Comprehensive Annual Financial Report

of the

Township of Dennis Board of Education

Dennis Township, New Jersey

For the Fiscal Year Ended June 30, 2008

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Introductory Section

DENNIS TOWNSHIP SCHOOL DISTRICT

GEORGE R. PAPP
Superintendent of Schools

601 Hagan Road
Cape May Court House, NJ 08210
(609) 861-0549
FAX: (609) 861-1833

November 5, 2008

Honorable President and
Members of the Board of Education
Dennis Township School District
County of Cape May, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Township of Dennis Board of Education for the fiscal year ended June 30, 2008, 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. 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 the financial position and results of operations of the various funds and account groups of the District. 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 as follows:

- The introductory section includes a table of contents, transmittal letter, the District's organization chart and a list of principal officials;

- The Financial Section begins with the Independent Auditor's Report and includes the Management Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;

- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1986 as amended by the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's 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:

The Township of Dennis Board of Education is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Township of Dennis Board of Education and its school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2007-2008 fiscal year with a June enrollment of 685 students, which is 30 students below the previous years enrollment. The following details the changes in the student enrollment of the District over the last seven years:

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2007-08	685	-4.20%
2006-07	715	-5.42%
2005-06	756	-3.08%
2004-05	780	0.13%
2003-04	779	-2.87%
2002-03	802	-6.96%
2001-02	862	-3.79%

2. ECONOMIC CONDITION AND OUTLOOK:

The Dennis Township area has seen residential growth with the construction of several residential developments in recent years while there has been little commercial or industrial growth. Any proposed commercial/industrial properties may provide tax base growth; however, current regulatory restrictions limit the size, scope and timing of any such initiatives to stabilize tax rates. Existing property owners will continue to bear a higher portion of the school costs while the short-term status of the United States and New Jersey economy remains uncertain. Due to economic and budgetary concerns, the State of New Jersey has again frozen or only slightly increased state aid for school districts, has again "delayed" the final 2007-2008 state aid payment and introduced new legislation in an effort to limit school spending. This has and will continue to shift an additional cost burden to the local taxpayers. In an effort to sustain and increase existing state aid, the District took a proactive role and urged State legislatures to reconsider current school funding formulas. The District will continue to challenge existing state aid funding formulas, seek new sources of revenue and focus on cost containment.

3. MAJOR INITIATIVES:

Students continued to score above the state and national averages on standardized tests. The local planning objectives were met at all levels. The objectives continue to challenge all students. Curriculum continues to be written and revised on a five-year cycle. This cycle fits the implementation schedule of the New Jersey Core Curriculum Content Standards. Technology continues to expand in the area of Internet capabilities. Integrated technology and other content area curricula can be found at all levels (K-8). Professional development for staff is implemented yearly in conjunction with the 100-hour initiative required by the New Jersey Department of Education.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control 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). Internal control 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 awards and state financial assistance the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control 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 internal control, including that portion related to federal awards 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, 2008.

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. These funds are explained in "Notes to the Financial Statements," Note 2.

7. 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 3. 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.

8. RISK MANAGEMENT:

The Board carries 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.

9. INDEPENDENT AUDIT:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C. was selected by the Board's Audit Committee. 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 of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156, and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

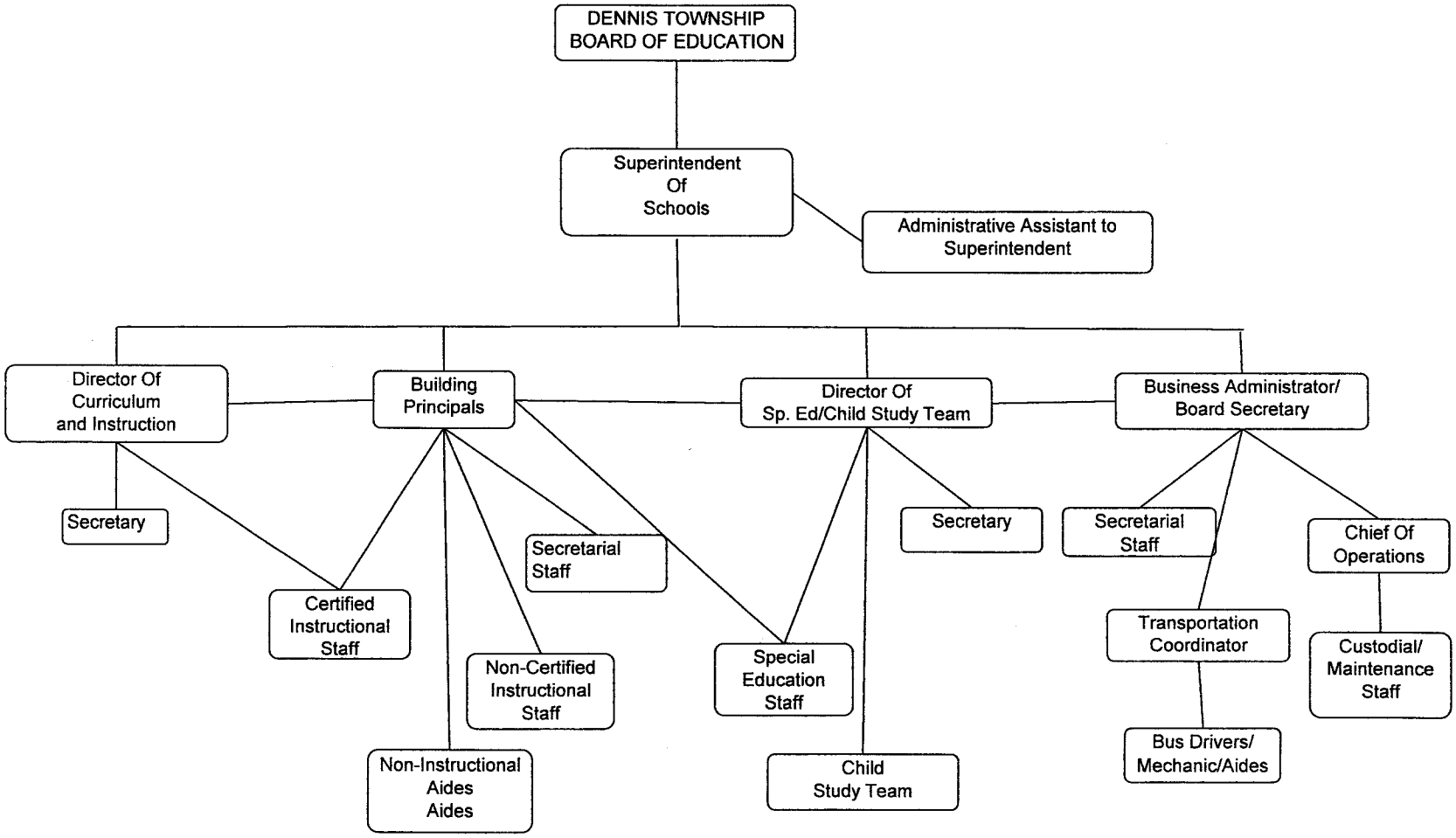
10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Township of Dennis Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the public 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,

George R. Papp
Superintendent

DENNIS TOWNSHIP PUBLIC SCHOOLS ORGANIZATION CHART



TOWNSHIP OF DENNIS BOARD OF EDUCATION
COUNTY OF CAPE MAY, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2008

Members of the Board of Education	Term Expires
John Robertson, President	2009
Blaine Steinman, Vice President	2009
Elizabeth Brown	2010
Christine Ostrander	2011
Sara Teefy	2011
Lisa Toft	2011
Russell Tozer	2011
Jose Vega	2011
Mary Bittner	2009

Other Officials

George R. Papp, Superintendent

Frank A. Rizzo, School Business Administrator

Kelly Peters, Treasurer

Paul Kalac, Solicitor

TOWNSHIP OF DENNIS BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
P.O. Box 538
Ocean City, NJ 08226-0538

ATTORNEY

Paul Kalac
Parker McCay
1009 Lenox Drive
Bldg. Four East, Suite 102A
Lawrenceville, NJ 08648-2321

OFFICIAL DEPOSITORY

Sturdy Savings and Loan
1224 Route 47
Dennisville, NJ 08214

Commerce Bank
Route 9
Marmora, NJ 08233

Bank of America
24 Main Street
Hackensack, NJ 07601

INSURANCE

N.J. School Boards Insurance Group
450 Veterans Drive
Burlington, NJ 08016

The Porch Agency
PO Box 358
Bridgeton, NJ 08302

Financial Section

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Dennis School District
County of Cape May, New Jersey

We have audited the accompanying 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 Township of Dennis School District, in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Dennis Board of Education's management. 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 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 Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 Township of Dennis Board of Education, in the County of Cape May, State of New Jersey, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2008 on our consideration of the Township of Dennis Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considering in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information as listed in the accompanying table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Township of Dennis Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*: and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. The combining fund financial statements and schedules listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*: and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 5, 2008

Required Supplementary Information – Part I

DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The discussion and analysis of Dennis Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008 The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required 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 issued in June 1999.

