

**SCHOOL DISTRICT OF THE
TOWN OF DOVER
COUNTY OF MORRIS, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

**BOARD OF EDUCATION
TOWN OF DOVER
STATE OF NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

PREPARED BY

**DOVER BOARD OF EDUCATION
FINANCE OFFICE**

**TOWN OF DOVER
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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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**

December 4, 2017

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, 2017 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, 2017, 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 2016-2017 fiscal year with an average daily enrollment of 3,224.0 students, which is 7.6 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>
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%
2016-17	3,224.0	0.24%

- 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 District's 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 District's 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, 2017, the District's outstanding debt issues consisted of 2012 Refunded Bond issue in the amount of \$5,350,000, 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.

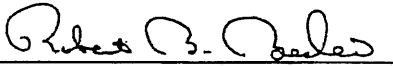
- 9) **RISK MANAGEMENT:** The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

10) **OTHER INFORMATION:**

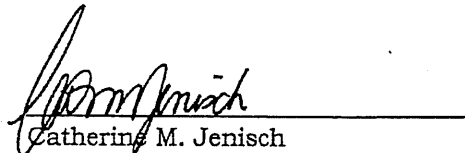
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A. was selected by the Board to perform that service. In addition to meeting the requirements set forth 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,

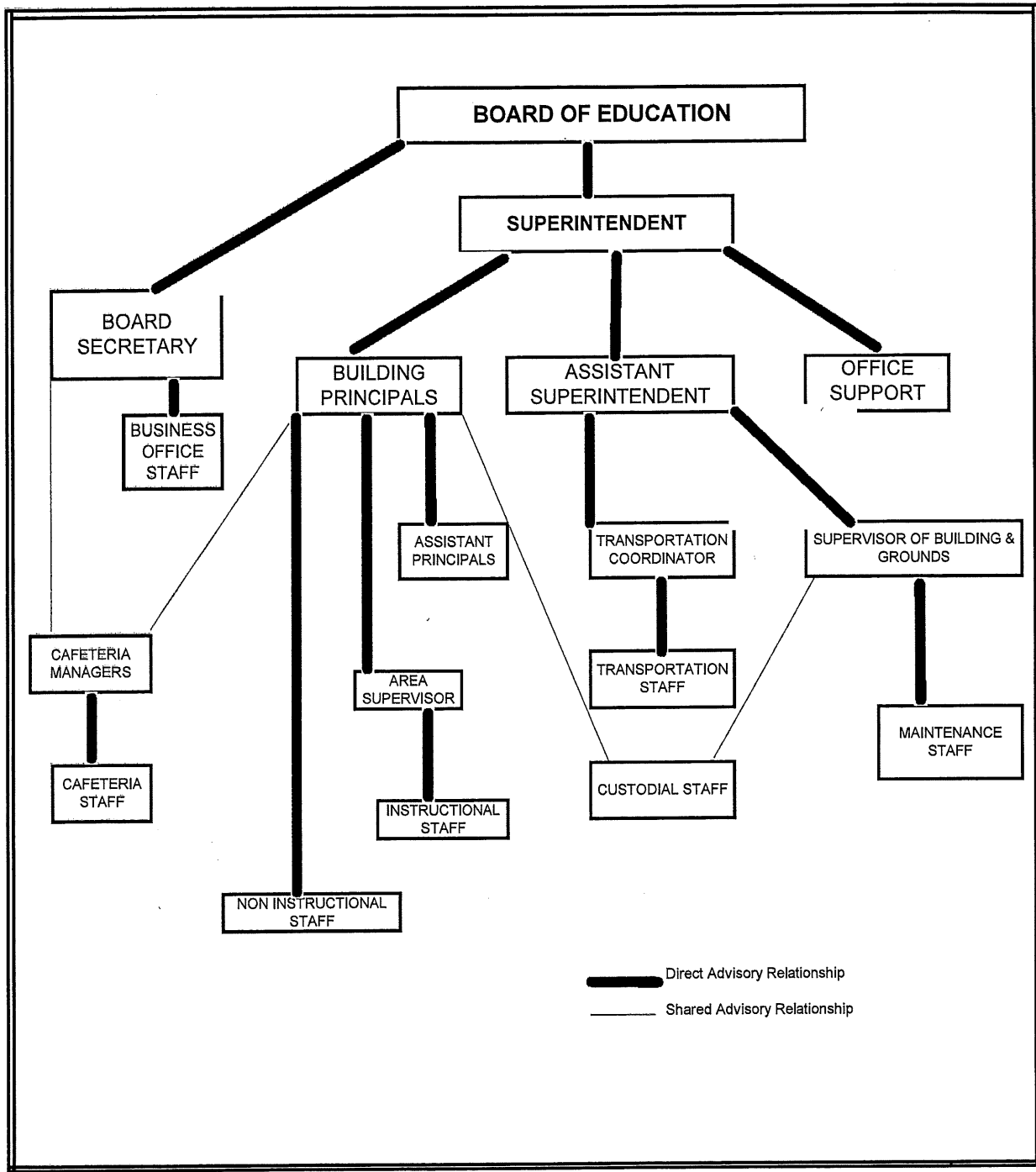


Robert B. Becker
Superintendent



Catherine M. Jenisch
Business Administrator/
Board Secretary

TOWN OF DOVER BOARD OF EDUCATION ORGANIZATION CHART



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

**ROSTER OF OFFICIALS
JUNE 30, 2017**

<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
Peter Bruseo	Member	2017
Linda Mullin	Member	2018
Maria Rosario	Member	2018
Michael Scarneo	Member	2018
Jo Ann Dodd	Member	2019
Karol Ruiz	Member	2019
Kimberly Philips	Member	2019

Other Officials

Robert B. Becker, Superintendent

Catherine M. Jenisch, Business Administrator/Board Secretary

Kelly Toohey, Treasurer

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

CONSULTANTS AND ADVISORS

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Board Attorney

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Adams. Gutierrez & Lattiboudere
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Official Depository

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Dover, New Jersey 07801

FINANCIAL SECTION

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Vincent M. Montanino, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Town of Dover School District
County of Morris, New Jersey 07420

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 Board of Education of the Town of Dover School District, in the County of Morris, State of New Jersey, as of and for the year ended June 30, 2017, 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

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

Honorable President and
Members of the Board of Education
Page 2.

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 basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dover Board of Education, in the County of Morris, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, and Schedules related to Accounting and Reporting for Pensions identified in the table of contents, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable President and
Members of the Board of Education
Page 3.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dover Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements and 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 Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the 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 Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08 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 non-major fund financial statements, 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 Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2017 on our consideration of the Town of Dover Board of Education'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

Honorable President and
Members of the Board of Education
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of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Dover Board of Education's internal control over financial reporting and compliance.



Vincent M. Montanino
Licensed Public School Accountant
No. 20CS000495

Ferraioli, Wielkatz, Cerullo & Cuva, PA

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

Newton, New Jersey

December 4, 2017

REQUIRED SUPPLEMENTARY INFORMATION

PART I

TOWN OF DOVER SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(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, 2017. 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 \$22,844,966.93 (net position).
- The District's total net position increased \$745,382.94. The increase is attributable to revenues exceeding expenditures.
- General revenues accounted for \$36,843,953.94 or 60.6 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$23,935,760.64 or 39.4 percent of total revenues of \$60,779,714.58.
- The District had \$58,094,429.01 in expenses related to governmental activities; only \$21,989,925.27 was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes, federal and state aid) of \$36,778,023.30 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$45,711,369.93 in revenues and \$46,696,189.10 in expenditures. The General Fund's fund balance decreased \$984,819.17 from the June 30, 2016 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 \$22.0 million to \$22.8 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 Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 9,331,843.09	\$ 8,716,723.06	\$ 830,100.01	\$ 734,314.07	\$ 10,161,943.10	\$ 9,451,037.13
Capital Assets	30,520,173.23	28,729,493.00	162,997.50	82,450.00	30,683,170.73	28,811,943.00
Total Assets	<u>39,852,016.32</u>	<u>37,446,216.06</u>	<u>993,097.51</u>	<u>816,764.07</u>	<u>40,845,113.83</u>	<u>38,262,980.13</u>
Deferred Outflows	4,014,700.00	1,221,354.00			4,014,700.00	1,221,354.00
Long-term Debt Outstanding	18,465,321.00	6,288,851.00	3,696.00		18,469,017.00	6,288,851.00
Other Liabilities	2,826,150.54	10,142,490.84	36,002.36	19,684.30	2,862,152.90	10,162,175.14
Total Liabilities	<u>21,291,471.54</u>	<u>16,431,341.84</u>	<u>39,698.36</u>	<u>19,684.30</u>	<u>21,331,169.90</u>	<u>16,451,026.14</u>
Deferred Inflows	683,677.00	1,018,177.00			683,677.00	1,018,177.00
Net Position:						
Net Investment in Capital Assets	25,170,173.23	22,854,493.00	162,997.50	82,450.00	25,333,170.73	22,936,943.00
Restricted	8,279,010.37	9,378,478.28			8,279,010.37	9,378,478.28
Unrestricted (deficit)	<u>(11,557,615.82)</u>	<u>(11,014,923.06)</u>	<u>790,401.65</u>	<u>714,629.77</u>	<u>(10,767,214.17)</u>	<u>(10,300,293.29)</u>
Total Net Position	<u>\$ 21,891,567.78</u>	<u>\$ 21,218,048.22</u>	<u>\$ 953,399.15</u>	<u>\$ 797,079.77</u>	<u>\$ 22,844,966.93</u>	<u>\$ 22,015,127.99</u>

- Net position of the District's governmental activities increased by 3.17 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 – increased \$542,692.76.
- Restricted net position, those restricted mainly for future capital projects, maintenance and outstanding encumbrances decreased \$1,099,467.91.
- The net investment in capital assets category increased by \$2,315,680.23 due to the various capital improvements completed in 2016-2017 less the annual depreciation expense.

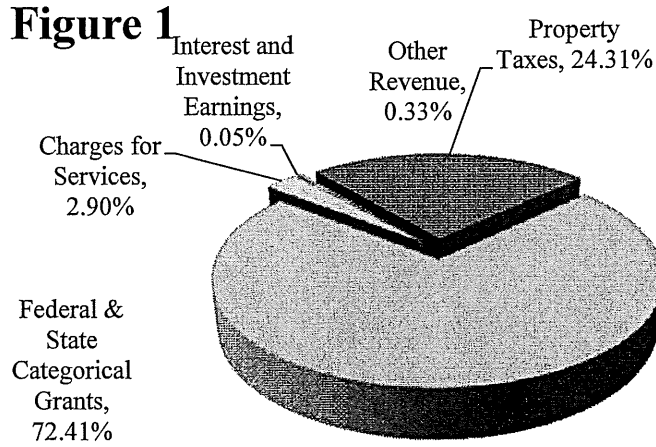
Table 2

Changes in Net Position

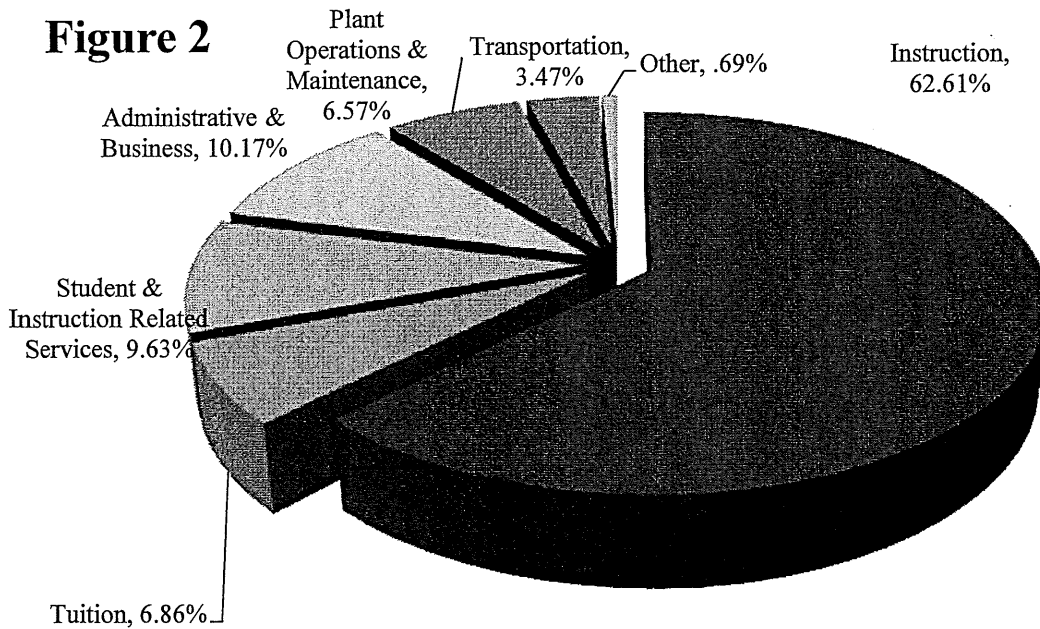
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services	\$ 1,706,144.00	\$ 2,069,694.00	\$ 322,335.42	\$ 336,978.92	\$ 2,028,479.42	\$ 2,406,672.92
Operating Grants and Contributions	20,283,781.27	18,024,879.69	1,623,499.95	1,562,604.99	21,907,281.22	19,587,484.68
General Revenues:						
Property Taxes	14,299,982.00	13,619,030.50			14,299,982.00	13,619,030.50
Federal and State Aid	22,318,614.08	22,266,015.98			22,318,614.08	22,266,015.98
Interest and Investment Earnings	31,790.58	36,811.74	2,262.64	2,129.41	34,053.22	38,941.15
Other General Revenues	191,304.64	405,857.17	-	-	191,304.64	405,857.17
Special Item - Prior Year						
Adjustment to Fixed Assets	-	811,149.21	-	4,477.00	-	815,626.21
Total Revenues:	58,831,616.57	57,233,438.29	1,948,098.01	1,906,190.32	60,779,714.58	59,139,628.61
Program Expenses Including Indirect Expenses						
Instruction:						
Regular	29,583,414.21	27,371,930.31			29,583,414.21	27,371,930.31
Special	3,867,804.22	3,459,092.91			3,867,804.22	3,459,092.91
Other Instruction	2,961,442.96	2,867,642.52			2,961,442.96	2,867,642.52
Support Services:						
Tuition	3,990,060.25	3,600,982.19			3,990,060.25	3,600,982.19
Student and Instruction Related Services	5,598,811.17	5,442,880.21			5,598,811.17	5,442,880.21
School Administrative Services	3,573,861.27	3,439,351.92			3,573,861.27	3,439,351.92
General and Business Administrative Services	2,343,115.67	2,188,840.82			2,343,115.67	2,188,840.82
Plant Operations and Maintenance	3,818,920.86	3,949,708.90			3,818,920.86	3,949,708.90
Pupil Transportation	2,020,344.90	1,942,125.07			2,020,344.90	1,942,125.07
Charter Schools	66,000.00	66,535.00			66,000.00	66,535.00
Debt Service Assessment	72,816.00	72,816.00			72,816.00	72,816.00
Interest on Long-Term Debt	197,837.50	208,112.50			197,837.50	208,112.50
Special Item - Prior Year						
Adjustment to Fixed Assets	63,668.00	-			63,668.00	-
Business-Type Activities:						
Food Services	-	-	1,876,234.63	1,843,802.52	1,876,234.63	1,843,802.52
Total Expenses	58,158,097.01	54,610,018.35	1,876,234.63	1,843,802.52	60,034,331.64	56,453,820.87
Increase in Net Position	673,519.56	2,623,419.94	71,863.38	62,387.80	745,382.94	2,685,807.74
Net Position-Beginning 7/1, as Restated	21,218,048.22	18,594,628.28	881,535.77	734,691.97	22,099,583.99	19,329,320.25
Net Position-Ending 6/30	\$ 21,891,567.78	\$ 21,218,048.22	\$ 953,399.15	\$ 797,079.77	\$ 22,844,966.93	\$ 22,015,127.99

Governmental Activities

Revenue Sources. The District's total revenue for the 2016-2017 school year was \$58,831,616.57 (See Table 2). State formula aid and categorical grants accounted for most of the District's revenue with \$42,602,395.35 of the total, or 72.41 percent (See Figure 1). Property taxes of \$14,299,982.00 accounted for 24.31 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 \$58,158,097.01. The District's expenses are predominantly related to instructing, tuition, caring for (pupil and instruction services) and transporting students (82.57 percent) (See Figure 2). The District's administrative and maintenance activities accounted for 16.74 percent of total costs. It is important to note that depreciation of \$1,285,749.00 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	
	2016/2017	2015/2016	2016/2017	2015/2016
Instruction	\$ 36,412,661.39	\$ 33,698,665.74	\$ 20,457,756.99	\$ 19,308,373.95
Tuition	3,990,060.25	3,600,982.19	3,990,060.25	3,600,982.19
Student and Instruction Services	5,598,811.17	5,442,880.21	2,463,358.73	2,423,351.89
Administrative and Business	5,916,976.94	5,628,192.74	4,056,393.26	4,073,232.12
Maintenance and Operations	3,818,920.86	3,949,708.90	3,084,132.63	3,277,302.67
Transportation	2,020,344.90	1,942,125.07	1,716,148.38	1,692,850.84
Other	400,321.50	347,463.50	336,653.50	139,351.00
	<u>\$ 58,158,097.01</u>	<u>\$ 54,610,018.35</u>	<u>\$ 36,104,503.74</u>	<u>\$ 34,515,444.66</u>

- The cost of all governmental activities this year was \$58.158 million.
- Most of the District’s costs, however, were subsidized with federal and state grants and contributions (\$42.602 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 \$6,984,005.54.

