"	134-135
K-2 Independent Auditor's Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance; and Report on Schedules of Expenditures of Federal Awards and State Financial Assistance as Required by Federal Uniform Guidance and New Jersey OMB Circular Letter 15-08	136-138
K-3 Schedule of Expenditures of Federal Awards, Schedule A	139
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	140
K-5 Notes to Schedules of Expenditures of Awards and Financial Assistance	141-142
K-6 Schedules of Findings and Questioned Costs	
Part 1 Summary of Auditor's Results	143-144
Part 2 Schedule of Financial Statement Findings	145
Part 3 Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	146
K-7 Summary Schedule of Prior-Year Audit Findings and Questioned Costs as Prepared by Management	147

INTRODUCTORY SECTION

**DOVER BOARD OF EDUCATION
100 GRACE STREET
DOVER, NEW JERSEY 07801**

(973) 989-2005

CATHERINE M. JENISCH

**BUSINESS ADMINISTRATOR
/SECRETARY TO THE BOARD**

November 30, 2016

Honorable President and
Members of the Board of Education
Town of Dover School District
County of Morris, New Jersey

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Town of Dover School District (District) for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors report thereon. The statistical section includes selected financial and demographic information generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of State and Local Governments, and the State Treasury Circular Letter 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditors report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** Town of Dover School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included, in this report.

The District provides a full range of educational services appropriate to grade level K through 12. These include regular, vocational as well as special education for handicapped students. The District completed the 2015-2016 fiscal year with an average daily enrollment of 3,216.4 students, which is 47.6 students more than the previous years enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2006-07	2,861.6	-2.3%
2007-08	2,898.9	1.3%
2008-09	2,895.5	-.01%
2009-10	2,934.8	1.4%
2010-11	2,927.8	-.24%
2011-12	2,901.6	-.89%
2012-13	3,027.7	.43%
2013-14	3,082.7	1.8%
2014-15	3,168.8	2.8%
2015-16	3,216.4	1.5%

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The Town of Dover area is continuing to experience a period of decrease in ratables. The Town is attempting to attract businesses to relocate within its boundaries through several advertised programs. It is anticipated that such programs may revitalize the Town and attract the businesses, which will continue to increase the needed ratable base.
- 3) **MAJOR INITIATIVES:** The Dover School District is committed to providing an optimal learning experience for all students. A variety of new initiatives are underway, all of which have a common focus of improving instruction and, concomitantly, academic achievement.

Academics/Technology

The academic goals for the Dover Schools continue to focus on increasing student achievement, meeting the diverse needs of our students as we prepare them today for their lives tomorrow. Dover High School has been designated a National Blue Ribbon School of Excellence by the Secretary of Education, Mr. A. Duncan. We continue to expand the variety and rigor of our academic programming at Dover High School, offering the Health and Science Academy and our new Academy of Fine and Performing Arts. We have also incorporated new AP courses including AP World history, providing another option for students with a penchant for learning.

The District has completely updated all curriculum guides to insure compliance with the new standards. At this point, we are one year ahead of schedule in meeting this objective. The new curriculum incorporates PARCC testing alignment and the SAMR technology integration. They also include 21st century career integration. While the 2009 and 2011 curriculum guides count toward QSAC, Dover has upgraded to the 2015 version across the district.

A complete review of the status of our technology in preparation for the PARCC testing has been undertaken, and necessary hardware and software have been purchased. This represents a significant outlay in terms of resources and planning, but the Dover Schools are now ready for the demands of testing, as currently specified by the Department of Education, through the FY18 academic years, a very significant accomplishment. We have purchased over 400 new computers as we endeavor to meet the changing needs of appropriate technology for the PARCC Testing. In addition, a new reading/language arts series was purchased for student use in Grades K-2, better preparing students for the increased academic rigor of Grade 3.

Facilities

We proudly support the upkeep of our facilities to insure the best possible environment for learning while protecting the taxpayer investment. We have completed restroom

renovations at the Dover Field House, the original 1917 field-house, new lights, new bathrooms, new bathrooms at DHS, and new roofing district wide.

- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the Districts single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

- 5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The Districts accounting records reflect generally accepted accounting principles, as promulgated by the governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in Notes to the Financial Statements, Note 1.

- 7) **DEBT ADMINISTRATION:** At June 30, 2016, the District's outstanding debt issues consisted of 2012 Refunded Bond issue in the amount of \$5,875,000, the proceeds of which were used to fund an addition to East Dover School and a Media Center and Wellness Center at Dover High School.

- 8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) **RISK MANAGEMENT:** The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

10) **OTHER INFORMATION:**

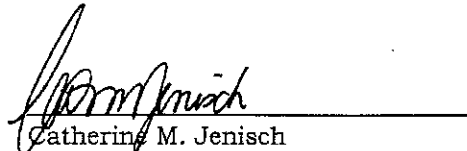
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of VM Associates was selected by the Board to perform that service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

11) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of The Town of Dover School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

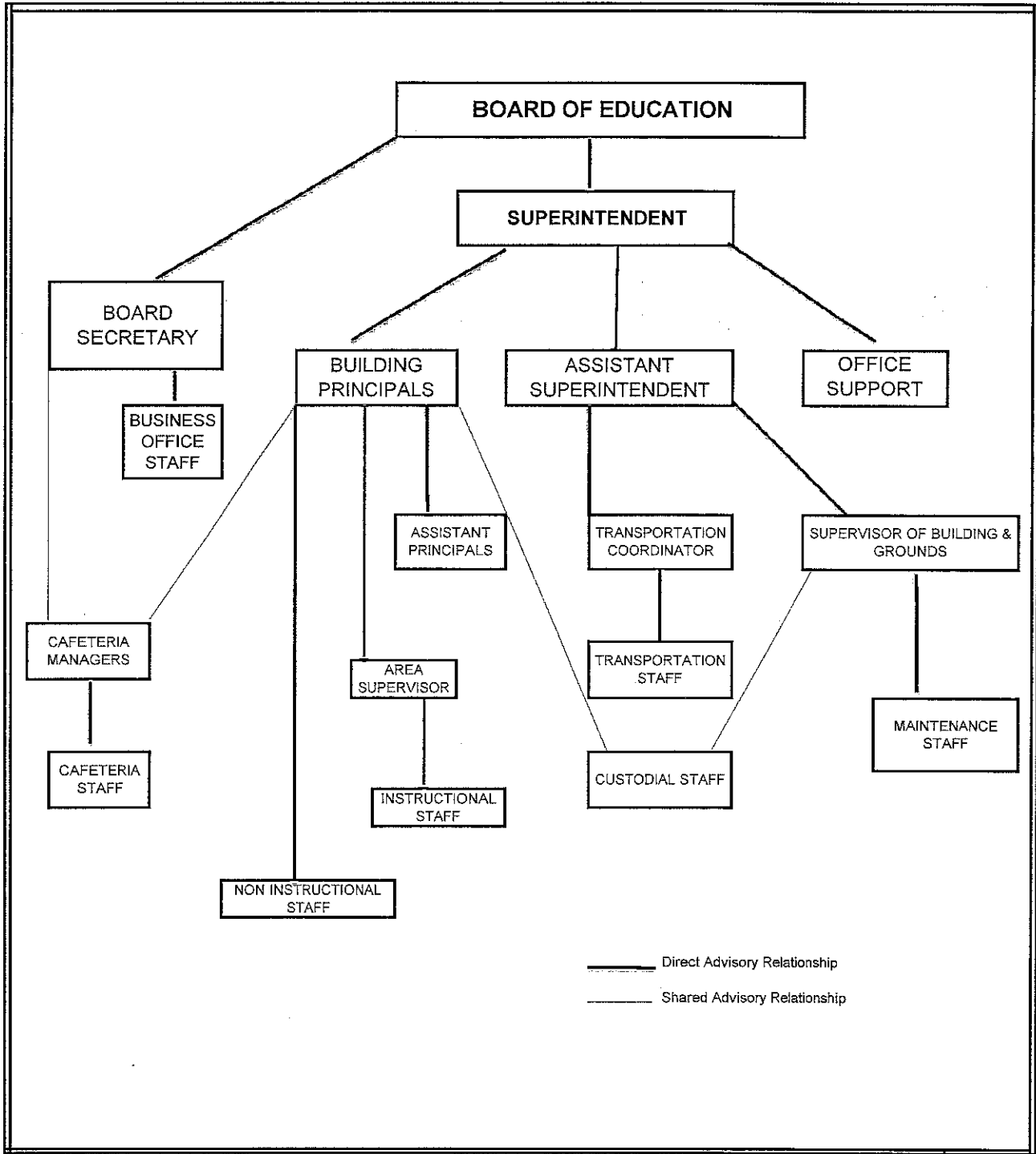


Robert B. Becker
Superintendent



Catherine M. Jenisch
Business Administrator/
Board Secretary

TOWN OF DOVER BOARD OF EDUCATION ORGANIZATION CHART



Town of Dover School District Board of Education
Dover, New Jersey

ROSTER OF OFFICIALS
JUNE 30, 2016

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Lynn Laurie	Vice President	2017
Scott Miller	Member	2017
Susan Shauer	President	2017
Alan Bocchino	Member	2016
Jo Ann Dodd	Member	2016
Darrell Hooper	Member	2016
Linda Mullin	Member	2018
Maria Rosario	Member	2018
Michael Scarneo	Member	2018
Peter Bruseo	Member	2016

Other Officials

Robert B. Becker, Superintendent

Catherine M. Jenisch, Business Administrator/Board Secretary

Kelly Toohey, Treasurer

Derlis Gutierrez, Esq., Board Attorney

**Town of Dover School District Board of Education
Dover, New Jersey**

CONSULTANTS AND ADVISORS

**AHERA, Right-to-Know, Hazardous
Chemical, Universal Waste Disposal
and Environmental Consultant**
Garden State Environmental
555 Broad Street, Suite K
Glen Rock, New Jersey 07452

**Health Benefits Insurance Broke
of Record**
Willis HRH/Willis of New Jersey Inc.
150 John F. Kennedy Parkway, 520
Suite 520
Post Office Box 5002
Morristown, New Jersey 07962

Architect for Special Projects
CTS Group
17 Commerce Street
Woodbridge, New Jersey 07095

Insurance Broker of Record
Henry O. Baker Insurance Co.
7 S. Warren Street
Dover, New Jersey 07801

Auditor
Vincent Montanino
VM Associates, Inc.
111 Howard Boulevard, Suite 212
Mt. Arlington, New Jersey 07856

Integrated Software
Weidenhammer Systems Corporation
935 Berkshire Boulevard
Wyomissing, Pennsylvania 19610

Bidding Cooperative Services
Educational Data Services, Inc.
236 Midland Avenue
Saddle Brook, New Jersey 07663

Labor Relations Attorney
Adams, Gutierrez & Lattiboudere, LLC
The Legal Center
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Newark, New Jersey 07102

Board Attorney
Adams, Gutierrez & Lattiboudere, LLC
The Legal Center
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Newark, New Jersey 07102

Occupational Physician
Dr. George Mellendick
2 Lincoln Highway, Suite 410
Edison, New Jersey 08820

Computerized Accounting
Computed Management Technologies
731 Gratiot Avenue
Saginaw, Michigan 48602

Referendum Attorney
Wilentz, Goldman & Spitzer
90 Woodbridge Center Drive
Suite 900, Box 10
Woodbridge, New Jersey 07095

Food Service Management Company
Pomptonian Food Service
3 Edison Place
Fairfield, New Jersey 07004

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Vincent M. Montanino, RMA, PSA
Michael S. Zambito, CPA, RMA
Antonia Russo, Associate

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Town of Dover School District
County of Morris, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dover School District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dover School District as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on Schedules C-1 and C-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United State of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dover School District's basic financial statements. The accompanying supplementary information such as the combining and individual fund financial statements and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and other information such as the introductory section and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

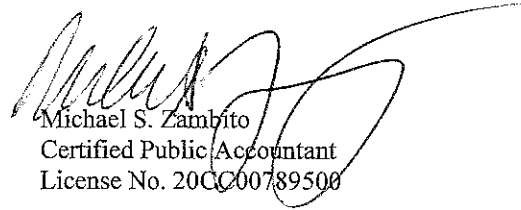
The combining and individual fund financial statements and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material aspects, in relation to the basic financial statements as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards and the Division of Finance, Department of Education, State of New Jersey

In accordance with Government Auditing Standards and the Division of Finance, Department of Education, State of New Jersey, we have also issued our report dated November 30, 2016 on our consideration of the Town of Dover School District'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and the Division of Finance, Department of Education, State of New Jersey in considering the Town of Dover School District's internal control over financial reporting and compliance.



Vincent M. Montanino
Public School Accountant
License No. CS000495



Michael S. Zambito
Certified Public Accountant
License No. 20C00789500

November 30, 2016

**REQUIRED SUPPLEMENTARY INFORMATION -
PART I**

TOWN OF DOVER SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(UNAUDITED)

The discussion and analysis of the Town of Dover School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of Required and Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments."

Financial Highlights

- The assets of the Town of Dover School District exceeded its liabilities at the close of the most recent fiscal year by \$22,015,127.99 (net position).
- The District's total net position increased \$2,685,807.74. The increase is attributable to revenues exceeding expenditures.
- General revenues accounted for \$37,145,471.01 or 62.8 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$21,994,157.60 or 37.2 percent of total revenues of \$59,139,628.61.
- The District had \$54,610,018.35 in expenses related to governmental activities; only \$20,094,573.69 was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes, federal and state aid) of \$37,138,864.60 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$45,007,713.65 in revenues and \$45,418,560.71 in expenditures. The General Fund's fund balance decreased \$410,847.06 from the June 30, 2015 fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view on the District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or *financial position*. Over time, *increases* or *decreases* in the District's net position are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base, and the condition of the District's capital assets to assess the overall *health* of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- **Governmental Activities:** Most of the district's basic programs and services are reported here, including general administration. Local taxes, tuition and state and federal aid finance most of these activities.
- **Business-Type Activities:** These services are provided on a charge for goods or services basis to recover the cost of the goods and services provided. The District's food service program is reported as a business-type activity.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

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

Proprietary funds: when the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The district is the trustee, or *fiduciary*, for the Unemployment Compensation Trust, Scholarship Funds and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Basic Financial Statements: The notes provided additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information: The combining statements referred to earlier in connection with governmental funds and enterprise funds are presented immediately following the notes to the basic financial statements.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Major Features of the Town of Dover School District's
Government-Wide and Fund Financial Statements
(Figure A-1)**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; N/A	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows/inflows and liabilities, both financial and capital, and short-term and long term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long- term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.

Financial Analysis of the District as a Whole

The District’s *combined* net position changed from a year ago, *increasing* from \$19.3 million to \$22 million. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District’s governmental and business-type activities as of June 30.

Table 1

Net Position

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 8,716,723.06	\$ 9,051,172.96	\$ 734,314.07	\$ 697,930.36	\$ 9,451,037.13	\$ 9,749,103.32
Capital Assets	<u>28,729,493.00</u>	<u>25,764,517.00</u>	<u>82,450.00</u>	<u>85,347.00</u>	<u>28,811,943.00</u>	<u>25,849,864.00</u>
Total Assets	<u>37,446,216.06</u>	<u>34,815,689.96</u>	<u>816,764.07</u>	<u>783,277.36</u>	<u>38,262,980.13</u>	<u>35,598,967.32</u>
Deferred Outflows	<u>1,221,354.00</u>	<u>657,416.00</u>			<u>1,221,354.00</u>	<u>657,416.00</u>
Long-term Debt Outstanding	6,288,851.00	6,813,449.00			6,288,851.00	6,813,449.00
Other Liabilities	<u>10,142,490.84</u>	<u>9,466,619.68</u>	<u>19,684.30</u>	<u>48,585.39</u>	<u>10,162,175.14</u>	<u>9,515,205.07</u>
Total Liabilities	<u>16,431,341.84</u>	<u>16,280,068.68</u>	<u>19,684.30</u>	<u>48,585.39</u>	<u>16,451,026.14</u>	<u>16,328,654.07</u>
Deferred Inflows	<u>1,018,177.00</u>	<u>598,409.00</u>			<u>1,018,177.00</u>	<u>598,409.00</u>
Net Position:						
Net Investment in Capital Assets	22,854,493.00	19,379,517.00	82,450.00	85,347.00	22,936,943.00	19,464,864.00
Restricted	9,378,478.28	9,762,641.10			9,378,478.28	9,762,641.10
Unrestricted (deficit)	<u>(11,014,923.06)</u>	<u>(10,547,529.82)</u>	<u>714,629.77</u>	<u>649,344.97</u>	<u>(10,300,293.29)</u>	<u>(9,898,184.85)</u>
Total Net Position	<u>\$ 21,218,048.22</u>	<u>\$ 18,594,628.28</u>	<u>\$ 797,079.77</u>	<u>\$ 734,691.97</u>	<u>\$ 22,015,127.99</u>	<u>\$ 19,329,320.25</u>

- Net position of the District’s governmental activities increased by 14.11 percent.
- Unrestricted net position, the part of net position that can be used to finance day-to-day operation without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased \$467,393.24.
- Restricted net position, those restricted mainly for future capital projects, maintenance and outstanding encumbrances decreased \$384,162.82.
- The net investment in capital assets category increased by \$3,474,976.00 due to the various capital improvements completed in 2015-2016 less the annual depreciation expense.

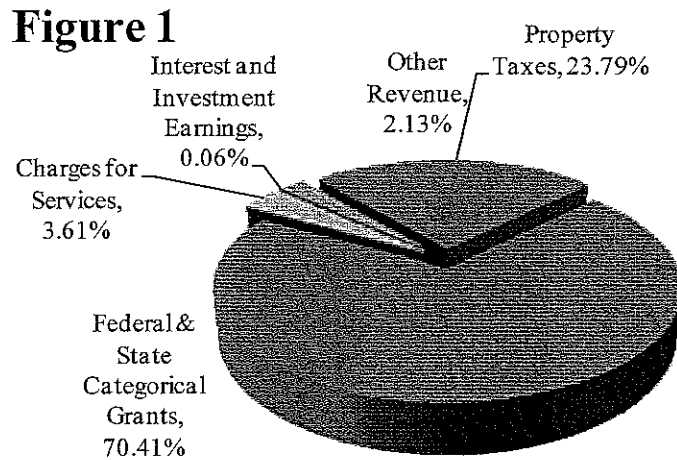
Table 2

Changes in Net Position

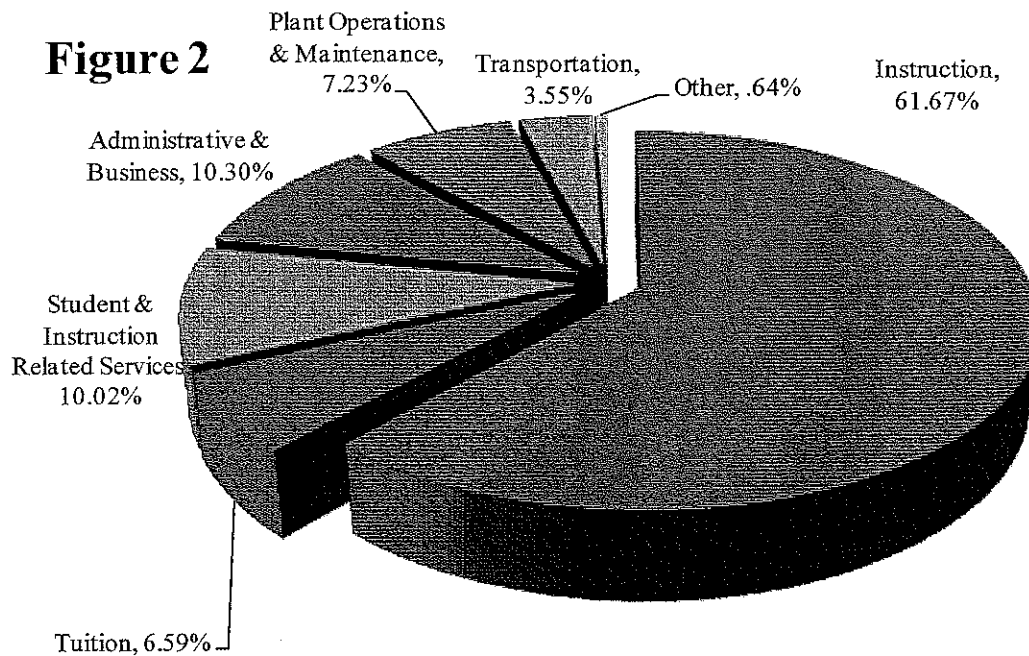
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<u>Revenues</u>						
Program Revenues:						
Charges for Services	\$ 2,069,694.00	\$ 2,195,060.57	\$ 336,978.92	\$ 317,496.90	\$ 2,406,672.92	\$ 2,512,557.47
Operating Grants and Contributions	18,024,879.69	12,807,143.85	1,562,604.99	1,437,867.88	19,587,484.68	14,245,011.73
General Revenues:						
Property Taxes	13,619,030.50	13,615,268.00			13,619,030.50	13,615,268.00
Federal and State Aid	22,266,015.98	22,783,397.85			22,266,015.98	22,783,397.85
Interest and Investment Earnings	36,811.74	35,130.37	2,129.41	1,849.29	38,941.15	36,979.66
Other General Revenues	405,857.17	162,622.98	-	-	405,857.17	162,622.98
Special Item - Prior Year						
Adjustment to Fixed Assets	811,149.21	-	4,477.00	-	815,626.21	-
Total Revenues:	<u>57,233,438.29</u>	<u>51,598,623.62</u>	<u>1,906,190.32</u>	<u>1,757,214.07</u>	<u>59,139,628.61</u>	<u>53,355,837.69</u>
<u>Program Expenses Including Indirect Expenses</u>						
Instruction:						
Regular	27,371,930.31	24,512,706.15			27,371,930.31	24,512,706.15
Special	3,459,092.91	3,561,628.72			3,459,092.91	3,561,628.72
Other Instruction	2,867,642.52	2,532,490.76			2,867,642.52	2,532,490.76
Support Services:						
Tuition	3,600,982.19	3,345,619.71			3,600,982.19	3,345,619.71
Student and Instruction Related Services	5,442,880.21	4,629,839.25			5,442,880.21	4,629,839.25
School Administrative Services	3,439,351.92	3,465,746.41			3,439,351.92	3,465,746.41
General and Business Administrative Services	2,188,840.82	1,915,911.16			2,188,840.82	1,915,911.16
Plant Operations and Maintenance	3,949,708.90	3,847,427.87			3,949,708.90	3,847,427.87
Pupil Transportation	1,942,125.07	1,717,386.69			1,942,125.07	1,717,386.69
Charter Schools	66,535.00	43,632.00			66,535.00	43,632.00
Debt Service Assessment	72,816.00	72,816.00			72,816.00	72,816.00
Interest on Long-Term Debt	208,112.50	222,025.00			208,112.50	222,025.00
Special Item - Prior Year						
Adjustment to Fixed Assets	-	499,688.17			-	499,688.17
Business-Type Activities:						
Food Services	-	-	1,843,802.52	1,670,727.20	1,843,802.52	1,670,727.20
Total Expenses	<u>54,610,018.35</u>	<u>50,366,917.89</u>	<u>1,843,802.52</u>	<u>1,670,727.20</u>	<u>56,453,820.87</u>	<u>52,037,645.09</u>
Increase in Net Position	2,623,419.94	1,231,705.73	62,387.80	86,486.87	2,685,807.74	1,318,192.60
Net Position-Beginning 7/1	<u>18,594,628.28</u>	<u>17,362,922.55</u>	<u>734,691.97</u>	<u>648,205.10</u>	<u>19,329,320.25</u>	<u>18,011,127.65</u>
Net Position-Ending 6/30	<u>\$ 21,218,048.22</u>	<u>\$ 18,594,628.28</u>	<u>\$ 797,079.77</u>	<u>\$ 734,691.97</u>	<u>\$ 22,015,127.99</u>	<u>\$ 19,329,320.25</u>

Governmental Activities

Revenue Sources. The District’s total revenue for the 2015-2016 school year was \$57,233,438.29 (See Table 2). State formula aid and categorical grants accounted for most of the District’s revenue with \$40,299,414.42 of the total, or 70.37 percent (See Figure 1). Property taxes of \$13,619,030.50 accounted for 23.79 percent and the remainder was from other miscellaneous sources. The Town of Dover School District primarily conducts its operations from the revenue it receives from state formula aid and categorical grants.