Financial Highlights

Key financial highlights for 2008 are as follows:

- In total, net assets decreased $539,103.11, which represents an 8 percent decrease from 2007.
- General revenues accounted for $15,709,044.57 in revenue or 94 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $1,083,384.17 or 6 percent of total revenues of $16,792,428.74.
- Cash and cash equivalents decreased by $262,023.56 receivables decreased by $20,615.42, inventory increased by $317.14, internal balances decreased by $2,684.25, unamortized bond issue costs decreased by $5,600.00, and capital assets decreased by $686,696.32.
- The School District had $17,107,503.53 in expenses; only $1,083,384.17 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of $15,709,044.57 were adequate to provide for these programs.
- Among governmental funds, the General Fund had 15,166,444.36 in revenues and $15,333,194.46 in expenditures. The General Fund's fund balance decreased $166,750.10 over 2007.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Dennis Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Dennis Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Community Education enterprise funds are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

Reporting the School District's Most Significant Funds (Continued)

Enterprise Funds

The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2008 and 2007.

Table 1
Net Assets

	2008	2007
Assets		
Current and Other Assets	$ 707,949.44	$ 995,755.53
Capital Assets	12,634,739.00	13,321,435.32
Total Assets	13,342,688.44	14,317,190.85
Liabilities		
Long-Term Liabilities	6,213,471.16	6,518,291.86
Other Liabilities	170,290.71	300,869.31
Total Liabilities	6,383,761.87	6,819,161.17
Net Assets		
Invested in Capital Assets, Net of Debt	6,751,682.25	7,130,210.46
Restricted	396,257.50	541,095.24
Unrestricted	(187,013.18)	(173,276.02)
Total Net Assets	$ 6,960,926.57	$ 7,498,029.68

The District's combined net assets were $6,960,926.57 on June 30, 2008. This was an decrease of 8% percent from the prior year.

The School District as a Whole (Continued)

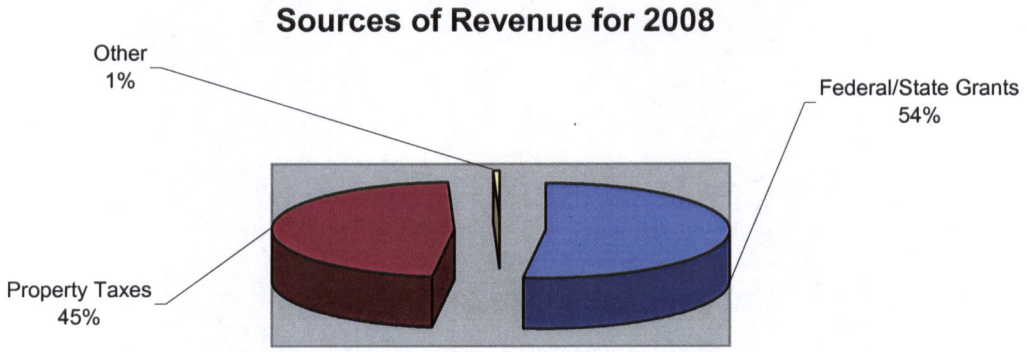
Table 2 shows changes in net assets for fiscal year's 2008 and 2007.

Table 2
Changes in Net Assets

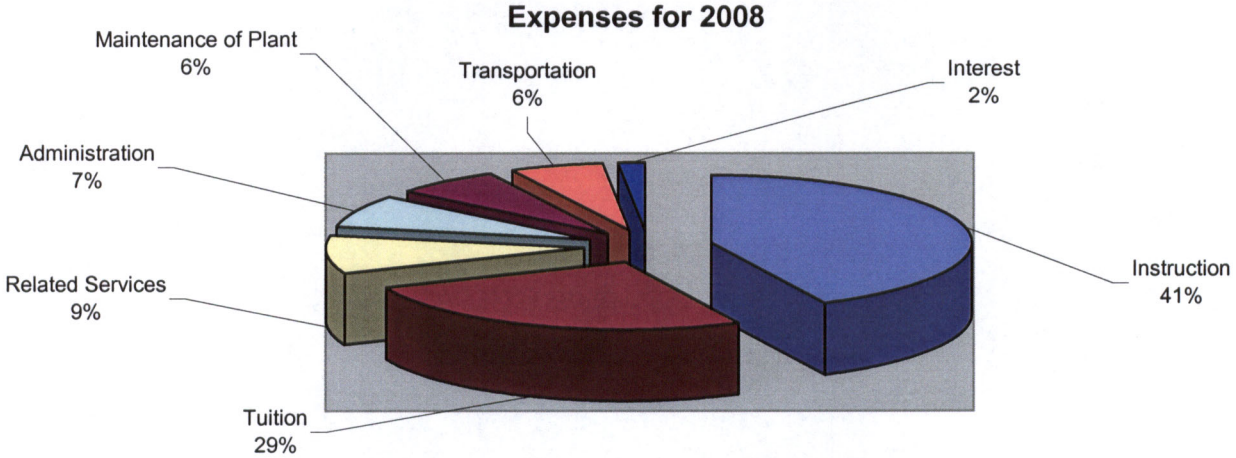
	2008	2007
Revenues		
Program Revenues:		
Charges for Services	$ 260,959.92	$ 278,762.66
Operating Grants and Contributions	822,424.25	803,852.87
General Revenues:		
Property Taxes	7,819,870.00	7,525,245.00
Grants and Entitlements	7,831,762.21	7,482,549.42
Other	57,412.36	148,445.74
Total Revenues	16,792,428.74	16,238,855.69
Program Expenses		
Instruction	7,206,384.59	6,541,270.13
Support Services:		
Tuition	4,346,169.33	4,198,254.39
Related Services - Pupils and Instructional Staff	1,563,559.32	1,486,831.68
General Administration, School Administration,	941,688.64	921,499.90
Central Operations and Maintenance of Facilities	1,462,391.79	1,282,354.02
Pupil Transportation	987,517.54	947,300.85
Interest on Debt	284,942.00	307,766.00
Food Service	237,535.73	228,429.59
Community Education Program	77,314.59	125,336.70
Loss on Disposal of Assets	224,028.32	-
Total Expenses	17,331,531.85	16,039,043.26
(Decrease) in Net Assets	$ (539,103.11)	$ 199,812.43

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 45 percent of revenues for governmental activities for the Dennis Township School District for fiscal year 2008. The District's total revenues were $16,465,845.81 for the year ended June 30, 2008. Federal, state, and local grants accounted for another 54 percent of revenue.



The total cost of all program and services was $16,792,653.21. Instruction comprises 41 percent of District expenses.



Business-Type Activities

Revenues for the District's business-type activities (food service program and the Community Education program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by $3,765.36 and Community Education revenues exceeded expenses by $15,497.97.
- Charges for food services represent $155,340.26 of revenue. This represents amounts paid by patrons for daily food service. Charges for Community Education represent $91,598.97 of revenue. This represents amounts paid by patrons for daycare services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was $74,639.80.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Instruction	$ 7,206,384.59	$ 6,695,255.90	$ 6,541,270.13	$ 6,052,580.66
Support Services:				
Tuition	4,346,169.33	4,335,249.33	4,198,254.39	4,193,634.39
Pupils and Instructional Staff	1,563,559.32	1,414,406.56	1,486,831.68	1,319,762.33
General Administration, School Administration	1,284,888.05	1,284,888.05	921,499.90	921,499.90
Business Operation and Maintenance of Facilities	1,119,192.38	1,119,192.38	1,282,354.02	1,282,354.02
Pupil Transportation	987,517.54	984,416.85	947,300.85	940,730.41
Interest and Fiscal Charges	284,942.00	197,439.00	307,766.00	218,791.00
	-	-	-	-
Total Expenses	$ 16,792,653.21	$ 16,030,848.07	$ 15,685,276.97	$ 14,929,352.71

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Tuition is predominately made up of charges from the Township of Middle School District for Dennis Township's 9 – 12 Grade students.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Governmental Activities (Continued)

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to $16,465,845.81 expenditures were $16,632,595.91. The decrease in fund balance for the year was $166,750.10.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2008, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue		Amount	Percent of Total		Increase (Decrease) from 2007	Percent of Increase (Decrease)
Local Sources	$	7,895,084.02	48%	$	199,925.38	3%
State Sources		8,137,181.89	49%		297,028.70	4%
Federal Sources		433,579.90	3%		53,848.55	14%
Total	$	16,465,845.81	100%	$	550,802.63	3%

The following schedule represents a summary of general fund, special revenue fund, capital projects and debt service fund expenditures for the fiscal year ended June 30, 2008, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures		Amount	Percent of Total		Increase (Decrease) from 2007	Percent of Increase (Decrease)
Current expense:						
Instruction	$	5,138,354.31	31%	$	457,906.79	10%
Undistributed expenditures		10,854,675.80	65%		668,366.44	7%
Capital Outlay		445.80	0%		(119,392.35)	-100%
Debt Service		639,120.00	4%		(12,330.00)	-2%
Total	$	16,632,595.91	100%	$	994,550.88	6%

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. There were no material modifications noted from the original adopted budget.