As demonstrated by the various statements, the District maintains a sound financial position. The information below compares revenues for 2016-2017 and 2015-2016.

Table 4

<u>Revenues by Source:</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>% Change</u>
Local Tax Levy	\$ 14,299,982.00	\$ 13,827,143.00	3.42%
Tuition Charges	1,706,144.00	2,069,694.00	-17.57%
Interest Earned to Investments	31,790.58	36,811.74	-13.64%
Miscellaneous	<u>191,304.64</u>	<u>405,857.17</u>	-52.86%
Total - Local Sources	16,229,221.22	16,339,505.91	-0.67%
State Sources	30,677,883.03	30,025,424.50	2.17%
Federal Sources	<u>2,698,064.32</u>	<u>2,644,803.67</u>	2.01%
Total Revenues	<u>\$ 49,605,168.57</u>	<u>\$ 49,009,734.08</u>	1.21%

The decrease in miscellaneous is mainly attributable to a decrease in miscellaneous prior year reimbursements.

The decrease in Tuition Charges is due to an increased negative Tuition adjustment for the prior year's tuition resulting from the certified costs decreasing.

THE DISTRICT'S FUNDS (Continued)

The information below compares expenditures for 2016-2017 and 2015-2016:

Table 5

<u>Expenditures by Function:</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>% Change</u>
Current:			
Regular Instruction	\$ 16,047,692.96	\$ 15,662,455.73	2.46%
Special Education	1,786,375.09	1,638,742.11	9.01%
Other Instruction	1,525,203.70	1,540,042.44	-0.96%
Support Services and Undistributed Costs:			
Tuition	3,990,060.25	3,600,982.19	10.80%
Student and Instruction Related Services	3,321,665.17	3,368,253.36	-1.38%
School Administrative Services	1,756,054.26	1,791,299.52	-1.97%
General and Business Administrative Services	1,377,541.05	1,370,709.93	0.50%
Plant Operations and Maintenance	2,722,224.71	2,913,441.56	-6.56%
Pupil Transportation	1,595,339.60	1,577,998.36	1.10%
Employee Benefits	12,453,253.72	11,818,693.65	5.37%
Capital Outlay	3,140,097.23	3,283,055.79	-4.35%
Capital Outlay-Debt Service Assessment	72,816.00	72,816.00	0.00%
Charter School	66,000.00	66,535.00	-0.80%
Debt Service:			
Principal	525,000.00	510,000.00	2.94%
Interest on Long-Term Debt	200,462.50	210,662.50	-4.84%
Total Expenditures	<u>\$ 50,579,786.24</u>	<u>\$ 49,425,688.14</u>	2.34%

Tuition increased \$389,078.06 primarily due to an increase in Special Education 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 \$71,863.38. Charges for food service represented \$322,335.42 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 \$1,623,499.95.

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	\$ 993,097.51
Net Position	953,399.15
Change in Net Position	71,863.38
Return on Ending Total Assets	7.24%
Return on Ending Net Position	7.54%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table 7

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u> Restated	<u>2017</u>	<u>2016</u> Restated
Land	\$ 497,100.00	\$ 497,100.00	\$ -	\$ -	\$ 497,100.00	\$ 497,100.00
Buildings & Improvements	46,312,544.00	43,921,396.00	-	-	46,312,544.00	43,921,396.00
Machinery and Equipment	4,442,283.00	4,280,869.00	519,595.00	504,407.00	4,961,878.00	4,785,276.00
Construction-in-Progress	<u>411,158.23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>411,158.23</u>	<u>-</u>
Subtotal	51,663,085.23	48,699,365.00	519,595.00	504,407.00	52,182,680.23	49,203,772.00
Accumulated Depreciation	<u>(21,142,912.00)</u>	<u>(19,969,872.00)</u>	<u>(356,598.00)</u>	<u>(337,501.00)</u>	<u>(21,499,510.00)</u>	<u>(20,307,373.00)</u>
Totals	<u>\$ 30,520,173.23</u>	<u>\$ 28,729,493.00</u>	<u>\$ 162,997.00</u>	<u>\$ 166,906.00</u>	<u>\$ 30,683,170.23</u>	<u>\$ 28,896,399.00</u>

This year's major changes in the Governmental Activities included various District building site, renovation and improvement projects not limited to asphalt parking lot and curbing at Dover High School and North Dover Elementary. Roof Repairs were completed at Dover High School, as well as, the Hamilton Field House renovation was accomplished. Athletic, office and maintenance equipment was purchased, as well as, technology equipment including Promethean Boards and a new District Firewall/Web Filter.

More detailed information about the District capital assets is presented in the notes to the basic financial statements.

The 2017-2018 budget calls for capital outlay expenditures in the amount of \$788,777 which includes \$72,816 for the State of New Jersey assessment for Debt Service, \$714,961 for Capital Reserve-Transfer to Repayment of Debt, and \$1000 for Interest Deposit to Capital Reserve. 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 \$18.4 million outstanding versus \$15.5 last year – an increase of 18.4 percent – as shown in Table 8.

Outstanding Debt, at Year-End
Table 8

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Serial Bonds	\$ 5,350,000.00	\$ 5,875,000.00
Net Pension Liability	12,735,438.00	9,305,665.00
Compensated Absences	<u>379,883.00</u>	<u>413,851.00</u>
	<u>\$ 18,465,321.00</u>	<u>\$ 15,594,516.00</u>

The District continues to pay down its debt as scheduled, retiring \$525,000 of its outstanding serial bonds. The District’s accrued Compensated Absences decreased by \$33,968.00 from 2016.

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

FACTORS BEARING ON THE DISTRICT’S FUTURE

In preparing the 2017-2018 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 state legislation. This legislation allows for banked cap utilization and certain adjustments beyond the “2% cap” on the local tax levy. Therefore, in the preparation of the 2017-2018 budget, the Dover District did utilize the 2014-2015 banked cap and left the 2015-2016 banked cap for future budget use if necessary.

The Board has opted to prepare its 2017-2018 budget with a tax levy increase. This is the first increase in years. The 2017-2018 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 2017-2018 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

DISTRICT-WIDE FINANCIAL STATEMENTS

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Net Position
June 30, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents		\$ 706,165.59	\$ 706,165.59
Receivables, Net	1,373,717.29	112,834.88	1,486,552.17
Internal Balances	(6,049.21)	6,049.21	-
Inventory		5,050.33	5,050.33
Restricted Assets:			
Capital Reserve Account - Cash	7,047,175.01		7,047,175.01
Maintenance Reserve Account - Cash	917,000.00		917,000.00
Capital Assets Not Being Depreciated	908,258.23		908,258.23
Capital Assets Being Depreciated	<u>29,611,915.00</u>	<u>162,997.50</u>	<u>29,774,912.50</u>
Total Assets	<u>39,852,016.32</u>	<u>993,097.51</u>	<u>40,845,113.83</u>
DEFERRED OUTFLOWS			
Pension Deferred Outflows	<u>4,014,700.00</u>	<u>-</u>	<u>4,014,700.00</u>
LIABILITIES			
Accounts Payable	1,026,624.04	36,002.36	1,062,626.40
Cash Deficit	1,692,762.06		1,692,762.06
Payable to Federal Government	1,131.00		1,131.00
Unearned Revenue	58,142.81		58,142.81
Accrued Interest Payable	47,490.63		47,490.63
Noncurrent Liabilities:			
Due Within One Year	525,000.00		525,000.00
Due Beyond One Year	<u>17,940,321.00</u>	<u>3,696.00</u>	<u>17,944,017.00</u>
Total Liabilities	<u>21,291,471.54</u>	<u>39,698.36</u>	<u>21,331,169.90</u>
DEFERRED INFLOWS			
Pension Deferred Inflows	<u>683,677.00</u>	<u>-</u>	<u>683,677.00</u>
NET POSITION			
Net Investment in Capital Assets	25,170,173.23	162,997.50	25,333,170.73
Restricted For:			
Special Revenue Fund	(28,616.00)		(28,616.00)
Capital Reserve	7,047,175.01		7,047,175.01
Maintenance Reserve	917,000.00		917,000.00
Debt Service	2.64		2.64
Other Purposes	343,448.72		343,448.72
Unrestricted	<u>(11,557,615.82)</u>	<u>790,401.65</u>	<u>(10,767,214.17)</u>
Total Net Position	<u>\$ 21,891,567.78</u>	<u>\$ 953,399.15</u>	<u>\$ 22,844,966.93</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, 2017**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 29,583,414.21	\$ 1,706,144.00	\$ 10,604,956.00	\$(17,272,314.21)	\$ -	\$(17,272,314.21)
Special Education	3,867,804.22		2,713,417.69	(1,154,386.53)		(1,154,386.53)
Other	2,961,442.96		930,386.71	(2,031,056.25)		(2,031,056.25)
Support Services:						
Tuition	3,990,060.25			(3,990,060.25)		(3,990,060.25)
Student and Instruction Related Services	5,598,811.17		3,135,452.44	(2,463,358.73)		(2,463,358.73)
School Administrative Services	3,573,861.27		1,250,481.16	(2,323,380.11)		(2,323,380.11)
General and Business Administrative Services	2,343,115.67		610,102.52	(1,733,013.15)		(1,733,013.15)
Plant Operations and Maintenance	3,818,920.86		734,788.23	(3,084,132.63)		(3,084,132.63)
Pupil Transportation	2,020,344.90		304,196.52	(1,716,148.38)		(1,716,148.38)
Charter Schools	66,000.00			(66,000.00)		(66,000.00)
Debt Service Assessment	72,816.00			(72,816.00)		(72,816.00)
Interest on Long-Term Debt	197,837.50		-	(197,837.50)		(197,837.50)
Total Governmental Activities	<u>58,094,429.01</u>	<u>1,706,144.00</u>	<u>20,283,781.27</u>	<u>(36,104,503.74)</u>	<u>-</u>	<u>(36,104,503.74)</u>
Business-Type Activities:						
Food Service	1,875,778.29	322,335.42	1,623,043.61	-	69,600.74	69,600.74
Latchkey Program	1,875,778.29	322,335.42	1,623,043.61	-	69,600.74	69,600.74
Food Service	59,970,207.30	2,028,479.42	21,906,824.88	(36,104,503.74)	69,600.74	(36,034,903.00)
Total Business-Type Activities						
Total Primary Government						
				<u>\$ 13,574,519.00</u>	<u>\$ -</u>	<u>\$ 13,574,519.00</u>
				725,463.00		725,463.00
				22,318,614.08	2,262.64	22,318,614.08
				31,790.58		34,053.22
				191,304.64		191,304.64
				(63,668.00)		(63,668.00)
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>36,778,023.30</u>	<u>2,262.64</u>	<u>36,780,285.94</u>
Change in Net Position				673,519.56	71,863.38	745,382.94
Net Position—Beginning (Restated Business-Type Activities)				21,218,048.22	881,535.77	22,099,583.99
Net Position—Ending				<u>\$ 21,891,567.78</u>	<u>\$ 953,399.15</u>	<u>\$ 22,844,966.93</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	\$ 13,574,519.00
Property Taxes, Levied for Debt Service Principal	725,463.00
Federal and State Aid Not Restricted	22,318,614.08
Investment Earnings	31,790.58
Miscellaneous Income	191,304.64
Special Item - Loss on Disposal of Fixed Assets	(63,668.00)
Total General Revenues, Special Items, Extraordinary Items and Transfers	<u>36,778,023.30</u>
Change in Net Position	673,519.56

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

FUND FINANCIAL STATEMENTS

**BOARD OF EDUCATION
TOWN OF DOVER
Balance Sheet
Governmental Funds
June 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents			\$ 2.64	\$ 2.64
Interfunds Receivable	824,455.34		-	824,455.34
Receivables From Other Governments		856,609.00		856,609.00
Tuition Receivable	164,746.98			164,746.98
Intergovernmental Accounts Receivable - State	351,983.23			351,983.23
Intergovernmental Accounts Receivable - Federal	378.08			378.08
Restricted Cash and Cash Equivalents	<u>7,964,175.01</u>	<u>-</u>	<u>-</u>	<u>7,964,175.01</u>
Total Assets	<u>\$ 9,305,738.64</u>	<u>\$ 856,609.00</u>	<u>\$ 2.64</u>	<u>\$ 10,162,350.28</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash Deficit	1,692,764.70			\$ 1,692,764.70
Accounts Payable	\$ 622,919.19	\$ 1,495.85	\$ -	\$ 624,415.04
Interfunds Payable	6,049.21	824,455.34		830,504.55
Payable to Federal Government	-	1,131.00		1,131.00
Unearned Revenue	-	<u>58,142.81</u>	<u>-</u>	<u>58,142.81</u>
Total Liabilities	<u>2,321,733.10</u>	<u>885,225.00</u>	<u>-</u>	<u>3,206,958.10</u>
Fund Balances:				
Restricted For:				
Maintenance Reserve Account	917,000.00			917,000.00
Capital Reserve Account	7,047,175.01			7,047,175.01
Assigned:				
Other Purposes - Encumbrances	303,048.72			303,048.72
Unreserved - Designated For Subsequent Year's Expenditures	40,400.00			40,400.00
Unassigned, Reported In:				
General Fund	(1,323,618.19)			(1,323,618.19)
Special Revenue Fund		(28,616.00)		(28,616.00)
Debt Service Fund	-	-	2.64	2.64
Total Fund Balances	<u>6,984,005.54</u>	<u>(28,616.00)</u>	<u>2.64</u>	<u>6,955,392.18</u>
Total Liabilities and Fund Balances	<u>\$ 9,305,738.64</u>	<u>\$ 856,609.00</u>	<u>\$ 2.64</u>	

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

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(47,490.63)
Accounts Payable for subsequent Pension payment is not a payable in the funds	(402,209.00)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$51,663,085.23 and the accumulated depreciation is \$21,142,912.00.	30,520,173.23
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.	4,014,700.00
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.	(683,677.00)
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.	<u>(18,465,321.00)</u>
Net Position of Governmental Activities	<u>\$ 21,891,567.78</u>