The total cost of all programs and services was \$54,610,018.35. The District’s expenses are predominantly related to instructing, tuition, caring for (pupil and instruction services) and transporting students (81.83 percent) (See Figure 2). The District’s administrative and maintenance activities accounted for 17.53 percent of total costs. It is important to note that depreciation of \$1,129,229.00 is included in expenses for the year.



In New Jersey State Aid has remained relatively flat over the past few years so the burden of funding the growth in education expenses in the District will fall on property taxes. Therefore it is crucial that the District examine its expenditures carefully, since any proposed increase to the school district budget will be funded entirely through property taxes.

Table 3 presents the cost of the District’s major activities. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers by each of these functions:

Table 3
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2015/2016	2014/2015	2015/2016	2014/2015
Instruction	\$ 33,698,665.74	\$ 30,606,825.63	\$ 19,308,373.95	\$ 19,779,972.85
Tuition	3,600,982.19	3,345,619.71	3,600,982.19	3,345,619.71
Student and Instruction Services	5,442,880.21	4,629,839.25	2,423,351.89	2,251,319.45
Administrative and Business	5,628,192.74	5,381,657.57	4,073,232.12	4,378,907.16
Maintenance and Operations	3,949,708.90	3,847,427.87	3,277,302.67	3,438,883.49
Transportation	1,942,125.07	1,717,386.69	1,692,850.84	1,553,874.64
Other	347,463.50	338,473.00	139,351.00	116,448.00
	<u>\$ 54,610,018.35</u>	<u>\$ 49,867,229.72</u>	<u>\$ 34,515,444.66</u>	<u>\$ 34,865,025.30</u>

- The cost of all governmental activities this year was \$54.610 million.
- Most of the District’s costs, however, were subsidized with federal and state grants and contributions (\$34.551 million).
- A portion of governmental activities was financed with state aid based on the CEIFA formula.
- The remainder of governmental activities funding came from local taxes, charges for services (tuition), local grants, investment earnings and miscellaneous revenue.

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THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds: The District's governmental fund is comprised of the general fund, special revenue fund, and capital projects fund and is accounted for using the modified accrual basis of accounting.

The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unrestricted fund balance is divided between assigned to and unassigned balances. The District has assigned portions of the unrestricted fund balance to earmark resources for the payment of certain government-wide liabilities that are not recognized in the governmental funds.

General Fund: The general fund is the main operating fund of the District. At the end of the current fiscal year total fund balance was \$7,968,824.71.

As demonstrated by the various statements, the District maintains a sound financial position. The information below compares revenues for 2015-2016 and 2014-2015.

Table 4

<u>Revenues by Source:</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>% Change</u>
Local Tax Levy	\$ 13,827,143.00	\$ 13,837,293.00	-0.07%
Tuition Charges	2,069,694.00	2,195,060.57	-5.71%
Interest Earned to Investments	36,811.74	35,130.37	4.79%
Miscellaneous	405,857.17	162,622.98	149.57%
Total - Local Sources	16,339,505.91	16,230,106.92	0.67%
State Sources	30,025,424.50	29,515,432.03	1.73%
Federal Sources	2,644,803.67	2,627,345.67	0.66%
Total Revenues	<u>\$ 49,009,734.08</u>	<u>\$ 48,372,884.62</u>	1.32%

The increase in miscellaneous is mainly attributable to an increase in miscellaneous prior year reimbursements.

The increase in State Sources is a result of the Net Pension Liability.

The increase in Federal sources in 2015-2016 is primarily due to an increase in Federal Grant funding, specifically IDEA.

THE DISTRICT'S FUNDS (Continued)

Governmental Activities (Continued)

The information below compares expenditures for 2015-2016 and 2014-2015:

Table 5

<u>Expenditures by Function:</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>% Change</u>
Current:			
Regular Instruction	\$ 15,662,455.73	\$ 16,229,085.81	-3.49%
Special Education	1,638,742.11	1,764,371.57	-7.12%
Other Instruction	1,540,042.44	1,544,251.11	-0.27%
Support Services and Undistributed Costs:			
Tuition	3,600,982.19	3,345,619.71	7.63%
Student and Instruction Related Services	3,368,253.36	3,302,928.39	1.98%
School Administrative Services	1,791,299.52	2,093,097.65	-14.42%
General and Business Administrative Services	1,370,709.93	1,317,803.91	4.01%
Plant Operations and Maintenance	2,913,441.56	3,048,958.98	-4.44%
Pupil Transportation	1,577,998.36	1,454,842.45	8.47%
Employee Benefits	11,818,693.65	11,193,467.14	5.59%
Capital Outlay	3,283,055.79	2,477,101.17	32.54%
Capital Outlay-Debt Service Assessment	72,816.00	72,816.00	0.00%
Charter School	66,535.00	43,632.00	52.49%
Debt Service:			
Principal	510,000.00	505,000.00	0.99%
Interest on Long-Term Debt	210,662.50	225,812.50	-6.71%
Total Expenditures	<u>\$ 49,425,688.14</u>	<u>\$ 48,618,788.39</u>	1.66%

The Capital Outlay Category increased \$805,954.62 due to several of the District's projects being completed this year. Capital Outlay-Debt Service Assessment is the District's debt assessment for grants received from the Department of Education for eligible capital projects.

Charter Schools increased \$22,903 because of an increase in enrollment from six students to nine students.

All other fluctuations are within the normal range of plus or minus 10% and therefore further explanation is not provided.

Business-type activities

The District's major Enterprise Fund consists of the Food Service Fund. Revenues for the Food Service Program were comprised of charges for services and federal and state reimbursements. Food Service revenues exceeded expenses by \$62,387.80. Charges for food service represented \$336,978.92 of revenues, this is the amount paid by patrons for daily food service and special functions. The Federal and State reimbursements for meals, including payments for free and reduced lunches, fresh fruits and vegetables program and donated commodities totaled \$1,562,604.99.

THE DISTRICT'S FUNDS (Continued)

Business-type Activities (Continued)

The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 6, which demonstrates return on ending assets and return on ending net position.

Table 6

	<u>Food Service</u>
Total Assets	\$ 816,764.07
Net Position	797,079.77
Change in Net Position	62,387.80
Return on Ending Total Assets	7.64%
Return on Ending Net Position	7.83%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table 7

**Capital Assets at Year-End
(Net of Depreciation)**

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Totals</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 497,100.00	\$ 497,100.00	\$ -	\$ -	\$ 497,100.00	\$ 497,100.00
Buildings & Improvements	43,921,396.00	40,149,730.00			43,921,396.00	40,149,730.00
Machinery and Equipment	4,280,869.00	4,182,314.00	408,260.00	408,019.00	4,689,129.00	4,590,333.00
Construction-in-Progress	-	-	-	-	-	-
Subtotal	<u>48,699,365.00</u>	<u>44,829,144.00</u>	<u>408,260.00</u>	<u>408,019.00</u>	<u>49,107,625.00</u>	<u>45,237,163.00</u>
Accumulated Depreciation	<u>(19,969,872.00)</u>	<u>(19,064,627.00)</u>	<u>(325,810.00)</u>	<u>(322,672.00)</u>	<u>(20,295,682.00)</u>	<u>(19,387,299.00)</u>
Totals	<u>\$ 28,729,493.00</u>	<u>\$ 25,764,517.00</u>	<u>\$ 82,450.00</u>	<u>\$ 85,347.00</u>	<u>\$ 28,811,943.00</u>	<u>\$ 25,849,864.00</u>

This year's major changes in the Governmental Activities included various District Building Improvement projects not limited to the installation of HVAC at the High School, Tiger Rap Trailer renovations, Unit Ventilators with Air Conditioning at North Dover Elementary as well as the remodeling of the Hamilton Field House and Hamilton Field lighting improvements.

The 2016-2017 budget calls for capital outlay expenditures in the amount of \$188,416 which includes \$15,000 for the High School Boys Gym bathroom renovations and \$91,200 for purchase of instructional equipment, \$8,400 for maintenance equipment and \$72,816 for the State of New Jersey assessment for Debt Service. More detailed information about the District capital assets is presented in the notes to the basic financial statements.

DEBT

At year-end the District had total debt of \$6.3 million outstanding versus \$6.8 last year – a decrease of 8.4 percent – as shown in Table 8.

Outstanding Debt, at Year-End

Table 8

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Serial Bonds	\$ 5,875,000.00	\$ 6,385,000.00
Compensated Absences	<u>413,851.00</u>	<u>428,449.00</u>
	<u>\$ 6,288,851.00</u>	<u>\$ 6,813,449.00</u>

The District continues to pay down its debt as scheduled, retiring \$510,000 of its outstanding serial bonds. The District’s accrued Compensated Absences decreased by \$14,598.00 from 2015.

An analysis of District Debt is presented in the notes to the basic financial statements.

BUDGETS

The District’s budget is prepared according to New Jersey Department of Education guidelines. The most significant budgetary fund is the General Fund. Revisions in the general fund budget were made through budget transfers to prevent over commitments in specific line item accounts. These transfers were made by a resolution of the Board of Education pursuant to N.J.S.A. 18A:22-8.1.

Described below are explanations for variations in expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed necessary.

Revenues

There were no revenue fluctuations between the original and modified budgets.

Expenditures

The modified budget for Regular Programs – Teacher Salaries for Grades 6-8 and 9-12 decreased a combined \$897,770.63 due to staff retirements and decrease spending in staffing.

The modified budget for various Salary line items decreased because of retirements and reduced staffing costs.

The modified budget for Unemployment Compensation decreased \$136,477.35 due to actual unemployment claims for reimbursement being less than projected.

BUDGETS (Continued)

Expenditures (Continued)

The modified budget for Construction Services increased by \$5,003,183.68 due to the rollover of 2014/2015 projects being completed in the 2015/2016 fiscal year, mainly during the summer recess and new projects started throughout the school year.

Capital Outlay-Total Equipment increased \$448,429.62 due to purchases of two new District buses, three new District maintenance trucks, a new maintenance lawn mower and Hamilton Field visitor bleachers.

Described below are explanations for variations in expenditures for certain lines where the modified budget amounts differ from the actual budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed necessary.

Revenues

Miscellaneous Revenues was more than the modified budget by \$346,717.42 as a result of receiving worker's compensation insurance rebates/refunds, prior year refunds, and prior year special education tuition refunds.

Extraordinary Aid was more than the modified budget by \$196,256.00 as a result of the Special Education Extraordinary Aid application filed with the state to reimburse the district for excessive funds spent in the area of tuition and services provided.

Expenditures

The actual amounts expended for Health Benefits was less than the final budget by \$163,193.63 as a result of employees waiving insurance coverage.

The actual amounts expended for Construction Services was less than the final budget by \$2,150,562.99 as a result of some projects costs coming in lower than originally estimated and a few being delayed due to timing.

FACTORS BEARING ON THE DISTRICT'S FUTURE

In preparing the 2016-2017 budget, the primary goal of the Board was to develop a budget that would meet the District's educational priorities, provide accountability to the taxpaying community, and comply with the stringent restrictions placed on school district budgets by the new legislation. This legislation put a "2% cap" on the local tax levy; therefore, limiting the amount of funds a district can raise to support its budget. During the preparation of the 2016-2017 budget, the District did utilize the enrollment and health care cost adjustments available for the first time. The District also utilized a portion of the 2013-2014 banked cap and let the remaining 2013-2014 cap expire. It was decided to keep the 2014-2015 and the 2015-2016 cap banks for future use if necessary.

The Board has opted to prepare its 2016-2017 budget with a minimal tax levy increase. In fact, the average Dover taxpayer's taxes decreased due to the decline in the town's ratables. The 2016-2017 unrestricted fund balance is limited to 2% of our expenditures as per the New Jersey Department of Education regulations. Thus, it will be important to prepare a budget that will closely reflect actual expenditures since the unrestricted fund balance will not permit much flexibility. Continuous monitoring of the budget is necessary to ensure that expenditures remain in line. Looking ahead to the development of the 2016-2017 budget, the budget law put into effect by the State of New Jersey Department of Education will have an impact, once again. The law goes beyond the capping of revenues for the budget but it also authorizes the Executive County Superintendent to examine the budget and challenge the District in their expenditure projections. The State of New Jersey has also continued to encourage shared services amongst neighboring districts.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Catherine Jenisch, Business Administrator, Town of Dover School District, Dover, New Jersey.

BASIC FINANCIAL STATEMENTS

SECTION A

DISTRICT – WIDE FINANCIAL STATEMENTS

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Net Position
June 30, 2016**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ (910,616.58)	\$ 650,449.45	\$ (260,167.13)
Receivables, Net	2,496,089.56	79,160.80	2,575,250.36
Inventory		4,703.82	4,703.82
Restricted Assets:			
Capital Reserve Account - Cash	7,131,247.08		7,131,247.08
Capital Assets Not Being Depreciated	497,100.00		497,100.00
Capital Assets Being Depreciated	28,232,393.00	82,450.00	28,314,843.00
Total Assets	<u>37,446,213.06</u>	<u>816,764.07</u>	<u>38,262,977.13</u>
DEFERRED OUTFLOWS			
Pension Deferred Outflows	<u>1,221,354.00</u>		<u>1,221,354.00</u>
LIABILITIES			
Accounts Payable	531,953.02	16,116.30	548,069.32
Payable to State Government	61,744.83		61,744.83
Unearned Revenue	193,012.36		193,012.36
Net Pension Liability	9,305,665.00		9,305,665.00
Bond Interest Payable	50,115.63		50,115.63
Noncurrent Liabilities:			
Due Within One Year	525,000.00		525,000.00
Due Beyond One Year	5,763,851.00	3,568.00	5,767,419.00
Total Liabilities	<u>16,431,341.84</u>	<u>19,684.30</u>	<u>16,451,026.14</u>
DEFERRED INFLOWS			
Pension Deferred Inflows	<u>1,018,177.00</u>		<u>1,018,177.00</u>
NET POSITION			
Net Investment in Capital Assets	22,854,493.00	82,450.00	22,936,943.00
Restricted For:			
Special Revenue Fund	(38,817.00)		(38,817.00)
Debt Service	2.14		2.14
Other Purposes	9,417,293.14		9,417,293.14
Unrestricted	<u>(11,014,923.06)</u>	<u>714,629.77</u>	<u>(10,300,293.29)</u>
Total Net Position	<u>\$ 21,218,048.22</u>	<u>\$ 797,079.77</u>	<u>\$ 22,015,127.99</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOARD OF EDUCATION
TOWN OF DOVER**
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:				\$ -			
Regular	\$ 27,371,930.31	\$ 2,069,694.00	\$ 9,069,217.28	\$ -	\$ (16,233,019.03)	\$ -	\$ (16,233,019.03)
Special Education	3,459,092.91		2,473,862.95		(985,229.96)		(985,229.96)
Other	2,867,642.52		777,517.56		(2,090,124.96)		(2,090,124.96)
Support Services:							
Tuition	3,600,982.19				(3,600,982.19)		(3,600,982.19)
Student and Instruction Related Services	5,442,880.21		3,019,528.32		(2,423,351.89)		(2,423,351.89)
School Administrative Services	3,439,351.92		1,064,084.07		(2,375,267.85)		(2,375,267.85)
General and Business Administrative Services	2,188,840.82		490,876.55		(1,697,964.27)		(1,697,964.27)
Plant Operations and Maintenance	3,949,708.90		672,406.23		(3,277,302.67)		(3,277,302.67)
Pupil Transportation	1,942,125.07		249,274.23		(1,692,850.84)		(1,692,850.84)
Charter Schools	66,535.00				(66,535.00)		(66,535.00)
Debt Service Assessment	72,816.00				(72,816.00)		(72,816.00)
Interest on Long-Term Debt	208,112.50		208,112.50		-		-
Total Governmental Activities	54,610,018.35	2,069,694.00	18,024,879.69	-	(34,515,444.66)	-	(34,515,444.66)
Business-Type Activities:							
Food Service	1,843,802.52	336,978.92	1,562,604.99	-	-	55,781.39	55,781.39
Total Business-Type Activities	1,843,802.52	336,978.92	1,562,604.99	-	-	55,781.39	55,781.39
Total Primary Government	\$ 56,453,820.87	\$ 2,406,672.92	\$ 19,587,484.68	\$ -	\$ (34,515,444.66)	\$ 55,781.39	\$ (34,459,663.27)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 13,106,480.00	\$ -	\$ 13,106,480.00
Property Taxes, Levied for Debt Service Principal					512,550.50		512,550.50
Federal and State Aid Not Restricted					22,266,015.98		22,266,015.98
Investment Earnings					36,811.74	2,129.41	38,941.15
Miscellaneous Income					405,857.17		405,857.17
Special Item - Prior Year Adjustments to Fixed Assets					811,149.21	4,477.00	815,626.21
Total General Revenues, Special Items, Extraordinary Items and Transfers					37,138,864.60	6,606.41	37,145,471.01
Change in Net Position					2,623,419.94	62,387.80	2,685,807.74
Net Position—Beginning (Restated)					18,594,628.28	734,691.97	19,329,320.25
Net Position—Ending					\$ 21,218,048.22	\$ 797,079.77	\$ 22,015,127.99

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

SECTION B
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**BOARD OF EDUCATION
TOWN OF DOVER
Balance Sheet
Governmental Funds
June 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ (137,619.91)	\$(772,998.81)	\$ 2.14	\$ (910,616.58)
Receivables From Other Governments	262,845.85	989,068.00		1,251,913.85
Tuition Receivable	164,746.48			164,746.48
Tax Levy Receivable	1,077,030.62			1,077,030.62
Receivable from Federal Government	2,398.61			2,398.61
Restricted Cash and Cash Equivalents	<u>7,131,247.08</u>	<u>-</u>	<u>-</u>	<u>7,131,247.08</u>
Total Assets	<u>\$ 8,500,648.73</u>	<u>\$ 216,069.19</u>	<u>\$ 2.14</u>	<u>\$ 8,716,720.06</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 531,824.02	\$ 129.00	\$ -	\$ 531,953.02
Payable to State Government	-	61,744.83		61,744.83
Unearned Revenue	<u>-</u>	<u>193,012.36</u>	<u>-</u>	<u>193,012.36</u>
Total Liabilities	<u>531,824.02</u>	<u>254,886.19</u>	<u>-</u>	<u>786,710.21</u>
Fund Balances:				
Restricted For:				
Maintenance Reserve Account	917,000.00			917,000.00
Capital Reserve Account	6,214,247.08			6,214,247.08
Assigned:				
Prior Year Encumbrances	2,286,046.06			2,286,046.06
Unassigned, Reported in:				
General Fund	(1,448,468.43)			(1,448,468.43)
Special Revenue Fund		(38,817.00)		(38,817.00)
Debt Service Fund	<u>-</u>	<u>-</u>	<u>2.14</u>	<u>2.14</u>
Total Fund Balances	<u>7,968,824.71</u>	<u>(38,817.00)</u>	<u>2.14</u>	<u>7,930,009.85</u>
Total Liabilities and Fund Balances	<u>\$ 8,500,648.73</u>	<u>\$ 216,069.19</u>	<u>\$ 2.14</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Adjustment to net position for the accrual of interest expense. (50,115.63)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$48,699,365.00 and the accumulated depreciation is \$19,969,872.00. 28,729,493.00

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and are not reported in the fund statements. 1,221,354.00

Deferred Inflows related to pension actuarial gains from experience and differences in actual returns and assumed returns and other deferred items are not reported as liabilities in the fund statements. (1,018,177.00)

Long-term liabilities, including bonds and net pension liability payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (15,594,516.00)

Net Position of Governmental Activities \$ 21,218,048.22

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 13,106,480.00	\$ -	\$ 720,663.00	\$ 13,827,143.00
Tuition Charges	2,069,694.00			2,069,694.00
Interest Earned on Investments	36,811.74			36,811.74
Miscellaneous	<u>401,717.42</u>	<u>4,139.75</u>	-	<u>405,857.17</u>
Total - Local Sources	15,614,703.16	4,139.75	720,663.00	16,339,505.91
State Sources	29,350,016.77	675,407.73	-	30,025,424.50
Federal Sources	<u>42,993.72</u>	<u>2,601,809.95</u>	-	<u>2,644,803.67</u>
Total Revenues	<u>45,007,713.65</u>	<u>3,281,357.43</u>	<u>720,663.00</u>	<u>49,009,734.08</u>
EXPENDITURES				
Current:				
Regular Instruction	14,110,527.94	1,551,927.79		15,662,455.73
Special Education Instruction	1,638,742.11	-		1,638,742.11
Other Instruction	1,540,042.44			1,540,042.44
Support Services and Undistributed Costs:				
Tuition	3,600,982.19			3,600,982.19
Student and Instruction Related Services	2,383,566.90	984,686.46		3,368,253.36
School Administrative Services	1,791,299.52			1,791,299.52
General and Business Administrative Services	1,370,709.93			1,370,709.93
Plant Operations and Maintenance	2,913,441.56			2,913,441.56
Pupil Transportation	1,577,998.36			1,577,998.36
Unallocated Benefits	11,068,842.97	749,850.68		11,818,693.65
Transfer to Charter School	66,535.00			66,535.00
Capital Outlay	3,283,055.79	-		3,283,055.79
Capital Outlay - Debt Service Assessment	72,816.00			72,816.00
Debt Service:				
Principal			510,000.00	510,000.00
Interest and Other Charges	-	-	210,662.50	210,662.50
Total Expenditures	<u>45,418,560.71</u>	<u>3,286,464.93</u>	<u>720,662.50</u>	<u>49,425,688.14</u>
Net Change in Fund Balances	(410,847.06)	(5,107.50)	0.50	(415,954.06)
Fund Balance—July 1	8,379,671.77	(33,709.50)	1.64	8,345,963.91
Fund Balance—June 30	<u>\$ 7,968,824.71</u>	<u>\$ (38,817.00)</u>	<u>\$ 2.14</u>	<u>\$ 7,930,009.85</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOARD OF EDUCATION
TOWN OF DOVER**
**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ (415,954.06)**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)

	Interest Paid	\$ 210,662.50	
	Interest Accrued	<u>(208,112.50)</u>	
			2,550.00

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation Expense	(1,129,229.00)	
	Capital Outlays	<u>4,094,205.00</u>	
			2,964,976.00

Pension contributions are reported in governmental funds as expenditures. However in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns and experience or assumptions.