Capital Assets

At the end of the fiscal year 2008, the School District had $12,627,851.00 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2008 balances compared to 2007.

Table 4
Capital Assets (Net of Depreciation) at June 30,

	2008	2007
Land	$ 898,902.00	$ 898,902.00
Building and Building Improvements	11,264,173.00	11,865,839.32
Machinery and Equipment	464,776.00	551,194.00
Total	$ 12,627,851.00	$ 13,315,935.32

Overall capital assets decreased $688,084.32 from fiscal year 2007 to fiscal year 2008. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2008, the School District had $6,213,471.16 of outstanding debt. Of this amount, $330,414.41 is for compensated absences; $296,056.75 for various capital leases; $5,587,000.00 of serial bonds for school construction.

Table 5
Bonded Outstanding Debt at June 30,

	2008	2007
1996 Issue	$ 541,000.00	$ 706,000.00
2002 Issue	5,046,000.00	5,236,000.00
Total	$ 5,587,000.00	$ 5,942,000.00

At June 30, 2008, the School District was with its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements and Schedule J-13.

For the Future

The Dennis Township School District is in good financial condition presently. A major concern is the continued cost increases and essentially flat state aid, which increases reliance on local property taxes.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Frank A. Rizzo Business Administrator/Board Secretary at Dennis Township School District, 601 Hagan Road, Cape May Court House, New Jersey 08210.

Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business – type activities of the District.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 379,367.09	$ 55,804.86	$ 435,171.95
Receivables, Net	134,998.56	4,827.95	139,826.51
Internal Balances	(5,368.98)	5,819.12	450.14
Inventory	-	6,217.64	6,217.64
Prepaid Expense	-	2,800.00	2,800.00
Restricted Assets:			
Capital Reserve Account - Cash	123,483.20		123,483.20
Unamortized Bond Issue Costs	-		-
Capital Assets, Net (Note 6)	12,627,851.00	6,888.00	12,634,739.00
Total Assets	13,260,330.87	82,357.57	13,342,688.44
LIABILITIES			
Accounts Payable	155.00	15,950.10	16,105.10
Deferred Revenue	86,547.61		86,547.61
Accrued Interest	67,638.00		67,638.00
Noncurrent Liabilities (Note 7)			
Due Within One Year	429,170.03		429,170.03
Due Beyond One Year	5,784,301.13		5,784,301.13
Total Liabilities	6,367,811.77	15,950.10	6,383,761.87
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	6,744,794.25	6,888.00	6,751,682.25
Restricted for:			
Debt Service (Deficit)	(67,638.00)		(67,638.00)
Capital Projects	191,187.56		191,187.56
Other	272,707.94		272,707.94
Unrestricted	(248,532.65)	59,519.47	(189,013.18)
Total Net Assets	$ 6,892,519.10	$ 66,407.47	$ 6,958,926.57

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2008

Function/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities:							
Instruction:							
Regular	$ 4,499,603.02	$ -	$ -	$ -	$ (4,499,603.02)	$ -	$ (4,499,603.02)
Special Education	2,501,283.84		511,128.69		(1,990,155.15)		(1,990,155.15)
Other Special Instruction	205,497.73				(205,497.73)		(205,497.73)
Support Services:							
Tuition	4,336,612.33	10,920.00			(4,325,692.33)		(4,325,692.33)
Student & Instruction Related Services	1,563,559.32		149,152.76		(1,414,406.56)		(1,414,406.56)
General Administrative Services	507,946.64				(507,946.64)		(507,946.64)
School Administrative Services	433,742.00				(433,742.00)		(433,742.00)
Plant Operation and Maintenance	1,119,192.38				(1,119,192.38)		(1,119,192.38)
Pupil Transportation	987,517.54	3,100.69			(984,416.85)		(984,416.85)
Central And Technical Services	343,199.41				(343,199.41)		(343,199.41)
Charter Schools	9,557.00				(9,557.00)		(9,557.00)
Amortization of Debt Issue Costs	5,600.00				(5,600.00)		(5,600.00)
Interest on Long-Term Debt	279,342.00		87,503.00		(191,839.00)		(191,839.00)
Total Governmental Activities	16,792,653.21	14,020.69	747,784.45	-	(16,030,848.07)	-	(16,030,848.07)
Business-Type Activities:							
Food Service	237,535.73	155,340.26	74,639.80			(7,555.67)	(7,555.67)
Community Education	77,314.59	91,598.97				14,284.38	14,284.38
Total Business-Type Activities	314,850.32	246,939.23	74,639.80	-	-	6,728.71	6,728.71
Total Primary Government	$ 17,107,503.53	$ 260,959.92	$ 822,424.25	$ -	$ (16,030,848.07)	$ 6,728.71	$ (16,024,119.36)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					$ 7,268,253.00	$ -	$ 7,268,253.00
Taxes Levied for Debt Service					551,617.00		551,617.00
Federal and State Aid not Restricted					7,831,762.21		7,831,762.21
Miscellaneous Income					52,408.46	5,003.90	57,412.36
Extraordinary Items:							
Loss on Disposal of Capital Assets					(224,028.32)		(224,028.32)
Total General Revenues, Special Items, Extraordinary Items and Transfers					15,480,012.35	5,003.90	15,485,016.25
Change in Net Assets					(550,835.72)	11,732.61	(539,103.11)
Net Assets - Beginning					7,443,354.82	54,674.86	7,498,029.68
Net Assets - Ending					$ 6,892,519.10	$ 66,407.47	$ 6,958,926.57

The accompanying Notes to Financial Statements are an integral part of this Statement

FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 416,145.20	$ 86,705.09	$ -	$ -	$ 502,850.29
Due from Other Funds	3,725.25			483.00	4,208.25
Receivables from Other Governments	48,915.71		82,884.65		131,800.36
Other	3,198.20				3,198.20
Total Assets	$ 471,984.36	$ 86,705.09	$ 82,884.65	$ 483.00	$ 642,057.10
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ -	$ 155.00	$ -	$ -	$ 155.00
Interfund Payable	5,819.12	1,300.28	1,975.52	482.31	9,577.23
Deferred Revenue		86,547.61			86,547.61
Total Liabilities	5,819.12	88,002.89	1,975.52	482.31	96,279.84
Fund Balances:					
Reserved for:					
Encumbrances	161,259.49		67,704.36		228,963.85
Excess Surplus	25,286.45				25,286.45
Capital Reserve Account	123,483.20				123,483.20
Excess Surplus - Designated for Subsequent Year's Expenditures	86,162.00				86,162.00
Unreserved, Reported in:					
General Fund	69,974.10				69,974.10
Special Revenue Fund		(1,297.80)			(1,297.80)
Capital Projects Fund			13,204.77		13,204.77
Debt Service Fund				0.69	0.69
Permanent Fund					
Total Fund Balances (Deficits)	466,165.24	(1,297.80)	80,909.13	0.69	545,777.26
Total Liabilities and Fund Balances	$ 471,984.36	$ 86,705.09	$ 82,884.65	$ 483.00	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $18,943,857.00 and the accumulated depreciation is $6,316,006.00.	12,627,851.00
Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(6,281,109.16)
Net assets of governmental activities	$ 6,892,519.10

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
June 30, 2008

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 7,268,253.00	$ -	$ -	$ 551,617.00	$ 7,819,870.00
Tuition from Individuals	10,920.00				10,920.00
Transportation Fees	859.00				859.00
Interest on Capital Reserve	3,100.69				3,100.69
Miscellaneous	51,549.46	8,784.87			60,334.33
Total Local Sources	7,334,682.15	8,784.87	-	551,617.00	7,895,084.02
State Sources	7,831,762.21	217,916.68		87,503.00	8,137,181.89
Federal Sources		433,579.90			433,579.90
Total Revenues	15,166,444.36	660,281.45	-	639,120.00	16,465,845.81
EXPENDITURES					
Current:					
Regular Instruction	3,140,778.18				3,140,778.18
Special Education Instruction	1,294,440.80	511,128.69			1,805,569.49
Other Special Instruction	192,006.64				192,006.64
Support Services and Undistributed Costs:					
Tuition	4,336,612.33				4,336,612.33
Student & Instruction Related Serv.	1,003,014.57	148,706.96			1,151,721.53
General Administrative Services	344,224.78				344,224.78
School Administrative Services	357,111.20				357,111.20
Plant Operation and Maintenance	972,143.48				972,143.48
Pupil Transportation	903,772.10				903,772.10
Other Support Services	315.00				315.00
Central and Technical Services	247,662.35				247,662.35
Unallocated Employee Benefits	2,531,556.03				2,531,556.03
Transfer to Charter School	9,557.00				9,557.00
Capital Outlay	-	445.80			445.80
Debt Service:					
Principal				355,000.00	355,000.00
Interest and Other Charges				284,120.00	284,120.00
Total Expenditures	15,333,194.46	660,281.45	-	639,120.00	16,632,595.91
Excess (Deficiency) of Revenues Over Expenditures	(166,750.10)	-	-	-	(166,750.10)
Net Changes in Fund Balance	(166,750.10)	-	-	-	(166,750.10)
Fund Balance - July 1	632,915.34	(1,297.80)	80,909.13	0.69	712,527.36
Fund Balance - June 30	$ 466,165.24	$ (1,297.80)	$ 80,909.13	$ 0.69	$ 545,777.26