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, 2017

	<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	\$ 13,574,519.00	\$ -	\$ 725,463.00	\$ 14,299,982.00
Tuition Charges	1,706,144.00			1,706,144.00
Interest Earned on Investments	31,790.58			31,790.58
Miscellaneous	<u>191,304.64</u>	<u>-</u>	<u>-</u>	<u>191,304.64</u>
Total - Local Sources	15,503,758.22	-	725,463.00	16,229,221.22
State Sources	30,119,046.39	558,836.64	-	30,677,883.03
Federal Sources	<u>88,565.32</u>	<u>2,609,499.00</u>	<u>-</u>	<u>2,698,064.32</u>
Total Revenues	<u>45,711,369.93</u>	<u>3,168,335.64</u>	<u>725,463.00</u>	<u>49,605,168.57</u>
EXPENDITURES				
Current:				
Regular Instruction	14,557,355.66	1,490,337.30		16,047,692.96
Special Education Instruction	1,786,375.09	-		1,786,375.09
Other Instruction	1,525,203.70			1,525,203.70
Support Services and Undistributed Costs:				
Tuition	3,990,060.25			3,990,060.25
Student and Instruction Related Services	2,395,392.32	926,272.85		3,321,665.17
School Administrative Services	1,756,054.26			1,756,054.26
General and Business Administrative Services	1,377,541.05			1,377,541.05
Plant Operations and Maintenance	2,722,224.71			2,722,224.71
Pupil Transportation	1,595,339.60			1,595,339.60
Unallocated Benefits	11,711,729.23	741,524.49		12,453,253.72
Transfer to Charter School	66,000.00			66,000.00
Capital Outlay	3,140,097.23	-		3,140,097.23
Capital Outlay - Debt Service Assessment	72,816.00			72,816.00
Debt Service:				
Principal			525,000.00	525,000.00
Interest and Other Charges	<u>-</u>	<u>-</u>	<u>200,462.50</u>	<u>200,462.50</u>
Total Expenditures	<u>46,696,189.10</u>	<u>3,158,134.64</u>	<u>725,462.50</u>	<u>50,579,786.24</u>
Net Change in Fund Balances	(984,819.17)	10,201.00	0.50	(974,617.67)
Fund Balance—July 1	<u>7,968,824.71</u>	<u>(38,817.00)</u>	<u>2.14</u>	<u>7,930,009.85</u>
Fund Balance—June 30	<u>\$ 6,984,005.54</u>	<u>\$ (28,616.00)</u>	<u>\$ 2.64</u>	<u>\$ 6,955,392.18</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, 2017**

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ (974,617.67)**

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	\$ 200,462.50	
Interest Accrued	<u>(197,837.50)</u>	
		2,625.00

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	(1,285,749.00)	
Capital Outlays	<u>3,140,097.23</u>	
		1,854,348.23

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 (+).

33,968.00

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	525,000.00
----------------	------------

District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	382,008.00	
Less: Pension Expense	<u>(1,086,144.00)</u>	
(Increase)/Decrease in Pension Expense		(704,136.00)

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Pension	9,226,448.00
Increase in On-behalf TPAF Pension Expense	<u>(9,226,448.00)</u>

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed.(-)

(63,668.00)

Change in Net Position of Governmental Activities

\$ 673,519.56

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

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Net Position
Proprietary Funds
June 30, 2017**

	Business-Type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 706,165.59	\$ 706,165.59
Interfund Receivable	6,049.21	6,049.21
Accounts Receivable	112,834.88	112,834.88
Inventories	<u>5,050.33</u>	<u>5,050.33</u>
Total Current Assets	<u>830,100.01</u>	<u>830,100.01</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	519,595.50	519,595.50
Less Accumulated Depreciation	<u>(356,598.00)</u>	<u>(356,598.00)</u>
Total Noncurrent Assets	<u>162,997.50</u>	<u>162,997.50</u>
Total Assets	<u>993,097.51</u>	<u>993,097.51</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>36,002.36</u>	<u>36,002.36</u>
Total Current Liabilities	<u>36,002.36</u>	<u>36,002.36</u>
Noncurrent Liabilities:		
Compensated Absences	<u>3,696.00</u>	<u>3,696.00</u>
Total Noncurrent Liabilities	<u>3,696.00</u>	<u>3,696.00</u>
Total Liabilities	<u>39,698.36</u>	<u>39,698.36</u>
NET POSITION		
Investment in Capital Assets	162,997.50	162,997.50
Unrestricted	<u>790,401.65</u>	<u>790,401.65</u>
Total Net Position	<u>\$ 953,399.15</u>	<u>\$ 953,399.15</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, 2017**

	Business-Type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 161,120.64	\$ 161,120.64
Daily Sales - Non-Reimbursable Programs	154,802.18	154,802.18
Special Functions	6,412.60	6,412.60
Total Operating Revenues	<u>322,335.42</u>	<u>322,335.42</u>
Operating Expenses:		
Cost of Sales - Reimbursable	779,462.86	779,462.86
Cost of Sales - Non-Reimbursable	102,804.66	102,804.66
Salaries	551,137.38	551,137.38
Employee Benefits	224,855.83	224,855.83
Purchased Property Service	103,725.99	103,725.99
Other Purchased Services	18,591.56	18,591.56
Cleaning, Repair and Maintenance Services	19,135.40	19,135.40
Compensated Absences Accrual	128.00	128.00
Miscellaneous Expenses	120.00	120.00
General Supplies	56,719.61	56,719.61
Depreciation	19,097.00	19,097.00
Total Operating Expenses	<u>1,875,778.29</u>	<u>1,875,778.29</u>
Operating (Loss)	<u>(1,553,442.87)</u>	<u>(1,553,442.87)</u>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	22,161.51	22,161.51
Federal Sources:		
National School Lunch Program	1,187,754.60	1,187,754.60
School Breakfast Program	186,597.04	186,597.04
Special Milk Program	1,465.66	1,465.66
Fresh Fruits and Vegetables Program	77,037.15	77,037.15
Food Distribution Program	148,027.65	148,027.65
Interest Income	2,262.64	2,262.64
Total Nonoperating Revenues	<u>1,625,306.25</u>	<u>1,625,306.25</u>
Change in Net Position	<u>71,863.38</u>	<u>71,863.38</u>
Total Net Position—Beginning as Previously Reported	797,079.77	797,079.77
Restatement	84,456.00	84,456.00
Total Net Position—Beginning as Restated	<u>881,535.77</u>	<u>881,535.77</u>
Total Net Position—Ending	<u>\$ 953,399.15</u>	<u>\$ 953,399.15</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, 2017**

	Business-Type Activities - Enterprise Funds	
	Food Service	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 322,335.42	\$ 322,335.42
Payments to Employees	(551,137.38)	(551,137.38)
Payments for Employee Benefits	(224,855.83)	(224,855.83)
Payments to Suppliers	<u>(1,061,476.87)</u>	<u>(1,061,476.87)</u>
Net Cash (Used For) Operating Activities	<u>(1,515,134.66)</u>	<u>(1,515,134.66)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	21,663.81	21,663.81
Federal Sources	<u>1,562,112.85</u>	<u>1,562,112.85</u>
Net Cash Provided By Non-Capital Financing Activities	<u>1,583,776.66</u>	<u>1,583,776.66</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	<u>(15,188.50)</u>	<u>(15,188.50)</u>
Net Cash (Used For) Capital and Related Financing Activities	<u>(15,188.50)</u>	<u>(15,188.50)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	<u>2,262.64</u>	<u>2,262.64</u>
Net Cash Provided by Investing Activities	<u>2,262.64</u>	<u>2,262.64</u>
Net Increase in Cash and Cash Equivalents	55,716.14	55,716.14
Balances—Beginning of Year	<u>650,449.45</u>	<u>650,449.45</u>
Balances—End of Year	<u>\$ 706,165.59</u>	<u>\$ 706,165.59</u>
Reconciliation of Operating (Loss) to Net Cash (Used For) Operating Activities:		
Operating (Loss)	\$ (1,553,899.21)	\$ (1,553,899.21)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used For) Operating Activities:		
Depreciation	19,097.00	19,097.00
(Increase) in Inventories	(346.51)	(346.51)
Increase in Accounts Payable	19,886.06	19,886.06
Increase in Compensated Absences	<u>128.00</u>	<u>128.00</u>
Total Adjustments	<u>38,764.55</u>	<u>38,764.55</u>
Net Cash (Used for) Operating Activities	<u>\$ (1,515,134.66)</u>	<u>\$ (1,515,134.66)</u>

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

**BOARD OF EDUCATION
TOWN OF DOVER
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017**

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>	Agency <u>Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 891.01	\$ 158,066.28	\$ 503,931.02
Interfund Receivable	<u>190,089.44</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 190,980.45</u>	<u>\$ 158,066.28</u>	<u>\$ 503,931.02</u>
LIABILITIES			
Payable to Student Groups			\$ 123,946.82
Amount Due to Unemployment Trust			190,089.44
Payroll Deductions and Withholdings			<u>189,894.76</u>
Total Liabilities			<u>\$ 503,931.02</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 190,980.45</u>		
Reserved for Scholarships		<u>\$ 158,066.28</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, 2017**

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>
ADDITIONS		
Contributions:		
Employees	\$ 44,811.37	\$ -
Other	<u>166,993.18</u>	<u>90,217.64</u>
Total Contributions	<u>211,804.55</u>	<u>90,217.64</u>
Investment Earnings:		
Interest	<u>14.33</u>	<u>479.18</u>
Net Investment Earnings	<u>14.33</u>	<u>479.18</u>
Total Additions	<u>211,818.88</u>	<u>90,696.82</u>
DEDUCTIONS		
Unemployment Claims	166,993.18	
Scholarships Awarded	<u>-</u>	<u>65,900.00</u>
Total Deductions	<u>166,993.18</u>	<u>65,900.00</u>
Change in Net Position	<u>44,825.70</u>	<u>24,796.82</u>
Net Position—Beginning	<u>146,154.75</u>	<u>133,269.46</u>
Net Position—Ending	<u>\$ 190,980.45</u>	<u>\$ 158,066.28</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education (“Board”) of the Town of Dover School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Town of Dover School District is a Type II district located in the County of Morris, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of ten members elected to three-year terms. The purpose of the district is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to 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 school located in the Town of Dover. 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of the Town of Dover School District have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The more significant of the board’s accounting policies are described below.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. 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 Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America 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.

Special Revenue Fund - The Special Revenue 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.

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 sale of bonds, lease purchases and other revenues.

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.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

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 Board 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 Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the After Care Program and the Food Service Fund operations.

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include the Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Non-exchange Transactions (continued)

requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and 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.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include 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. 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.

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash, Cash Equivalents and Investments (continued)

Additionally, the Board 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.

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 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.

G. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Tuition Payable

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

I. Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Short-Term Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund” receivables/payables. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u> <u>Estimated Lives</u>	<u>Business-Type Activity</u> <u>Estimated Lives</u>
Sites and Improvements	20 years	N/A
Building and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. 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 Board 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 Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Accounting and Financial Reporting for Pensions (continued)

made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Deferred Outflows/Inflows 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, which is deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Fund Balances: (continued)

- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

S. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. The District had a Special Item in 2016-2017 for the loss on the Disposal of Fixed Assets in the amount of \$63,668.00.

V. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, medical and dental benefits and TPAF on-behalf contributions were allocated based on salaries of that program. Changes in compensating absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

W. Use of Estimates

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

X. Recent Accounting Pronouncements:

The Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement is effective for fiscal years beginning after June 15, 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. Recent Accounting Pronouncements: (continued)

This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District had no transactions of this type for the year ended June 30, 2017.

The Government Accounting Standards Board issued GASB Statement No. 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. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. Recent Accounting Pronouncements:(continued)

The Government Accounting Standards Board issued GASB Statement No. 77, Tax Abatement Disclosures, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The District believes this Statement will have no impact on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans, which establishes the criteria for identifying the applicable pension plans and addresses measurement and recognition for pension liabilities, expense and expenditures; note disclosures of descriptive information about the plan, benefit terms, and contributions items; and required supplementary information presenting required contribution amounts for the past 10 fiscal years. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participation, which permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. The District is currently reviewing what effect this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 80, Blending Requirements for Certain Component Units, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, Irrevocable Split-Interest Agreements. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The District does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope*

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. Recent Accounting Pronouncements:(continued)

of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for reporting periods beginning after June 15, 2016. 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.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, Certain Asset Retirement Obligations. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The District does not believe this Statement will have any effect on future financial statements.

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District is currently evaluating the effects, if any, this Statement may have on future financial statements.

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, Omnibus 2017, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, Certain Debt Extinguishment Issues, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2017, \$-0- of the District's bank balance of \$9,480,074.73 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investment to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The district places no limit on the amount the District may invest in any one issuer.

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 4. RECEIVABLES

Receivables at June 30, 2017 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Activities</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$ 351,983.23	\$ 1,747.29	\$ 353,730.52
Federal Aid	856,987.08	111,087.59	968,074.67
Other	164,746.98	-	164,746.98
Interfunds	<u>824,455.34</u>	<u>6,041.21</u>	<u>0.00</u>
Gross Receivables	<u>\$2,198,172.63</u>	<u>\$118,884.09</u>	<u>\$1,486,552.17</u>
Less Allowance for Uncollectables	<u>-</u>	<u>-</u>	<u>-</u>
Total Receivables Net	<u>\$2,198,172.63</u>	<u>\$118,884.09</u>	<u>\$1,486,552.17</u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2017 consist of the following:

Due to the Enterprise Fund for Federal and State Aid Nutrition Program Reimbursements	<u>\$6,049.21</u>
Due to General Fund from Special Revenue Fund for expenditures made in General Fund	<u>\$824,455.34</u>

It is anticipated that all interfunds will be liquidated within the fiscal year.

The General Fund is owed \$824,455.34 from the Special Revenue Fund for a cash deficit which will be reimbursed when grant money is received from federal grantors.

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 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
Construction in Progress	<u>-</u>	<u>411,158.23</u>	<u>-</u>	<u>411,158.23</u>
Total Capital Assets Not Being Depreciated	<u>497,100.00</u>	<u>411,158.23</u>	<u>-</u>	<u>908,258.23</u>
Buildings and Improvements	43,921,396.00	2,391,148.00		46,312,544.00
Machinery and Equipment	<u>4,280,869.00</u>	<u>337,791.00</u>	<u>(176,377.00)</u>	<u>4,442,283.00</u>
Totals at Historical Cost	<u>48,202,265.00</u>	<u>2,728,939.00</u>	<u>(176,377.00)</u>	<u>50,754,827.00</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(17,657,635.00)	(1,041,781.00)	(596.00)	(18,700,012.00)
Machinery and Equipment	<u>(2,312,237.00)</u>	<u>(243,968.00)</u>	<u>113,305.00</u>	<u>(2,442,900.00)</u>
Total Accumulated Depreciation	<u>(19,969,872.00)</u>	<u>(1,285,749.00)</u>	(1) <u>112,709.00</u>	<u>(21,142,912.00)</u>
Net Capital Assets Being Depreciated	<u>28,232,393.00</u>	<u>1,443,190.00</u>	<u>(63,668.00)</u>	<u>29,611,915.00</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,729,493.00</u>	<u>\$ 1,854,348.23</u>	<u>\$(63,668.00)</u>	<u>\$ 30,520,173.23</u>
Business - Type Activities:				
Equipment	\$ 408,260.00	\$ 15,188.00	\$ 96,147.00	\$ 519,595.00
Less Accumulated Depreciation	<u>(356,598.00)</u>	<u>(19,097.00)</u>	<u>(11,691.00)</u>	<u>(387,386.00)</u>
Business - Type Activities Capital Assets, Net	<u>\$ 51,662.00</u>	<u>\$ (3,909.00)</u>	<u>\$ 84,456.00</u>	<u>\$ 132,209.00</u>

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

Instruction	\$ 434,973.40
Special Education	398,198.24
Other Instruction	51,108.92
Student and Instruction Related Services	159,077.02
School Administrative Services	20,448.40
General and Business Administrative Services	88,653.76
Plant Operations and Maintenance	40,560.32
Pupil Transportation	<u>92,728.94</u>
	<u>\$ 1,285,749.00</u>

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the fiscal year ended June 30, 2017 are 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	\$ 5,875,000.00	\$ -	\$(525,000.00)		\$5,350,000.00	\$525,000.00
Total Debt Payable	<u>5,875,000.00</u>	<u>-</u>	<u>(525,000.00)</u>	(1)	<u>5,350,000.00</u>	<u>525,000.00</u>
Other Liabilities:						
Compensated Absences	413,851.00		(33,968.00)		379,883.00	-
Net Pension Liability	<u>9,305,665.00</u>	<u>3,429,773.00</u>	<u>-</u>		<u>12,735,438.00</u>	<u>-</u>
Total Other Liabilities	<u>9,719,516.00</u>	<u>3,429,773.00</u>	<u>(33,968.00)</u>	(2)	<u>13,115,321.00</u>	<u>-</u>
Governmental Activities						
Long - Term Liabilities	<u>\$15,594,516.00</u>	<u>\$3,429,773.00</u>	<u>\$(558,968.00)</u>		<u>\$18,465,321.00</u>	<u>\$525,000.00</u>

(1) Paid by Debt Service Fund

(2) Paid by General Fund

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Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017

NOTE 7. LONG-TERM OBLIGATION ACTIVITY (continued)

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

Bonds are authorized in accordance with State Law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are General Obligation Bonds.