This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (452,750.00)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+). 14,598.00

Payment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

	Debt Principal		510,000.00
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Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+) -

Change in Net Position of Governmental Activities **\$ 2,623,419.94**

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Net Position
Proprietary Funds
June 30, 2016**

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 650,449.45	\$ 650,449.45
Accounts Receivable	79,160.80	79,160.80
Inventories	4,703.82	4,703.82
Total Current Assets	<u>734,314.07</u>	<u>734,314.07</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	408,260.00	408,260.00
Less Accumulated Depreciation	<u>(325,810.00)</u>	<u>(325,810.00)</u>
Total Noncurrent Assets	<u>82,450.00</u>	<u>82,450.00</u>
Total Assets	<u>816,764.07</u>	<u>816,764.07</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	16,116.30	16,116.30
Interfund Payable	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>16,116.30</u>	<u>16,116.30</u>
Noncurrent Liabilities:		
Compensated Absences	<u>3,568.00</u>	<u>3,568.00</u>
Total Noncurrent Liabilities	<u>3,568.00</u>	<u>3,568.00</u>
Total Liabilities	<u>19,684.30</u>	<u>19,684.30</u>
NET POSITION		
Investment in Capital Assets	82,450.00	82,450.00
Unrestricted	<u>714,629.77</u>	<u>714,629.77</u>
Total Net Position	<u>\$ 797,079.77</u>	<u>\$ 797,079.77</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 169,268.20	\$ 169,268.20
Daily Sales - Non-Reimbursable Programs	162,630.24	162,630.24
Special Functions	<u>5,080.48</u>	<u>5,080.48</u>
Total Operating Revenues	<u>336,978.92</u>	<u>336,978.92</u>
Operating Expenses:		
Cost of Sales - Reimbursable	741,660.13	741,660.13
Cost of Sales - Non-Reimbursable	133,372.00	133,372.00
Salaries	528,708.36	528,708.36
Employee Benefits	222,848.14	222,848.14
Purchased Property Service	105,285.47	105,285.47
Other Purchased Services	2,178.04	2,178.04
Cleaning, Repair and Maintenance Services	20,807.18	20,807.18
Compensated Absences Accrual	96.00	96.00
Miscellaneous Expenses	1,752.55	1,752.55
General Supplies	74,253.65	74,253.65
Depreciation	<u>12,841.00</u>	<u>12,841.00</u>
Total Operating Expenses	<u>1,843,802.52</u>	<u>1,843,802.52</u>
Operating (Loss)	<u>(1,506,823.60)</u>	<u>(1,506,823.60)</u>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	22,496.45	22,496.45
Federal Sources:		
National School Lunch Program	1,165,705.29	1,165,705.29
School Breakfast Program	177,058.81	177,058.81
Special Milk Program	1,594.79	1,594.79
Fresh Fruits and Vegetables Program	63,866.82	63,866.82
Food Distribution Program	131,882.83	131,882.83
Interest Income	<u>2,129.41</u>	<u>2,129.41</u>
Total Nonoperating Revenues	<u>1,564,734.40</u>	<u>1,564,734.40</u>
Income Before Contributions and Transfers	<u>57,910.80</u>	<u>57,910.80</u>
Capital contributions		
Adjustment to Fixed Assets - Net	4,477.00	4,477.00
Change in Net Position	62,387.80	62,387.80
Total Net Position—Beginning	<u>734,691.97</u>	<u>734,691.97</u>
Total Net Position—Ending	<u>\$ 797,079.77</u>	<u>\$ 797,079.77</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 336,978.92	\$ 336,978.92
Payments to Employees	(528,708.36)	(528,708.36)
Payments for Employee Benefits	(222,848.14)	(222,848.14)
Payments to Suppliers	<u>(1,107,818.87)</u>	<u>(1,107,818.87)</u>
Net Cash (Used For) Operating Activities	<u>(1,522,396.45)</u>	<u>(1,522,396.45)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	25,708.76	25,708.76
Federal Sources	<u>1,723,154.72</u>	<u>1,723,154.72</u>
Net Cash Provided By Non-Capital Financing Activities	<u>1,748,863.48</u>	<u>1,748,863.48</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	<u>(5,467.00)</u>	<u>(5,467.00)</u>
Net Cash (Used For) Capital and Related Financing Activities	<u>(5,467.00)</u>	<u>(5,467.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	<u>2,129.41</u>	<u>2,129.41</u>
Net Cash Provided by Investing Activities	<u>2,129.41</u>	<u>2,129.41</u>
Net Increase in Cash and Cash Equivalents	223,129.44	223,129.44
Balances—Beginning of Year	<u>427,320.01</u>	<u>427,320.01</u>
Balances—End of Year	<u>\$ 650,449.45</u>	<u>\$ 650,449.45</u>
Reconciliation of Operating (Loss) to Net Cash (Used For) Operating Activities:		
Operating (Loss)	\$ (1,506,823.60)	\$ (1,506,823.60)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used For) Operating Activities:		
Depreciation	12,841.00	12,841.00
(Increase) in Inventories	487.24	487.24
(Decrease) in Accounts Payable	(28,997.09)	(28,997.09)
Increase in Compensated Absences	<u>96.00</u>	<u>96.00</u>
Total Adjustments	<u>(15,572.85)</u>	<u>(15,572.85)</u>
Net Cash (Used for) Operating Activities	<u>\$ (1,522,396.45)</u>	<u>\$ (1,522,396.45)</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016**

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>	Agency <u>Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 876.68	\$ 133,269.46	\$ 494,854.74
Interfund Receivable	<u>145,278.07</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 146,154.75</u>	<u>\$ 133,269.46</u>	<u>\$ 494,854.74</u>
LIABILITIES			
Payable to Student Groups			\$ 151,591.69
Amount Due to Unemployment Trust			145,278.07
Payroll Deductions and Withholdings			<u>197,984.98</u>
Total Liabilities			<u>\$ 494,854.74</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 146,154.75</u>		
Reserved for Scholarships		<u>\$ 133,269.46</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016**

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>
ADDITIONS		
Contributions:		
Employees	\$ 48,000.00	\$ -
Other	<u>62,625.09</u>	<u>37,975.00</u>
Total Contributions	<u>110,625.09</u>	<u>37,975.00</u>
Investment Earnings:		
Interest	<u>7.47</u>	<u>399.26</u>
Net Investment Earnings	<u>7.47</u>	<u>399.26</u>
Total Additions	<u>110,632.56</u>	<u>38,374.26</u>
DEDUCTIONS		
Unemployment Claims	62,625.09	
Scholarships Awarded	<u>-</u>	<u>29,200.00</u>
Total Deductions	<u>62,625.09</u>	<u>29,200.00</u>
Change in Net Position	<u>48,007.47</u>	<u>9,174.26</u>
Net Position—Beginning	<u>98,147.28</u>	<u>124,095.20</u>
Net Position—Ending	<u>\$ 146,154.75</u>	<u>\$ 133,269.46</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Town of Dover (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

B. Reporting Entity

The Town of Dover School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. In addition, certain legally separate; tax exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include three elementary, one middle and one senior high schools located in Dover, New Jersey. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

C. Basic Financial Statements- Government-Wide Statements

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements- Government-Wide Statements (Continued)

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

D. Basic Financial Statements- Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund – The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution and, excluding equipment, with County Superintendent approval.

Special Revenue Fund – The Special Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Funds – The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Governments should establish a policy that defines operating revenues and expenses that is appropriate to the nature of the activity being reported, and use it consistently from period to period. Transactions for which cash flows are reported as capital and related financing activities, non capital financing activities, or investing activities normally would not be reported as components of operating income.

The District's Enterprise Fund are comprised of the Food Service Fund operations.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Food Service Fund:</u>	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

In its accounting and financial reporting, the District follows the pronouncements of the GASB and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's business-type activities and enterprise funds have elected not to apply the standards issued by the FASB after November 30, 1989.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements, however, interfund services provided and used are not eliminated in the process of consolidation.

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

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

Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expense of either fund category or the governmental and enterprise combined) for the determination of major funds.. The nonmajor funds are combined in a column in the fund financial statements.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (Unemployment Compensation, and Agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

Fiduciary Fund Types (Continued)

Trust Funds: The unemployment compensation fund is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. Although there is no formal trust agreement, The State of New Jersey requires school districts to include the unemployment compensation trust as a private-purpose trust fund in the fiduciary fund. The principal and income deposited into this fund are for the sole benefit of specific individuals or former employees. The management of the District is not involved in determining the amounts current employees contribute to the fund or amounts paid out by the fund. That determination is made by the State of New Jersey. The Unemployment Compensation Fund is recorded as a trust fund because there is no debt issued related to unemployment compensation claims.

Agency Funds (Payroll, Payroll Agency, Student Activity, and Athletic Funds): The agency funds are used to account for the assets that the District holds on behalf of others as their agent. These are custodial in nature and do not involve measurement of results of operations.

In accordance with GASB Statement 34, fiduciary funds are not included in the government-wide financial statements.

E. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include state and federal aid, property taxes, grants entitlements and donations.

Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

Upon the filing of certified adopted budgets by the School District and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year, are based upon one-half of the current year's total tax.

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1.

All budget amendments must be approved by School Board resolution. There was an appropriation of capital reserve fund balance of \$1,743,166.56 made during the year ended June 30, 2016. Appropriation of prior year encumbrances in the amount of \$2,815,079.43 were made during the year ended June 30, 2016. The significant budget transfers and amendments approved in the school year are presented on Exhibit C-1. For the year ended June 30, 2016, there were no expenditures that exceeded appropriations in the General Fund.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The special revenue fund had \$8,518.75 of encumbrances at June 30, 2016. Open encumbrances in the special revenue fund are reflected in the balance sheet as unearned revenues at fiscal year end.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Note A in the Required Supplementary Information Section.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

2. Short – term Interfund Receivables/Payables

Short – term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

3. Receivables from other Governments

The following is an analysis of receivables from Federal and State Governments (See Schedule of Expenditures of Federal and State Financial Assistance, Schedule A and B for Analysis):

A. Fund 10 - Federal Aid - \$2,398.61
B. Fund 10 - State Aid - \$2,721,988.85
A. Fund 20 - Federal Aid - \$989,068.00
B. Fund 20 - State Aid - \$38,817.00
A. Fund 60 - Federal Aid - Child Nutrition-\$77,911.21
B. Fund 60 - State Aid - Child Nutrition-\$1,249.59

4. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position and Fund Equity (Continued)

5. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on the following assets is provided on the straight – line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and Equipment	5-10 years
Land Improvements	10-20 years
Other Infrastructure	10-50 years

Land and Construction in Progress are not depreciated.

GASB No. 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, parking lots, underground pipe, etc.. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The District has included all infrastructure assets in the current fiscal year

6. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The government only has two items that qualifies for reporting in this category. It is deferred charge on refunding of debt and bond issuance costs which results from the loss of debt refunding reported in the government-wide statement of net position. A deferred charge on debt refunding results from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. This amount is amortized over the shorter of the life of the refunded or refunding debt.

7. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position and Fund Equity (Continued)

7. Compensated Absences (Continued)

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations. (See Note VIII)

8. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note I (F) regarding the special revenue fund.

9. Long – term Obligations

Long – term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long – term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations.

10. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Net Position/Fund Balance

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the current fiscal year. This statement defines net position as the residual of all other elements presented in statement of financial position. It is the difference between (1) assets and deferred outflows of resources and (2) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

In the Government-Wide Statements, there are three classes of net position:

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position and Fund Equity (Continued)

12. Net Position/Fund Balance (Continued)

Net Investment in Capital Assets-Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt also should be included.

Restricted Net Position- reports net position when constraints placed on the residual amount of noncapital assets are either imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position- any portion of net position not already classified as either net investment in capital assets or net position-restricted.

H. Fund Balance Reserves

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable-includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted- includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

- Reserved Excess Surplus- this restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes. The District has no restricted excess surplus at June 30, 2016.
- Capital Reserve- This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures. The District has \$4,321,102.97 restricted in the Capital Reserve Account at June 30, 2016.
- Maintenance Reserve- The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). The District has \$917,000.00 restricted in the Maintenance Reserve Account at June 30, 2016.

Committed- includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

H. Fund Balance Reserves (Continued)

Assigned- includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent is expressed by either the Board of Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes.

- Year-End Encumbrances- Represents outstanding purchase orders for goods or service approved by management for specific purposes from available resources of the current year for which the goods and services have not yet been received or rendered at June 30.

Unassigned- includes amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

I. Recent Accounting Pronouncements

During fiscal year 2016, the District adopted the following GASB statements (Continued):

GASB 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify- in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

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BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

I. Recent Accounting Pronouncements (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

GASB 73, "Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

GASB 74, "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans", will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

GASB 82, "Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to the aforementioned Statements and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note II: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

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), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

N.J.S.A. 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At June 30, 2016, the Town of Dover School District's cash and cash equivalents amounted to \$9,848,461.28. Of this amount, \$273,499.37 was covered by federal depository insurance (F.D.I.C.) and \$9,574,961.91 was covered by a collateral pool maintained by the banks as required by GUDPA.

At June 30, 2016 the Town of Dover School District did not participate in the State of New Jersey Cash Management Fund.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by a pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

As of June 30, 2016, none of the Town of Dover School District's cash and cash equivalents of \$9,848,461.28 was exposed to custodial credit risk.

The District does not have a policy for the management of custodial credit risk, except as noted above, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note II: Detailed Disclosure Regarding Assets and Revenues (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 18A:20-37) permit the Town of Dover School District to purchase the following types of securities:

a. When authorized by resolution adopted by a majority vote of all its members the board of education of any school district may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the school district;

(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 school district or bonds or other obligations of local unit or units within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by school district;

(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;

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

Credit Risk. The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District did not have any investments at June 30, 2016.

Interest Rate Risk. The District does not have a formal policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District did not have any investments at June 30, 2016.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. The District did not have any investments at June 30, 2016.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note II: Detailed Disclosure Regarding Assets and Revenues (Continued)

B. Interfund Receivables and Payables

As of June 30, 2016, interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Unemployment Insurance	\$145,278.07	\$ 0.00
Payroll Agency Fund	<u>0.00</u>	<u>145,278.07</u>
	<u>\$145,278.07</u>	<u>\$145,278.07</u>

The withholdings for unemployment insurance remain in the payroll agency account creating the interfund between the unemployment account and the payroll agency account.

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BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note II: Detailed Disclosure Regarding Assets and Revenues (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 497,100.00	\$ -	\$ -	\$ 497,100.00
Total Capital Assets Not Being Depreciated	<u>497,100.00</u>	<u>-</u>	<u>-</u>	<u>497,100.00</u>
Buildings and Improvements	40,149,730.00	2,874,620.69	897,045.31	43,921,396.00
Machinery and Equipment	<u>4,182,314.00</u>	<u>408,435.10</u>	<u>(309,880.10)</u>	<u>4,280,869.00</u>
Totals at Historical Cost	<u>44,332,044.00</u>	<u>3,283,055.79</u>	<u>587,165.21</u>	<u>48,202,265.00</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(16,766,575.00)	(891,060.00)		(17,657,635.00)
Machinery and Equipment	<u>(2,298,052.00)</u>	<u>(238,169.00)</u>	223,984.00	<u>(2,312,237.00)</u>
Total Accumulated Depreciation	<u>(19,064,627.00)</u>	<u>(1,129,229.00)</u> (1)	<u>223,984.00</u>	<u>(19,969,872.00)</u>
Net Capital Assets Being Depreciated	<u>25,267,417.00</u>	<u>2,153,826.79</u>	<u>811,149.21</u>	<u>28,232,393.00</u>
Governmental Activities Capital Assets, Net	<u>\$25,764,517.00</u>	<u>\$ 2,153,826.79</u>	<u>\$ 811,149.21</u>	<u>\$ 28,729,493.00</u>
Business - Type Activities:				
Equipment	\$ 408,019.00	\$ 5,467.00	\$ (5,226.00)	\$ 408,260.00
Less Accumulated Depreciation	<u>(322,672.00)</u>	<u>(12,841.00)</u>	<u>9,703.00</u>	<u>(325,810.00)</u>
Business - Type Activities Capital Assets, Net	<u>\$ 85,347.00</u>	<u>\$ (7,374.00)</u>	<u>\$ 4,477.00</u>	<u>\$ 82,450.00</u>

(1) Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 382,022.14
Special Education	349,723.78
Other Instruction	44,887.20
Student and Instruction Related Services	139,711.86
School Administrative Services	17,959.12
General and Business Administrative Services	77,861.54
Plant Operations and Maintenance	35,622.73
Pupil Transportation	<u>81,440.63</u>
	<u>\$ 1,129,229.00</u>

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note III: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has commitments to lease copying equipment under operating leases which expire in 2017-2018. Total operating lease payments made during the year ended June 30, 2016 were \$5,148.00. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2017	\$ 5,148.00
June 30, 2018	1,974.00
Total Future Minimum Lease Payments	<u>\$ 7,122.00</u>

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Long - Term Debt:					
Serial Bonds	<u>\$ 6,385,000.00</u>	<u>\$ -</u>	<u>\$ (510,000.00)</u>	<u>\$ 5,875,000.00</u>	<u>\$ 525,000.00</u>
Total Debt Payable	<u>6,385,000.00</u>	<u>-</u>	<u>(510,000.00) (1)</u>	<u>5,875,000.00</u>	<u>525,000.00</u>
Other Liabilities:					
Compensated Absences	428,449.00	50,402.00	(65,000.00)	413,851.00	-
Net Pension Liability	<u>8,708,745.00</u>	<u>596,920.00</u>	<u>-</u>	<u>9,305,665.00</u>	<u>-</u>
Total Other Liabilities	<u>9,137,194.00</u>	<u>647,322.00</u>	<u>(65,000.00) (2)</u>	<u>9,719,516.00</u>	<u>-</u>
Governmental Activities					
Long - Term Liabilities	<u>\$15,522,194.00</u>	<u>\$ 647,322.00</u>	<u>\$ (575,000.00)</u>	<u>\$15,594,516.00</u>	<u>\$ 525,000.00</u>

(1) Paid by Debt Service Fund

(2) Paid by General Fund

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note III: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

1. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Serial Bonds outstanding as of June 30, 2016 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Refunding Bonds of 2012	Various	4/1	2026	7,040,000.00	<u>\$5,875,000.00</u>
					<u>\$5,875,000.00</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 525,000.00	\$ 200,462.50	\$ 725,462.50
2018	525,000.00	189,962.50	714,962.50
2019	540,000.00	174,212.50	714,212.50
2020	555,000.00	158,012.50	713,012.50
2021	570,000.00	141,362.50	711,362.50
2022	580,000.00	126,400.00	706,400.00
2023	605,000.00	103,200.00	708,200.00
2024	630,000.00	79,000.00	709,000.00
2025	660,000.00	53,800.00	713,800.00
2026	<u>685,000.00</u>	<u>27,400.00</u>	<u>712,400.00</u>
	<u>\$5,875,000.00</u>	<u>\$1,253,812.50</u>	<u>\$7,128,812.50</u>

2. Temporary Notes

As of June 30, 2016 the Board had no Temporary Notes.