The accompanying Notes to the Financial Statements are an integral part of this Statement

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
June 30, 2008

Total Net Change in Fund Balance - Governmental Funds (from B-2)		$ (166,750.10)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, on 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 current fiscal year.		
Depreciation expense	$ (508,666.00)	
Capital Outlay	(179,418.32)	
		(688,084.32)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.		
Bonds		355,000.00
Capital Lease Payments		51,330.11
Increase in Capital Lease		(92,562.00)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		(8,947.41)
Amortization of Debt Issue Costs		(5,600.00)
In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.		4,778.00
Change in Net Assets of Governmental Activities		$ (550,835.72)

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2008

	Business-type Activities - Enterprise Fund		
	Food Service	Community Education	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 3,342.98	$ 52,461.88	$ 55,804.86
Accounts Receivable	2,990.12	1,837.83	4,827.95
Interfund Accounts Receivable	5,819.12		5,819.12
Inventories	6,217.64		6,217.64
Prepaid Expenses	2,800.00		2,800.00
Total Current Assets	21,169.86	54,299.71	75,469.57
Noncurrent Assets:			
Furniture, Machinery & Equipment	77,223.00		77,223.00
Less: Accumulated Depreciation	(70,335.00)		(70,335.00)
Total Noncurrent Assets	6,888.00	-	6,888.00
Total Assets	$ 28,057.86	$ 54,299.71	$ 82,357.57
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 14,645.00	$ 1,305.10	$ 15,950.10
Total Current Liabilities	14,645.00	1,305.10	15,950.10
NET ASSETS			
Invested in Capital Assets Net of Related Debt	6,888.00	-	6,888.00
Unrestricted	6,524.86	52,994.61	59,519.47
Total Net Assets	$ 13,412.86	$ 52,994.61	$ 66,407.47

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
June 30, 2008

	Business-type Activities - Enterprise Fund		
	Food Service	Community Education	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Sales	$ 155,340.26	$ -	$ 155,340.26
Program Fees		91,598.97	91,598.97
Total Operating Revenue	155,340.26	91,598.97	246,939.23
Operating Expenses:			
Cost of Sales	108,570.25	5,655.89	114,226.14
Salaries and Benefits	92,548.00	56,537.82	149,085.82
Management Fee	16,480.00	-	16,480.00
General Supplies	7,890.00	14,167.57	22,057.57
Miscellaneous	10,130.48	953.31	11,083.79
Depreciation	1,917.00		1,917.00
Total Operating Expenses	237,535.73	77,314.59	314,850.32
Operating Income (Loss)	(82,195.47)	14,284.38	(67,911.09)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	3,857.92		3,857.92
Federal Sources:			
National School Lunch Program	50,394.88		50,394.88
Food Distribution Program	20,387.00		20,387.00
Interest and Investment Income	485.31	1,213.59	1,698.90
Other	3,305.00		3,305.00
Total Nonoperating Revenues (Expenses)	78,430.11	1,213.59	79,643.70
Income (Loss) before Contributions & Transfers	(3,765.36)	15,497.97	11,732.61
Changes in Net Assets	(3,765.36)	15,497.97	11,732.61
Total Net Assets - Beginning	17,178.22	37,496.64	54,674.86
Total Net Assets - Ending	$ 13,412.86	$ 52,994.61	$ 66,407.47

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
June 30, 2008

	Business-type Activities - Enterprise Fund		
	Food Service	Community Education	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	$ 155,340.26	$ 96,784.26	$ 252,124.52
Payments to Employees	(106,197.00)	(56,537.82)	(162,734.82)
Payments for Management Fee	(18,032.00)		(18,032.00)
Payments for Suppliers	(146,907.00)	(44,605.33)	(191,512.33)
Payments for Miscellaneous		(953.31)	(953.31)
Net Cash Provided by (Used for) Operating Activities	(115,795.74)	(5,312.20)	(121,107.94)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	3,862.42		3,862.42
Federal Sources	70,755.46		70,755.46
Net Cash Provided by (Used for) Noncapital Financing Activities	74,617.88	-	74,617.88
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(3,305.00)		(3,305.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,305.00)	-	(3,305.00)
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	485.31	1,213.59	1,698.90
Net Cash Provided by (Used for) Investing Activities	485.31	1,213.59	1,698.90
Net Increase (Decrease) in Cash and Cash Equivalents	(43,997.55)	(4,098.61)	(48,096.16)
Balance - Beginning of Year	47,340.53	56,560.49	103,901.02
Balance - End of Year	$ 3,342.98	$ 52,461.88	$ 55,804.86
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (82,195.47)	$ 14,284.38	$ (67,911.09)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	1,917.00		1,917.00
(Increase) Decrease in Interfund Receivable	(2,514.12)		(2,514.12)
(Increase) Decrease in Prepaid Assets	(2,800.00)		(2,800.00)
(Increase) Decrease in Accounts Receivable		5,185.29	5,185.29
(Increase) Decrease in Inventories	2,684.25		2,684.25
Increase (Decrease) in Accounts Payable	(32,887.40)	(24,781.87)	(57,669.27)
Total Adjustments	(33,600.27)	(19,596.58)	(53,196.85)
Net Cash Provided by (Used for) Operating Activities	$ (115,795.74)	$ (5,312.20)	$ (121,107.94)

The accompanying Notes to the Financial Statements are an integral part of this Statement

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Assets
June 30, 2008

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ 8,093.32	$ 10,573.93	$ 52,701.26
Interfunds Receivable	-	-	74.40
Total Assets	8,093.32	10,573.93	52,775.66
LIABILITIES			
Payable to Student Groups			52,251.12
Interfunds Payable			524.54
Payroll Deductions & Withholdings			-
Total Liabilities	-	-	$ 52,775.66
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	$ 8,093.32		
Reserved for Scholarships		$ 10,573.93	

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
June 30, 2008

	Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
None	$ -	$ -
Total Contributions	-	-
Investment Earnings:		
Interest	185.66	547.30
Net Investment Earnings	185.66	547.30
Total Additions	185.66	547.30
DEDUCTIONS		
Scholarship Awards	-	100.00
Total Deductions	-	100.00
Changes in Net Assets	185.66	447.30
Net Assets - Beginning of the Year	7,907.66	10,126.63
Net Assets - End of the Year	$ 8,093.32	$ 10,573.93

The accompanying Notes to the Financial Statements are an integral part of this Statement

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Dennis Township School District (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.

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades K-8. The District operates a primary, elementary and middle school located in Dennis Township. Students in grades 9-12 attend Middle Township High School on a tuition basis.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name);
- the District holds the corporate powers of the organization;
- the District appoints a voting majority of the organization's board;
- the District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the District;
- there is a fiscal dependency by the organization on the District;

Based on the aforementioned criteria, the District has no component units.

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net assets 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 assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Basis of Presentation - Continued

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

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 – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education ("Department") 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 Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Funds

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources 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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Basis of Presentation - Continued

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

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations and the Community Education Fund, which accounts for all revenues and expenses pertaining to the District's day care operations.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Currently, the District does not maintain this type of fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Measurement Focus and 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 are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available is they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. 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:23-2.2(g). All budget amendments/transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgets/Budgetary Control - Continued

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

D. Encumbrance Accounting

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 District has received advances are reflected in the balance sheet as deferred 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.

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Cash, Cash Equivalents and Investments - Continued

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

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.

Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is $2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 45 years for land improvements and buildings, and 5 to 20 years for equipment.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Capital Assets - Continued

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates it's accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

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.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues – Exchange and Nonexchange Transactions

Revenues 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period 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 fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

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, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct 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. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

The District's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC) or New Jersey's Governmental Unity Deposit Protection Act (GUDPA). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances are insured up to $100,000 in the aggregate by the FDIC for each bank. Operating cash, in the form various checking, savings and certificates of deposit, are held in the District's name by commercial banking institutions. At June 30, 2008, the carrying amount of the District's deposits was $630,024.14 and the bank balance was $1,067,069.96. Of the bank balance, $161,051.22 was insured with Federal Deposit Insurance and $906,018.74 was covered by GUDPA.