Outstanding Bonds Payable at June 30, 2017 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	\$5,350,000.00

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>
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>\$5,350,000.00</u>	<u>\$1,053,350.00</u>	<u>\$6,403,350.00</u>

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at:
http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

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 Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all 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.

Benefits Provided

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 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' beneficiaries are entitled to full interest credited to the members' accounts.

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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 Public Employees' Retirement System 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.

Benefits Provided

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

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

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

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

Contributions Requirements Fund Based Statements

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

<u>Year Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/17	\$382,008.00	\$20,012.36
6/30/16	356,396.00	17,573.98
6/30/15	383,566.00	14,288.90

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>LTDI Contribution</u>
6/30/17	\$1,990,536.00	\$1,718,663.00	\$72,122.00	\$3,662.00
6/30/16	1,456,620.00	1,820,829.00	72,559.00	-
6/30/15	968,734.00	1,648,508.00	69,696.00	-

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,318,065.39 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2017, the District had a liability of \$12,735,438.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the District's proportion was 0.0430002411 percent, which was an increase of 0.001545918 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$1,086,144.00. At June 30, 2017, 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>
Difference between expected and actual experience	\$ 236,841.00	\$ -
Changes of assumptions	2,638,103.00	
Net difference between projected and actual earnings on pension plan investments	485,614.00	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	251,933.00	683,677.00
District contributions subsequent to the measurement date	<u>402,209.00</u>	<u>0.00</u>
Total	<u>\$4,014,700.00</u>	<u>\$ 683,677.00</u>

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

The \$402,209.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$756,599
2018	756,599
2019	876,545
2020	736,426
2021	234,388

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$ 8,685,338,380	\$ 3,578,755,666
Collective deferred inflows of resources	870,133,595	993,410,455
Collective net pension liability	29,617,131,759	22,447,996,119
District s Proportion	0.04300024110%	0.0414543231%

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

Actuarial Assumptions

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

Inflation	3.08 Percent
Salary Increases:	
Through 2016	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-
WIDE STATEMENTS PER - GASB NO. 68, (continued)**

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 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%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	<u>5.25%</u>	5.63%
	<u>100.00%</u>	

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2016</u>		
	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
District's proportionate share of the pension liability	\$15,605,793	\$12,735,438	\$10,365,711

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-
WIDE STATEMENTS PER - GASB NO. 68, (continued)**

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2017 was as follows:

Net Pension Liability:

District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>\$150,248,789</u>
	<u>\$150,248,789</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the proportion of the TPAF net pension liability associated with the District was 0.1909949502%.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of \$11,289,106.00 for contributions provided by the State in the District-Wide Financial Statements.

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-
WIDE STATEMENTS PER - GASB NO. 68, (continued)**

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The 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 assumptions, applied to all periods in the measurement.

Teachers Pensions and Annuity Fund (TPAF) (continued)

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Mortality Rates

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Teachers Pensions and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds – Multi-Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	<u>3.75%</u>	3.49%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuary 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2026, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 8. PENSION PLANS: (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE
STATEMENTS PER - GASB NO. 68, (continued)**

Teachers Pensions and Annuity Fund (TPAF) (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 9. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. 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 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. 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 SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2016divisioncombined.pdf>

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Metlife	Financial Resource & Retirement Advisory, Inc.
The Equitable	Siracusa Benefits Program
Lincoln Financial Group	AIH Valic

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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. The table below is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$166,993.18	\$44,811.37	\$166,993.18	\$190,980.45
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

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Town of Dover 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). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfers by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, 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
2008-2009 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	(1,743,166.56)
2016-2017 Transfer from Undesignated	1,576,252.93
2016-2017 Withdrawal	<u>743,325.00</u>
Balance June 30, 2017	<u>\$ 7,047,175.01</u>

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 12. CAPITAL RESERVE ACCOUNT (continued)

The balance in the capital reserve account at June 30, 2017 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

NOTE 13. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Board of Education resolution adopted on June 23, 2011 in the amount of \$1,000,000.00. The account is maintained in the general fund. 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). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

The activity of the maintenance reserve account for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	<u>\$917,000.00</u>
Ending balance, June 30, 2017	<u>\$917,000.00</u>

NOTE 14. INVENTORY

Inventory on the Food Service Fund at June 30, 2017 consisted of the following:

Food	\$2,788.41
Supplies	<u>2,261.92</u>
	<u>\$5,050.33</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as unearned revenue.

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**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 15: CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A. 18A:7F-7*, as amended, 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 fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The District had no excess fund balance at June 30, 2017.

NOTE 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$1,323,618.19 in the General Fund and \$28,616.00 in the Special Revenue Fund as of June 30, 2017 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 budget year, districts must record the delayed one or more June 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 as asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to timing difference of recording the June state aid payment (s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-4.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) 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 \$1,352,234.19 is less than the last state aid payment.

NOTE 17. FUND BALANCE APPROPRIATED

General Fund (B-1) - Of the \$6,984,005.54 General Fund fund balance at June 30, 2017, \$303,048.72 is reserved for encumbrances, \$7,047,175.01 has been reserved in the Capital Reserve Account, \$917,000.00 has been reserved in the Maintenance Reserve Account; \$40,400 Unreserved Designated for Subsequent Year's Expenditures and \$(1,323,618.19) is unreserved and undesignated.

Debt Service Fund - \$2.64 is unreserved and undesignated.

**Town of Dover School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2017**

NOTE 18. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The Board's attorney is unaware of any potential claims against the District that would materially affect the financial condition of the District.

NOTE 19: SUBSEQUENT EVENT

The District has evaluated subsequent events through December 4, 2017, the date which the financial statements were available to be issued and no other items were noted for disclosure.

NOTE 20: RESTATEMENT

An independent appraisal company completed an update to the District's Governmental and Business-type Activities Capital Assets as of June 30, 2017, which resulted in an increase in the amounts reported in the previously issued financial statements for the fiscal year ended June 30, 2016 for the Business-type Activities. The District has recorded the amounts related to Capital Assets as of June 30, 2016 to be as follows:

**Statement of Net Position
June 30, 2016**

Business-type Activities

	As Originally Reported	As Adjusted	Effect of Change
ASSETS			
Capital Assets Being Depreciated	<u>\$ 82,450.00</u>	<u>\$ 166,906.00</u>	<u>\$ 84,456.00</u>
Total Assets	<u>\$ 816,764.07</u>	<u>\$ 901,220.07</u>	<u>\$ 84,456.00</u>
NET POSITION			
Net Investment in Capital Assets	<u>\$ 82,450.00</u>	<u>\$ 166,906.00</u>	<u>\$ 84,456.00</u>
Total Net Position	<u>\$ 797,079.77</u>	<u>\$ 881,535.77</u>	<u>\$ 84,456.00</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULE

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2017**

	<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	\$ 13,574,519.00	\$ -	\$ 13,574,519.00	\$ 13,574,519.00	\$ -
Tuition	1,706,144.00	-	1,706,144.00	1,706,144.00	-
Interest Earned on Investments	20,000.00	-	20,000.00	31,790.58	11,790.58
Interest Earned on Capital Reserve Funds	1,000.00	-	1,000.00	(1,000.00)	(1,000.00)
Miscellaneous	204,600.00	-	204,600.00	191,304.64	(13,295.36)
Total - Local Sources	15,506,263.00	-	15,506,263.00	15,503,758.22	(2,504.78)
State Sources:					
Equalization Aid	21,912,473.00	-	21,912,473.00	21,912,473.00	-
Transportation Aid	73,021.00	-	73,021.00	73,021.00	-
Special Education Aid	1,739,730.00	-	1,739,730.00	1,739,730.00	-
Security Aid	358,459.00	-	358,459.00	358,459.00	-
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	-
Professional Learning Community Aid	31,300.00	-	31,300.00	31,300.00	-
Host District Support Aid	2,201.00	-	2,201.00	2,201.00	-
Extraordinary Aid	-	-	-	285,218.00	285,218.00
Non-Public Transportation	-	-	-	348.00	348.00
TPAF PRM (On-Behalf - Non-Budgeted)	-	-	-	1,718,663.00	1,718,663.00
TPAF LTDI (On-Behalf - Non-Budgeted)	-	-	-	3,662.00	3,662.00
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	2,062,658.00	2,062,658.00
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,318,065.39	1,318,065.39
Total State Sources	24,712,336.00	-	24,712,336.00	30,100,950.39	5,388,614.39
Federal Sources:					
Medical Assistance Program	88,566.00	-	88,566.00	88,565.32	(0.68)
Total - Federal Sources	88,566.00	-	88,566.00	88,565.32	(0.68)
Total Revenues	\$ 40,307,165.00	\$ -	\$ 40,307,165.00	\$ 45,693,273.93	\$ 5,386,108.93
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	\$ 119,957.00	\$ (27,309.00)	\$ 92,648.00	\$ 90,906.00	\$ 1,742.00
Kindergarten - Salaries of Teachers	815,538.00	(117,241.59)	698,296.41	698,296.41	-
Grades 1-5 - Salaries of Teachers	4,697,453.00	161,052.03	4,858,505.03	4,858,505.03	-
Grades 6-8 - Salaries of Teachers	2,682,878.00	(312,582.82)	2,370,295.18	2,370,148.54	146.64
Grades 9-12 - Salaries of Teachers	4,991,534.00	(376,949.14)	4,614,584.86	4,614,584.86	-

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Home Instruction:					
Salaries of Teachers	\$ 36,720.00	\$ (5,414.78)	\$ 31,305.22	\$ 31,305.22	-
Purchased Professional-Educational Services	21,000.00	50,878.59	71,878.59	69,202.41	2,676.18
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	262,569.00	(33,430.10)	229,138.90	226,845.00	2,293.90
Purchased Technical Services	6,600.00	355.20	6,955.20	6,955.20	-
Other Purchased Services (400-500 series)	250,595.00	(34,301.60)	216,293.40	167,126.11	49,167.29
General Supplies	880,065.00	651,237.16	1,531,302.16	1,340,100.77	191,201.39
Textbooks	178,445.00	(77,203.36)	101,241.64	83,380.11	17,861.53
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>14,943,354.00</u>	<u>(120,909.41)</u>	<u>14,822,444.59</u>	<u>14,557,355.66</u>	<u>265,088.93</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	796,884.00	(173,773.66)	623,110.34	623,110.34	-
Other Salaries for Instruction	482,318.00	12,700.50	495,018.50	495,018.50	-
Purchased Professional-Educational Services	340,000.00	(16,094.50)	323,905.50	307,810.55	16,094.95
General Supplies	25,000.00	(12,679.26)	12,320.74	12,299.56	21.18
Total Learning and/or Language Disabilities	<u>1,644,202.00</u>	<u>(189,846.92)</u>	<u>1,454,355.08</u>	<u>1,438,238.95</u>	<u>16,116.13</u>
Resource Room/Resource Center:					
Salaries of Teachers	321,826.00	21,883.62	343,709.62	343,709.62	-
General Supplies	12,000.00	(7,573.48)	4,426.52	4,426.52	-
Total Resource Room/Resource Center	<u>333,826.00</u>	<u>14,310.14</u>	<u>348,136.14</u>	<u>348,136.14</u>	<u>-</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,978,028.00</u>	<u>(175,536.78)</u>	<u>1,802,491.22</u>	<u>1,786,375.09</u>	<u>16,116.13</u>
Bilingual Education - Instruction					
Salaries of Teachers	789,608.00	(4,114.07)	785,493.93	782,707.50	2,786.43
Total Bilingual Education - Instruction	<u>789,608.00</u>	<u>(4,114.07)</u>	<u>785,493.93</u>	<u>782,707.50</u>	<u>2,786.43</u>
School-Spon. Occurricular Actvs. - Inst.					
Salaries	128,584.00	-	128,584.00	120,410.46	8,173.54
Other Objects	46,765.00	74.85	46,839.85	45,866.14	973.71
Total School-Spon. Occurricular Actvs. - Inst.	<u>175,349.00</u>	<u>74.85</u>	<u>175,423.85</u>	<u>166,276.60</u>	<u>9,147.25</u>
School-Spon. Athletics - Instruction					
Salaries	521,452.00	(805.00)	520,647.00	374,946.92	145,700.08
Supplies and Materials	120,629.00	(12,926.52)	107,702.48	107,292.85	409.63
Transfers to Cover Deficit (Agency Funds)	79,465.00	(13,965.00)	65,500.00	65,500.00	-
Total School-Spon. Athletics - Instruction	<u>721,546.00</u>	<u>(27,696.52)</u>	<u>693,849.48</u>	<u>547,739.77</u>	<u>146,109.71</u>

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Summer School - Instruction					
Salaries	\$ 27,000.00	\$ 2,125.63	\$ 29,125.63	\$ 28,479.83	\$ 645.80
General Supplies	5,000.00	(2,125.63)	2,874.37	-	2,874.37
Total Summer School - Instruction	32,000.00	-	32,000.00	28,479.83	3,520.17
Total Instruction	18,639,885.00	(328,181.93)	18,311,703.07	17,868,934.45	442,768.62
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	34,743.48		34,743.48	34,736.48	7.00
Tuition to Other LEAs Within the State - Special	908,167.00	112,880.86	1,021,047.86	1,021,047.38	0.48
Tuition to County Voc. School Dist. - Regular	195,650.00	17,290.00	212,940.00	210,701.23	2,238.77
Tuition to County Voc. School Dist. - Special	30,000.00	8,500.00	38,500.00	35,910.00	2,590.00
Tuition to CSSD & Regional Day Schools	381,216.00	(30,226.33)	350,989.67	350,989.67	-
Tuition to Private Schools for the Disabled - Within State	2,289,800.00	(99,532.66)	2,190,267.34	2,135,398.81	54,868.53
Tuition - State Facilities	169,189.00	-	169,189.00	169,189.00	-
Tuition - Other	38,000.00	(5,912.32)	32,087.68	32,087.68	-
Total Undistributed Expenditures - Instruction:	4,012,022.00	37,743.03	4,049,765.03	3,990,060.25	59,704.78
Undistributed Expend. - Attend. & Social Work					
Salaries	350,243.00	5,380.52	355,623.52	336,378.54	19,244.98
Total Undistributed Expend. - Attend. & Social Work	350,243.00	5,380.52	355,623.52	336,378.54	19,244.98
Undist. Expend. - Health Services					
Salaries	292,526.00	(2,617.52)	289,908.48	282,437.00	7,471.48
Other Purchased Services (400-500 series)	45,000.00	(11,946.00)	33,054.00	9,981.56	23,072.44
Supplies and Materials	16,382.00	3,887.27	20,269.27	15,880.94	4,388.33
Total Undistributed Expenditures - Health Services	353,908.00	(10,676.25)	343,231.75	308,299.50	34,932.25
Undist. Expend. - Speech, OT, PT and Related Serv.					
Salaries of Other Professional Staff	149,501.00	(7,926.48)	141,574.52	140,959.90	614.62
Purchased Professional - Educational Services	84,544.00	63,005.75	147,549.75	140,134.63	7,415.12
Supplies and Materials	2,604.00	(252.54)	2,351.46	2,333.47	17.99
Total Undist. Expend. - Speech, OT, PT and Related Serv.	236,649.00	54,826.73	291,475.73	283,428.00	8,047.73
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	793,717.00	-	793,717.00	753,661.22	40,055.78
Salaries of Secretarial and Clerical Assistants	79,190.00	-	79,190.00	79,190.00	-
Other Purchased Services (400-500 series)	2,984.00	-	2,984.00	2,984.00	-
Supplies and Materials	14,747.00	6,583.90	21,330.90	3,861.40	17,469.50
Total Undist. Expend. - Guidance	890,638.00	6,583.90	897,221.90	836,712.62	60,509.28