3. Bonds Authorized But Not Issued

As of June 30, 2016 the Board had no authorized but not issued bonds.

4. Capital Leases Payable

The District has no Capital Leases Payable at June 30, 2016.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note III: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

4. Refunding Bonds Payable

Refunding bonds in the amount of \$7,040,000 were issued on April 1, 2012. The proceeds of the Bonds, together with Board monies were used to advance refund the Board's outstanding callable 2004 School Bonds in the amount of the \$8,394,000, dated March 15, 2004 and maturing on April 1 in the years 2015 through 2029 at a redemption price of 100% of the principal amount thereof (the "Redemption Price"). Specifically, the proceeds of the Bonds were used to pay: (i) when due the interest accrued on the Refunded Bonds on October 1, 2012 through and including April 1, 2014 (the "Call Date"); (ii) the Redemption Price of the Refunded Bonds on the Call Date; and (iii) the costs associated with the issuance of the Bonds.

Escrow Deposit Agreement

A portion of the proceeds of the Bonds were used to purchase United States Treasury Securities and/or direct obligations of the United States of America (State and Local Government Securities) (the "Escrow Securities"). The Escrow Securities have been deposited into an escrow account that was created pursuant to an Escrow Deposit Agreement. The Escrow Deposit Agreement has been executed between the Board and Wells Fargo Bank, N.A., as escrow agent (the "Escrow Agent"), and will be dated as of the date of closing on the Bonds. All moneys and Escrow Securities deposited into the escrow account created pursuant to the Escrow Deposit Agreement for payment of the Refunded Bonds are pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds. The Escrow Securities will bear interest at such rates and will mature at such times and in such amounts so that, when paid in accordance with their terms, will be sufficient to make full and timely payments of the Redemption Price and interest on the Refunded Bonds on the Call Date.

Note IV: Detailed Disclosure Regarding Fund Equity

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance—Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District had no excess fund balance at June 30, 2016.

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BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note IV: Detailed Disclosure Regarding Fund Equity (Continued)

B. Capital Reserve Account

A capital reserve account was established by the Town of Dover School District Board of Education by inclusion of \$208,000.00 on October 17, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post – April, 2004 transfers must be in compliance with P.L.2004, C.73 (S1701). Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve since its inception is as follows:

2000-2001 Budget (See above)	\$ 208,000.00
2001-2002 Transfer from Undesignated	500,000.00
2001-2002 Withdrawal	(571,000.00)
2006-2007 Transfer from Undesignated	561,000.00
2001-2009 Interest Earnings	99,667.75
2008-2009 Transfer from Undesignated	570,166.00
2009-2010 Transfer from Undesignated	629,583.60
2011-2012 Withdrawal	(1,695,500.00)
2011-2012 Transfer from Undesignated	2,106,146.88
2012-2013 Withdrawal	(475,000.00)
2012-2013 Transfer from Undesignated	2,697,582.68
2013-2014 Withdrawal	(2,077,951.14)
2013-2014 Transfer from Undesignated	3,474,888.79
2014-2015 Withdrawal	(516,028.16)
2014-2015 Transfer from Undesignated	552,713.13
2015-2016 Transfer from Undesignated	1,893,144.11
2015-2016 Withdrawal	<u>(1,743,166.56)</u>
Balance June 30, 2016	<u>\$6,214,247.08</u>

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$8,890,000.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

C. Maintenance Reserve Account

New Jersey Statute 18A:7G-9 permits districts to accumulate funds for the required maintenance of a facility in accordance with the Educational Facilities Construction and Financing Act (EFCFA). The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities project, districts are required to submit a plan for the maintenance of that facility. As of June 30, 2016, the District has reserved \$917,000.00 for maintenance.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note IV: Detailed Disclosure Regarding Fund Equity (Continued)

D. Deficit Fund Balances

The Town of Dover School District has a deficit fund balance of \$(38,817.00) in the Special Revenue Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, district must record the last two state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district can not recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(1,448,468.43) is equal to (or) is less than the last two state aid payments.

Note V: Pension Plans

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost sharing plan with special funding situations as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The PERS is considered a cost sharing multiple-employer defined benefit plan.

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post - retirement health care coverage.

The Teachers' Pension and Annuity Fund (TPAF) was established in January 1955, under the provisions of N.J.S.A. 18:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post - retirement health care coverage.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note V: Pension Plans (Continued)

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost sharing plan with special funding situations as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The PERS is considered a cost sharing multiple-employer plan.

According to the State of New Jersey Management Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports maybe 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.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer plan with special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Summary of Significant Accounting Policies-

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflow or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$104,892,290 as measured on June 30, 2014 and \$121,399,865 as measured on June 30, 2015.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note V: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-(Continued)

For the year ended June 30, 2016, the District recognized pension expense of \$7,412,555 and revenue of \$7,412,555 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2014 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>6/30/15</u>	<u>6/30/14</u>
Collective Deferred Outflows of Resources	\$7,521,378,257	\$2,306,623,861
Collective Deferred Inflows of Resources	554,399,005	1,763,205,593
Collective Net Pension Liability (Nonemployer-State of NJ)	63,577,864,440	53,446,745,367
State's Portion of the Net Pension Liability that was associated with the District	121,399,865	104,892,290
State's Portion of the Net Pension Liability that was associated with the District as a percentage of the Collective Net Pension Liability	0.19207547%	0.1962557%

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of June 30, 2015. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.5%
Salary Increases	Varies based on experience
Investment Rate of Return	7.90%

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note V: Pension Plans (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Fixed Income	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note V: Pension Plans (Continued)

Discount Rate

The discount rate used to measure the State's total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payment after that date in determining the total pension liability.

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

Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>

Pension Plan Fiduciary Net Position

Information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Summary of Significant Accounting Policies-

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

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note V: Pension Plans (Continued)

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

At June 30, 2016, the District reported a liability of \$9,305,665 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. At June 30, 2015, the District's proportion was 0.04145%, which was a decrease of 0.00506% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$425,568. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$222,000.00	
Changes of Assumptions	\$999,354.00	
Net difference between Projected and Actual Earnings on Pension Plan Investments		\$149,617.00
Changes in proportion and differences between District Contributions and Proportionate Share of Contributions		\$868,560.00
District Contributions Subsequent to the Measurement Date	<u>0.00</u>	<u>0.00</u>
Total	<u>\$1,221,354.00</u>	<u>\$1,018,177.00</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2016	\$195,110.09
2017	195,110.09
2018	195,110.09
2019	310,744.13
2020	<u>175,662.60</u>
Total	<u>\$1,071,737.0</u> <u>0</u>

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note V: Pension Plans (Continued)

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

	<u>6/30/15</u>	<u>6/30/14</u>
Collective Deferred Outflows of Resources	\$ 3,578,755,666.00	\$ 952,194,675.00
Collective Deferred Inflows of Resources	993,410,455.00	1,479,224,662.00
Collective Net Pension Liability (Non-State-Local Group)	22,447,996,119.00	18,722,735,003.00
District's Portion of Net Pension Liability	9,305,665.00	8,708,745.00
District's Proportion %	0.04145%	0.04651%

Actuarial Assumptions

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation	3.04%
Salary Increases:	
2012-2021	2.15%-4.40% based on age
Thereafter	3.15%-5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to 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.

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BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note V: Pension Plans (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PER's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.25%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note V: Pension Plans (Continued)

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

The following presents the District's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$11,565,803	\$9,305,665	\$7,410,782

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, "P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system: however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% or related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members'

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note V: Pension Plans (Continued)

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the PERS operates and to the benefit provisions. New members of the PERS hire on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1 % for each month that the member is under age 65. The eligibility age to qualify for service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. PERS and TPAF employee contribution rates will increase from 5.5% to 6.5% of salary effective October 2011. The second phase of the contribution rate increase from 6.5% to 7.5% is to be phased in equally over a 7 year period beginning July 2012. The contribution rate will increase by 0.14% each year with the first payroll of July until the 7.5% contribution rate is reached in July 2018.

Under a provision of Chapter 78, P.L. 2011, Cost of Living Adjustments (COLA) are suspended for all current and future retirees of all retirement systems. Employees are required to contribute a certain percentage of the cost of health benefits. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. In addition, this new legislation changes the method of amortizing the pension systems' unfunded accrued liability from a level percent of pay method to level dollar of pay.

Contribution Requirements – Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 6.92 percent for TPAF and PERS and 5.5% for DCRP of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2015, for TPAF, annual pension cost differs from the annual required contribution. For PERS, the annual pension cost equals the annual required contribution made. For TPAF employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, member contributions are matched by a 3% employer contribution.

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BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Contributions – Actual

The District's total payroll for the year ended June 30, 2016 was \$23,320,837.44 and covered payroll was \$18,394,102.00 for TPAF and \$2,860,548.00 for PERS. Contributions to the TPAF and the PERS for the last three years ended June 30 made by the employees, the Board, and the State of New Jersey on behalf of the Board were as follows:

			Percent of Covered <u>Payroll</u>		Percent of Covered <u>Payroll</u>
		<u>TPAF</u>		<u>PERS</u>	
Employees	6/30/14	\$1,316,627.23	6.92%	\$202,594.05	6.84%
	6/30/15	1,333,173.83	7.14%	204,775.95	7.14%
	6/30/16	1,335,992.08	7.26%	207,523.81	7.25%
Board of Education	6/30/14	N/A	N/A	354,182.00	11.96%
	6/30/15	N/A	N/A	383,566.00	13.38%
	6/30/16	N/A	N/A	356,396.00	12.46%
State of New Jersey	6/30/14	2,191,526.00	11.52%	N/A	N/A
	6/30/15	2,686,938.00	14.38%	N/A	N/A
	6/30/16	3,350,008.00	18.21%	N/A	N/A

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,347,624.27 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

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BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note VI: Post-Retirement Medical Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2014, 2013 and 2012 were \$1,218,315, \$1,227,346, and \$1,024,674, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

The Reporting and Disclosure Requirements Promulgated by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefit Plans Other Than Pension Plans* are not applicable for the District.

The District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb43-sept2008.pdf.

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BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016
(CONTINUED)

Note VII: Risk Management

The District 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.

The District is a member of the Pooled Insurance Program of New Jersey (the "PIP"). The PIP is an insured and self-administered workers' compensation liability pool. The District pays an annual assessment to the PIP and should it be determined that payments received by the PIP are deficient, additional assessments may be levied. Additionally, the PIP maintains a contract of excess insurance with a commercial reinsurer to secure the payment of statutory workers' compensation benefits. The District continues to carry commercial insurance coverage for all other risks of loss.

New Jersey Unemployment Compensation Insurance -- The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District 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 District is billed quarterly for amounts due to the State.

<u>Fiscal Year</u>	<u>School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$62,625.09	\$48,000.00	\$62,625.09	\$146,154.75
2014-2015	\$86,291.49	\$46,693.08	\$86,291.49	\$98,147.28
2013-2014	\$83,431.30	\$50,584.99	\$83,419.72	\$51,444.41

Note VIII: Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after 10 years of service.

In the government-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year are reported in two components -- the amount due within one year and the amount due in more than one year.

Note IX: Contingent Liabilities

The Town of Dover School District is a defendant in a few lawsuits, none of which is unusual for a Board of Education of its size. Additional liabilities, if not covered by insurance, should not be material in amount.

Note X: Subsequent Events

The Town of Dover School District's management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of audit.

**REQUIRED SUPPLEMENTARY INFORMATION -
PART II**

SECTION C
BUDGETARY COMPARISON SCHEDULES

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,106,480.00	\$ -	\$ 13,106,480.00	\$ 13,106,480.00	\$ -
Tuition	2,069,694.00	-	2,069,694.00	2,069,694.00	-
Interest Earned on Investments	20,000.00	-	20,000.00	36,811.74	16,811.74
Interest Earned on Capital Reserve Funds	1,000.00	-	1,000.00	-	(1,000.00)
Miscellaneous	55,000.00	-	55,000.00	401,717.42	346,717.42
Total - Local Sources	<u>15,252,174.00</u>	<u>-</u>	<u>15,252,174.00</u>	<u>15,614,703.16</u>	<u>362,529.16</u>
State Sources:					
Equalization Aid	21,801,720.00	-	21,801,720.00	21,801,720.00	-
Transportation Aid	61,795.00	-	61,795.00	61,795.00	-
Special Education Aid	1,704,935.00	-	1,704,935.00	1,704,935.00	-
Security Aid	322,997.00	-	322,997.00	322,997.00	-
Under Adequacy Aid	536,632.00	-	536,632.00	536,632.00	-
PARCC Readiness Aid	29,260.00	-	29,260.00	29,260.00	-
Per Pupil Growth Aid	29,260.00	-	29,260.00	29,260.00	-
Extraordinary Aid	-	-	-	196,256.00	196,256.00
TPAF PRM (On-Behalf - Non-Budgeted)	-	-	-	1,820,829.00	1,820,829.00
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	1,529,179.00	1,529,179.00
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,347,624.27	1,347,624.27
Total State Sources	<u>24,486,599.00</u>	<u>-</u>	<u>24,486,599.00</u>	<u>29,380,487.27</u>	<u>4,893,888.27</u>
Federal Sources:					
Medical Assistance Program	41,246.00	-	41,246.00	42,993.72	1,747.72
Total - Federal Sources	<u>41,246.00</u>	<u>-</u>	<u>41,246.00</u>	<u>42,993.72</u>	<u>1,747.72</u>
Total Revenues	<u>\$ 39,780,019.00</u>	<u>\$ -</u>	<u>\$ 39,780,019.00</u>	<u>\$ 45,038,184.15</u>	<u>\$ 5,258,165.15</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	110-100-101 \$ 767,522.00	\$ -	\$ 767,522.00	\$ 734,803.79	\$ 32,718.21
Grades 1-5 - Salaries of Teachers	120-100-101 4,716,379.00	26,661.69	4,743,040.69	4,743,040.69	-
Grades 6-8 - Salaries of Teachers	130-100-101 3,067,019.00	(566,670.83)	2,500,348.17	2,419,382.23	80,965.94
Grades 9-12 - Salaries of Teachers	140-100-101 4,885,819.00	(331,099.80)	4,554,719.20	4,516,199.38	38,519.82
Regular Programs - Home Instruction:					
Salaries of Teachers	150-100-101 36,000.00	(21,574.80)	14,425.20	13,453.86	971.34
Purchased Professional-Educational Services	150-100-320 -	52,822.52	52,822.52	52,822.52	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	190-100-106 236,820.00	-	236,820.00	234,838.25	1,981.75
Purchased Technical Services	190-100-340 6,600.00	-	6,600.00	6,552.00	48.00
Other Purchased Services (400-500 series)	190-100-500 180,249.00	62,164.98	242,413.98	174,720.70	67,693.28
General Supplies	190-100-610 805,130.00	149,766.91	954,896.91	904,406.65	50,490.26
Textbooks	190-100-640 120,903.00	214,240.14	335,143.14	310,307.87	24,835.27
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>14,822,441.00</u>	<u>(413,689.19)</u>	<u>14,408,751.81</u>	<u>14,110,527.94</u>	<u>298,223.87</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	204-100-101 721,881.00	(54,000.00)	667,881.00	625,419.00	42,462.00
Other Salaries for Instruction	204-100-106 475,020.00	(263,625.26)	211,394.74	207,403.70	3,991.04
Purchased Professional-Educational Services	204-100-320 326,000.00	84,771.00	410,771.00	392,149.20	18,621.80
General Supplies	204-100-610 22,000.00	49,802.14	71,802.14	71,464.44	337.70
Total Learning and/or Language Disabilities	<u>1,544,901.00</u>	<u>(183,052.12)</u>	<u>1,361,848.88</u>	<u>1,296,436.34</u>	<u>65,412.54</u>
Resource Room/Resource Center:					
Salaries of Teachers	213-100-101 455,576.00	(111,890.51)	343,685.49	338,627.95	5,057.54
General Supplies	213-100-610 8,500.00	(4,822.18)	3,677.82	3,677.82	-
Total Resource Room/Resource Center	<u>464,076.00</u>	<u>(116,712.69)</u>	<u>347,363.31</u>	<u>342,305.77</u>	<u>5,057.54</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>2,008,977.00</u>	<u>(299,764.81)</u>	<u>1,709,212.19</u>	<u>1,638,742.11</u>	<u>70,470.08</u>
Bilingual Education - Instruction					
Salaries of Teachers	240-100-101 1,002,680.00	(106,000.00)	896,680.00	786,981.39	109,698.61
Total Bilingual Education - Instruction	<u>1,002,680.00</u>	<u>(106,000.00)</u>	<u>896,680.00</u>	<u>786,981.39</u>	<u>109,698.61</u>

BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016
(Continued)

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular Actvts. - Inst.						
Salaries	401-100-100	\$ 125,448.00	\$ 81.88	\$ 125,529.88	\$ 125,529.88	\$ -
Other Objects	401-100-800	46,765.00	(2,538.79)	44,226.21	44,151.36	74.85
Total School-Spon. Cocurricular Actvts. - Inst.		<u>172,213.00</u>	<u>(2,456.91)</u>	<u>169,756.09</u>	<u>169,681.24</u>	<u>74.85</u>
School-Spon. Athletics - Instruction						
Salaries	402-100-100	508,734.00	-	508,734.00	371,500.94	137,233.06
Supplies and Materials	402-100-600	125,417.00	1,440.82	126,857.82	107,711.57	19,146.25
Transfers to Cover Deficit (Agency Funds)	402-100-930	79,465.00	-	79,465.00	79,291.54	173.46
Total School-Spon. Athletics - Instruction		<u>713,616.00</u>	<u>1,440.82</u>	<u>715,056.82</u>	<u>558,504.05</u>	<u>156,552.77</u>
Summer School - Instruction						
Salaries	422-100-100	32,000.00	-	32,000.00	24,875.76	7,124.24
Total Summer School - Instruction		<u>32,000.00</u>	<u>-</u>	<u>32,000.00</u>	<u>24,875.76</u>	<u>7,124.24</u>
Total Instruction		<u>18,751,927.00</u>	<u>(820,470.09)</u>	<u>17,931,456.91</u>	<u>17,289,312.49</u>	<u>642,144.42</u>
Undistributed Expenditures - Instruction:						
Tuition to Other LEAs Within the State - Regular	000-100-561	14,564.00	-	14,564.00	11,996.80	2,567.20
Tuition to Other LEAs Within the State - Special	000-100-562	728,268.00	142,665.50	870,933.50	864,880.70	6,052.80
Tuition to County Voc. School Dist. - Regular	000-100-563	193,500.00	-	193,500.00	174,200.00	19,300.00
Tuition to County Voc. School Dist. - Special	000-100-564	66,500.00	(6,241.68)	60,258.32	33,800.00	26,458.32
Tuition to CSSD & Regional Day Schools	000-100-565	358,798.00	6,241.68	365,039.68	312,804.40	52,233.28
Tuition to Private Schools for the Disabled - Within State	000-100-566	2,025,971.00	18,576.66	2,044,547.66	2,035,707.69	8,839.97
Tuition - State Facilities	000-100-568	69,112.00	-	69,112.00	69,112.00	-
Tuition - Other	000-100-569	45,000.00	56,591.78	101,591.78	98,480.60	3,111.18
Total Undistributed Expenditures - Instruction:		<u>3,501,711.00</u>	<u>217,833.94</u>	<u>3,719,544.94</u>	<u>3,600,982.19</u>	<u>118,562.75</u>
Undistributed Expend. - Attend. & Social Work						
Salaries	000-211-100	340,116.00	1,104.97	341,220.97	341,220.97	-
Total Undistributed Expend. - Attend. & Social Work		<u>340,116.00</u>	<u>1,104.97</u>	<u>341,220.97</u>	<u>341,220.97</u>	<u>-</u>
Undist. Expend. - Health Services						
Salaries	000-213-100	345,808.00	(45,110.00)	300,698.00	272,946.63	27,751.37
Other Purchased Services (400-500 series)	000-213-500	30,000.00	19,297.00	49,297.00	49,282.59	14.41
Supplies and Materials	000-213-600	17,570.00	1,443.74	19,013.74	16,345.80	2,667.94
Total Undistributed Expenditures - Health Services		<u>393,378.00</u>	<u>(24,369.26)</u>	<u>369,008.74</u>	<u>338,575.02</u>	<u>30,433.72</u>
Undist. Expend. - Other Supp. Serv. Students - Related Serv.						
Salaries of Other Professional Staff	000-216-100	150,422.00	(50,693.47)	99,728.53	91,898.00	7,830.53
Purchased Professional - Educational Services	000-216-320	155,000.00	(59,711.76)	95,288.24	90,388.24	4,900.00
Supplies and Materials	000-216-600	2,604.00	(286.65)	2,317.35	2,317.35	-
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.		<u>308,026.00</u>	<u>(110,691.88)</u>	<u>197,334.12</u>	<u>184,603.59</u>	<u>12,730.53</u>
Undist. Expend. - Other Supp. Serv. Students-Reg.						
Salaries of Other Professional Staff	000-218-104	773,826.00	(54,751.21)	719,074.79	719,074.79	-
Salaries of Secretarial and Clerical Assistants	000-218-105	76,881.00	(6,361.87)	70,519.13	70,519.13	-
Other Purchased Services (400-500 series)	000-218-500	2,984.00	(2,984.00)	-	-	-
Supplies and Materials	000-218-600	9,047.00	(5,853.05)	3,193.95	3,066.46	127.49
Total Undist. Expend. - Other Supp. Serv. Students-Reg.		<u>862,738.00</u>	<u>(69,950.13)</u>	<u>792,787.87</u>	<u>792,660.38</u>	<u>127.49</u>
Undist. Expend. - Other Supp. Serv. Students-Special						
Salaries of Other Professional Staff	000-219-104	-	204,114.99	204,114.99	199,830.84	4,284.15
Salaries of Secretarial and Clerical Assistants	000-219-105	88,488.00	(88,488.00)	-	-	-
Misc. Pur. Serv. (400-500 series) Other Than Residential Costs	000-219-592	3,600.00	-	3,600.00	450.00	3,150.00
Supplies and Materials	000-219-600	12,800.00	(977.90)	11,822.10	11,771.74	50.36
Total Undist. Expend. - Other Supp. Serv. Students-Spl.		<u>104,888.00</u>	<u>114,649.09</u>	<u>219,537.09</u>	<u>212,052.58</u>	<u>7,484.51</u>
Undist. Expend. - Improvement of Inst. Serv.						
Salaries of Other Professional Staff	000-221-104	16,000.00	-	16,000.00	-	16,000.00
Total Undist. Expend. - Improvement of Inst. Serv.		<u>16,000.00</u>	<u>-</u>	<u>16,000.00</u>	<u>-</u>	<u>16,000.00</u>
Undist. Expend. - Edu. Media Serv./Sch. Library						
Salaries	000-222-100	366,620.00	86,727.80	453,347.80	453,347.80	-
Supplies and Materials	000-222-600	30,550.00	(4,312.64)	26,237.36	22,193.88	4,043.48
Total Undist. Expend. - Edu. Media Serv./Sch. Library		<u>397,170.00</u>	<u>82,415.16</u>	<u>479,585.16</u>	<u>475,541.68</u>	<u>4,043.48</u>
Undist. Expend. - Instructional Staff Training Serv.						
Other Purchased Services (400-500 series)	000-223-500	91,700.00	9,000.00	100,700.00	38,912.68	61,787.32
Total Undist. Expend. - Instructional Staff Training Serv.		<u>91,700.00</u>	<u>9,000.00</u>	<u>100,700.00</u>	<u>38,912.68</u>	<u>61,787.32</u>
Undist. Expend. - Supp. Serv. - General Admin.						
Salaries	000-230-100	444,451.00	-	444,451.00	431,859.00	12,592.00
Legal Services	000-230-331	65,000.00	(13,505.47)	51,494.53	26,155.52	25,339.01
Audit Fees	000-230-332	62,000.00	11,237.68	73,237.68	32,700.00	40,537.68
Other Purchased Professional Services	000-230-339	10,000.00	-	10,000.00	9,363.66	636.34
Other Purchased Services	000-230-400	-	10,207.78	10,207.78	10,009.29	198.49
Communications/Telephone	000-230-530	184,252.00	(11,342.23)	172,909.77	69,443.16	103,466.61
Other Purchased Services (400-500 series)	000-230-590	172,745.00	6,566.61	179,311.61	169,311.13	10,000.48
General Supplies	000-230-610	75,000.00	(10,207.78)	64,792.22	57,717.02	7,075.20
Judgments Against the School District	000-230-820	-	40,467.70	40,467.70	-	-
Miscellaneous Expenditures	000-230-890	35,000.00	(14,339.85)	20,660.15	18,813.25	1,846.90
Membership and Dues	000-230-895	21,000.00	21,949.90	42,949.90	38,139.21	4,810.69
Total Undist. Expend. - Supp. Serv. - General Admin.		<u>1,069,448.00</u>	<u>41,034.34</u>	<u>1,110,482.34</u>	<u>903,978.94</u>	<u>206,503.40</u>

BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	000-240-103 \$ 1,707,219.00	\$ (195,034.98)	\$ 1,512,184.02	\$ 1,512,184.02	\$ -
Salaries of Secretarial and Clerical Assistants	000-240-105 286,191.00	(7,075.50)	279,115.50	279,115.50	-
Total Undist. Expend. - Support Serv. - School Admin.	<u>1,993,410.00</u>	<u>(202,110.48)</u>	<u>1,791,299.52</u>	<u>1,791,299.52</u>	<u>-</u>
Undist. Expend.- Central Services					
Salaries	000-251-100 322,874.00	623.00	323,497.00	323,497.00	-
Purchased Professional Services	000-251-330 -	24,000.00	24,000.00	23,755.92	244.08
Purchased Technical Services	000-251-340 49,000.00	(11,508.80)	37,491.20	36,754.08	737.12
Miscellaneous Purchased Services (400-500 series)	000-251-592 30,000.00	(10,000.00)	20,000.00	11,200.00	8,800.00
Supplies and Materials	000-251-600 5,000.00	(1,073.00)	3,927.00	529.00	3,398.00
Total Undist. Expend. - Support Serv. - School Admin.	<u>406,874.00</u>	<u>2,041.20</u>	<u>408,915.20</u>	<u>395,736.00</u>	<u>13,179.20</u>
Undist. Expend.- Admin. Info. Technology					
Salaries	000-252-100 70,584.00	411.00	70,995.00	70,994.99	0.01
Other Purchased Services (400-500 series)	000-252-500 3,600.00	(411.00)	3,189.00	-	3,189.00
Total Undist. Expend. - Admin. Info Technology	<u>74,184.00</u>	<u>-</u>	<u>74,184.00</u>	<u>70,994.99</u>	<u>3,189.01</u>
Undist. Expend. - Allowable Maint. For School Facilities					
Salaries	000-261-100 415,356.00	(108,244.26)	307,111.74	307,111.74	-
Cleaning, Repair and Maintenance Services	000-261-420 232,598.00	91,752.92	324,350.92	318,124.86	6,226.06
Total Undist. Expend. - Allowable Maint. For School Facilities	<u>647,954.00</u>	<u>(16,491.34)</u>	<u>631,462.66</u>	<u>625,236.60</u>	<u>6,226.06</u>
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	000-262-100 987,406.00	(90,121.06)	897,284.94	897,284.94	-
Salaries of Non-Instructional Aides	000-262-107 8,736.00	(8,736.00)	-	-	-
Other Purchased Property Services	000-262-490 116,790.00	(40,485.11)	76,304.89	76,304.89	-
Insurance	000-262-520 99,127.00	(99,127.00)	-	-	-
Miscellaneous Purchased Services	000-262-590 6,200.00	76,654.73	82,854.73	82,854.73	-
General Supplies	000-262-610 236,847.00	(14,412.73)	222,434.27	221,151.38	1,282.89
Energy (Natural Gas)	000-262-621 260,000.00	(73,601.22)	186,398.78	186,398.78	-
Energy (Electricity)	000-262-622 550,000.00	70,626.29	620,626.29	583,630.34	36,995.95
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>2,265,106.00</u>	<u>(179,202.10)</u>	<u>2,085,903.90</u>	<u>2,047,625.06</u>	<u>38,278.84</u>
Care and Upkeep of Grounds					
Salaries	000-263-100 107,811.00	(16,390.96)	91,420.04	91,420.04	-
Total Care and Upkeep of Grounds	<u>107,811.00</u>	<u>(16,390.96)</u>	<u>91,420.04</u>	<u>91,420.04</u>	<u>-</u>
Security					
Salaries	000-266-100 215,977.00	(72,740.44)	143,236.56	143,236.56	-
Security Services	000-266-420 5,000.00	923.30	5,923.30	5,923.30	-
Total Security	<u>220,977.00</u>	<u>(71,817.14)</u>	<u>149,159.86</u>	<u>149,159.86</u>	<u>-</u>
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	000-270-107 40,331.00	13,389.48	53,720.48	49,367.98	4,352.50
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-160 310,978.00	(136,794.05)	174,183.95	171,807.85	2,376.10
Salaries for Pupil Trans. (Between Home & School) - Special	000-270-161 -	94,430.30	94,430.30	94,430.30	-
Other Purchased Professional and Technical Services	000-270-390 3,600.00	(3,600.00)	-	-	-
Cleaning, Repair and Maintenance Services	000-270-420 30,000.00	9,000.00	39,000.00	38,370.46	629.54
Transportation Aid-in-Lieu	000-270-503 40,000.00	12,007.66	52,007.66	48,822.19	3,185.47
Contracted Services (Between Home and School) - Joint Agreements	000-270-513 238,784.00	35,346.12	274,130.12	273,807.72	322.40
Contracted Services (Special Education Students) - Joint Agreements	000-270-515 623,105.00	225,644.61	848,749.61	841,195.06	7,554.55
Miscellaneous Purchased Services - Transportation	000-270-593 25,967.00	-	25,967.00	24,021.81	1,945.19
Supplies and Materials	000-270-600 10,778.00	38,666.46	49,444.46	36,098.19	13,346.27
Transportation Supplies	000-270-615 70,000.00	(66,386.55)	3,613.45	76.80	3,536.65
Total Undist. Expend. - Student Transportation Serv.	<u>1,393,543.00</u>	<u>221,704.03</u>	<u>1,615,247.03</u>	<u>1,577,998.36</u>	<u>37,248.67</u>
UNALLOCATED BENEFITS					
Social Security Contributions	000-291-220 350,000.00	57,385.45	407,385.45	401,533.34	5,852.11
Other Retirement Contributions - Regular	000-291-241 385,996.00	(2,764.46)	383,231.54	370,213.56	13,017.98
Unemployment Compensation	000-291-250 200,000.00	(136,477.35)	63,522.65	63,522.65	-
Workmen's Compensation	000-291-260 216,809.00	125.00	216,934.00	216,934.00	-
Health Benefits	000-291-270 5,427,902.00	6,731.36	5,434,633.36	5,271,439.73	163,193.63
Tuition Reimbursement	000-291-280 65,000.00	3,343.34	68,343.34	47,557.42	20,775.92
TOTAL UNALLOCATED BENEFITS	<u>6,645,707.00</u>	<u>(71,656.66)</u>	<u>6,574,050.34</u>	<u>6,371,210.70</u>	<u>202,839.64</u>
On-behalf TPAF PRM Contributions (non-budgeted)	-	-	-	1,820,829.00	(1,820,829.00)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,529,179.00	(1,529,179.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,347,624.27	(1,347,624.27)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,697,632.27</u>	<u>(4,697,632.27)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>6,645,707.00</u>	<u>(71,656.66)</u>	<u>6,574,050.34</u>	<u>11,068,842.97</u>	<u>(4,494,792.63)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>20,840,741.00</u>	<u>(72,897.22)</u>	<u>20,767,843.78</u>	<u>24,706,841.43</u>	<u>(3,938,997.65)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>39,592,668.00</u>	<u>(893,367.31)</u>	<u>38,699,300.69</u>	<u>41,996,153.92</u>	<u>(3,296,853.23)</u>

BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016
(Concluded)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Undistributed Expenditures - Instruction	000-100-730 \$ 25,000.00	\$ 27,547.00	\$ 52,547.00	\$ -	\$ 52,547.00
Undistributed Expenditures - Operation of Plant Services	000-261-730 -	156,317.34	156,317.34	143,889.82	12,447.52
Undistributed Expenditures - Student Transportation:					
Misc. Purchased Services	000-27X-XXX -	264,565.28	264,565.28	264,565.28	-
Total Equipment	<u>25,000.00</u>	<u>448,429.62</u>	<u>473,429.62</u>	<u>408,435.10</u>	<u>64,994.52</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	000-400-334 2,000.00	351,078.00	353,078.00	84,042.10	269,035.90
Construction Services	000-400-450 20,000.00	4,615,210.68	4,635,210.68	2,753,683.59	1,881,527.09
Land and Improvements	000-400-710 -	36,895.00	36,895.00	36,895.00	-
Assessment for Debt Service on SDA Funding	000-400-896 72,816.00	-	72,816.00	72,816.00	-
Total Facilities Acquisition and Construction Services	<u>94,816.00</u>	<u>5,003,183.68</u>	<u>5,097,999.68</u>	<u>2,947,436.69</u>	<u>2,150,562.99</u>
TOTAL CAPITAL OUTLAY	<u>119,816.00</u>	<u>5,451,613.30</u>	<u>5,571,429.30</u>	<u>3,355,871.79</u>	<u>2,215,557.51</u>
Transfer of Funds to Charter Schools	000-100-56X 66,535.00	-	66,535.00	66,535.00	-
TOTAL EXPENDITURES	<u>39,779,019.00</u>	<u>4,558,245.99</u>	<u>44,337,264.99</u>	<u>45,418,560.71</u>	<u>(1,081,295.72)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000.00	(4,558,245.99)	(4,557,245.99)	(380,376.56)	4,176,869.43
Fund Balance, July 1	<u>10,808,344.27</u>	-	<u>10,808,344.27</u>	<u>10,808,344.27</u>	-
Fund Balance, June 30	<u>\$ 10,809,344.27</u>	<u>\$ (4,558,245.99)</u>	<u>\$ 6,251,098.28</u>	<u>\$ 10,427,967.71</u>	<u>\$ 4,176,869.43</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses):					
Increase in Capital Reserve	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 1,893,144.11	\$ 1,892,144.11
Withdrawal from Capital Reserve		(1,743,166.56)	(1,743,166.56)	(1,743,166.56)	-
Adjustment for Prior Year Encumbrances		(2,815,079.43)	(2,815,079.43)	(2,815,079.43)	-
Budgeted Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,284,725.32</u>	<u>2,284,725.32</u>
Total	<u>\$ 1,000.00</u>	<u>\$ (4,558,245.99)</u>	<u>\$ (4,557,245.99)</u>	<u>\$ (380,376.56)</u>	<u>\$ 4,176,869.43</u>
Analysis of Fund Balance June 30, 2016:					
Restricted:					
Maintenance Reserve Account				\$ 917,000.00	
Capital Reserve Account				6,214,247.08	
Assigned:					
Prior Year Encumbrances				2,286,046.06	
Unassigned Fund Balance				<u>1,010,674.57</u>	
				<u>\$ 10,427,967.71</u>	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Fund Balance June 30, 2016				\$ 10,427,967.71	
Last Current Year State Aid Payments Not Realized on GAAP Basis				<u>(2,459,143.00)</u>	
				<u>\$ 7,968,824.71</u>	

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources	\$ 686,816.00	\$ 101,376.57	\$ 788,192.57	\$ 681,917.98	\$ 106,274.59
Federal Sources	2,105,135.00	562,941.00	2,668,076.00	2,608,925.95	59,150.05
Local Sources	-	10,500.00	10,500.00	4,139.75	6,360.25
Total Revenues	<u>2,791,951.00</u>	<u>674,817.57</u>	<u>3,466,768.57</u>	<u>3,294,983.68</u>	<u>171,784.89</u>
EXPENDITURES:					
Instruction					
Personal Services - Salaries	1,379,715.00	172,187.29	1,551,902.29	1,526,666.90	25,235.39
General Supplies	131,148.00	(84,195.16)	46,952.84	25,260.89	21,691.95
Total Instruction	<u>1,510,863.00</u>	<u>87,992.13</u>	<u>1,598,855.13</u>	<u>1,551,927.79</u>	<u>46,927.34</u>
Support Services					
Personal Services - Salaries	429,089.00	391,372.88	820,461.88	765,574.78	54,887.10
Personal Services - Employee Benefits	622,612.00	156,388.56	779,000.56	749,850.68	29,149.88
Purchased Professional and Technical Services	185,935.00	36,605.00	222,540.00	205,408.00	17,132.00
Purchased Professional - Educational Services	30,846.00	(25,346.00)	5,500.00	-	5,500.00
Supplies & Materials	12,606.00	(5,704.00)	6,902.00	6,152.58	749.42
Other Objects	-	33,509.00	33,509.00	16,069.85	17,439.15
Total Support Services	<u>1,281,088.00</u>	<u>586,825.44</u>	<u>1,867,913.44</u>	<u>1,743,055.89</u>	<u>124,857.55</u>
Total Expenditures	<u>2,791,951.00</u>	<u>674,817.57</u>	<u>3,466,768.57</u>	<u>3,294,983.68</u>	<u>171,784.89</u>
Total Outflows	<u>\$ 2,791,951.00</u>	<u>\$ 674,817.57</u>	<u>\$ 3,466,768.57</u>	<u>\$ 3,294,983.68</u>	<u>\$ 171,784.89</u>

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION – PART II**

BOARD OF EDUCATION
TOWN OF DOVER
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2016

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	<u>Exhibit</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1&C-2]	\$ 45,065,639.59	\$ 3,294,983.68
Difference - budget to GAAP:			
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		(30,470.50)	(5,107.50)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	(8,518.75)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 45,035,169.09</u>	<u>\$ 3,281,357.43</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	\$ 45,446,016.15	\$ 3,294,983.68
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		\$ -	(8,518.75)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 45,446,016.15</u>	<u>\$ 3,286,464.93</u>

**REQUIRED SUPPLEMENTARY INFORMATION -
PART III**

**BOARD OF EDUCATION
TOWN OF DOVER**
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	Teachers' Pension and Annuity Fund (TPAF)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's Proportionate Share of the Net Pension Liability (Asset)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ 121,399,865.00	\$ 104,892,290.00	\$ 104,892,290.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00
Total	\$ 121,399,865.00	\$ 104,892,290.00	\$ 104,892,290.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00	\$ 101,666,551.00
District's Covered Employee Payroll	\$ 18,683,886.00	\$ 19,019,821.00	\$ 18,955,563.00							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.64%	33.76%	33.76%	33.76%	33.76%	33.76%	33.76%	33.76%

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the District (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the District.

	Public Employees Retirement System (PERS)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)	0.04145%	0.04651%	0.04701%	0.04701%	0.04701%	0.04701%	0.04701%	0.04701%	0.04701%	0.04701%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,305,665.00	\$ 8,708,745.00	\$ 8,983,816.00	\$ 8,983,816.00	\$ 8,983,816.00	\$ 8,983,816.00	\$ 8,983,816.00	\$ 8,983,816.00	\$ 8,983,816.00	\$ 8,983,816.00
District's Covered Employee Payroll	\$ 2,867,239.00	\$ 2,961,272.00	\$ 3,122,192.00	\$ 3,122,192.00	\$ 3,122,192.00	\$ 3,122,192.00	\$ 3,122,192.00	\$ 3,122,192.00	\$ 3,122,192.00	\$ 3,122,192.00
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	324.55%	294.09%	287.74%	287.74%	287.74%	287.74%	287.74%	287.74%	287.74%	287.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Local)	47.93%	52.08%	48.72%	48.72%	48.72%	48.72%	48.72%	48.72%	48.72%	48.72%

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

BOARD OF EDUCATION
TOWN OF DOVER
Schedule of District Contributions
Last Ten Fiscal Years*

	Teachers' Pension and Annuity Fund (TPAF)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution Deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's Covered Employee Payroll	\$ 18,683,886.00	\$ 19,019,821.00	\$ 18,955,563.00							
Contributions as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The District (employer) does not contribute to the plan.

	Public Employees Retirement System (PERS)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 383,457.00	\$ 354,182.00	\$ 363,983.00							
Contributions in Relation to the Contractually Required Contribution	(383,457.00)	(354,182.00)	(363,983.00)							
Contribution Deficiency (excess)	\$ -	\$ -	\$ -							
District's Covered Employee Payroll	\$ 2,867,239.00	\$ 2,961,272.00	\$ 3,122,192.00							
Contributions as a Percentage of Covered Employee Payroll	13.37%	11.96%	11.66%							

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

**BOARD OF EDUCATION
TOWN OF DOVER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PENSION SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Teachers' Pension and Annuity Fund (TPAF)

Changes of Benefit Terms- The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF 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 TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members'

Changes of Assumptions- Mortality rates were based on the RP-2000 Health Mortality Table for Males or Females, as appropriate, with the adjustments for mortality improvements base on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA form the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality

Public Employees Retirement System (PERS)

Changes of Benefit Terms- 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 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of Assumptions- Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements form the base year of 2012 Based of Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

SECTION D
SCHOOL LEVEL SCHEDULES

SECTION E
SPECIAL REVENUE FUND

**BOARD OF EDUCATION
TOWN OF DOVER
Special Revenue Fund**

**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016**

	<u>Total</u>	<u>State Aid</u>	<u>Federal Aid</u>	<u>Local Aid</u>
REVENUES				
State Sources	\$ 681,917.98	\$681,917.98	\$ -	\$ -
Federal Sources	2,608,925.95	-	2,608,925.95	-
Local Sources	<u>4,139.75</u>	<u>-</u>	<u>-</u>	<u>4,139.75</u>
Total Revenues	<u>3,294,983.68</u>	<u>681,917.98</u>	<u>2,608,925.95</u>	<u>4,139.75</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	100-100 1,526,666.90	292,429.55	1,234,237.35	-
General Supplies	100-600 <u>25,260.89</u>	<u>17,131.84</u>	<u>3,989.30</u>	<u>4,139.75</u>
Total Instruction	<u>1,551,927.79</u>	<u>309,561.39</u>	<u>1,238,226.65</u>	<u>4,139.75</u>
Support Services:				
Personal Services - Salaries	200-100 765,574.78	226,393.22	539,181.56	-
Personal Services - Employee Benefits	200-200 749,850.68	115,622.42	634,228.26	-
Purchased Professional and Technical Services	200-300 205,408.00	9,950.00	195,458.00	-
Supplies and Materials	200-600 6,152.58	4,321.10	1,831.48	-
Other Objects	200-800 <u>16,069.85</u>	<u>16,069.85</u>	<u>-</u>	<u>-</u>
Total Support Services	<u>1,743,055.89</u>	<u>372,356.59</u>	<u>1,370,699.30</u>	<u>-</u>
Total Expenditures	<u>\$ 3,294,983.68</u>	<u>\$681,917.98</u>	<u>\$ 2,608,925.95</u>	<u>\$ 4,139.75</u>