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

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

Investments

The District had no investments at June 30, 2008.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2008 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	$ 131,800.36	$ 134,790.48
Other	3,198.20	5,036.03
Gross Receivables	134,998.56	139,826.51
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	$ 134,998.56	$ 139,826.51

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2008:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 3,725.25	$ 5,819.12
Food Service Fund	5,819.12	-
Special Revenue Fund		1,300.28
Capital Projects Fund		1,975.52
Debt Service Fund	483.00	482.31
Trust and Agency Fund	74.40	524.54
Total	$ 10,101.77	$ 10,101.77

NOTE 5 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2008, consisted of the following:

Food	$ 4,598.02
Supplies	1,619.62
	$ 6,217.64

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 898,902.00	$	$	$ 898,902.00
Construction in Progress	-			-
Total capital assets not being depreciated	898,902.00	-	-	898,902.00
Capital assets being depreciated:				
Buildings and building improvements	15,287,009.00	72,076.00	-	15,359,085.00
Equipment	2,790,676.00	44,610.00	(149,416.00)	2,984,702.00
Total capital assets being depreciated at historical cost	18,077,685.00	116,686.00	(149,416.00)	18,343,787.00
Less accumulated depreciation for:				
Buildings and improvements	(3,421,169.68)	(673,742.32)		(4,094,912.00)
Equipment	(2,239,482.00)	(131,028.00)	149,416.00	(2,519,926.00)
Total capital assets being depreciated, net of accumulated depreciation	12,417,033.32	(688,084.32)	-	11,728,949.00
Governmental activity capital assets, net	$ 13,315,935.32	$ (688,084.32)	$ -	$ 12,627,851.00
Business-type activities:				
Capital assets being depreciated:				
Equipment	$ 73,918.00	$ 3,305.00	$ -	$ 77,223.00
Less accumulated depreciation	(68,418.00)	(1,917.00)	-	(70,335.00)
Enterprise Fund capital assets, net	$ 5,500.00	$ 1,388.00	$ -	$ 6,888.00

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2008 are as follows:

	Balance July 1, 2007	Issues or Additions	Payments or Expenditures	Balance June 30, 2008	Amounts Due Within One Year
Compensated Absences	$ 321,467.00	$ 8,948.19	$	$ 330,415.19	$ -
Capital Leases	254,824.86	92,562.00	51,330.11	296,056.75	64,170.03
Bonds Payable	5,942,000.00		355,000.00	5,587,000.00	365,000.00
	$ 6,518,291.86	$ 101,510.19	$ 406,330.11	$ 6,213,471.94	$ 429,170.03

Compensated absences, tuition adjustments and capital leases will be liquidated in the General Fund.

Bonds Payable

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

Description of Bonds Payable

At June 30, 2008, bonds payable consisted of the following issues:

$1,991,000 School Bonds dated April 15, 1996, due in annual installments through April 15, 2011, bearing interest at 5.25% per annum. The balance remaining as of June 30, 2008 is $541,000.

$5,711,000 School Bonds dated April 1, 2003, due in annual installments through April 1, 2022, bearing interest at 4.70% per annum. The balance remaining as of June 30, 2008 is $5,046,000.

Debt service requirements on serial bonds payable at June 30, 2008 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	$ 365,000.00	$ 266,527.50	$ 631,527.50
2010	370,000.00	248,410.00	618,410.00
2011	376,000.00	230,030.00	606,030.00
2012	425,000.00	211,335.00	636,335.00
2013	425,000.00	191,360.00	616,360.00
2014 - 2018	2,125,000.00	657,175.00	2,782,175.00
2019 - 2022	1,501,000.00	164,065.00	1,665,065.00
	$ 5,587,000.00	$ 1,968,902.50	$ 7,555,902.50

NOTE 7 – LONG-TERM OBLIGATIONS - Continued

Capital Leases

The District is leasing buses totaling $506,960. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2008:

Fiscal Year Ending June 30		Total
2009	$	74,992.61
2010		74,922.61
2011		62,170.31
2012		62,170.31
2013		62,170.31
Total minimum lease payments		336,426.15
Less amount representing interest		40,299.40
Present value of lease payments	$	296,126.75

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.

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.

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.

NOTE 8 – PENSION PLANS - Continued

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined.

Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% 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.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the TPAF.

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/08	$ 82,116.00	80%	$ 65,692.80
06/30/07	15,554.00	60%	9,332.40
06/30/06	54,785.00	40%	21,914.00

NOTE 8 – PENSION PLANS - Continued

Three Year Trend Information for TPAF (Paid on behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	$ 631,635.00	100%	$ -
6/30/2007	600,303.00	100%	-
6/30/2006	286,076.00	100%	-

During the fiscal year ended June 30, 2008, the State of New Jersey contributed $631,635.00 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District $380,844.96 during the year ended June 30, 2008 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 financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

NOTE 9 – POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2007, there were 75,860 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve by one half of one percent of the active State payroll.

The State made post – retirement (PRM) contributions of $592.7 million for TPAF and $224.3 million for PERS in Fiscal Year 2007.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free 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 $110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in fiscal year 2007.

NOTE 10 – COMPENSATED ABSENCES

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2008, no liability existed for compensated absences in the Food Service Enterprise Fund.

NOTE 11 – DEFERRED COMPENSATION

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

Thomas Seely Agency, Inc.	Prudential Insurance Co.	Lincoln Investment Planning, Inc.
Siracusa Insurance	American Express Financial	Equitable

NOTE 12 – CAPITAL RESERVE ACCOUNT

Dennis Township Board of Education established a capital reserve account by the inclusion of $200,000.00 in the original 1999-2000 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

During the fiscal year ended June 30, 2008, the District had interest earnings of $3,100.69. No withdrawals were made from the capital reserve. The following table summarized the activity in the Capital Reserve since its inception.

	Annual Budget	Interest	Expended	Balance June 30
1999 / 2000	$ 200,000.00	$ 9,750.65	$ -	$ 209,750.65
2000 / 2001		10,430.28		220,180.93
2001 / 2002	15,000.00	5,057.00		240,237.93
2002 / 2003		4,118.93		244,356.86
2003 / 2004		2,670.74		247,027.60
2004 / 2005		4,175.50		251,203.10
2005 / 2006		8,647.12		259,850.22
2006 / 2007		6,570.44	146,038.15	120,382.51
2007 / 2008		3,100.69		123,483.20

NOTE 13 – RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability 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 following 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 prior year:

Fiscal Year	Interest on Investments	Employee Contributions	Amount Reimbursed	Miscellaneous	Ending Balance
2007-2008	$ 185.66	$ -	$ -	$ -	$ 8,093.32
2006-2007	2,365.18			(60,000.00)	7,907.66
2005-2006	2,039.12		(11,590.00)		65,542.48
2004-2005	377.36	-	-		75,093.36
2003-2004	-	50,446.00	(52,526.00)		74,716.00
2002-2003	-	16,432.00	(5,375.00)		76,796.00

NOTE 14 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The 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 would result in the disallowance of program expenditures.

NOTE 15 – FUND BALANCE APPROPRIATED

General Fund - Of the $466,165.24 General Fund fund balance at June 30, 2008, $161,259.49 is reserved for encumbrances, $111,448.45 is reserved as excess surplus in accordance with N.J.A.C. 18A:7F-7; $123,483.20 has been reserved in the Capital Reserve Account; $84,138.00 of unreserved fund balance has been appropriated and included as anticipated revenue for the year ending June 30, 2008; and ($14,163.90) is unreserved and undesignated.

NOTE 16 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, 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 of budgeted fund balance in their subsequent years' budget. There is $25,286.45 excess fund balance at June 30, 2008.