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	\$ 127,306.00	\$ (72,500.56)	\$ 54,805.44	\$ 53,186.10	\$ 1,619.34
Salaries of Secretarial and Clerical Assistants	90,939.00	-	90,939.00	85,939.00	5,000.00
Misc. Pur. Serv. (400-500 series) Other Than Residential Costs	3,600.00	(3,000.22)	599.78	450.00	149.78
Supplies and Materials	11,822.00	(5,467.12)	6,354.88	6,310.89	43.99
Total Undist. Expend. - Child Study Teams	233,667.00	(80,967.90)	152,699.10	145,885.99	6,813.11
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Other Professional Staff	16,000.00	-	16,000.00	-	16,000.00
Total Undist. Expend. - Improvement of Inst. Serv.	16,000.00	-	16,000.00	-	16,000.00
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	463,135.00	-	463,135.00	423,581.76	39,553.24
Salaries of Technology Coordinators	95,000.00	(42,800.00)	52,200.00	-	52,200.00
Supplies and Materials	30,705.00	(7,122.66)	23,582.34	19,392.47	4,189.87
Total Undist. Expend. - Edu. Media Serv./Sch. Library	588,840.00	(49,922.66)	538,917.34	442,974.23	95,943.11
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	3,500.00	-	3,500.00	1,259.31	2,240.69
Other Purchased Services (400-500 series)	91,700.00	9,750.00	101,450.00	40,454.13	60,995.87
Total Undist. Expend. - Instructional Staff Training Serv.	95,200.00	9,750.00	104,950.00	41,713.44	63,236.56
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	435,502.00	16,504.88	452,006.88	452,006.88	-
Legal Services	51,495.00	(6,916.50)	44,578.50	44,156.12	422.38
Audit Fees	40,000.00	28,200.00	68,200.00	33,200.00	35,000.00
Other Purchased Professional Services	10,000.00	-	10,000.00	7,941.00	2,059.00
Purchased Technical Services	13,078.00	5,148.74	18,226.74	17,947.62	279.12
Communications/Telephone	86,783.00	5,000.00	91,783.00	89,199.59	2,583.41
Other Purchased Services (400-500 series)	175,100.00	(9,769.44)	165,330.56	164,875.00	455.56
General Supplies	75,000.00	2,222.81	77,222.81	62,629.92	14,592.89
Miscellaneous Expenditures	35,000.00	(6,504.11)	28,495.89	20,925.38	7,570.51
BOE Membership Dues and Fees	20,000.00	-	20,000.00	18,775.25	1,224.75
Total Undist. Expend. - Supp. Serv. - General Admin.	941,958.00	33,886.38	975,844.38	911,656.76	64,187.62
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	1,706,404.00	(58,235.24)	1,648,168.76	1,465,218.53	182,950.23
Salaries of Secretarial and Clerical Assistants	290,749.00	3,394.97	294,143.97	290,835.73	3,308.24
Total Undist. Expend. - Support Serv. - School Admin.	1,997,153.00	(54,840.27)	1,942,312.73	1,756,054.26	186,258.47

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.- Central Services					
Salaries	\$ 332,207.00	-	\$ 332,207.00	\$ 331,492.00	715.00
Purchased Technical Services	49,400.00	117.61	49,517.61	28,967.61	20,550.00
Miscellaneous Purchased Services (400-500 series)	30,000.00	5,224.34	35,224.34	31,664.65	3,559.69
Supplies and Materials	5,000.00	-	5,000.00	490.20	4,509.80
Total Undist. Expend. - Central Services	416,607.00	5,341.95	421,948.95	392,614.46	29,334.49
Undist. Expend.- Admin. Info. Technology					
Salaries	79,870.00	-	79,870.00	73,269.83	6,600.17
Other Purchased Services (400-500 series)	3,600.00	-	3,600.00	-	3,600.00
Total Undist. Expend. - Admin. Info Technology	83,470.00	-	83,470.00	73,269.83	10,200.17
Undist. Expend. - Required Maint. For School Facilities					
Salaries	470,607.00	(168,786.90)	301,820.10	301,820.10	-
Cleaning, Repair and Maintenance Services	42,000.00	175,319.47	217,319.47	175,467.47	41,852.00
Total Undist. Expend. - Required Maint. For School Facilities	512,607.00	6,532.57	519,139.57	477,287.57	41,852.00
Undist. Expend. - Custodial Services					
Salaries	954,186.00	(174,295.94)	779,890.06	779,890.06	-
Salaries of Non-Instructional Aides	8,911.00	(916.34)	7,994.66	7,402.50	592.16
Other Purchased Property Services	117,000.00	(26,651.55)	90,348.45	62,901.23	27,447.22
Insurance	83,284.00	350.00	83,634.00	83,634.00	-
Miscellaneous Purchased Services	6,200.00	-	6,200.00	1,603.55	4,596.45
General Supplies	236,847.00	12,235.10	249,082.10	246,356.10	2,726.00
Energy (Natural Gas)	210,000.00	15,578.81	225,578.81	225,578.81	-
Energy (Electricity)	500,000.00	80,685.74	580,685.74	578,155.11	2,530.63
Total Undist. Expend. - Custodial Services	2,116,428.00	(93,014.18)	2,023,413.82	1,985,521.36	37,892.46
Care and Upkeep of Grounds					
Salaries	112,551.00	(44,897.24)	67,653.76	67,653.76	-
Total Care and Upkeep of Grounds	112,551.00	(44,897.24)	67,653.76	67,653.76	-
Security					
Salaries	223,621.00	(21,819.78)	201,801.22	184,321.39	17,479.83
Cleaning, Repair and Maintenance Services	5,000.00	2,440.63	7,440.63	7,440.63	-
Total Security	228,621.00	(19,379.15)	209,241.85	191,762.02	17,479.83

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	\$ 21,094.00	\$ 30,102.00	\$ 51,196.00	\$ 44,425.64	\$ 6,770.36
Salaries for Pupil Trans. (Between Home & School) - Regular	318,708.00	(105,175.55)	213,532.45	170,707.17	42,825.28
Salaries for Pupil Trans. (Between Home & School) - Special		110,463.51	110,463.51	109,507.63	955.88
Other Purchased Professional and Technical Services	3,600.00	-	3,600.00	55.53	3,544.47
Cleaning, Repair and Maintenance Services	39,100.00	-	39,100.00	38,663.38	436.62
Transportation Aid-in-Lieu	53,040.00	-	53,040.00	46,343.51	6,696.49
Contracted Services (Between Home and School) - Joint Agreements	242,970.00	28,545.06	271,515.06	270,180.06	1,335.00
Contracted Services (Special Education Students) - Joint Agreements	625,000.00	279,574.98	904,574.98	848,664.53	55,910.45
Miscellaneous Purchased Services - Transportation	26,296.00	1,114.00	27,410.00	27,410.00	-
Supplies and Materials	10,978.00	286.40	11,264.40	9,235.69	2,028.71
Transportation Supplies	71,401.00	(34,361.06)	37,039.94	30,146.46	6,893.48
Total Undist. Expend. - Student Transportation Serv.	1,412,187.00	310,549.34	1,722,736.34	1,595,339.60	127,396.74
UNALLOCATED BENEFITS					
Social Security Contributions	361,000.00	82,926.91	443,926.91	443,926.91	-
Other Retirement Contributions - PERS	398,991.00	6,143.93	405,134.93	405,134.93	-
Unemployment Compensation	200,000.00	(27,802.61)	172,197.39	168,360.39	3,837.00
Workmen's Compensation	241,883.00	-	241,883.00	241,883.00	-
Health Benefits	5,562,281.00	(235,218.61)	5,327,062.39	5,102,675.08	224,387.31
Tuition Reimbursement	65,000.00	12,270.85	77,270.85	45,441.15	31,829.70
Other Employee Benefits	-	201,259.38	201,259.38	201,259.38	-
TOTAL UNALLOCATED BENEFITS	6,829,155.00	39,579.85	6,868,734.85	6,608,680.84	260,054.01
On-behalf TPAF PRM Contributions (non-budgeted)		-		1,718,663.00	(1,718,663.00)
On-behalf TPAF LTDI (Non-Budgeted)		-		3,662.00	(3,662.00)
On-behalf TPAF Pension Contributions (non-budgeted)		-		2,062,658.00	(2,062,658.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		1,318,065.39	(1,318,065.39)
TOTAL ON-BEHALF CONTRIBUTIONS				5,103,048.39	(5,103,048.39)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	6,829,155.00	39,579.85	6,868,734.85	11,711,729.23	(4,842,994.38)
TOTAL UNDISTRIBUTED EXPENDITURES	21,427,904.00	156,476.62	21,584,380.62	25,548,341.42	(3,963,960.80)
TOTAL GENERAL CURRENT EXPENSE	40,067,789.00	(171,705.31)	39,896,083.69	43,417,275.87	(3,521,192.18)

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	\$ 24,000.00	\$ (2,022.63)	\$ 21,977.37	\$ 8,748.37	\$ 13,229.00
Special Education - Instruction:					
Undistributed Expenditures - Instruction	67,200.00	26,806.40	94,006.40	94,006.40	-
Undistributed Expenditures - School Admin.	-	41,166.62	41,166.62	37,756.70	3,409.92
Undistributed Expenditures - Required Maint for School Fac.	8,400.00	149,957.45	158,357.45	116,057.37	42,300.08
Total Equipment	<u>99,600.00</u>	<u>215,907.84</u>	<u>315,507.84</u>	<u>256,568.84</u>	<u>58,939.00</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	2,000.00	231,650.00	233,650.00	233,650.00	-
Construction Services	13,000.00	2,669,027.86	2,682,027.86	2,649,878.39	32,149.47
Land and Improvements		69,450.67	69,450.67	69,450.67	-
Assessment for Debt Service on SDA Funding	72,816.00	-	72,816.00	72,816.00	-
Total Facilities Acquisition and Construction Services	<u>87,816.00</u>	<u>2,970,128.53</u>	<u>3,057,944.53</u>	<u>2,956,344.39</u>	<u>101,600.14</u>
TOTAL CAPITAL OUTLAY	<u>187,416.00</u>	<u>3,186,036.37</u>	<u>3,373,452.37</u>	<u>3,212,913.23</u>	<u>160,539.14</u>
Transfer of Funds to Charter Schools	65,960.00	40.00	66,000.00	66,000.00	-
TOTAL EXPENDITURES	<u>40,321,165.00</u>	<u>3,014,371.06</u>	<u>43,335,536.06</u>	<u>46,696,189.10</u>	<u>(3,360,653.04)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,000.00)	(3,014,371.06)	(3,028,371.06)	(1,002,915.17)	2,025,455.89
Fund Balance, July 1	10,427,967.71	-	10,427,967.71	10,427,967.71	-
Fund Balance, June 30	<u>\$ 10,413,967.71</u>	<u>\$ (3,014,371.06)</u>	<u>\$ 7,399,596.65</u>	<u>\$ 9,425,052.54</u>	<u>\$ 2,025,455.89</u>

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</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	\$ 1,576,252.93	\$ 1,575,252.93
Withdrawal from Capital Reserve	(15,000.00)	(728,325.00)	(743,325.00)	(743,325.00)	-
Adjustment for Prior Year Encumbrances	-	(2,286,046.06)	(2,286,046.06)	(2,286,046.06)	-
Budgeted Fund Balance	-	-	-	450,202.96	450,202.96
Total	<u>\$ (14,000.00)</u>	<u>\$ (3,014,371.06)</u>	<u>\$ (3,028,371.06)</u>	<u>\$ (1,002,915.17)</u>	<u>\$ 2,025,455.89</u>

Analysis of Fund Balance June 30, 2017:

Restricted:	
Maintenance Reserve Account	\$ 917,000.00
Capital Reserve Account	7,047,175.01
Assigned:	
Year End Encumbrances	303,048.72
Designated for Subsequent Year's Expenditures	40,400.00
Unassigned Fund Balance	1,117,428.81
	<u>\$ 9,425,052.54</u>

Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:

Fund Balance June 30, 2017	\$ 9,425,052.54
Last Current Year State Aid Payments Not Realized on GAAP Basis	<u>(2,441,047.00)</u>
	<u>\$ 6,984,005.54</u>

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources	\$ 423,202.00	\$ 139,720.89	\$ 562,922.89	\$ 547,232.89	\$ 15,690.00
Federal Sources	<u>2,055,682.00</u>	<u>583,796.00</u>	<u>2,639,478.00</u>	<u>2,604,947.00</u>	<u>34,531.00</u>
Total Revenues	<u>2,478,884.00</u>	<u>723,516.89</u>	<u>3,202,400.89</u>	<u>3,152,179.89</u>	<u>50,221.00</u>
EXPENDITURES:					
Instruction					
Personal Services - Salaries	1,681,851.00	(141,420.25)	1,540,430.75	1,471,920.86	68,509.89
General Supplies	<u>-</u>	<u>18,649.11</u>	<u>18,649.11</u>	<u>18,416.44</u>	<u>232.67</u>
Total Instruction	<u>1,681,851.00</u>	<u>(122,771.14)</u>	<u>1,559,079.86</u>	<u>1,490,337.30</u>	<u>68,742.56</u>
Support Services					
Personal Services - Salaries	698,228.00	100,333.68	798,561.68	838,793.35	(40,231.67)
Personal Services - Employee Benefits	98,805.00	649,806.95	748,611.95	741,524.49	7,087.46
Purchased Professional and Technical Services		60,642.27	60,642.27	47,418.00	13,224.27
Purchased Professional - Educational Services		-	-	-	-
Supplies & Materials		6,833.81	6,833.81	6,248.71	585.10
Other Objects	<u>-</u>	<u>28,671.32</u>	<u>28,671.32</u>	<u>27,858.04</u>	<u>813.28</u>
Total Support Services	<u>797,033.00</u>	<u>846,288.03</u>	<u>1,643,321.03</u>	<u>1,661,842.59</u>	<u>(18,521.56)</u>
Total Expenditures	<u>2,478,884.00</u>	<u>723,516.89</u>	<u>3,202,400.89</u>	<u>3,152,179.89</u>	<u>50,221.00</u>
Total Outflows	<u>\$ 2,478,884.00</u>	<u>\$ 723,516.89</u>	<u>\$ 3,202,400.89</u>	<u>\$ 3,152,179.89</u>	<u>\$ 50,221.00</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BOARD OF EDUCATION
TOWN OF DOVER
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2017