**BOARD OF EDUCATION
TOWN OF DOVER
Special Revenue Fund
Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016**

		<u>Total</u>	<u>Preschool Aid</u>	<u>School Based Youth Services</u>
REVENUES				
State Sources		<u>\$ 681,917.98</u>	<u>\$453,950.68</u>	<u>\$227,967.30</u>
Total State Revenues		<u>681,917.98</u>	<u>453,950.68</u>	<u>227,967.30</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	100-100	292,429.55	292,429.55	
General Supplies	100-600	<u>17,131.84</u>	<u>17,131.84</u>	
Total Instruction		<u>309,561.39</u>	<u>309,561.39</u>	
Support Services:				
Personal Services - Salaries	200-100	226,393.22	51,129.88	175,263.34
Personal Services - Employee Benefits	200-200	115,622.42	93,259.41	22,363.01
Purchased Professional and Technical Services	200-300	9,950.00		9,950.00
Purchased Professional - Supplies & Materials	200-600	4,321.10		4,321.10
Other Objects	200-800	<u>16,069.85</u>	-	<u>16,069.85</u>
Total Support Services		<u>372,356.59</u>	<u>144,389.29</u>	<u>227,967.30</u>
Total Expenditures		<u>\$ 681,917.98</u>	<u>\$ 453,950.68</u>	<u>\$ 227,967.30</u>

BOARD OF EDUCATION
TOWN OF DOVER
 Special Revenue Fund
Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	E.S.E.A.			I.D.E.A. Part B	
Total	Title I	Title IIA	Title III	Basic	Preschool
REVENUES					
Federal Sources	\$2,608,925.95	\$1,616,386.00	\$ 96,537.00	\$ 74,206.21	\$ 14,927.00
Total Federal Revenues	<u>2,608,925.95</u>	<u>1,616,386.00</u>	<u>96,537.00</u>	<u>74,206.21</u>	<u>14,927.00</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	1,234,237.35	1,133,877.83	44,660.63	55,698.89	
General Supplies	3,989.30	3,989.30	-	-	
Total Instruction	<u>1,238,226.65</u>	<u>1,137,867.13</u>	<u>44,660.63</u>	<u>55,698.89</u>	
Support Services:					
Personal Services - Salaries	539,181.56	64,521.00	4,516.00	1,419.56	468,725.00
Personal Services - Employee Benefits	634,228.26	403,231.39	19,142.37	17,087.76	194,766.74
Purchased Professional and Technical Services	195,458.00	8,935.00	28,218.00	-	143,378.00
Supplies and Materials	1,831.48	1,831.48	-	-	-
Total Support Services	<u>1,370,699.30</u>	<u>478,518.87</u>	<u>51,876.37</u>	<u>18,507.32</u>	<u>806,869.74</u>
Total Expenditures	<u>\$2,608,925.95</u>	<u>\$ 1,616,386.00</u>	<u>\$ 96,537.00</u>	<u>\$ 74,206.21</u>	<u>\$ 14,927.00</u>

BOARD OF EDUCATION
TOWN OF DOVER
Special Revenue Fund
Combining Schedule of Local Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<u>Total</u>	BASF <u>Science</u> <u>Grant</u>	<u>Clean</u> <u>Communities</u>
REVENUES			
Local Sources	\$ 4,139.75	\$ 3,639.75	\$ 500.00
Total Local Revenues	<u>4,139.75</u>	<u>3,639.75</u>	<u>500.00</u>
EXPENDITURES:			
Instruction:			
General Supplies	4,139.75	3,639.75	500.00
Total Instruction	<u>4,139.75</u>	<u>3,639.75</u>	<u>500.00</u>
Total Expenditures	<u>\$ 4,139.75</u>	<u>\$ 3,639.75</u>	<u>\$ 500.00</u>

**BOARD OF EDUCATION
TOWN OF DOVER
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2016**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 293,473.44	\$ 292,429.55	\$ 1,043.89
General Supplies	<u>17,131.84</u>	<u>17,131.84</u>	<u>-</u>
Total Instruction	<u>310,605.28</u>	<u>309,561.39</u>	<u>1,043.89</u>
Support Services:			
Salaries of Other Professional Staff	51,129.88	51,129.88	-
Personal Services - Employee Benefits	93,259.41	93,259.41	-
Purchased Professional - Educational Services	<u>-</u>	<u>-</u>	<u>-</u>
Total Support Services	<u>144,389.29</u>	<u>144,389.29</u>	<u>-</u>
Total Expenditures	<u>\$ 454,994.57</u>	<u>\$ 453,950.68</u>	<u>\$ 1,043.89</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2015-2016 Preschool Aid Allocation	\$ 388,170.00
Add: Actual Preschool Aid Carryover (June 30, 2015)	66,824.57
Add: Budgeted Transfer From General Fund	<u>-</u>
Total Preschool Aid Funds Available for 2015-2016 Budget	454,994.57
Less: 2015-2016 Budgeted Preschool Aid (Including prior year budgeted carryover)	<u>(454,994.57)</u>
Available & Unbudgeted Preschool Aid Funds as of June 30, 2016	-
Add: 2015-2016 Unexpended Preschool Aid	<u>1,043.89</u>
2016-2017 Actual Carryover	<u>\$ 1,043.89</u>
2015-2016 Preschool Aid Carryover Budgeted in 2016-2017	<u>\$ 1,043.89</u>

SECTION F
CAPITAL PROJECTS FUND

SECTION G
PROPRIETARY FUNDS

ENTERPRISE FUND

INTERNAL SERVICE FUND

SECTION H
FIDUCIARY FUND

**BOARD OF EDUCATION
TOWN OF DOVER
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2016**

<u>Schools</u>	<u>Balance June 30, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Elementary Schools:				
North Dover	\$ 16,196.08	\$ 15,959.32	\$ 16,353.83	\$ 15,801.57
East Dover	8,618.84	16,770.46	13,652.72	11,736.58
Academy Street	15,579.57	14,473.86	13,442.11	16,611.32
Academy Street Building Fund	23,904.36		404.99	23,499.37
Middle School	24,335.84	51,648.62	61,985.42	13,999.04
Senior High School	63,556.53	101,580.93	103,932.23	61,205.23
Athletic Fund	3,164.96	85,635.48	84,244.63	4,555.81
Meld/Tiger R.A.P.	8.48	4,686.76	512.47	4,182.77
	<u>\$ 155,364.66</u>	<u>\$ 290,755.43</u>	<u>\$ 294,528.40</u>	<u>\$ 151,591.69</u>

**BOARD OF EDUCATION
TOWN OF DOVER
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2016**

	<u>Balance June 30, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Payroll Deductions and Withholdings	\$ 186,220.40	\$ 12,512,155.14	\$ 12,500,390.56	\$ 197,984.98
Net Salaries and Wages	(637.80)	14,814,696.74	14,814,058.94	-
Amount Due to Unemployment	<u>97,278.07</u>	<u>48,000.00</u>	<u>-</u>	<u>145,278.07</u>
	<u>\$ 282,860.67</u>	<u>\$ 27,374,851.88</u>	<u>\$ 27,314,449.50</u>	<u>\$ 343,263.05</u>

SECTION I
LONG – TERM DEBT

**BOARD OF EDUCATION
TOWN OF DOVER
Long - Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2016**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities of Bonds Outstanding June 30, 2016</u>		<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	4/1/2012	\$ 7,040,000.00	4/1/2017	\$525,000.00	2.000%	\$ 6,385,000.00	\$510,000.00	\$ 5,875,000.00
			4/1/2018	525,000.00	3.000%			
			4/1/2019	540,000.00	3.000%			
			4/1/2020	555,000.00	3.000%			
			4/1/2021	570,000.00	2.625%			
			4/1/2022	580,000.00	4.000%			
			4/1/2023	605,000.00	4.000%			
			4/1/2024	630,000.00	4.000%			
			4/1/2025	660,000.00	4.000%			
			4/1/2026	685,000.00	4.000%			
						-	-	-
						<u>\$6,385,000.00</u>	<u>\$510,000.00</u>	<u>\$ 5,875,000.00</u>

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 720,663.00	\$ -	\$ 720,663.00	\$ 720,663.00	\$ -
Total Revenues	<u>720,663.00</u>	<u>-</u>	<u>720,663.00</u>	<u>720,663.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	210,663.00		210,662.50	210,662.50	-
Redemption of Principal on Bonds	510,000.00	-	510,000.00	510,000.00	-
Total Regular Debt Service	<u>720,663.00</u>	<u>-</u>	<u>720,662.50</u>	<u>720,662.50</u>	<u>-</u>
Total Expenditures	<u>720,663.00</u>	<u>-</u>	<u>720,662.50</u>	<u>720,662.50</u>	<u>-</u>
(Deficiency) of Revenues (Under) Expenditures	-	-	0.50	0.50	-
Fund Balance, July 1	<u>1.64</u>	<u>-</u>	<u>1.64</u>	<u>1.64</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1.64</u>	<u>\$ -</u>	<u>\$ 2.14</u>	<u>\$ 2.14</u>	<u>\$ -</u>
Recapitulation of Excess of Revenues and Other Financing Sources Over Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.50</u>	<u>\$ 0.50</u>	<u>\$ -</u>

STATISTICAL SECTION (Unaudited)

Financial Trends

J-1	Net Assets/Position by Component
J-2	Changes in Net Assets/Position
J-3	Fund Balances - Governmental Funds
J-4	Changes in Fund Balances - Governmental Funds
J-5	General Fund - Other Local Revenue by Source

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property
J-7	Direct and Overlapping Property Tax Rates
J-8	Principal Property Taxpayers
J-9	Property Tax Levies and Collections

Debt Capacity

J-10	Ratios of Outstanding Debt by Type
J-11	Ratios of Net General Bonded Debt Outstanding
J-12	Direct and Overlapping Governmental Activities Debt as of June 30
J-13	Legal Debt Margin Information

Demographic and Economic Information

J-14	Demographic and Economic Statistics
J-15	Principal Employers

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program
J-17	Operating Statistics
J-18	School Building Information
J-19	Schedule of Required Maintenance for School Facilities
J-20	Insurance Schedule

BOARD OF EDUCATION
TOWN OF DOVER

Net Assets/Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net Investment in Capital Assets	\$ 22,854,493.00	\$ 19,379,517.00	\$ 17,885,060.00	\$ 16,374,174.00	\$ 20,485,773.71	\$ 16,584,659.86	\$ 15,471,506.22	\$ 13,987,524.08	\$ 11,729,880.03	\$ 10,889,811.85
Restricted	9,378,478.28	9,762,641.10	9,980,820.92	8,375,173.69	8,565,205.94	9,532,456.98	7,900,459.34	9,985,326.23	7,763,890.16	8,083,464.70
Unrestricted	(11,014,923.06)	(10,547,529.82)	(10,502,958.37)	(1,867,742.46)	(1,730,627.62)	(1,776,833.74)	(1,892,254.75)	(1,576,102.51)	(297,411.18)	(286,709.69)
Total Governmental Activities Net Assets/Position	\$ 21,219,048.22	\$ 18,594,628.28	\$ 17,362,922.55	\$ 22,881,605.23	\$ 27,320,952.03	\$ 24,320,283.10	\$ 21,479,710.81	\$ 22,386,747.80	\$ 19,196,359.01	\$ 18,606,566.89
Business-Type Activities										
Net Investment in Capital Assets	\$ 82,450.00	\$ 85,347.00	\$ 101,101.00	\$ 112,604.00	\$ 126,482.00	\$ 30,540.82	\$ 23,123.89	\$ 27,767.46	\$ 33,340.89	\$ 39,275.86
Unrestricted	714,629.77	649,344.97	547,104.10	437,806.76	375,942.86	273,539.24	164,522.85	94,380.57	126,237.87	143,980.07
Total Business-Type Activities Net Assets/Position	\$ 797,079.77	\$ 734,691.97	\$ 648,205.10	\$ 550,410.76	\$ 502,124.86	\$ 304,080.06	\$ 187,646.54	\$ 122,148.03	\$ 159,578.76	\$ 182,665.93
District-wide										
Net Investment in Capital Assets	\$ 22,936,943.00	\$ 19,464,864.00	\$ 17,986,161.00	\$ 16,486,778.00	\$ 20,612,255.71	\$ 16,595,200.68	\$ 15,494,630.11	\$ 14,015,291.54	\$ 11,763,220.92	\$ 10,929,087.71
Restricted	9,378,478.28	9,762,641.10	9,980,820.92	8,375,173.69	8,565,205.94	9,532,456.98	7,900,459.34	9,985,326.23	7,763,890.16	8,083,464.70
Unrestricted	(10,300,293.29)	(9,898,184.85)	(9,955,654.27)	(1,429,935.70)	(1,354,984.96)	(1,503,294.50)	(1,727,732.10)	(1,481,721.94)	(171,173.31)	(143,319.59)
Total District Net Assets/Position	\$ 22,015,127.99	\$ 19,329,320.25	\$ 18,011,127.65	\$ 23,432,015.99	\$ 27,822,476.69	\$ 24,624,363.16	\$ 21,667,357.35	\$ 22,518,895.83	\$ 19,355,937.77	\$ 18,689,232.82

Source: District Records

BOARD OF EDUCATION
TOWN OF DOVER

Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 27,371,930.31	\$ 24,512,706.15	\$ 20,735,416.63	\$ 20,935,273.11	\$ 20,620,740.83	\$ 19,793,754.56	\$ 19,900,141.07	\$ 19,519,612.87	\$ 18,171,078.53	\$ 17,239,136.34
Special Education	3,459,092.91	3,561,628.72	3,419,290.35	3,549,351.22	3,022,564.54	3,012,418.87	4,233,326.41	3,170,166.39	3,442,150.83	3,295,751.57
Other Instruction	2,867,642.52	2,532,490.76	2,420,813.35	2,451,939.22	2,190,945.49	2,150,739.92	2,472,709.60	1,960,064.44	1,996,966.31	1,996,963.54
Support Services:										
Tuition	3,600,862.19	3,345,619.71	3,382,631.19	3,053,506.35	3,194,155.97	2,674,363.28	2,728,173.68	1,874,168.82	1,601,147.57	1,816,035.23
Student and Instruction Related Services	5,442,880.21	4,629,839.25	4,717,265.43	4,863,071.88	4,819,831.37	4,968,688.47	4,454,638.64	5,301,791.05	5,708,027.26	5,378,176.10
School Administrative Services	3,439,351.92	3,465,746.41	3,068,860.31	3,037,546.37	3,018,423.09	2,884,729.03	2,942,418.51	2,162,394.26	2,228,923.47	2,125,382.70
General and Business Administrative Services	2,188,840.82	1,915,911.16	1,718,171.71	1,781,130.63	1,831,947.14	1,618,222.67	1,684,667.30	1,590,970.31	1,476,603.30	1,357,985.63
Plant Operations and Maintenance	3,949,708.90	3,847,427.87	3,715,722.57	3,716,828.76	3,615,016.17	3,925,798.82	4,364,706.40	3,956,898.08	4,291,714.36	4,256,354.69
Pupil Transportation	1,942,125.07	1,717,386.69	1,561,011.19	1,568,546.48	1,564,947.95	1,354,721.34	1,582,351.95	1,050,797.05	1,071,037.03	1,103,974.38
Charter Schools	66,535.00	43,632.00	14,298.00	7,130.00	41,616.00	55,828.00	44,335.00	57,725.00	38,331.00	22,857.00
Debt Service Assessment	72,816.00	72,816.00	72,816.00	39,604.00	28,857.00	49,622.00				
Interest on Long-Term Debt	208,112.50	222,025.00	236,342.21	240,775.81	369,629.51	427,677.86	470,361.04	511,185.19	555,654.99	580,181.94
Total Governmental Activities Expenses	54,610,018.35	49,867,229.72	45,085,666.94	45,246,733.83	44,315,674.06	42,816,695.82	44,877,929.80	41,055,773.46	40,583,664.65	39,112,759.12
Business-Type Activities:										
Food Service	1,843,802.52	1,670,727.20	1,510,306.59	1,540,399.90	1,363,104.33	1,278,809.00	1,273,480.57	1,267,601.25	1,296,965.97	1,271,581.69
Total Business-Type Activities Expense	1,843,802.52	1,670,727.20	1,510,306.59	1,540,399.90	1,363,104.33	1,278,809.00	1,273,480.57	1,267,601.25	1,296,965.97	1,271,581.69
Total District-Wide Expenses	56,453,820.87	51,537,956.92	46,595,973.53	46,787,073.73	45,678,778.39	44,195,304.82	46,151,410.37	42,323,374.71	41,870,630.62	40,384,340.81
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	2,069,894.00	2,195,060.57	2,118,825.00	2,276,971.00	2,684,226.00	2,515,690.80	1,773,687.40	4,216,162.00	3,998,935.16	4,513,399.00
Operating Grants and Contributions	18,024,879.69	12,807,143.85	9,167,315.66	8,890,733.05	9,017,166.74	9,252,534.47	11,180,036.88	7,996,971.97	12,711,021.55	12,113,533.27
Total Governmental Activities Program Revenues	20,094,773.69	15,002,204.42	11,286,140.66	11,167,704.05	11,701,392.74	11,768,225.27	12,953,723.28	12,203,133.97	16,699,956.71	16,626,932.27

BOARD OF EDUCATION
TOWN OF DOVER

Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2015	2015	2014	2013	2012	2011	2010	2009	2008	2007
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 336,978.92	\$ 317,496.90	\$ 315,525.67	\$ 297,873.03	\$ 307,932.51	\$ 295,139.89	\$ 309,370.48	\$ 291,400.27	\$ 343,786.51	\$ 342,065.28
Operating Grants and Contributions	1,562,604.99	1,437,867.88	1,290,925.29	1,289,329.45	1,139,883.24	1,100,102.63	1,029,608.60	848,335.08	755,942.29	704,647.02
Total Business-Type Activities Program Revenues	1,899,583.91	1,755,364.78	1,606,450.95	1,587,302.48	1,447,815.75	1,395,242.52	1,338,979.08	1,139,735.35	1,099,728.80	1,046,912.28
Total District-Wide Program Revenues	21,994,157.60	16,757,569.20	12,892,691.61	12,755,008.53	13,149,208.49	13,163,467.59	14,292,702.36	13,342,859.32	17,799,685.51	17,673,844.55
Net (Expense)/Revenue	(34,515,444.66)	(34,865,025.30)	(33,799,525.28)	(34,079,029.78)	(32,614,281.32)	(31,148,360.75)	(31,924,206.52)	(28,652,639.49)	(23,883,707.94)	(22,485,826.85)
Governmental Activities:										
Business-Type Activities	55,781.39	84,637.58	96,142.36	46,962.58	84,711.42	119,433.52	65,489.51	(127,865.90)	(187,237.17)	(224,659.41)
Total District-Wide Net Expense	(34,459,663.27)	(34,780,387.72)	(33,703,383.92)	(34,032,067.20)	(32,529,569.90)	(31,031,927.23)	(31,858,708.01)	(28,980,505.39)	(24,070,945.11)	(22,710,486.26)
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes	13,106,480.00	13,106,480.00	13,070,480.00	13,070,480.00	12,709,480.00	12,709,480.00	12,709,480.00	11,886,478.00	11,414,066.00	11,882,100.00
Property Taxes, Levied for Debt Service Principal	512,550.50	508,788.00	446,507.79	498,047.18	773,541.49	739,014.14	691,411.98	744,151.81	1,039,836.01	989,072.87
Federal and State Aid Not Restricted	22,266,015.98	22,783,387.85	22,711,170.40	23,061,029.56	21,893,923.72	20,616,709.32	18,820,331.13	19,324,179.91	11,896,298.94	10,237,406.55
Investment Earnings	36,811.74	35,130.37	34,492.93	25,498.24	266.00	-	266.00	42,657.07	157,861.33	329,500.28
Miscellaneous Income	405,857.17	162,622.98	236,148.32	288,552.17	239,134.91	95,797.10	171,025.20	177,893.66	49,587.78	45,023.33
Special Item - Prior Year Receivable Canceled	811,149.21	(499,688.17)	382,207.14	(7,303,322.17)	(525,507.77)	(171,067.52)	(1,385,344.76)	177,893.66	49,587.78	(93,972.00)
Prior Year Adj. to Fixed Assets										
Special Item - EDA Loan Refinanced										
N.J. Economic Development Authority Grants					1,364,000.00					
Refunding Bond Proceeds					(630,222.10)					
Transfers					35,674,350.25					
Total Governmental Activities	37,138,864.60	35,096,731.03	36,881,005.58	29,640,282.98	35,674,350.25	33,988,633.04	31,007,169.53	(122,422.17)	(164,150.00)	23,389,131.03
Business-Type Activities:										
Investment Earnings	2,129.41	1,949.28	1,651.98	1,323.52	113,333.18			90,435.17	164,150.00	-
Prior Year Adj. to Fixed Assets	4,477.00							90,435.17	164,150.00	-
Transfers	6,606.41	1,849.29	1,651.98	1,323.52	113,333.18			90,435.17	164,150.00	-
Total Business-Type Activities	37,145,471.01	36,098,580.32	36,882,658.56	29,641,606.50	35,727,683.43	33,988,933.04	31,007,169.53	32,143,463.45	24,557,650.06	23,389,131.03
Total District-Wide General Revenues										
Change in Net Assets/Position										
Governmental Activities	2,623,419.94	1,231,705.73	3,081,480.30	(4,438,748.80)	3,000,068.93	2,840,572.29	(917,036.99)	3,200,388.79	508,792.12	903,304.18
Business-Type Activities	62,387.80	86,486.87	97,794.34	46,296.10	199,044.60	116,433.52	65,489.51	(37,430.73)	(23,087.17)	(224,659.41)
Total District-Wide Change in Net Assets/Position	\$ 2,685,807.74	\$ 1,318,192.60	\$ 3,179,274.64	\$ (4,392,452.70)	\$ 3,199,113.53	\$ 2,957,005.81	\$ (851,538.48)	\$ 3,162,958.06	\$ 486,704.95	\$ 678,634.77