NOTE 17 – DEFICIT FUND BALANCES

The District has a deficit fund balance of $1,297.80 in the Special Revenue Fund as of June 30, 2008 as reported in the fund statements (modified accrual basis). P.L. 2004, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the Special revenue fund in the GAAP fund statements of $1,297.80 is equal to the last state aid payment for that fund.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 7,268,253.00	$ -	$ 7,268,253.00	$ 7,268,253.00	$ -
Tuition from Individuals	-		-	10,920.00	10,920.00
Transportation Fees from Individuals			-	859.00	859.00
Interest Earned on Capital Reserve Funds	3,000.00		3,000.00	3,100.69	100.69
Unrestricted Miscellaneous Revenues	35,000.00		35,000.00	51,549.46	16,549.46
Total Local Sources	7,306,253.00	-	7,306,253.00	7,334,682.15	28,429.15
State Sources:					
Core Curriculum Standards Aid	3,892,210.00		3,892,210.00	3,892,210.00	-
Transportation Aid	769,875.00		769,875.00	769,875.00	-
Special Education Aid	954,614.00		954,614.00	954,614.00	-
Stabilization Aid	551,953.00		551,953.00	551,953.00	-
Consolidated Aid	123,874.00		123,874.00	123,874.00	-
Additional Formula Aid	384,795.00		384,795.00	384,795.00	-
Other State Aids-Out of Cap	125,073.00		125,073.00	155,255.25	30,182.25
TPAF Pension (On-Behalf - Non-Budgeted)			-	631,635.00	631,635.00
TPAF Social Security (Reimbursed-Non-Budgeted)			-	380,844.96	380,844.96
Total State Sources	6,802,394.00	-	6,802,394.00	7,845,056.21	1,042,662.21
Federal Sources:					
None			-		-
Total Federal Sources	-	-	-	-	-
Total Revenues	14,108,647.00	-	14,108,647.00	15,179,738.36	1,071,091.36
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten- Salaries of Teachers	285,075.00	24,189.16	309,264.16	309,264.16	-
Grades 1 - 5 Salaries of Teachers	1,339,566.00	89,092.82	1,428,658.82	1,428,658.82	-
Grades 6 - 8 Salaries of Teachers	1,051,938.00	24,963.37	1,076,901.37	1,076,901.37	-
Regular Programs - Home Instruction					-
Salaries of Teachers	2,500.00	182.76	2,682.76	2,682.76	-
Regular Programs - Undistributed Instruction					-
Purchased Professional - Education Services	-	133.20	133.20	133.20	-
Purchased Technical Services	6,235.00	(267.66)	5,967.34	5,244.48	722.86
Other Purchased Services (400-500 series)	22,500.00	(7,190.32)	15,309.68	14,368.28	941.40
Travel	1,800.00		1,800.00	997.36	802.64
General Supplies	206,205.00	101,930.37	308,135.37	301,834.35	6,301.02
Textbooks	10,000.00	(9,225.05)	774.95	693.40	81.55
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,925,819.00	223,808.65	3,149,627.65	3,140,778.18	8,849.47
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities					
Salaries of Teachers	156,792.00	68,318.37	225,110.37	225,110.37	-
Other Salaries for Instruction	76,994.00	36,276.93	113,270.93	113,270.93	-
General Supplies	5,700.00	(4,251.32)	1,448.68	1,448.68	-
Total Multiple Disabilities	239,486.00	100,343.98	339,829.98	339,829.98	-
Resource Room/Resource Center					
Salaries of Teachers	782,930.00	170.46	783,100.46	783,100.46	-
Other Salaries for Instruction	151,771.00	12,620.56	164,391.56	164,391.56	-
Other Purchased Services (400-500 series)	6,500.00	(4,115.21)	2,384.79	2,384.79	-
General Supplies	2,000.00	444.66	2,444.66	2,444.66	-
Textbooks	6,000.00	(3,710.65)	2,289.35	2,289.35	-
Total Resource Room/Resource Center	949,201.00	5,409.82	954,610.82	954,610.82	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,188,687.00	105,753.80	1,294,440.80	1,294,440.80	-

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic Skills/Remedial - Instruction					
Salaries of Teachers	$ 163,465.00	$ (2,838.60)	$ 160,626.40	$ 158,910.72	$ 1,715.68
General Supplies	900.00	-	900.00		900.00
Total Basic Skills/Remedial - Instruction	164,365.00	(2,838.60)	161,526.40	158,910.72	2,615.68
School-Spon. Cocurricular Activities - Instruction					
Salaries	14,083.00	(52.90)	14,030.10	11,492.71	2,537.39
Supplies & Materials	-	122.90	122.90	122.90	-
Total School-Spon. Cocurricular Activities - Inst.	14,083.00	70.00	14,153.00	11,615.61	2,537.39
School-Sponsored Athletics - Instruction					
Salaries	17,270.00	(909.19)	16,360.81	12,878.57	3,482.24
Purchased Services (300-500 series)	4,225.00	(970.52)	3,254.48	2,820.50	433.98
Supplies & Materials	1,800.00	2,403.34	4,203.34	4,193.15	10.19
Total School-Sponsored Athletics - Instruction	23,295.00	523.63	23,818.63	19,892.22	3,926.41
Communtiy Services - Inst.					
Salaries	-	1,588.09	1,588.09	1,588.09	0.00
Total Community Services - Instruction	-	1,588.09	1,588.09	1,588.09	0.00
TOTAL INSTRUCTION	4,316,249.00	328,905.57	4,645,154.57	4,627,225.62	17,928.95
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	2,721,722.00	(82,753.73)	2,638,968.27	2,638,968.27	-
Tuition to Other LEAs Within the State - Special	267,379.00	(9,739.00)	257,640.00	257,640.00	-
Tuition to County Voc. School Dist. - Regular	1,013,901.00	99,029.00	1,112,930.00	1,112,930.00	-
Tuition to CSSD & Regional Day Schools	209,900.00	(46,588.79)	163,311.21	163,311.21	-
Tuition to Private Schools for the Disabled W/I State	228,052.00	(153,932.23)	74,119.77	68,342.09	5,777.68
Tuition to Private Schools for the Disabled & Other LEA - Spl. O/S St.	153,487.00	(58,066.24)	95,420.76	95,420.76	-
Total Undistributed Expenditures - Instruction	4,594,441.00	(252,050.99)	4,342,390.01	4,336,612.33	5,777.68
Undistributed Expend. - Health Services					
Salaries	113,862.00	6,006.00	119,868.00	119,868.00	-
Other Salaries for Instruction	24,302.00	897.77	25,199.77	25,199.77	-
Purchased Professional and Technical Services	8,500.00	(1,894.00)	6,606.00	6,606.00	-
Supplies & Materials	8,000.00	(2,225.66)	5,774.34	5,774.34	-
Total Undistributed Expend. - Health Services	154,664.00	2,784.11	157,448.11	157,448.11	-
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	96,423.00	4,487.24	100,910.24	100,910.24	-
Purchased Professional - Education Services	500.00	(168.88)	331.12	331.12	-
Supplies & Materials	2,000.00	(1,230.17)	769.83	769.83	-
Total Undist. Expend. - Other Support Services Student - Related Services	98,923.00	3,088.19	102,011.19	102,011.19	-
Undist. Expend.- Other Supp. Serv. Students - Regular					
Salaries of Other Professional Staff	91,197.00	1,149.84	92,346.84	92,346.84	-
Purchased Professional and Technical Services		125.00	125.00	125.00	-
Supplies and Materials	2,000.00	(686.26)	1,313.74	1,313.74	-
Total Undist. Expend. - Other Support Serv.- Reg	93,197.00	588.58	93,785.58	93,785.58	-

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Other Support Serv. Students - Special					
Salaries of Other Professional Staff	$ 275,402.00	$ 3,924.84	$ 279,326.84	$ 279,326.84	$ -
Salaries of Secretarial and Clerical Assistants	56,818.00	3,824.21	60,642.21	60,642.21	-
Purchased Professional - Education Services	45,000.00	21,490.93	66,490.93	66,490.93	-
Other Purchased Professional and Tech. Services	10,200.00	976.00	11,176.00	10,676.00	500.00
Miscel. Purchs Serv.		4,079.24	4,079.24	3,944.24	135.00
Supplies & Materials	8,676.00	413.30	9,089.30	9,089.30	-
Other Objects	1,000.00	422.62	1,422.62	1,422.62	-
Total Undist. Expend. - Other Support Services Students - Special	397,096.00	35,131.14	432,227.14	431,592.14	635.00
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	83,345.00	1,951.34	85,296.34	85,296.34	-
Salaries of Other Professional Staff	1,000.00	(1,000.00)	-	-	-
Salaries of Secretarial and Clerical Assistants	36,346.00	1,805.19	38,151.19	38,151.19	-
Other Purchased Services (400-500 series)	4,100.00	(3,251.19)	848.81	603.74	245.07
Supplies & Materials	700.00	(103.19)	596.81	348.53	248.28
Other Objects	-	725.00	725.00	700.00	25.00
Total Undist. Expend. - Improvement of Inst. Serv.	125,491.00	127.15	125,618.15	125,099.80	518.35
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	75,378.00	(21,550.53)	53,827.47	53,827.47	-
Purchased Professional and Technical Services	2,500.00	(268.00)	2,232.00	2,232.00	-
Other Purchased Services (400-500 series)	1,500.00	-	1,500.00	1,132.00	368.00
Supplies & Materials	15,000.00	(7,436.46)	7,563.54	7,563.54	-
Other Objects		4,500.00	4,500.00	4,500.00	-
Total Undistributed Expenditures - Educational Media Services - School Library	94,378.00	(24,754.99)	69,623.01	69,255.01	368.00
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	3,800.00	(538.00)	3,262.00	3,262.00	-
Purchased Professional and Technical Services	7,600.00	(7,600.00)	-		-
Other Purchased Services (400-500 series)	-	17,164.06	17,164.06	17,164.06	-
Travel	-	3,431.40	3,431.40	3,396.68	34.72
Total Undistributed Expenditures - Instructional Staff Training Services	11,400.00	12,457.46	23,857.46	23,822.74	34.72
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	173,073.00	837.97	173,910.97	168,910.97	5,000.00
Legal Services	18,000.00	23,338.68	41,338.68	41,338.68	-
Audit Fees	17,500.00	(300.00)	17,200.00	17,200.00	-
Other Purchased Professional Services	15,534.00	(1,732.47)	13,801.53	13,801.53	-
Communications/Telephone	45,600.00	5,889.42	51,489.42	45,068.94	6,420.48
BOE Other Purchased Services	3,000.00	905.32	3,905.32	3,905.32	-
Other Purchased Services (400-500 series)	28,474.00	(6,248.23)	22,225.77	22,225.77	-
General Supplies	5,000.00	643.06	5,643.06	5,643.06	-
BOE In-House Training/Meeting Supplies	1,500.00	923.70	2,423.70	2,409.87	13.83
Miscellaneous Expenditures	2,900.00	11,535.64	14,435.64	14,435.64	-
BOE Membership Dues & Fees	10,100.00	(815.00)	9,285.00	9,285.00	-
Total Undistributed Expenditures - Support Services - General Administration	320,681.00	34,978.09	355,659.09	344,224.78	11,434.31
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	193,932.00	(459.84)	193,472.16	193,472.16	-
Salaries of Secretarial and Clerical Assistants	120,582.00	11,052.52	131,634.52	131,634.52	-
Other Purchased Services (400-500 series)	29,055.00	(7,030.26)	22,024.74	21,889.74	135.00
Supplies & Materials	8,970.00	(2,116.96)	6,853.04	6,853.04	-
Travel	2,000.00	(1,027.96)	972.04	837.04	135.00
Other Objects	-	2,449.70	2,449.70	2,424.70	25.00
Total Undistributed Expenditures - Support Services - School Administration	354,539.00	2,867.20	357,406.20	357,111.20	295.00