**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]	\$ 45,693,273.93	\$ 3,152,179.89
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.			
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(2,441,047.00)	(28,616.00)
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		2,459,143.00	38,817.00
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add: Prior Year Encumbrances			5,954.75
Less: Current Year Encumbrance		-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 45,711,369.93</u>	<u>\$ 3,168,335.64</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	\$ 46,696,189.10	\$ 3,152,179.89
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.			
Add: Prior Year Encumbrances			5,954.75
Less: Current Year Encumbrance		-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 46,696,189.10</u>	<u>\$ 3,158,134.64</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWN OF DOVER BOARD SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
Last 10 Fiscal Years*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payrol -PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a perecntage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.0465142781%	\$ 8,708,745	\$ 2,961,272	294.09%	52.08%
2016	0.0414543231%	9,305,665	2,867,239	324.55%	47.93%
2017	0.0430002411%	12,735,438	2,795,630	455.55%	59.86%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TOWN OF DOVER BOARD SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2015	\$ 383,457	\$ 383,457	\$ -	\$2,961,272	12.95%
2016	356,396	356,396	-	2,867,239	12.43%
2017	382,008	382,008	-	2,795,630	13.66%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TOWN OF DOVER BOARD SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
Last 10 Fiscal Years*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payrol -TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a perecentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.1962557103%	\$ -	\$ 104,892,290	\$ 19,019,821	0.00%	33.64%
2016	0.1920754159%	\$ -	121,399,865	18,683,886	0.00%	28.71%
2017	0.1909949502%	\$ -	150,248,789	18,755,594	0.00%	22.33%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWN OF DOVER BOARD SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.80%) to the current measurement date (2.85%), resulting in a change in the discount rate from 4.90% to 3.98%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.80%) to the current measurement date (3.22%), resulting in a change in the discount rate from 4.13% to 3.22%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

OTHER SUPPLEMENTARY INFORMATION

**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, 2017**

		<u>Total</u>	<u>State Aid</u>	<u>Federal Aid</u>
REVENUES				
State Sources		\$ 547,232.89	\$547,232.89	\$ -
Federal Sources		<u>2,604,947.00</u>	<u>-</u>	<u>2,604,947.00</u>
Total Revenues		<u>3,152,179.89</u>	<u>547,232.89</u>	<u>2,604,947.00</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	100-100	1,471,920.86	184,301.25	1,287,619.61
General Supplies	100-600	<u>18,416.44</u>	<u>-</u>	<u>18,416.44</u>
Total Instruction		<u>1,490,337.30</u>	<u>184,301.25</u>	<u>1,306,036.05</u>
Support Services:				
Personal Services - Salaries	200-100	838,793.35	269,825.35	568,968.00
Personal Services - Employee Benefits	200-200	741,524.49	47,854.25	693,670.24
Purchased Professional and Technical Services	200-300	47,418.00	17,394.00	30,024.00
Supplies and Materials	200-600	6,248.71	-	6,248.71
Other Objects	200-800	<u>27,858.04</u>	<u>27,858.04</u>	<u>-</u>
Total Support Services		<u>1,661,842.59</u>	<u>362,931.64</u>	<u>1,298,910.95</u>
Total Expenditures		<u>\$ 3,152,179.89</u>	<u>\$ 547,232.89</u>	<u>\$ 2,604,947.00</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, 2017**

		<u>Total</u>	<u>Preschool Aid</u>	<u>School Based Youth Services</u>
REVENUES				
State Sources		<u>\$ 547,232.89</u>	<u>\$287,063.89</u>	<u>\$260,169.00</u>
Total State Revenues		<u>547,232.89</u>	<u>287,063.89</u>	<u>260,169.00</u>
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	100-100	<u>184,301.25</u>	<u>184,301.25</u>	<u>-</u>
Total Instruction		<u>184,301.25</u>	<u>184,301.25</u>	<u>-</u>
Support Services:				
Personal Services - Salaries	200-100	269,825.35	54,908.39	214,916.96
Personal Services - Employee Benefits	200-200	47,854.25	47,854.25	-
Purchased Professional and Technical Services	200-300	17,394.00		17,394.00
Purchased Professional - Other Objects	200-800	<u>27,858.04</u>	<u>-</u>	<u>27,858.04</u>
Total Support Services		<u>362,931.64</u>	<u>102,762.64</u>	<u>260,169.00</u>
Total Expenditures		<u>\$ 547,232.89</u>	<u>\$ 287,063.89</u>	<u>\$ 260,169.00</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, 2017

	<u>Total</u>	<u>E.S.E.A.</u>			<u>I.D.E.A. Part B</u>	
		<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Basic</u>	<u>Preschool</u>
REVENUES						
Federal Sources	\$ 2,604,947.00	\$ 1,596,562.00	\$ 114,121.00	\$ 96,580.00	\$ 782,275.00	\$ 15,409.00
Total Federal Revenues	<u>2,604,947.00</u>	<u>1,596,562.00</u>	<u>114,121.00</u>	<u>96,580.00</u>	<u>782,275.00</u>	<u>15,409.00</u>
EXPENDITURES:						
Instruction:						
Personal Services - Salaries	1,287,619.61	1,156,760.67	79,203.27	51,655.67	-	-
General Supplies	18,416.44	935.25	-	17,481.19	-	-
Total Instruction	<u>1,306,036.05</u>	<u>1,157,695.92</u>	<u>79,203.27</u>	<u>69,136.86</u>	<u>-</u>	<u>-</u>
Support Services:						
Personal Services - Salaries	568,968.00	-	-	-	568,968.00	-
Personal Services - Employee Benefits	693,670.24	419,002.37	33,917.73	27,443.14	213,307.00	-
Purchased Professional and Technical Services	30,024.00	13,615.00	1,000.00	-	-	15,409.00
Supplies and Materials	6,248.71	6,248.71	-	-	-	-
Total Support Services	<u>1,298,910.95</u>	<u>438,866.08</u>	<u>34,917.73</u>	<u>27,443.14</u>	<u>782,275.00</u>	<u>15,409.00</u>
Total Expenditures	<u>\$ 2,604,947.00</u>	<u>\$ 1,596,562.00</u>	<u>\$ 114,121.00</u>	<u>\$ 96,580.00</u>	<u>\$ 782,275.00</u>	<u>\$ 15,409.00</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, 2017

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 239,209.64	\$ 184,301.25	\$ 54,908.39
Total Instruction	<u>239,209.64</u>	<u>184,301.25</u>	<u>54,908.39</u>
Support Services:			
Salaries of Other Professional Staff	-	54,908.39	(54,908.39)
Personal Services - Employee Benefits	<u>47,854.25</u>	<u>47,854.25</u>	<u>-</u>
Total Support Services	<u>47,854.25</u>	<u>102,762.64</u>	<u>(54,908.39)</u>
Total Expenditures	<u>\$ 287,063.89</u>	<u>\$ 287,063.89</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2016-2017 Preschool Aid Allocation	\$ 286,020.00
Add: Actual Preschool Aid Carryover (June 30, 2016)	1,043.89
Add: Budgeted Transfer From General Fund	<u>-</u>
Total Preschool Aid Funds Available for 2016-2017 Budget	287,063.89
Less: 2016-2017 Budgeted Preschool Aid (Including prior year budgeted carryover)	<u>(287,063.89)</u>
Available & Unbudgeted Preschool Aid Funds as of June 30, 2017	-
Add: 2016-2017 Unexpended Preschool Aid	<u>-</u>
2017-2018 Actual Carryover	<u>\$ -</u>

2016-2017 Preschool Aid Carryover Budgeted in 2017-2018

**BOARD OF EDUCATION
TOWN OF DOVER
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2017**

<u>Schools</u>	<u>Balance June 30, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
Elementary Schools:				
North Dover	\$ 15,801.57	\$ 13,206.72	\$ 13,710.75	\$ 15,297.54
East Dover	11,736.58	17,887.82	15,572.58	14,051.82
Academy Street	16,611.32	16,938.41	14,982.95	18,566.78
Academy Street Building Fund	23,499.37		23,499.37	-
Middle School	13,999.04	63,949.92	67,923.80	10,025.16
Senior High School	61,205.23	71,078.82	71,374.04	60,910.01
Athletic Fund	4,555.81	90,213.73	92,820.89	1,948.65
Meld/Tiger R.A.P.	<u>4,182.77</u>	<u>2,418.63</u>	<u>3,454.54</u>	<u>3,146.86</u>
	<u>\$ 151,591.69</u>	<u>\$ 275,694.05</u>	<u>\$ 303,338.92</u>	<u>\$ 123,946.82</u>

**BOARD OF EDUCATION
TOWN OF DOVER
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2017**

	<u>Balance June 30, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
Payroll Deductions and Withholdings	\$ 197,984.98	\$ 12,778,905.16	\$ 12,786,995.38	\$ 189,894.76
Net Salaries and Wages		14,727,301.25	14,727,301.25	-
Amount Due to Unemployment	<u>145,278.07</u>	<u>44,811.37</u>	<u>-</u>	<u>190,089.44</u>
	<u>\$ 343,263.05</u>	<u>\$ 27,551,017.78</u>	<u>\$ 27,514,296.63</u>	<u>\$ 379,984.20</u>

**BOARD OF EDUCATION
TOWN OF DOVER
Long - Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2017**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities of Bonds Outstanding June 30, 2017</u>		<u>Interest Rate</u>	<u>Balance June 30, 2016</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	4/1/2012	\$ 7,040,000.00	4/1/2018	525,000.00	3.000%	\$ 5,875,000.00	\$ 525,000.00	\$ 5,350,000.00
			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>\$ 5,875,000.00</u>	<u>\$ 525,000.00</u>	<u>\$ 5,350,000.00</u>	

**BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2017**

	<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	\$ 725,463.00	\$ -	\$ 725,463.00	\$ 725,463.00	\$ -
Total Revenues	<u>725,463.00</u>	<u>-</u>	<u>725,463.00</u>	<u>725,463.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	200,463.00		200,463.00	200,462.50	0.50
Redemption of Principal on Bonds	<u>525,000.00</u>	<u>-</u>	<u>525,000.00</u>	<u>525,000.00</u>	<u>-</u>
Total Regular Debt Service	<u>725,463.00</u>	<u>-</u>	<u>725,463.00</u>	<u>725,462.50</u>	<u>0.50</u>
Total Expenditures	<u>725,463.00</u>	<u>-</u>	<u>725,463.00</u>	<u>725,462.50</u>	<u>0.50</u>
(Deficiency) of Revenues (Under) Expenditures	-	-	-	0.50	(0.50)
Fund Balance, July 1	<u>2.14</u>	<u>-</u>	<u>2.14</u>	<u>2.14</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2.14</u>	<u>\$ -</u>	<u>\$ 2.14</u>	<u>\$ 2.64</u>	<u>\$ (0.50)</u>

STATISTICAL SECTION

OUTLINE OF NJ DOE STATISTICAL TABLES SECTION (GASB 44)

Exhibit

Financial Trends Information/Schedules

J-1	Net Position by Component
J-2	Changes in Net 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 Information

J-6	Assessed Value and Estimated Actual Value of Taxable Property
J-7	Direct and Overlapping Property Tax Rates
J-8	Principal Property Taxpayers (Current year and nine years ago)
J-9	Property Tax Levies and Collections

Debt Capacity Information

J-10	Ratios or Outstanding Debt by Type
J-11	Ratios of General Bonded Debt Outstanding
J-12	Direct and Overlapping Governmental Activities Debt
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Demographic and Economic Information

J-14	Demographic and Economic Statistics
J-15	Principal Employers, Current and Nine Years Ago

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 Allowable Maintenance Expenditures by School
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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in Capital Assets	\$ 25,170,173.23	\$ 22,854,493.00	\$ 19,379,517.00	\$ 17,885,060.00	\$ 16,374,174.00	\$ 20,485,773.71	\$ 16,564,659.86	\$ 15,471,506.22	\$ 13,987,524.08	\$ 11,729,880.03
Restricted	8,279,010.37	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
Unrestricted	(11,557,615.82)	(11,014,923.06)	(10,547,529.82)	(10,502,958.37)	(1,667,742.46)	(1,730,627.62)	(1,776,833.74)	(1,892,254.75)	(1,576,102.51)	(297,411.18)
Total Governmental Activities Net Assets/Position	\$ 21,891,567.78	\$ 21,218,048.22	\$ 18,594,628.28	\$ 17,362,922.55	\$ 22,881,605.23	\$ 27,320,352.03	\$ 24,320,283.10	\$ 21,479,710.81	\$ 22,396,747.80	\$ 19,196,359.01
Business-Type Activities										
Net investment in Capital Assets	\$ 162,897.50	\$ 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
Unrestricted	790,401.65	714,629.77	649,344.97	547,104.10	437,806.76	375,642.66	273,539.24	164,522.65	94,380.57	126,237.87
Total Business-Type Activities Net Assets/Position	\$ 953,399.15	\$ 797,079.77	\$ 734,691.97	\$ 648,205.10	\$ 550,410.76	\$ 502,124.66	\$ 304,080.06	\$ 187,646.54	\$ 122,148.03	\$ 159,578.76
District-wide										
Net investment in Capital Assets	\$ 25,333,170.73	\$ 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
Restricted	8,279,010.37	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
Unrestricted	(10,767,214.17)	(10,300,293.29)	(9,898,184.85)	(9,955,854.27)	(1,429,935.70)	(1,354,984.96)	(1,503,294.50)	(1,727,732.10)	(1,481,721.94)	(171,173.31)
Total District Net Assets/Position	\$ 22,844,966.93	\$ 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

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,									
	2017	2015	2014	2013	2011	2010	2009	2008		
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 29,583,414.21	\$ 27,371,930.31	\$ 20,735,416.63	\$ 20,935,273.11	\$ 19,793,754.56	\$ 19,900,141.07	\$ 19,519,612.87	\$ 18,171,078.53		
Special Education	3,867,804.22	3,459,092.91	3,419,290.35	3,549,381.22	3,012,418.87	4,233,326.41	3,170,166.39	3,442,150.83		
Other Instruction	2,961,442.96	2,867,642.52	2,420,813.35	2,451,939.22	2,190,799.92	2,472,709.60	1,860,064.44	1,998,986.31		
Support Services:										
Tuition	3,990,060.25	3,345,619.71	3,382,631.19	3,053,506.35	3,194,155.97	2,728,173.68	1,874,168.82	1,601,147.57		
Student and Instruction Related Services	5,598,811.17	4,629,839.25	4,717,295.43	4,863,071.88	4,819,831.37	4,454,838.84	5,301,791.05	5,708,027.26		
School Administrative Services	3,573,861.27	3,495,746.41	3,088,860.31	3,037,946.37	3,018,423.09	2,942,418.51	2,162,894.26	2,228,823.47		
General and Business Administrative Services	2,343,115.67	1,915,911.16	1,718,171.71	1,781,130.63	1,831,947.14	1,684,567.30	1,590,970.31	1,476,803.30		
Plant Operations and Maintenance	3,818,920.86	3,847,427.87	3,716,722.57	3,718,828.76	3,615,016.17	4,364,706.40	3,956,898.08	4,291,714.36		
Pupil Transportation	2,020,344.90	1,942,125.07	1,561,011.19	1,568,546.48	1,354,721.34	1,582,351.95	1,050,797.05	1,071,037.03		
Charter Schools	66,000.00	66,535.00	14,296.00	7,130.00	55,829.00	44,335.00	57,725.00	38,331.00		
Debt Service Assessment	72,816.00	72,816.00	72,816.00	39,604.00	28,857.00	470,361.04	511,185.19	555,564.99		
Interest on Long-Term Debt	197,837.50	208,112.50	238,342.21	240,775.81	366,628.51	448,877,929.80	41,055,773.46	40,583,664.65		
Total Governmental Activities Expenses	58,094,429.01	54,610,018.35	45,085,666.94	45,246,733.83	44,315,674.06	44,877,929.80	41,055,773.46	40,583,664.65		
Business-Type Activities:										
Food Service	1,876,234.63	1,843,802.52	1,510,308.59	1,540,339.90	1,363,104.33	1,273,480.57	1,267,601.25	1,286,965.97		
Total Business-Type Activities Expense	1,876,234.63	1,843,802.52	1,510,308.59	1,540,339.90	1,363,104.33	1,273,480.57	1,267,601.25	1,286,965.97		
Total District-Wide Expenses	59,970,663.64	56,453,820.87	46,595,975.53	46,787,073.73	45,678,778.39	46,151,410.37	42,323,374.71	41,870,630.62		
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	1,706,144.00	2,069,694.00	2,118,825.00	2,276,971.00	2,684,226.00	1,773,687.40	4,216,162.00	3,988,935.16		
Operating Grants and Contributions	20,283,781.27	18,024,879.69	9,167,315.66	8,890,733.05	9,017,166.74	11,180,035.88	7,986,971.97	12,711,021.55		
Total Governmental Activities Program Revenues	21,989,925.27	20,094,573.69	11,286,140.66	11,167,704.05	11,701,392.74	12,953,723.28	12,203,133.97	16,699,956.71		