BOARD OF EDUCATION
TOWN OF DOVER

Fund Balances - Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved	\$ 9,417,293.14	\$ 9,796,348.96	\$ 10,028,830.28	\$ 8,378,260.09	\$ 8,606,227.22	\$ 7,196,678.54	\$ 5,083,647.66	\$ 5,028,119.54	\$ 5,041,203.74	\$ 5,214,069.35
Unreserved	(1,448,488.43)	(1,416,677.19)	(1,388,953.24)	(1,375,079.77)	(1,287,404.42)	(1,294,548.49)	(1,489,753.75)	(1,155,269.51)	57,257.72	43,877.34
Total General Fund	\$ 7,968,824.71	\$ 8,379,671.77	\$ 8,639,877.04	\$ 7,003,180.32	\$ 7,318,822.80	\$ 5,902,130.05	\$ 3,613,893.91	\$ 3,872,850.03	\$ 5,098,461.46	\$ 5,257,946.69
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ 47,669.00	\$ -	\$ 2,325,227.66	\$ 2,954,542.69	\$ 5,100,078.46	\$ 2,942,975.91	\$ 3,126,920.42
Unreserved, Reported In:										
Special Revenue Fund	(38,817.00)	(33,709.50)	(48,010.50)	(50,756.30)	(41,022.00)	(39,072.00)	(32,234.40)	(31,191.20)	(126,113.05)	(126,113.05)
Debt Service Fund	2.14	1.64	1.14	0.90	0.72	49,622.78	0.60	815.68	816.31	0.76
Total all Other Governmental Funds	\$ (38,814.86)	\$ (33,707.86)	\$ (48,009.36)	\$ (3,086.40)	\$ (41,021.28)	\$ 2,335,778.44	\$ 2,922,308.89	\$ 5,069,702.94	\$ 2,817,679.17	\$ 3,000,808.13
Total Fund Balances	\$ 7,930,009.85	\$ 8,345,963.91	\$ 8,591,867.68	\$ 7,000,093.92	\$ 7,277,801.52	\$ 8,237,908.49	\$ 6,536,202.80	\$ 8,942,552.97	\$ 7,916,140.63	\$ 8,258,754.82

Source: District Records

BOARD OF EDUCATION
TOWN OF DOVER

Changes in Fund Balances - Governmental Funds,

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Tax Levy	\$ 13,827,143.00	\$ 13,837,293.00	\$ 13,755,330.00	\$ 13,808,722.00	\$ 13,723,430.00	\$ 13,876,172.00	\$ 13,871,253.00	\$ 13,141,815.00	\$ 12,672,965.00	\$ 13,145,378.00
Tuition Charges	2,069,694.00	2,195,060.57	2,118,825.00	2,276,971.00	2,684,226.00	2,515,690.60	1,773,697.40	4,216,162.00	3,988,935.16	4,513,399.00
Interest Earnings	36,811.74	35,130.37	34,492.93	25,496.24			266.00	42,657.07	157,861.33	329,500.28
Miscellaneous	405,857.17	162,622.98	236,148.32	288,552.17	239,134.91	95,797.10	171,026.20	177,983.66	49,587.78	45,023.33
State Sources	30,025,424.50	29,515,432.03	29,060,140.68	28,928,335.34	27,058,369.10	25,780,760.10	22,182,306.41	24,210,087.75	22,120,993.54	20,159,754.24
Federal Sources	2,644,803.67	2,627,345.67	2,580,003.17	2,783,232.45	3,612,312.85	3,659,805.83	7,347,699.56	2,589,878.94	2,257,263.96	1,916,980.45
Total Revenues	49,009,734.08	48,372,884.62	47,784,940.10	48,111,309.20	47,317,472.86	45,928,225.63	45,346,237.57	44,378,584.42	41,257,606.77	40,110,035.30
Expenditures										
Instruction										
Regular Instruction	15,662,455.73	16,229,085.81	14,767,949.96	14,488,392.61	14,403,141.32	14,367,851.15	15,024,575.74	14,677,781.82	12,810,529.77	12,111,739.74
Special Education Instruction	1,638,742.11	1,764,371.57	1,756,531.89	2,057,579.92	1,860,469.25	2,031,537.59	3,133,207.74	2,366,977.42	2,463,370.57	2,409,955.22
Other Instruction	1,540,042.44	1,544,261.11	1,581,921.97	1,623,421.86	1,552,667.32	1,595,198.45	1,861,782.28	1,426,548.15	1,394,294.37	1,367,953.56
Support Services:										
Tuition	3,600,982.19	3,345,619.71	3,382,631.19	3,053,506.35	3,194,155.97	2,674,393.28	2,728,173.68	1,874,166.82	1,601,147.57	1,816,035.23
Student and Instruction Related Services	3,368,253.36	3,302,928.39	3,536,842.01	3,533,339.54	3,695,703.62	3,976,849.06	3,204,319.17	4,005,473.42	4,452,708.24	4,177,792.07
School Administrative Services	1,791,299.52	2,093,097.65	2,087,791.03	1,972,854.13	2,032,816.67	2,032,580.49	2,203,450.81	1,570,435.54	1,518,222.29	1,442,553.50
General and Business										
Administrative Services	1,370,709.93	1,317,803.91	1,269,690.49	1,346,549.59	1,374,984.23	1,260,268.26	1,436,039.12	1,257,267.48	1,228,503.23	1,111,117.75
Plant Operations and Maintenance	2,913,441.56	3,048,958.98	3,100,885.48	2,847,081.16	3,008,905.36	3,278,371.12	3,489,010.86	3,378,537.87	3,438,339.57	3,423,669.63
Pupil Transportation	1,577,998.36	1,454,842.45	1,344,022.15	1,346,909.69	1,371,969.78	1,175,665.33	1,309,121.35	853,452.36	793,100.09	863,040.01
Employee Benefits	11,818,693.65	11,193,467.14	10,893,544.76	11,660,887.67	10,693,116.53	9,422,418.23	9,272,013.01	8,206,006.89	9,436,347.46	9,301,937.47
Charter Schools	66,535.00	43,632.00	14,296.00	7,130.00	41,616.00	55,829.00	44,335.00	57,725.00	38,331.00	22,857.00
Capital Outlay	3,283,055.79	2,477,101.17	1,661,624.86	3,671,565.46	2,474,054.85	845,264.64	1,228,854.14	1,963,780.51	646,591.35	2,033,839.96
Debt Service:										
Principal	510,000.00	505,000.00	490,000.00	500,000.00	740,000.00	865,000.00	955,000.00	1,070,729.88	1,029,783.83	989,072.87
Interest and Other Charges	210,662.50	225,812.50	242,518.76	240,194.82	400,170.06	434,613.82	477,360.08	520,864.75	564,801.62	607,970.50
Total Expenditures	49,425,688.14	48,618,788.39	48,193,166.35	48,389,016.80	46,872,227.96	44,055,452.42	46,367,242.98	43,229,749.91	41,436,070.99	41,679,534.51
Excess (Deficiency) of Revenues Over (Under) Expenditures	(415,954.06)	(245,903.77)	1,591,773.75	(277,707.60)	445,244.90	1,872,773.21	(1,021,005.41)	1,148,834.51	(178,464.19)	(1,569,499.21)

BOARD OF EDUCATION
TOWN OF DOVER

Changes in Fund Balances - Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Other Financing sources (uses)										
Prior Year State Grant Canceled	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Item - Prior Year Receivable Canceled	-	-	-	-	-	(171,067.52)	(1,385,344.76)	843,455.00	-	(93,972.00)
Transfers In	-	-	-	-	477,800.67	16,269.19	-	(865,877.17)	(164,150.00)	26,408.05
Transfers Out	-	-	-	-	(1,308,022.77)	(16,269.19)	-	(122,422.17)	(164,150.00)	(26,408.05)
Total Other Financing Sources (Uses)	-	-	-	-	(1,355,729.87)	(171,067.52)	(1,385,344.76)	(122,422.17)	(164,150.00)	(93,972.00)
Net Change in Fund Balances	\$ (415,854.06)	\$ (245,903.77)	\$ 1,591,773.75	\$ (277,707.60)	\$ (910,484.97)	\$ 1,701,705.69	\$ (2,406,350.17)	\$ 1,026,412.34	\$ (342,614.19)	\$ (1,663,471.21)
Debt Service as a Percentage of Noncapital Expenditures	1.56%	1.58%	1.64%	1.66%	2.57%	3.01%	3.17%	3.86%	3.91%	4.03%

116

Source: District Records

BOARD OF EDUCATION
TOWN OF DOVER

General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

Fiscal Year Ending June 30,	Total	Tuition	Interest	Other Miscellaneous
2007	\$ 4,861,514.56	\$ 4,513,399.00	\$ 303,092.23	\$ 45,023.33
2008	4,196,384.27	3,988,935.16	157,861.33	49,587.78
2009	4,436,802.73	4,216,162.00	42,657.07	177,983.66
2010	1,944,978.60	1,773,687.40	266.00	171,025.20
2011	2,604,901.40	2,515,690.60	-	89,210.80
2012	2,922,106.67	2,684,226.00		237,880.67
2013	2,572,290.85	2,276,971.00	25,496.24	269,823.61
2014	2,389,466.25	2,118,825.00	34,492.93	236,148.32
2015	2,387,900.18	2,195,060.57	35,130.37	157,709.24
2016	2,508,223.16	2,069,694.00	36,811.74	401,717.42

Source: District Records

BOARD OF EDUCATION
TOWN OF DOVER

Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2006	\$ 8,632,100	\$ 478,589,300	\$ 113,899,300	\$ 58,047,800	\$ 22,078,100	\$ 681,246,600	\$ 3,037,390	\$ 684,283,990	\$ 1,348,695,770	1.885
2007	7,111,100	480,512,600	111,733,400	61,061,800	22,078,100	682,497,000	2,631,983	685,128,983	1,586,328,438	1.885
2008	6,847,800	481,322,400	110,579,800	60,546,800	22,078,100	681,374,900	2,890,760	684,265,660	1,703,051,456	1.886
2009	(1) 11,291,000	1,049,892,500	283,806,100	153,885,300	54,752,500	1,553,627,400	-	1,553,627,400	1,642,176,617	0.842
2010	10,738,100	1,048,446,200	279,436,500	150,896,900	49,572,900	1,539,090,600	-	1,539,090,600	1,538,134,911	0.845
2011	10,522,400	1,049,532,400	270,133,200	139,459,700	47,369,500	1,517,017,200	-	1,517,017,200	1,515,002,067	0.850
2012	10,384,100	1,031,676,100	266,090,900	136,959,700	47,325,000	1,492,435,800	-	1,492,435,800	1,472,075,505	0.870
2013	9,628,200	1,028,952,800	265,697,700	126,669,100	47,262,500	1,478,210,300	-	1,478,210,300	1,340,652,204	0.874
2014	9,783,600	1,022,593,100	263,599,400	125,539,100	49,856,000	1,471,371,200	-	1,471,371,200	1,294,957,930	0.880
2015	12,316,100	1,017,614,600	261,198,000	122,426,200	50,906,000	1,464,460,900	-	1,464,460,900	1,296,442,015	0.886

(1) Revaluation Year

Source: Municipal Tax Assessor

BOARD OF EDUCATION
TOWN OF DOVER

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)
Unaudited

Fiscal Year Ended December 31,	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General		Municipality	County	Total Direct School Tax Rate	
		Obligation	Debt Service				
2006	1.649	0.236		1.401	0.494	1.885	3.780
2007	1.652	0.233		1.432	0.553	1.885	3.870
2008	1.653	0.233		1.546	0.580	1.886	4.012
2009	0.740	0.102		0.724	0.241	0.842	1.807
2010	0.752	0.093		0.764	0.229	0.845	1.838
2011	0.764	0.086		0.800	0.230	0.850	1.880
2012	0.794	0.076		0.850	0.240	0.870	1.957
2013	0.829	0.045		0.886	0.230	0.874	1.990
2014	0.830	0.050		0.919	0.235	0.880	2.034
2015	0.836	0.050		0.949	0.220	0.886	2.055

Source: Municipal Tax Collector

BOARD OF EDUCATION
TOWN OF DOVER

Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

Fiscal Year Ended June 30,	Nature of Business	2016		2005	
		Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Piret(Dover) Holdings, LLC	Commercial	\$ 17,000,000	1.16%	N/A	N/A
Home Depot USA Inc.	Retail	16,000,000	1.09%	N/A	N/A
MCRS Dover LLC	Retail	11,730,400	0.80%	N/A	N/A
Casio, Inc.	Electronics	10,719,200	0.73%	N/A	N/A
Dover Fox Tenants Corp.	Apartments	7,365,600	0.50%	N/A	N/A
Dover Garden Apartments II, LLC	Apartments	6,336,000	0.43%	N/A	N/A
Denville-Morris Properties, LLC	Industrial	6,284,500	0.43%	N/A	N/A
Dover Morris Properties, LLC	Industrial	6,250,000	0.43%	N/A	N/A
65 North Sussex, LLC	Industrial	6,200,000	0.42%	N/A	N/A
600 Mt. Pleasant Assoc. LLC	Industrial	6,130,000	0.42%	N/A	N/A
Total		\$ 94,015,700	6.42%	-	0.00%

Source: Municipal Tax Assessor

BOARD OF EDUCATION
TOWN OF DOVER

Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 25,968,189	\$ 25,197,111	97.03%	-	\$ 25,197,111	97.03%
2007	26,551,920	25,700,417	96.79%	-	25,700,417	96.79%
2008	27,535,556	26,272,369	95.41%	-	26,272,369	95.41%
2009	28,118,019	27,194,015	96.71%	-	27,194,015	96.71%
2010	28,307,753	27,277,177	96.35%	-	27,277,177	96.35%
2011	28,600,057	27,716,529	96.91%	-	27,716,529	96.91%
2012	29,248,732	28,447,242	97.25%	-	28,447,242	97.25%
2013	29,394,612	28,538,789	97.08%	-	28,538,789	97.08%
2014	29,942,138	29,210,212	97.55%	-	29,210,212	97.55%
2015	30,095,611	29,198,346	97.01%	-	29,198,346	97.01%

Source: Municipal Tax Collector

BOARD OF EDUCATION
TOWN OF DOVER

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Loans					
2007	\$ 11,159,000.00	\$ 2,450,000.00	\$ -	\$ 285,513.37		\$ 13,894,513.37	3.51%	780	
2008	10,794,000.00	1,925,000.00	-	145,730		12,864,729.54	3.16%	724	
2009	10,419,000.00	1,375,000.00	-	-		11,794,000.00	2.81%	663	
2010	10,034,000.00	805,000.00	-	-		10,839,000.00	2.46%	597	
2011	9,639,000.00	335,000.00	-	-		9,974,000.00	2.19%	546	
2012	7,880,000.00	-	-	-		7,880,000.00	1.67%	430	
2013	7,380,000.00	-	-	-		7,380,000.00	1.51%	402	
2014	6,890,000.00	-	-	-		6,890,000.00	1.38%	376	
2015	6,385,000.00	-	-	-		6,385,000.00	1.31%	347	
2016	5,875,000.00	-	-	-		5,875,000.00	1.17%	321	

BOARD OF EDUCATION
TOWN OF DOVER

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 11,159,000		\$ 11,159,000	1.63%	627
2008	10,794,000		10,794,000	1.58%	607
2009	10,419,000		10,419,000	0.67%	586
2010	10,034,000		10,034,000	0.65%	564
2011	9,639,000		9,639,000	0.64%	531
2012	7,880,000		7,880,000	0.53%	432
2013	7,380,000		7,380,000	0.50%	404
2014	6,890,000		6,890,000	0.47%	376
2015	6,385,000		6,385,000	0.43%	347
2016	5,875,000		5,875,000	0.40%	321

**BOARD OF EDUCATION
TOWN OF DOVER**

**Direct and Overlapping Governmental Activities Debt
As of December 31, 2015
Unaudited**

Net Direct Debt of School District as of December 31, 2015	\$ 6,385,000.00
Net Overlapping Debt of School District:	
Town of Dover (100%)	\$ 9,758,177.44
County of Morris - Town's share (1.85%)	4,194,788.36
Utility Authority - Town's share (11.05%)	<u>1,465,053.53</u>
Total Direct and Overlapping Debt as of December 31, 2015	<u>15,418,019.34</u> \$ <u>21,803,019.34</u>

Source: Town of Dover School District Chief Financial Officer and Morris County Treasurer's Office

BOARD OF EDUCATION
TOWN OF DOVER

Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis	
	2013	1,344,927,941.00
	2014	1,294,957,930.00
	2015	1,296,442,015.00
		<u>3,936,327,886.00</u>
Average Equalized Valuation of Taxable Property		\$1,312,109,295.33
Debt limit (3 % of \$1,326,131,105.00)		\$ 39,363,278.86
Total Net Debt Applicable to Limit		<u>6,385,000.00</u>
Legal Debt Margin		<u>\$ 32,978,278.86</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 45,306,570.91	\$ 43,339,595.94	\$ 41,638,854.68	\$ 39,783,933.15	\$ 39,363,278.86
Total Net Debt Applicable to Limit	<u>9,974,000.00</u>	<u>7,880,000.00</u>	<u>7,380,000.00</u>	<u>6,890,000.00</u>	<u>6,385,000.00</u>
Legal Debt Margin	<u>35,332,570.91</u>	<u>35,459,595.94</u>	<u>34,258,854.68</u>	<u>32,893,933.15</u>	<u>32,978,278.86</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.01%	18.18%	17.72%	17.32%	16.22%

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt limit	\$ 40,878,798.30	\$ 45,850,210.04	\$ 48,682,414.01	\$ 48,380,819.12	\$ 46,679,062.01
Total net debt applicable to limit	<u>13,894,513.37</u>	<u>12,864,729.54</u>	<u>11,794,000.00</u>	<u>11,514,000.00</u>	<u>10,839,000.00</u>
Legal debt margin	<u>26,984,284.93</u>	<u>32,985,480.50</u>	<u>36,888,414.01</u>	<u>36,866,819.12</u>	<u>35,840,062.01</u>
Total net debt applicable to the limit as a percentage of debt limit	33.99%	28.06%	24.23%	23.80%	23.22%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

Exhibit J-14

BOARD OF EDUCATION
TOWN OF DOVER

Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2007	17,805	\$ 395,388,558	\$ 22,207	7.70%
2008	17,774	406,541,158	22,873	7.70%
2009	17,789	419,090,777	23,559	16.50%
2010	18,162	440,714,627	24,266	16.60%
2011	18,258	456,335,463	24,994	16.20%
2012	18,309	471,338,448	25,744	16.80%
2013	18,370	487,096,068	26,516	6.40%
2014	18,333	500,698,431	27,311	4.70%
2015	18,346	516,085,082	28,131	4.30%
2016	18,346 Est	531,567,635	28,975	4.30% Est

Population information provided by the NJ Dept of Labor and Workforce Development
 Personal income has been estimated based upon the municipal population and per capita
 personal income presented.
 Per capita personal income by municipality estimated based upon the 2000 Census published
 by the US Bureau of Economic Analysis.
 Unemployment data provided by the NJ Dept of Labor and Workforce Development.

BOARD OF EDUCATION
TOWN OF DOVER

Principal Employers
Current Year and Nine Years Ago
Unaudited

Employer	2016			2007		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
St. Clares Hospital-Dover Campus	700	1				
Town of Dover Board of Education	500	2				
Casio, Inc.	255	3				
Home Depot USA, Inc.	250	4				
Dover Christian Nursing Home	160	5				
Town of Dover	145	6				
Jersey City Power and Light	65	7				
Canabera	60	8				
Morris County Municipal Utilities Authority	40	9				
	<u>2175</u>					

NOT AVAILABLE

Source: Town of Dover

BOARD OF EDUCATION
TOWN OF DOVER

Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	229	222	235	229	245	239	242	221	221	229
Special Education	14	17	19	21	42	37	43	39	46	42
Support Services:										
Student and Instruction Related Services	40	33	33	21	27	47	44	39	28	28
School Administrative Services	20	20	20	22	29	29	27	29	28	26
General and Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Plant Operations and Maintenance	31	31	32	32	39	33	30	39	40	39
Pupil Transportation	4	4	4	4	5	5	5	6	5	6
Total	<u>344</u>	<u>333</u>	<u>349</u>	<u>335</u>	<u>393</u>	<u>395.5</u>	<u>397.2</u>	<u>377.9</u>	<u>373.6</u>	<u>376.3</u>

Source: District Personnel Records

BOARD OF EDUCATION
TOWN OF DOVER

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	2,861.6	38,048,651.18	13,296	7.64%	268	1:16	1:12	1:9	2861.6	2,722.6	-2.27%	95.14%
2008	2,898.9	39,194,894.16	13,521	1.69%	262	1:16	1:13	1:10	2898.9	2,770.9	1.30%	95.58%
2009	2895.50	39,865,679.43	13,768	1.83%	264	1:14	1:13	1:11	2895.5	2,762.0	-0.12%	95.39%
2010	2934.80	43,706,028.76	14,892	8.17%	251	1:14	1:12	1:10	2934.8	2,803.7	1.36%	95.53%
2011	2927.80	41,860,951.86	14,298	-3.99%	243	1:14	1:13	1:10	2927.8	2,791.1	-0.24%	95.33%
2012	3021.00	43,229,146.05	14,310	0.08%	246	1:13	1:11	1:09	2901.6	2,768.7	-0.89%	95.42%
2013	3009.00	43,937,652.52	14,602	2.04%	256	1:12	1:11	1:09	3027.7	2,895.3	4.35%	95.63%
2014	3083.00	41,072,118.82	13,322	-8.77%	260	1:14	1:13	1:10	3082.7	2,958.9	1.82%	95.98%
2015	3169.00	41,426,489.17	13,072	-1.87%	260	1:15	1:13	1:11	3168.8	3,064.3	2.79%	96.70%
2016	3196.00	45,385,128.04	14,201	8.63%	265	1:15	1:14	1:12	3216.4	3,102.3	1.50%	96.45%

Source: District records

Note: Enrollment based on annual October district count.