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Central Services					
Salaries	$ 156,153.00	$ -	$ 156,153.00	$ 156,106.39	$ 46.61
Purchased Professional Services	25,500.00	(5,131.65)	20,368.35	20,368.35	-
Miscellaneous Purchased Services (400-500 series)	9,000.00	(749.81)	8,250.19	7,750.16	500.03
Supplies & Materials	4,500.00	-	4,500.00	4,446.57	53.43
Miscellaneous Expenditures	5,170.00	-	5,170.00	4,900.00	270.00
Total Undistributed Expenditures - Central Services	200,323.00	(5,881.46)	194,441.54	193,571.47	870.07
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	44,519.00	520.08	45,039.08	45,039.08	-
Other Purchased Services (400-500 series)	10,320.00	(28.08)	10,291.92	9,051.80	1,240.12
Total Undistributed Expenditures - Admin. Info. Tech.	54,839.00	492.00	55,331.00	54,090.88	1,240.12
Undist. Expend. - Required Maint. For School Fac.					
Salaries	140,936.00	(200.14)	140,735.86	140,735.86	-
Cleaning, Repair and Maintenance Service	43,550.00	44,407.28	87,957.28	73,059.52	14,897.76
General Supplies	20,600.00	2,341.15	22,941.15	22,067.55	873.60
Other Objects	1,250.00	(627.84)	622.16	622.16	-
Total Undistributed Expenditures - Allowable Maintenance for School Facilities	206,336.00	45,920.45	252,256.45	236,485.09	15,771.36
Undist. Expend. - Other Oper. & Maint.of Plant					
Salaries	240,851.00	(1,395.60)	239,455.40	239,455.40	-
Purchased Professional and Technical Services	33,814.00	269.50	34,083.50	34,083.50	-
Cleaning, Repair and Maintenance Service	14,800.00	27,467.90	42,267.90	42,267.90	-
Insurance	33,600.00	(11,602.73)	21,997.27	21,997.27	-
Miscellaneous Purchased Services	1,500.00	(1,171.64)	328.36	328.36	-
General Supplies	49,200.00	25,974.77	75,174.77	69,002.27	6,172.50
Energy(Heat and Electricity)	260,000.00	68,324.42	328,324.42	328,324.42	-
Other Objects	-	199.27	199.27	199.27	-
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	633,765.00	108,065.89	741,830.89	735,658.39	6,172.50
Total Undistributed Expenditures Operations and Maintenance of Plant	840,101.00	153,986.34	994,087.34	972,143.48	21,943.86
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	210,951.00	57,573.86	268,524.86	259,395.89	9,128.97
Sal.- Pup. Trans. (Bet. Home & School) - Spc. Ed.	82,341.00	3,546.60	85,887.60	85,887.60	-
Sal.- Pup. Trans. (Other than Home & School)	4,016.00		4,016.00	3,950.98	65.02
Other Purchased Professional and Tech. Services	7,825.00	(3,113.51)	4,711.49	4,635.85	75.64
Cleaning, Repair and Maintenance Service	33,600.00	6,818.34	40,418.34	40,374.84	43.50
Lease Purchase Payments - School Buses	61,000.00	1,770.52	62,770.52	62,770.52	-
Contr. Serv. - Aid in Lieu Payments-NonPub Sch	37,038.00	(18,333.49)	18,704.51	17,239.22	1,465.29
Contr. Serv. - (Bet. Home & School) - Vendors	246,370.00	(246,370.00)	-	-	-
Contr. Serv. - Oth. than Bet Home & Sch) - Vendors	9,500.00	(1,510.00)	7,990.00	7,990.00	-
Contr. Serv. - (Special Ed. Students) - Vendors	140,090.00	(128,146.95)	11,943.05	9,996.19	1,946.86
Contr. Serv. - (Bet. Home & School) Joint Agrm.	3,180.00	12,812.80	15,992.80	14,874.59	1,118.21
Contr. Serv. - (Reg. Students) - ESCs & CTSAs	-	239,154.63	239,154.63	239,154.63	-
Misc. Purchased Service - Transportation	24,000.00	(3,698.22)	20,301.78	20,301.78	-
Supplies & Materials	93,960.00	44,701.00	138,661.00	135,371.28	3,289.72
Other Objects	-	1,828.73	1,828.73	1,828.73	-
Total Undistributed Expenditures - Student Transportation Services	953,871.00	(32,965.69)	920,905.31	903,772.10	17,133.21
Other Support Serv.					
Purchase of Professional Services	-	315.00	315.00	315.00	-
Total Other Support Serv.	-	315.00	315.00	315.00	-
Unallocated Benefits - Employee Benefits					
Social Security Contribution	115,000.00	37,652.26	152,652.26	152,652.26	-
Other Retirement Contributions - Regular	65,000.00	65,692.80	130,692.80	130,692.80	-
Unemployment Compensation	25,000.00	367.80	25,367.80	25,367.80	-
Workmen's Compensation	75,000.00	(9,498.29)	65,501.71	63,341.00	2,160.71
Health Benefits	1,276,500.00	(21,336.89)	1,255,163.11	1,135,537.67	119,625.44
Tuition Reimbursement	25,000.00	(13,515.46)	11,484.54	11,484.54	-
Other Employee Benefits			-		-
Total Unallocated Benefits	1,581,500.00	59,362.22	1,640,862.22	1,519,076.07	121,786.15

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)	$ -	$ -	$ -	$ 631,635.00	$ (631,635.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	380,844.96	(380,844.96)
Total On-Behalf Contributions	-	-	-	1,012,479.96	(1,012,479.96)
Total Personal Services - Employee Benefits	1,581,500.00	59,362.22	1,640,862.22	2,531,556.03	(890,693.81)
TOTAL UNDISTRIBUTED EXPENDITURES	9,875,444.00	(9,475.65)	9,865,968.35	10,696,411.84	(830,443.49)
TOTAL GENERAL CURRENT EXPENSE	14,191,693.00	319,429.92	14,511,122.92	15,323,637.46	(812,514.54)
CAPITAL OUTLAY					
Undistributed Expenditures					
Interest Deposited to Capital Reserve	3,000.00		3,000.00		3,000.00
Total Capital Outlay	3,000.00	-	3,000.00	-	3,000.00
SPECIAL SCHOOLS					
None					
TOTAL SPECIAL SCHOOLS	-	-	-	-	-
Transfer of Funds to Charter Schools	19,687.00		19,687.00	9,557.00	10,130.00
TOTAL EXPENDITURES	14,214,380.00	319,429.92	14,533,809.92	15,333,194.46	(799,384.54)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(105,733.00)	(319,429.92)	(425,162.92)	(153,456.10)	271,706.82
Fund Balance July 1	938,743.54		938,743.54	938,743.54	-
Fund Balance June 30	$ 833,010.54	$ (319,429.92)	$ 513,580.62	$ 785,287.44	$ 271,706.82

Recapitulation:	
Reserve for Encumbrances	$ 161,259.49
Capital Reserve	123,483.20
Excess Surplus	25,286.45
Excess Surplus - Designated for Subsequent Year's Expenditure	86,162.00
Unreserved - Designated for Subsequent Year's Expenditures	84,138.00
Unrestricted Fund Balance	304,958.30
	785,287.44
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not recognized on GAAP basis	319,122.20
Fund Balance per Governmental Funds (GAAP)	$ 466,165.24