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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 322,335.42	\$ 336,978.92	\$ 317,496.90	\$ 315,525.67	\$ 297,973.03	\$ 307,932.51	\$ 295,139.89	\$ 309,370.48	\$ 291,400.27	\$ 343,786.51
Operating Grants and Contributions	1,623,489.95	1,562,604.99	1,437,867.88	1,290,925.28	1,289,329.45	1,139,869.24	1,100,102.63	1,029,608.60	848,335.08	755,942.29
Total Business-Type Activities Program Revenues	1,945,835.37	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
Total District-Wide Program Revenues	23,935,760.64	21,994,157.60	16,757,569.20	12,892,591.61	12,755,006.53	13,149,208.49	13,163,467.59	14,292,702.36	13,342,869.32	17,799,665.51
Net (Expense)/Revenue	(36,104,503.74)	(34,515,444.66)	(34,865,025.30)	(33,799,526.28)	(34,079,029.78)	(32,614,281.32)	(31,148,360.75)	(31,924,206.52)	(28,852,839.49)	(23,883,707.94)
Governmental Activities	69,600.74	55,781.39	84,637.58	96,142.36	46,962.58	84,711.42	116,433.52	65,498.51	(127,865.90)	(187,237.17)
Business-Type Activities	(36,034,903.00)	(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)
Total District-Wide Net Expense										
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes	13,574,519.00	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
Property Taxes, Levied for Debt Service Principal	725,463.00	512,550.50	508,786.00	446,507.79	496,047.18	773,541.49	739,014.14	681,411.96	744,151.81	1,039,886.01
Federal and State Aid Not Restricted	22,318,614.08	22,266,015.98	22,783,397.85	22,711,170.40	23,061,029.56	21,893,923.72	20,615,709.32	18,820,331.13	19,324,179.91	11,896,298.94
Investment Earnings	31,790.58	36,811.74	35,130.37	34,492.93	25,496.24	-	266.00	266.00	42,857.07	157,861.33
Miscellaneous Income	191,304.64	405,857.17	162,622.98	236,148.32	288,552.17	239,134.91	95,797.10	171,025.20	177,983.66	49,587.78
Special Item - Prior Year Receivable Canceled	(63,668.00)	811,149.21	(499,688.17)	382,207.14	(7,303,322.17)	(525,507.77)	(171,067.52)	(1,385,344.76)		
Prior Year Adj. to Fixed Assets						1,354,000.00			(122,422.17)	(164,150.00)
Refunding Bond Proceeds						(830,222.10)			32,053,028.28	24,393,500.06
Transfers										
Total Governmental Activities	36,778,023.30	37,138,864.60	36,096,731.03	36,881,006.58	29,640,282.98	35,614,350.25	33,988,933.04	31,007,169.53		
Business-Type Activities:										
Investment Earnings	2,262.64	2,129.41	1,649.29	1,651.96	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										
Total Business-Type Activities	2,262.64	6,606.41	1,649.29	1,651.96	1,323.52	113,333.18	-	-	90,435.17	164,150.00
Total District-Wide General Revenues	36,780,285.94	37,145,471.01	36,098,380.32	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
Change in Net Assets/Position										
Governmental Activities	673,519.56	2,623,419.94	1,231,705.73	3,081,480.30	(4,438,746.80)	3,000,068.93	2,840,572.29	(917,036.99)	3,200,388.79	509,792.12
Business-Type Activities	71,863.38	62,387.80	86,486.87	97,794.34	48,266.10	198,044.60	116,433.52	65,498.51	(37,430.73)	(23,067.17)
Total District-Wide Change in Net Assets/Position	\$ 745,382.94	\$ 2,685,807.74	\$ 1,318,192.60	\$ 3,179,274.64	\$ (4,390,480.70)	\$ 3,198,113.53	\$ 2,957,005.81	\$ (851,538.48)	\$ 3,162,958.06	\$ 486,704.95

BOARD OF EDUCATION
TOWN OF DOVER

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

	Fiscal Year Ending June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund Reserved Unreserved	\$ 8,307,623.73 (1,323,618.19)	\$ 9,417,293.14 (1,448,468.43)	\$ 9,796,348.96 (1,416,677.19)	\$ 10,028,830.28 (1,388,953.24)	\$ 8,378,260.09 (1,375,079.77)	\$ 8,606,227.22 (1,287,404.42)	\$ 7,196,678.54 (1,294,548.49)	\$ 5,083,647.66 (1,469,753.75)	\$ 5,028,119.54 (1,155,269.51)	\$ 5,041,203.74 (57,257.72)
Total General Fund	\$ 6,984,005.54	\$ 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
All Other Governmental Funds Reserved	\$ -	\$ -	\$ -	\$ -	\$ 47,669.00	\$ -	\$ 2,325,227.66	\$ 2,954,542.69	\$ 5,100,078.46	\$ 2,942,975.91
Unreserved, Reported In:										
Special Revenue Fund	(28,616.00)	(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)
Debt Service Fund	2.64	2.14	1.64	1.14	0.90	0.72	49,622.78	0.60	815.68	816.31
Total all Other Governmental Funds	\$ (28,613.36)	\$ (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
Total Fund Balances	\$ 6,955,392.18	\$ 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

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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Tax Levy	\$ 14,299,982.00	\$ 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
Tuition Charges	1,706,144.00	2,069,694.00	2,195,060.57	2,118,825.00	2,276,971.00	2,684,226.00	2,515,690.60	1,773,687.40	4,216,162.00	3,988,935.16
Interest Earnings	31,790.58	36,811.74	35,130.37	34,492.93	25,496.24	-	-	266.00	42,657.07	157,861.33
Miscellaneous	191,304.64	405,857.17	162,622.98	236,148.32	288,552.17	239,134.91	95,797.10	171,025.20	177,983.66	49,587.78
State Sources	30,677,883.03	30,025,424.50	29,515,432.03	29,060,140.68	28,928,332.45	27,058,369.10	25,780,760.10	22,182,306.41	24,210,087.75	22,120,993.54
Federal Sources	2,698,064.32	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	2,267,263.96
Total Revenues	49,605,168.57	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
Expenditures										
Instruction										
Regular Instruction	16,047,692.96	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
Special Education Instruction	1,786,375.09	1,638,742.11	1,764,371.57	1,756,531.69	2,057,579.92	1,860,469.25	2,031,537.59	3,133,207.74	2,366,977.42	2,483,370.57
Other Instruction	1,525,203.70	1,540,042.44	1,544,251.11	1,581,921.97	1,623,421.86	1,552,667.32	1,585,198.45	1,861,782.28	1,426,548.15	1,394,294.37
Support Services:										
Tuition	3,990,060.25	3,600,982.19	3,345,619.71	3,382,631.19	3,053,506.35	3,194,155.97	2,674,383.28	2,728,173.68	1,874,168.82	1,601,147.57
Student and Instruction Related Services	3,321,665.17	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
School Administrative Services	1,756,054.26	1,791,299.52	2,093,097.65	2,087,791.03	1,972,864.13	2,032,816.67	2,032,580.49	2,203,450.81	1,570,435.54	1,518,222.29
General and Business Administrative Services	1,377,541.05	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
Plant Operations and Maintenance	2,722,224.71	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
Pupil Transportation	1,595,339.60	1,577,998.36	1,454,842.45	1,344,022.15	1,346,909.69	1,371,569.78	1,175,665.33	1,309,121.35	853,482.36	793,100.09
Employee Benefits	12,453,253.72	11,818,693.65	11,193,467.14	10,883,644.76	11,660,887.67	10,693,116.53	9,422,418.23	9,272,013.01	8,206,006.89	9,436,347.46
Charter Schools	66,000.00	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
Capital Outlay	3,140,097.23	3,283,055.79	2,477,101.17	1,661,624.86	3,671,565.46	2,474,054.85	845,264.64	1,228,884.14	1,963,780.51	646,591.35
Debt Service Assessment	72,816.00	72,816.00	72,816.00	72,816.00	39,604.00	28,857.00	49,622.00			
Debt Service:										
Principal	525,000.00	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
Interest and Other Charges	200,482.50	210,662.50	225,812.50	242,518.76	240,194.82	400,170.06	434,613.82	477,360.08	520,864.75	564,901.62
Total Expenditures	50,579,786.24	49,428,688.14	48,618,788.39	46,193,166.35	48,389,016.80	46,872,227.96	44,055,452.42	46,367,242.98	43,229,749.91	41,436,070.96
Excess (Deficiency) of Revenues Over (Under) Expenditures	(974,617.67)	(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)

BOARD OF EDUCATION
TOWN OF DOVER

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Other Financing sources (uses)										
Prior Year State Grant Canceled	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (525,507.77)	\$ (171,067.52)	\$ -	\$ -	\$ -
Special Item - Prior Year Receivable Canceled	-	-	-	-	-	-	16,269.19	(1,385,344.76)	-	-
Transfers In	-	-	-	-	-	477,800.67	(16,269.19)	843,455.00	843,455.00	-
Transfers Out	-	-	-	-	-	(1,308,022.77)	(16,269.19)	(965,877.17)	(965,877.17)	(164,150.00)
Total Other Financing Sources (Uses)	\$ (974,617.67)	\$ (415,954.06)	\$ (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)
Net Change in Fund Balances										
Debt Service as a Percentage of Noncapital Expenditures	1.53%	1.56%	1.58%	1.64%	1.66%	2.57%	3.01%	3.17%	3.86%	3.91%

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			Other	
	Tuition	Interest	Miscellaneous		
2008	\$ 3,988,935.16	\$ 157,861.33	\$	49,587.78	
2009	4,216,162.00	42,657.07		177,983.66	
2010	1,773,687.40	266.00		171,025.20	
2011	2,515,690.60	-		89,210.80	
2012	2,684,226.00			237,880.67	
2013	2,276,971.00	25,496.24		269,823.61	
2014	2,118,825.00	34,492.93		236,148.32	
2015	2,195,060.57	35,130.37		157,709.24	
2016	2,069,694.00	36,811.74		401,717.42	
2017	1,706,144.00	31,790.58		191,304.64	

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
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	54,762,500	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
2016	10,864,600	852,915,100	270,637,400	112,159,700	45,449,200	1,292,026,000	-	1,292,026,000	1,330,065,884	-

(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 Obligation Debt Service		Municipality	County	Total Direct and Overlapping Tax Rate	
		Total Direct School Tax Rate					
2007	1.652	0.233	1.885	1.432	0.553	3.870	
2008	1.653	0.233	1.886	1.546	0.580	4.012	
2009	0.740	0.102	0.842	0.724	0.241	1.807	
2010	0.752	0.093	0.845	0.764	0.229	1.838	
2011	0.764	0.086	0.850	0.800	0.230	1.880	
2012	0.794	0.076	0.870	0.850	0.240	1.957	
2013	0.829	0.045	0.874	0.886	0.230	1.990	
2014	0.830	0.050	0.880	0.919	0.235	2.034	
2015	0.836	0.050	0.886	0.949	0.220	2.055	
2016	0.969	0.050	1.019	1.150	0.268	2.437	

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	2017		2004	
		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		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2007	\$ 13,145,378	\$ 13,145,378	100.00%	\$ 13,145,378	100.00%
2008	12,672,965	12,672,965	100.00%	12,672,965	100.00%
2009	13,141,815	13,141,815	100.00%	13,141,815	100.00%
2010	13,871,253	13,871,253	100.00%	13,871,253	100.00%
2011	13,876,172	13,876,172	100.00%	13,876,172	100.00%
2012	13,723,430	13,723,430	100.00%	13,723,430	100.00%
2013	13,808,722	13,808,722	100.00%	13,808,722	100.00%
2014	13,755,330	13,755,330	100.00%	13,755,330	100.00%
2015	13,837,293	13,837,293	100.00%	13,837,293	100.00%
2016	13,827,143	13,827,143	100.00%	13,827,143	100.00%

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					
2008	\$ 10,794,000.00	\$ 1,925,000.00	-	\$ 145,729.54		\$ 12,864,729.54	3.15%	721	
2009	10,419,000.00	1,375,000.00	-	-		11,794,000.00	2.80%	660	
2010	10,034,000.00	805,000.00	-	-		10,839,000.00	2.46%	596	
2011	9,639,000.00	335,000.00	-	-		9,974,000.00	2.18%	546	
2012	7,880,000.00	-	-	-		7,880,000.00	1.67%	430	
2013	7,380,000.00	-	-	-		7,380,000.00	1.52%	402	
2014	6,890,000.00	-	-	-		6,890,000.00	1.38%	376	
2015	6,385,000.00	-	-	-		6,385,000.00	1.31%	348	
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	Net General Bonded Debt Outstanding		
2008	\$ 10,794,000	\$ 10,794,000	1.58%	605
2009	10,419,000	10,419,000	0.67%	584
2010	10,034,000	10,034,000	0.65%	562
2011	9,639,000	9,639,000	0.64%	530
2012	7,880,000	7,880,000	0.53%	431
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%	348
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, 2016
Unaudited**

Net Direct Debt of School District as of December 31, 2016	\$ 5,875,000.00
Net Overlapping Debt of School District:	
Town of Dover (100%)	\$ 13,935,061.52
County of Morris - Town's share (1.85%)	3,257,995.92
Utility Authority - Town's share (11.05%)	<u>1,692,559.66</u>
	<u>18,885,617.10</u>
Total Direct and Overlapping Debt as of December 31, 2016	<u>\$ 24,760,617.10</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 2016

	Equalized Valuation Basis		
	2014	2015	2016
	1,294,957,930.00	1,296,442,015.00	1,330,065,884.00
	<u>3,921,465,829.00</u>	<u>\$1,307,155,276.33</u>	
Average Equalized Valuation of Taxable Property			
Debt limit (3 % of \$1,307,155,276.33)		\$ 39,214,658.29	
Total Net Debt Applicable to Limit		5,875,000.00	
Legal Debt Margin		<u>\$ 33,339,658.29</u>	

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 43,339,595.94	\$ 41,638,854.68	\$ 39,783,933.15	\$ 39,363,278.86	\$ 39,214,658.29
Total Net Debt Applicable to Limit	7,880,000.00	7,380,000.00	6,890,000.00	6,385,000.00	5,875,000.00
Legal Debt Margin	<u>35,459,595.94</u>	<u>34,258,854.68</u>	<u>32,893,933.15</u>	<u>32,978,278.86</u>	<u>33,339,658.29</u>