BOARD OF EDUCATION
TOWN OF DOVER

School Building Information
Last Ten Fiscal Years
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2014	2015	2016
<u>District Building</u>										
Elementary										
Academy Street										
Square Feet	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364
Capacity (students)	559.8	559.8	559.8	559.8	559.8	559.8	559.8	559.8	559.8	559.8
Enrollment	482	445	490	513	573	560	561	601	558	558
East Dover										
Square Feet	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790
Capacity (students)	883.7	883.7	883.7	883.7	883.7	883.7	883.7	883.7	883.7	883.7
Enrollment	898	533	556	450	466	459	476	479	489	489
North Dover										
Square Feet	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705
Capacity (students)	613.55	613.55	613.55	613.55	613.55	613.55	613.55	613.55	613.55	613.55
Enrollment	623	543	644	667	706	740	751	751	757	737
<u>Middle School</u>										
Dover Middle School										
Square Feet	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790
Capacity (students)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enrollment	509	503	504	467	471	461	482	457	495	495
<u>High School</u>										
Dover High School										
Square Feet	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500
Capacity (students)	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9
Enrollment	841	902	883	850	804	789	813	813	875	917

Number of Schools at June 30, 2016

Elementary = 3

Middle School = 1

Senior High School = 1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of alterations and additions. Enrollment is based on the annual October district count.

BOARD OF EDUCATION
TOWN OF DOVER

General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

Undistributed Expenditures--Required
Maintenance for School Facilities
11-000-261-xxx

*School Facility	Pending Projects (w/DOE Project #)	Gross Building Area (SF)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Dover High School	N/A	157,500	\$ 300,113.56	\$289,923.57	\$256,491.33	\$270,532.17	\$ 249,183.21	\$222,234.33	\$297,982.19	\$207,706.92	\$267,102.56	\$276,639.89
Academy Street	N/A	52,364	100,037.86	96,641.19	85,497.11	92,096.06	82,845.90	75,654.24	103,325.52	69,056.29	90,928.53	94,175.28
Dover Middle School	N/A	63,790	118,794.95	114,761.42	101,527.82	109,364.07	100,923.15	89,839.41	122,699.06	84,124.60	107,977.63	111,833.15
North Dover Middle School	N/A	56,706	106,290.22	102,681.27	90,840.68	97,852.06	89,713.87	80,382.63	109,783.37	74,781.09	96,611.56	100,061.24
Blackwell Academy	N/A	3,482	-	-	-	5,756.00	5,461.46	4,728.39	6,457.86	4,552.40	5,683.03	5,885.96
			<u>625,236.60</u>	<u>604,007.45</u>	<u>534,356.94</u>	<u>575,600.37</u>	<u>528,127.59</u>	<u>472,839.01</u>	<u>640,248.00</u>	<u>440,221.30</u>	<u>568,303.31</u>	<u>588,595.52</u>
District Total			\$ 625,236.60	\$ 604,007.45	\$ 534,356.94	\$ 575,600.37	\$ 528,127.59	\$ 472,839.01	\$ 640,248.00	\$ 440,221.30	\$ 568,303.31	\$ 588,595.52

*School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

BOARD OF EDUCATION
TOWN OF DOVER

Insurance Schedule
2016
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Ins. Co.		
Property - Blanket Building & Contents	\$ 124,648,352	\$ 2,500
Artificial Turf	\$ 2,622,202	
Fences	\$ 85,684	
Computer Coverage	\$ 789,748	\$ 500
Band Uniforms	\$ 42,254	\$ 250
Audio Visual	\$ 36,750	\$ 500
Comprehensive General Liability - Each Occurrence	\$ 1,000,000	
- General Aggregate	\$ 2,000,000	
Products - Completed Operations	\$ 2,000,000	
Personal and Advertising Injury Limit	\$ 1,000,000	
Comprehensive Auto liability	\$ 1,000,000	
Employee Benefits Liability - Each Occurrence	\$ 1,000,000	\$ 1,000
- General Aggregate	\$ 2,000,000	
Boiler & Machinery - Selective Ins. Co.		
Property Damage	Unlimited	\$ 500
Umbrella Liability - Selective Ins. Co.		
Umbrella Policy - Each Occurrence	\$ 10,000,000	
- General Aggregate	\$ 10,000,000	
Abuse & Molestation		
School Board Legal Liability - Selective Ins. Co.		
Directors & Officers Policy - Per Claim	\$ 1,000,000	\$ 10,000
- General Aggregate	\$ 2,000,000	
Position Bond - Selective Ins. Co.		
Kelly Toohey - Treasurer of School Moneys	\$ 300,000	
Catherine M. Jenisch - Board Secretary	\$ 14,000	
Athletic Student Accident - Arch Insurance Group		
Accidental Death	\$ 10,000	
Single/Double Simemberment	\$25,000/\$50,000	
Catastrophic Coverage (all sports activities)	\$ 1,000,000	
United State Fire Insurance Co.		
Public Employees' Faithful Performance		
Blanket Position Bond - Public Official	\$ 50,000	500
Driving School License Bond	\$ 10,000	
Volunteer Accident Policy-QBE Insurance Corp		
Accidental Death Benefit	\$ 15,000	
Accident Medical Benefits	\$ 50,000	
Accidental Dismemberment Benefit	\$ 50,000	

Source: District's Records.

SINGLE AUDIT SECTION

Vincent M. Montanino, RMA, PSA
Michael S. Zambito, CPA, RMA
Antonia Russo, Associate

K-1
Sheet 1

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"

The Honorable President
Members of the Board of Education
Town of Dover School District
County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and in compliance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Dover School District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated November 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Dover School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Dover School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Dover School District's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed 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 over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Dover School District'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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of This Report

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



Vincent M. Montanino
Public School Accountant
License No. CS000495



Michael S. Zambito
Certified Public Accountant
License No. 20CC00789500

November 30, 2016

Vincent M. Montanino, RMA, PSA
Michael S. Zambito, CPA, RMA
Antonia Russo, Associate

K-2
Sheet 1

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE AS REQUIRED BY FEDERAL UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08

The Honorable President
Members of the Board of Education
Town of Dover School District
County of Morris, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Town of Dover School District's compliance with the types of compliance requirements described in the New Jersey State Aid/Grants Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016. The Town of Dover School District's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions applicable to each of its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Dover School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey Office of Management and Budget Circular Letter 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and New Jersey's OMB's Circular Letter 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Town of Dover School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Town of Dover School District, in the County of Morris, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

The management of the Board of Education of the Town of Dover School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Board of Education of the Town of Dover School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Federal Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Town of Dover School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Town of Dover School District's internal control over compliance.

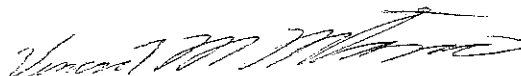
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

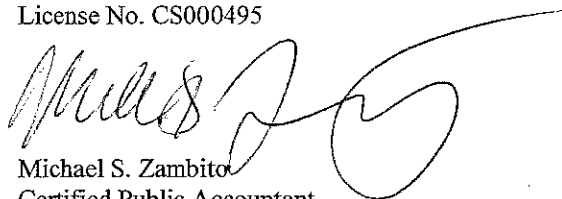
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dover Board of Education, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 30, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



Vincent M. Montanino
Public School Accountant
License No. CS000495



Michael S. Zambito
Certified Public Accountant
License No. 20CC00789500

November 30, 2016

BOARD OF EDUCATION
TOWN OF DOVER

Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2016

Federal CFDA or Grant Number	Grant Period	Award Amount	Balance July 1, 2015	Adjustments	Cash Received	Disbursements	BUDGETARY EXPENDITURES		Repayment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2016	Due to Grantor
							Accounts Payable	Encumbrances				
Federal Grantor/Program Title								Total			Deferred Revenue	
U.S. Department of Health & Human Services:												
Medicaid Reimbursement	7/1/15-6/30/16	\$ 42,993.72	\$ -	\$ -	\$ 40,585.11	\$ 42,993.72	\$ -	\$ 42,993.72	\$ -	\$ (2,398.61)	\$ -	\$ -
Medicaid Reimbursement	7/1/15-6/30/15	105,107.03	(29,692.08)	-	29,692.08	-	-	-	-	(2,398.61)	-	-
Total U.S. Department of Treasury			(29,692.08)		87,277.19	42,993.72		42,993.72				
U.S. Department of Agriculture Passed - Through State Department of Education:												
Food Distribution Program	7/1/15-6/30/16	131,966.27	201.80	-	131,692.83	131,966.27	-	131,966.27	-	-	118.36	-
School Breakfast Program	7/1/15-6/30/16	177,056.81	(33,380.59)	-	185,214.50	177,056.81	-	177,056.81	-	(11,844.31)	-	-
School Breakfast Program	7/1/14-6/30/15	150,450.59	(33,380.59)	-	33,380.59	-	-	-	-	(65,076.10)	-	-
National School Lunch Program	7/1/15-6/30/16	1,165,705.29	(227,122.08)	-	1,100,620.19	1,165,705.29	-	1,165,705.29	-	(108.17)	-	-
National School Lunch Program	7/1/14-6/30/15	1,140,756.96	(227,122.08)	-	227,122.08	-	-	-	-	(892.83)	-	-
Special Milk Program	7/1/15-6/30/16	1,594.79	(464.72)	-	1,486.82	1,594.79	-	1,594.79	-	(77,811.21)	-	-
Special Milk Program	7/1/14-6/30/15	1,987.70	(464.72)	-	464.72	-	-	-	-	-	-	-
Fresh Fruits and Vegetables	7/1/15-6/30/16	63,866.82	(290,755.59)	-	62,984.19	63,866.82	-	63,866.82	-	-	-	-
Total U.S. Department of Agriculture			(290,755.59)		1,723,154.72	1,540,181.98		1,540,181.98			118.36	
U.S. Department of Education Passed - Through State Department of Education:												
E.S.E.A. Title I	7/1/15-6/30/16	1,625,943.00	(610,193.89)	12,747.00	1,069,646.00	1,616,365.00	-	1,616,365.00	-	(556,297.00)	22,304.00	-
E.S.E.A. Title I	7/1/14-6/30/15	1,578,320.00	(17,547.45)	(7,002.11)	617,139.00	-	-	-	-	-	-	-
E.S.E.A. Title I	9/1/13-8/31/14	1,692,491.00	17,547.45	(4,184.00)	30,066.00	96,637.00	-	96,637.00	-	(83,801.00)	21,514.00	-
E.S.E.A. Title II A	7/1/15-6/30/16	113,867.00	(31,847.05)	(4,184.00)	36,032.00	-	-	-	-	-	-	-
E.S.E.A. Title II A	7/1/14-6/30/15	116,181.00	(937.32)	(87.85)	-	-	-	-	-	-	-	-
E.S.E.A. Title II A	9/1/13-8/31/14	115,356.00	87.85	(87.85)	-	-	-	-	-	-	-	-
E.S.E.A. Title II D	7/1/14-6/30/15	3,135.00	(186,659.94)	(0.26)	488,055.00	799,753.74	7,116.00	806,869.74	-	(310,815.00)	-	-
I.D.E.A. Part B, Basic	7/1/15-6/30/16	806,870.00	(186,659.94)	(0.26)	188,560.00	-	-	-	-	-	-	-
I.D.E.A. Part B, Basic	7/1/14-6/30/15	779,611.00	1,264.41	(1,264.41)	-	-	-	-	-	-	-	-
I.D.E.A. Part B, Basic	7/1/12-6/30/13	796,960.00	1,264.41	(1,264.41)	-	-	-	-	-	-	-	-
I.D.E.A. Part B, Preschool	7/1/15-6/30/16	14,927.00	(2,177.00)	-	14,550.00	14,927.00	-	14,927.00	-	(377.00)	-	-
I.D.E.A. Part B, Preschool	7/1/14-6/30/15	14,173.00	(2,177.00)	-	2,177.00	-	-	-	-	-	-	-
Emergency Immigrant Education	7/1/15-6/30/16	89,520.00	(9,865.79)	(599.21)	51,742.00	74,183.21	-	74,183.21	-	(37,778.00)	15,331.79	-
Emergency Immigrant Education	7/1/14-6/30/15	40,680.00	(9,865.79)	-	10,283.00	18.00	-	18.00	-	-	-	-
Total U.S. Department of Education			(923,649.64)	(14,892.82)	2,517,350.00	2,601,609.95	7,116.00	2,608,925.95	-	(989,066.00)	59,149.79	-
Total Federal Financial Assistance			\$ (1,111,067.31)	\$ (14,892.82)	\$ 4,307,761.91	\$ 4,184,995.65	\$ 7,116.00	\$ 4,192,111.65	\$ -	\$ (1,069,377.82)	\$ 59,268.15	\$ -

The accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

BOARD OF EDUCATION
TOWN OF DOVER

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2016

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015	Adjustments	Cash Received	BUDGETARY EXPENDITURES			Repayment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2016	Due to Grantor
							Disbursements	Accounts Payable	Encumbrances				
State Department of Education:													
General Funds:													
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	\$ 21,801,720.00	\$ (2,180,184.80)	\$ -	\$ 19,611,084.80	\$ 21,801,720.00	\$ -	\$ -	\$ (2,180,665.10)	\$ -	\$ -	\$ -
Equalization Aid	16-495-034-5120-078	7/1/14-6/30/15	21,801,720.00	(2,180,184.80)	-	2,180,184.80	21,801,720.00	-	-	(2,180,665.10)	-	-	-
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	61,795.00	(6,179.50)	-	55,615.50	61,795.00	-	-	(6,179.50)	-	-	-
Transportation Aid	16-495-034-5120-014	7/1/14-6/30/15	61,795.00	(6,179.50)	-	5,179.50	61,795.00	-	-	(6,179.50)	-	-	-
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,704,935.00	(170,489.50)	-	1,534,441.50	1,704,935.00	-	-	(170,489.50)	-	-	-
Special Education Aid	16-495-034-5120-089	7/1/14-6/30/15	1,704,935.00	(170,489.50)	-	1,704,935.00	1,704,935.00	-	-	(170,489.50)	-	-	-
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	322,897.00	(32,289.70)	-	290,607.30	322,897.00	-	-	(32,289.70)	-	-	-
Security Aid	16-495-034-5120-084	7/1/14-6/30/15	322,897.00	(32,289.70)	-	290,607.30	322,897.00	-	-	(32,289.70)	-	-	-
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	536,632.00	(53,663.20)	-	482,968.80	536,632.00	-	-	(53,663.20)	-	-	-
Under Adequacy Aid	16-495-034-5120-096	7/1/14-6/30/15	536,632.00	(53,663.20)	-	482,968.80	536,632.00	-	-	(53,663.20)	-	-	-
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	29,260.00	(2,926.00)	-	26,334.00	29,260.00	-	-	(2,926.00)	-	-	-
PARCC Readiness Aid	16-495-034-5120-098	7/1/14-6/30/15	29,260.00	(2,926.00)	-	26,334.00	29,260.00	-	-	(2,926.00)	-	-	-
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	196,256.00	(19,625.60)	-	176,630.40	196,256.00	-	-	(19,625.60)	-	-	-
Per Pupil Growth Aid	16-495-034-5120-097	7/1/14-6/30/15	196,256.00	(19,625.60)	-	176,630.40	196,256.00	-	-	(19,625.60)	-	-	-
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/15	202,184.00	(198,890.00)	-	198,890.00	202,184.00	-	-	(198,890.00)	-	-	-
Extraordinary Aid	16-100-034-5120-473	7/1/14-6/30/15	202,184.00	(198,890.00)	-	198,890.00	202,184.00	-	-	(198,890.00)	-	-	-
Reimbursed TPAF Social Security Contribution	16-495-034-5084-003	7/1/15-6/30/16	1,347,624.27	(70,097.04)	-	1,281,034.42	1,347,624.27	-	-	(66,569.85)	-	-	-
Reimbursed TPAF Social Security Contribution	16-495-034-5084-003	7/1/14-6/30/15	1,406,391.02	(70,097.04)	-	1,336,293.98	1,406,391.02	-	-	(66,569.85)	-	-	-
On-Behalf TPAF PRM Contributions	16-100-034-5085-001	7/1/15-6/30/16	1,529,179.00	-	-	1,529,179.00	1,529,179.00	-	-	-	-	-	-
On-Behalf TPAF PRM Contributions	16-100-034-5085-001	7/1/14-6/30/15	1,529,179.00	-	-	1,529,179.00	1,529,179.00	-	-	-	-	-	-
Total General Funds			29,380,487.27	(2,998,759.54)	-	29,380,487.27	29,380,487.27	-	-	(2,721,989.85)	-	-	-
Special Revenue Funds:													
Preschool Aid	16-495-034-5120-086	7/1/15-6/30/16	387,126.11	33,115.07	-	349,353.00	387,126.11	-	-	(38,817.00)	1,043.89	-	-
Preschool Aid	16-495-034-5120-086	7/1/14-6/30/15	337,095.00	33,115.07	-	33,709.50	66,824.57	-	-	(38,817.00)	1,043.89	-	-
Charter Education	08-100-034-5120-053	7/1/05-6/30/06	7,740.00	1,532.90	(1,532.90) (A)	333,195.00	225,435.55	129.00	1,402.75	-	-	105,230.70	61,744.83
School Based Youth Services	1630-100-016-1630-013	7/1/15-6/30/16	333,196.00	61,744.83	-	333,196.00	225,435.55	129.00	1,402.75	-	-	105,230.70	61,744.83
School Based Youth Services	1630-100-016-1630-013	7/1/14-6/30/15	341,698.00	61,744.83	-	333,196.00	225,435.55	129.00	1,402.75	-	-	105,230.70	61,744.83
Total Special Revenue Funds			661,817.98	96,392.80	(1,532.90)	716,280.50	690,389.23	129.00	1,402.75	(38,817.00)	106,274.59	-	61,744.83
Enterprise Funds:													
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	22,496.45	(4,461.92)	-	21,246.86	22,496.45	-	-	(1,249.59)	-	-	-
State School Lunch Program	16-100-010-3350-023	7/1/14-6/30/15	22,650.11	(4,461.92)	-	4,461.90	22,496.45	-	-	(1,249.59)	-	-	-
Total Enterprise Funds			44,146.56	(8,923.84)	-	41,713.72	44,146.56	-	-	(2,499.18)	-	-	-
Total All Funds													
			\$ 30,099,227.22	\$ (2,606,828.64)	\$ (1,532.90)	\$ 30,099,227.22	\$ 30,083,369.95	\$ 129.00	\$ 1,402.75	\$ (2,762,053.44)	\$ 106,274.59	\$ -	\$ 61,744.83
State Financial Assistance Not Subject To Major Program Determination:													
General Funds:													
On-Behalf TPAF PRM Contributions	16-100-034-5085-001	7/1/15-6/30/16	1,820,829.00	-	-	(1,820,829.00)	(1,820,829.00)	-	-	-	(1,820,829.00)	-	-
On-Behalf TPAF PRM Contributions	16-495-034-5084-006	7/1/15-6/30/16	1,529,179.00	-	-	(1,529,179.00)	(1,529,179.00)	-	-	-	(1,529,179.00)	-	-
Total State Financial Assistance Subject to Single Audit			\$ 26,749,219.22	\$ (2,606,828.64)	\$ (1,532.90)	\$ 26,749,219.22	\$ 26,733,361.95	\$ 129.00	\$ 1,402.75	\$ (2,762,053.44)	\$ 106,274.59	\$ -	\$ 61,744.83

(A) - Cancelled

The accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Town of Dover School District Board of Education. The Board of Education is defined in Note I.B. to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I.E and Note I.F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent year due to the state deferral and recording of one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(30,470.50) for the general fund and \$(13,626.25) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 42,993.72	\$29,350,016.77	\$29,393,010.49
Special Revenue Fund	2,601,809.95	675,407.73	3,277,217.68
Food Service Fund	<u>1,540,191.98</u>	<u>22,496.45</u>	<u>1,562,688.43</u>
 Total Awards and Financial Assistance	 <u>\$4,184,995.65</u>	 <u>\$30,047,920.95</u>	 <u>\$34,232,916.60</u>

Note 4: 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 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

Note 6: On-Behalf Programs Not Subject to State Single Audit

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

BOARD OF EDUCATION
TOWN OF DOVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditor’s report issued: Unmodified
- B) Internal Control over financial reporting:
- 1) Material weakness(es) identified? _____yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? _____yes X no
- C) Noncompliance material to basic financial statements noted? _____yes X no

Federal Awards Section

- D) Dollar threshold used to determine Type A programs \$750,000.00 _____
- E) Auditee qualified as low-risk auditee? _____yes X no _____n/a
- F) Type of auditor’s report on compliance for major programs _____Unmodified_____
- G) Internal Control over compliance:
- 1) Material weakness(es) identified? _____yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? _____yes X no
- H) Any audit findings disclosed that are required to be reported in accordance with Federal Uniform Guidance? _____yes X no

I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	N.C.L.B. Title I
10.553/10.555/10.556	Child Nutrition Cluster
84.027A/84.173A	IDEA. Part B, Basic/Preschool Cluster

BOARD OF EDUCATION
TOWN OF DOVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Part I – Summary of Auditor’s Results (Continued)

State Financial Assistance Section

- J) Dollar threshold used to determine Type A Programs \$802,047.00
- K) Auditee qualified as low-risk auditee? ___ yes no ___ n/a
- L) Type of auditor’s report on compliance for major programs. ___ Unmodified ___
- M) Internal Control over compliance:
 - 1) Material weakness(es) identified? ___ yes ___ no
 - 2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ yes ___ no
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? ___ yes ___ no

O) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
16-495-034-5120-078	STATE AID CLUSTER: Equalization Aid
16-495-034-5120-089	Special Education Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-096	Under Adequacy Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-014	Transportation Aid
16-495-034-5094-003	Reimbursed TPAF Social
	Security Contribution

BOARD OF EDUCATION
TOWN OF DOVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

Not Applicable

BOARD OF EDUCATION
TOWN OF DOVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016
(CONTINUED)

Part 3 – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Federal Uniform Guidance and New Jersey OMB's Circular 15-08.

Not Applicable

BOARD OF EDUCATION
TOWN OF DOVER

SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2016

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, Federal Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Not Applicable