Total Net Debt Applicable to the Limit
as a Percentage of Debt Limit

18.18%	17.72%	17.32%	16.22%	14.98%
--------	--------	--------	--------	--------

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 45,850,210.04	\$ 48,682,414.01	\$ 48,380,819.12	\$ 46,679,062.01	\$ 45,306,570.91
Total net debt applicable to limit	12,864,729.54	11,794,000.00	11,514,000.00	10,839,000.00	9,974,000.00
Legal debt margin	<u>32,985,480.50</u>	<u>36,888,414.01</u>	<u>36,866,819.12</u>	<u>35,840,062.01</u>	<u>35,332,570.91</u>

Total net debt applicable to the limit
as a percentage of debt limit

28.06%	24.23%	23.80%	23.22%	22.01%
--------	--------	--------	--------	--------

**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
2008	17,851	\$ 408,302,363	\$ 22,873	7.70%
2009	17,866	420,904,819	23,559	16.50%
2010	18,173	440,981,550	24,266	16.60%
2011	18,267	456,560,407	24,994	16.20%
2012	18,314	471,467,165	25,744	16.80%
2013	18,359	486,804,393	26,516	6.40%
2014	18,310	500,070,271	27,311	4.70%
2015	18,313	515,156,771	28,131	4.30%
2016	18,252	528,844,024	28,975	3.80%
2017	18,252 Est	544,709,345	29,844	3.80% 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 Ten Years Ago
Unaudited

Employer	2017		2007	
	Employees	Rank [Optional]	Employees	Rank [Optional]
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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction	222	235	229	245	239	242	221	221	229	225
Regular	17	19	21	42	37	43	39	46	42	41
Special Education										
Support Services:										
Student and Instruction Related Services	33	33	21	27	47	44	39	28	28	30
School Administrative Services	20	20	22	29	29	27	29	28	26	26
General and Business Administrative Services	6	6	6	6	6	6	6	6	6	6
Plant Operations and Maintenance	31	32	32	39	33	30	39	40	39	40
Pupil Transportation	4	4	4	5	5	5	6	5	6	5
Total	333	349	335	393	395.5	397.2	377.9	373.6	376.3	373

Source: District Personnel Records

BOARD OF EDUCATION
TOWN OF DOVER

Operating Statistics
Last Ten Fiscal Years
Unaudited

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
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%
2017	3190.00	46,641,410.51	14,621	2.96%	240	1:15	1:14	1:12	3224.0	3,094.6	0.24%	95.99%

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	2015	2016	2017
District Building										
<u>Elementary</u>										
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	557
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	520
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	757	737	669
Middle School										
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	515
High School										
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	875	917	929

Number of Schools at June 30, 2017

- 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)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Dover High School	N/A	157,500	\$ 227,548.80	\$ 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
Academy Street	N/A	52,364	75,653.11	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
Dover Middle School	N/A	63,790	92,160.87	118,794.95	1,037.68	101,527.82	109,364.07	100,923.15	89,839.41	122,699.06	84,124.60	107,977.63
North Dover Middle School	N/A	56,705	81,924.79	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
Blackwell Academy	N/A	3,452	-	-	-	-	5,756.00	5,461.46	4,728.39	6,457.86	4,552.40	5,683.03
∞			<u>477,287.57</u>	<u>625,236.60</u>	<u>490,283.71</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>
District Total			\$ 477,287.57	\$ 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

*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
2017
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Ins. Co.		
Property - Blanket Building & Contents	\$ 102,230,953	\$ 2,500
Artificial Turf	\$ 2,622,202	
Fences	\$ 85,684	
Computer Coverage	\$ 2,807,322	\$ 500
Band Uniforms	\$ 42,254	\$ 250
Audio Visual	\$ 955,000	\$ 500
Schedule Equipment	\$ 134,914	
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	\$ 500.00

Source: District's Records.

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Town of Dover School District, in the County of Morris, New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon December 4, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Dover Board of Education'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 or the 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vincent M. Montanino
Licensed Public School Accountant
No. 20CS000495

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

Newton, New Jersey

December 4, 2017

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY'S OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Town of Dover School District in the County of Morris, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Town of Dover Board of Education's major federal and state programs for the year ended June 30, 2017. The Town of Dover Board of Education'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 the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Dover Board of Education'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 *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those statutes, the Uniform Guidance and N.J. OMB 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Town of Dover Board of Education'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 of the Town of Dover Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Town of Dover Board of Education 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, 2017.

Report on Internal Control Over Compliance

Management of the Town of Dover Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Dover Board of Education's internal control over compliance with the type 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 Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Dover Board of Education'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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



Vincent M. Montanino
Licensed Public School Accountant
No. 20CS000495

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

Newton, New Jersey

December 4, 2017

**BOARD OF EDUCATION
TOWN OF DOVER**
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2017

Federal CFDA or Grant Number	Federal Grantor/Pass-Through Grantor/Program Title	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2016		Adjustments	Cash Received	Budgetary Expenditures	Balance June 30, 2017		MEMO Cumulative Total Expenditures
						(Accounts Receivable)	Deferred Revenue				Accounts Receivable	Deferred Revenue	
93.778	1605NJ5MAP		N/A	7/1/16-6/30/17	88,565.32	\$ -	\$ -	\$ -	\$ 88,187.24	\$ (88,565.32)	\$ (378.08)	\$ -	\$ 88,565.32
93.778	1605NJ5MAP		N/A	7/1/15-6/30/16	42,993.72	(2,398.61)	-	2,398.61	-	(88,565.32)	(378.08)	-	42,993.72
	Total U.S. Department of Treasury					(2,398.61)	-	90,585.85	-			-	131,559.04
U.S. Department of Health & Human Services:													
Through State Department of Education:													
10.550	16161NJ304N1099		N/A	7/1/16-6/30/17	148,483.99		118.36	148,483.99	(148,027.65)		574.70		148,027.65
10.553	16161NJ304N1099		N/A	7/1/16-6/30/17	186,597.04			170,081.65	(186,597.04)				186,597.04
10.555	16161NJ304N1099		N/A	7/1/15-6/30/16	177,058.81	(11,844.31)		11,844.31					177,058.81
10.555	16161NJ304N1099		N/A	7/1/16-6/30/17	1,187,754.60	(65,076.10)		1,093,316.38	(1,187,754.60)				1,187,754.60
10.555	16161NJ304N1099		N/A	7/1/15-6/30/16	1,165,705.29			68,076.10					1,165,705.29
10.556	16161NJ304N1099		N/A	7/1/16-6/30/17	1,465.66			1,351.68	(1,465.66)				1,465.66
10.556	16161NJ304N1099		N/A	7/1/15-6/30/16	1,594.79	(108.17)		108.17					1,594.79
10.582	16161NJ304N1099		N/A	7/1/16-6/30/17	77,037.15	(882.63)		77,037.15	(77,037.15)				77,037.15
10.582	16161NJ304N1099		N/A	7/1/16-6/30/17	63,866.82	(77,811.21)		1,568,162.08	(1,600,882.10)		574.70		63,866.82
	Total U.S. Department of Agriculture						118.36						3,098,107.81
U.S. Department of Education Passed -													
Through State Department of Education:													
84.010A	S010A150030		NCLB111017	7/1/16-6/30/17	1,595,532.00			1,052,554.00	(1,574,258.00)				1,574,258.00
84.010A	S010A150030		NCLB111016	7/1/15-6/30/16	1,625,943.00	(533,893.00)		556,287.00	(22,304.00)				1,625,943.00
84.387A	S367A150029		NCLB111017	7/1/16-6/30/17	105,632.00			50,359.00	(92,607.00)				92,607.00
84.387A	S367A150029		NCLB111016	7/1/15-6/30/16	113,887.00	(62,287.00)		83,801.00	(21,514.00)				62,287.00
84.027A	H027A150100		IDEA111017	7/1/16-6/30/17	789,842.00		1,433.00	520,012.00	(782,275.00)				782,275.00
84.027A	H027A150100		IDEA111016	7/1/15-6/30/16	808,870.00	(309,382.00)		310,815.00	(2,564.00)				805,739.00
84.173A	H173A150114		IDEA111017	7/1/16-6/30/17	15,492.00			15,409.00	(15,408.00)		1,131.00		15,409.00
84.173A	H173A150114		IDEA111016	7/1/15-6/30/16	81,481.00	(877.00)		49,322.00	(81,249.00)				81,249.00
84.365A	S365A160030		NCLB111017	7/1/16-6/30/17	89,520.00	(22,447.00)		37,778.00	(15,331.00)				89,520.00
84.365A	S365A160030		NCLB111016	7/1/15-6/30/16	89,520.00	(928,486.00)		2,876,824.00	(2,804,947.00)				89,520.00
	Total Federal Financial Assistance						118.36	\$ 4,335,571.91	\$ (4,294,394.42)		\$ 574.70	\$ 1,131.00	\$ 8,284,880.85

The accompanying Notes to Schedules of Expenditures 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, 2017**

State Grantor/Program Title	Grant or State Project Number	Grant Period From/To	Award Amount	Balance July 1, 2016		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2017		MEMO	
				(Accounts Receivable)	Due to State				Accounts Receivable	Deferred Revenue		Budgetary Receivable
General Funds:												
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	\$ 21,913,473.00	\$ -	\$ -	\$ 19,748,033.00	\$ (21,912,473.00)	-	-	-	\$ (2,164,440.00)	\$ 21,912,473.00
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	73,021.00	-	-	65,807.00	(73,021.00)	-	-	-	(7,214.00)	73,021.00
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	1,739,730.00	-	-	1,567,857.00	(1,739,730.00)	-	-	-	(171,873.00)	1,739,730.00
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	359,439.00	-	-	323,046.00	(359,439.00)	-	-	-	(93,413.00)	359,439.00
PARCC Readiness Aid	17-495-034-5120-086	7/1/16-6/30/17	536,632.00	-	-	483,616.00	(536,632.00)	-	-	-	(93,016.00)	536,632.00
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	29,260.00	-	-	26,369.00	(29,260.00)	-	-	-	(2,891.00)	29,260.00
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	31,300.00	-	-	28,208.00	(31,300.00)	-	-	-	(3,092.00)	31,300.00
Host District Aid	17-495-034-5120-102	7/1/16-6/30/17	2,201.00	-	-	1,984.00	(2,201.00)	-	-	-	(217.00)	2,201.00
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	285,218.00	(196,256.00)	-	196,256.00	(285,218.00)	-	-	-	(86,962.00)	285,218.00
Non-Public Transportation Aid	16-100-034-5120-473	7/1/15-6/30/17	348.00	-	-	-	(348.00)	-	-	-	-	348.00
Reimbursed TPAF Social Security Contribution	17-495-034-5120-014	7/1/15-6/30/17	174.00	(174.00)	-	-	-	-	-	-	-	174.00
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	7/1/15-6/30/17	1,318,065.39	(66,589.85)	-	1,251,646.16	(1,318,065.39)	-	-	-	(66,417.23)	1,318,065.39
On-Behalf TPAF PRM Contributions	16-100-034-5094-001	7/1/15-6/30/17	1,347,624.27	-	-	66,589.85	-	-	-	-	-	1,347,624.27
On-Behalf TPAF LTDI Contributions	17-495-034-5094-004	7/1/16-6/30/17	1,719,663.00	-	-	3,662.00	(1,719,663.00)	-	-	-	(3,662.00)	1,719,663.00
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	2,062,658.00	(263,019.85)	-	2,062,658.00	(2,062,658.00)	-	-	-	(2,441,047.00)	2,062,658.00
Total General Funds			27,570,940.01	(653,019.85)	-	27,570,940.01	(30,100,950.39)	-	-	-	(2,441,047.00)	31,665,034.66
Special Revenue Funds:												
Preschool Aid	17-495-034-5120-086	7/1/16-6/30/17	286,020.00	-	-	257,404.00	(286,020.00)	-	-	-	(28,616.00)	286,020.00
School Based Youth Services	16-495-034-5120-086	7/1/15-6/30/16	368,170.00	(37,773.11)	-	38,817.00	(1,043.88)	-	-	-	-	368,170.00
School Based Youth Services	1630-100-016-1630-013	7/1/16-6/30/16	257,859.00	105,230.70	61,744.83	275,859.00	(280,169.00)	(166,975.53)	-	15,660.00	-	280,169.00
Total Special Revenue Funds			912,049.00	(28,542.41)	123,488.83	572,080.00	(567,232.88)	(166,975.53)	-	15,660.00	(28,616.00)	1,100,381.45
Enterprise Funds:												
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	22,161.51	-	-	20,414.22	(22,161.51)	-	-	-	-	22,161.51
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	22,496.45	(1,249.59)	-	1,249.59	-	-	-	-	-	22,496.45
Total All Funds			\$ 29,515,489.01	\$ (944,581.85)	\$ 123,488.83	\$ 28,164,683.82	\$ (30,670,344.79)	\$ (166,975.53)	\$ (653,730.52)	\$ 15,660.00	\$ (2,469,663.00)	\$ 32,810,244.07
Less: On-Behalf TPAF Pension System Contributions												
On-Behalf TPAF PRM Contributions	17-100-034-5094-001	7/1/16-6/30/17	1,718,663.00	-	-	-	(1,718,663.00)	-	-	-	-	1,718,663.00
On-Behalf TPAF LTDI Contributions	17-495-034-5094-004	7/1/16-6/30/17	3,662.00	-	-	-	(3,662.00)	-	-	-	-	3,662.00
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	2,062,658.00	-	-	-	(2,062,658.00)	-	-	-	-	2,062,658.00
Total for State Financial Assistance - Major Program Determination			\$ (5,443,983.00)	-	-	-	\$ (3,784,983.00)	-	-	-	-	\$ (5,443,983.00)

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

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all Federal and State Award programs of the Board of Education, Town of Dover School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards 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 Federal Awards and State Financial Assistance are presented on 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 2 (C) and 2(D) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) 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, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments last state aid payment 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 state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$18,096.00 for the general fund and \$16,155.75 for the special revenue fund. See Note for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Additionally, as discussed further in Note 6, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during 2017 fiscal year was \$3,784,983.00.

Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$88,565.32	\$30,119,046.39	\$30,207,611.71
Special Revenue Fund	2,609,499.00	558,836.64	3,168,335.64
Food Service Fund	<u>1,601,338.44</u>	<u>22,161.51</u>	<u>1,623,499.95</u>
Total Awards and Financial Assistance	<u>\$4,299,402.76</u>	<u>\$30,700,044.54</u>	<u>\$34,999,447.30</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, 2017. The amount reported as 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, 2017.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State programs for TPAF Pension and Post-Retirement Medical Benefits Contributions 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 financial statements and the amount subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

The Town of Dover School District has elected not to use the 10 percent de minimis Indirect Cost Rate as allowed under the Uniform Guidance.

**TOWN OF DOVER DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: _____ Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

D) Dollar threshold used to determine Type A programs _____ \$750,000.00

E) Auditee qualified as low-risk auditee? X yes _____ 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>
<u>84.010A</u>	<u>N.C.L.B. Title I</u>
_____	_____
_____	_____

**TOWN OF DOVER DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(continued)**

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$806,561.00

Auditee qualified as low-risk auditee? X yes no

Internal Control over major state programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are not
 Considered to be material weaknesses? yes X none reported

Type of auditor's report on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular letter 15-08, as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
17-495-034-5120-078	State Aid Public Cluster: Equalization Aid
17-495-034-5120-089	Special Education Aid
17-495-034-5120-084	Security Aid
17-495-034-5120-096	Under Adequacy Aid
17-495-034-5120-097	Per Pupil Growth Aid
17-495-034-5120-098	PARCC Readiness Aid
17-495-034-5120-701	Professional Learning Community Aid
17-495-034-5120-102	Host District Support Aid

**TOWN OF DOVER SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II - Schedule of Financial Statement Findings

NONE

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No matters were reported.

**TOWN OF DOVER SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Status of Prior Year Findings

There were no prior audit findings.