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	$ 257,164.00	$ (39,247.30)	$ 217,916.70	$ 217,916.68	$ (0.02)
Federal Sources	334,383.00	134,171.37	468,554.37	434,391.54	(34,162.83)
Local Sources	-	8,786.17	8,786.17	8,784.87	(1.30)
Total Revenues	591,547.00	103,710.24	695,257.24	661,093.09	(34,164.15)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	462,969.00	(329,729.37)	133,239.63	131,804.69	1,434.94
Purchased Professional Technical Services	-	3,885.00	3,885.00	3,500.00	385.00
Other Purchased Services (400-500 series)	-	311,363.77	311,363.77	289,114.16	22,249.61
General Supplies	16,600.00	52,135.58	68,735.58	66,064.61	2,670.97
Textbooks	26,041.00	(8,268.00)	17,773.00	17,773.00	-
Total Instruction	505,610.00	29,386.98	534,996.98	508,256.46	26,740.52
Support Services:					
Salaries of Supervisors of Instruction	25,956.00	18,017.85	43,973.85	43,973.85	-
Salaries of Other Professional Staff	59,981.00	(5,868.21)	54,112.79	54,112.79	-
Personal Services - Employee Benefits	-	20,520.88	20,520.88	18,846.79	1,674.09
Purchased Professional Technical Services		18,394.07	18,394.07	17,006.07	1,388.00
Other Purchased Services (400-500 series)		5,817.83	5,817.83	1,799.66	4,018.17
Travel		913.93	913.93	913.93	-
Supplies & Materials		11,526.91	11,526.91	11,183.54	343.37
Total Support Services	85,937.00	69,323.26	155,260.26	147,836.63	7,423.63

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Non Instructional Equipment	$ -	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ -
Total Facilities Acquisitions and Const. Services:	-	5,000.00	5,000.00	5,000.00	-
Transfer to Charter Schools			-	-	-
Other Financing Sources (Uses)					
None			-		-
	-	-	-	-	-
Total Outflows	591,547.00	103,710.24	695,257.24	661,093.09	34,164.15
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -

Notes to the Required Supplementary Information

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Notes to the Required Supplementary Information
Budget-to-GAAP Reconciliation
June 30, 2008
For the Year Ended June 30, 2008

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	$ 15,179,738.36	[C-2]	$ 661,093.09
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(811.64)
The Final State Aid payment for the Year Ended June 30, 2008 that was delayed until July 2008 was recorded as budgetary revenue for the Year Ended June 30, 2008 but is not recognized under GAAP until the Year Ended June 30, 2009.		305,828.20		1,297.80
The Final State Aid payment for the Year Ended June 30, 2008 that was delayed until July 2008 was recorded as budgetary revenue for the Year Ended June 30, 2008 but is not recognized under GAAP until the Year Ended June 30, 2009.		(319,122.20)		(1,297.80)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	$ 15,166,444.36	[B-2]	$ 660,281.45
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	$ 15,333,194.46	[C-2]	$ 661,093.09
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.				(811.64)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	$ 15,333,194.46	[B-2]	$ 660,281.45

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
June 30, 2008

	Title I Part A	Carryover Title I Part A	Title IIA	Carryover Title IIA	Title IV	Carryover Title IV
REVENUES:						
State Sources	$ -	$ -	$ -	$ -	$ -	$ -
Federal Sources	55,191.02	3,791.26	24,688.71	14,267.82	2,236.55	943.51
Local Sources						
Total Revenues	55,191.02	3,791.26	24,688.71	14,267.82	2,236.55	943.51
EXPENDITURES:						
Instruction:						
Salaries of Teachers	37,676.94	1,831.73	5,088.12	3,640.90	1,000.00	
Purchased Professional Technical Services	3,500.00					
Other Purchased Services (400-500 series)	-	-	8,592.20	2,696.44	770.00	943.51
General Supplies	3,263.24	1,959.53	219.46	754.54	408.90	
Textbooks						
Total Instruction	44,440.18	3,791.26	13,899.78	7,091.88	2,178.90	943.51
Support Services:						
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff	2,305.00		1,187.00	-	47.00	
Personal Services - Employee Benefits	8,445.84	-	268.74	-	10.65	
Purchased Professional Technical Services			4,200.00	4,826.07		
Other Purchased Services (400-500 series)			1,178.27	621.39		
Travel						
Supplies & Materials			3,954.92	1,728.48		
Total Support Services	10,750.84	-	10,788.93	7,175.94	57.65	-
Facilities Acquisitions and Construction Services:						
Non-Instructional Equipment	-	-	-	-	-	-
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	-
Transfer to Charter Schools						
Other Financing Sources (Uses)						
None						
	-	-	-	-	-	-
Total Outflows	55,191.02	3,791.26	24,688.71	14,267.82	2,236.55	943.51
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	Title V	Carryover Title V	IDEA Part B	Carryover IDEA Part B	IDEA Preschool	Nonpublic Supplementary Instruction
REVENUES:						
State Sources	$ -	$ -	$ -	$ -	$ -	$ 19,824.00
Federal Sources	706.89	573.78	255,431.00	71,410.00	5,151.00	
Local Sources						
Total Revenues	706.89	573.78	255,431.00	71,410.00	5,151.00	19,824.00
EXPENDITURES:						
Instruction:						
Salaries of Teachers						18,162.43
Purchased Professional Technical Services						
Other Purchased Services (400-500 series)			219,961.00	51,000.01	5,151.00	
General Supplies	706.89	573.78	4,253.07	16,536.22		1,661.57
Textbooks						
Total Instruction	706.89	573.78	224,214.07	67,536.23	5,151.00	19,824.00
Support Services:						
Salaries of Supervisors of Instruction			18,017.85			
Salaries of Other Professional Staff		-	-			
Personal Services - Employee Benefits	-	-	4,154.99	-	-	
Purchased Professional Technical Services	-		7,980.00			
Other Purchased Services (400-500 series)						
Travel						
Supplies & Materials			1,064.09	3,873.77		
Total Support Services	-	-	31,216.93	3,873.77	-	-
Facilities Acquisitions and Construction Services:						
Non-Instructional Equipment	-	-	-	-	-	-
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	-
Transfer to Charter Schools						
Other Financing Sources (Uses)						
None						
	-	-	-	-	-	-
Total Outflows	706.89	573.78	255,431.00	71,410.00	5,151.00	19,824.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	Nonpublic Speech	Nonpublic Nursing	Nonpublic Technology	Nonpublic Examination & Classification	Nonpublic Textbooks	Nonpublic Basic Skills
REVENUES:						
State Sources	$ 13,950.00	$ 24,550.00	$ 12,720.00	$ 27,500.00	$ 17,773.00	$ 75,643.68
Federal Sources						
Local Sources						
Total Revenues	13,950.00	24,550.00	12,720.00	27,500.00	17,773.00	75,643.68
EXPENDITURES:						
Instruction:						
Salaries of Teachers	13,950.00					48,704.57
Purchased Professional Technical Services						
Other Purchased Services (400-500 series)						
General Supplies	-		12,720.00			20,972.54
Textbooks					17,773.00	
Total Instruction	13,950.00	-	12,720.00	-	17,773.00	69,677.11
Support Services:						
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff		24,550.00		26,023.79		
Personal Services - Employee Benefits		-				5,966.57
Purchased Professional Technical Services						
Other Purchased Services (400-500 series)						
Travel				913.93		
Supplies & Materials				562.28		
Total Support Services	-	24,550.00	-	27,500.00	-	5,966.57
Facilities Acquisitions and Construction Services:						
Non-Instructional Equipment	-	-	-	-	-	
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	-
Transfer to Charter Schools						
Other Financing Sources (Uses)						
None						
	-	-	-	-	-	-
Total Outflows	13,950.00	24,550.00	12,720.00	27,500.00	17,773.00	75,643.68
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	Instructional Supplemental Aid	Chamie CEF	Bingaman DTEF	Rebel Grant	School Sign	Totals 2008
REVENUES:						
State Sources	$ 25,956.00	$ -	$ -	$ -	$ -	$ 217,916.68
Federal Sources						434,391.54
Local Sources		484.87	300.00	3,000.00	5,000.00	8,784.87
Total Revenues	25,956.00	484.87	300.00	3,000.00	5,000.00	661,093.09
EXPENDITURES:						
Instruction:						
Salaries of Teachers				1,750.00		131,804.69
Purchased Professional Technical Services						3,500.00
Other Purchased Services (400-500 series)						289,114.16
General Supplies		484.87	300.00	1,250.00		66,064.61
Textbooks						17,773.00
Total Instruction	-	484.87	300.00	3,000.00	-	508,256.46
Support Services:						
Salaries of Supervisors of Instruction	25,956.00			-		43,973.85
Salaries of Other Professional Staff						54,112.79
Personal Services - Employee Benefits						18,846.79
Purchased Technical Services						17,006.07
Other Purchased Services (400-500 series)						1,799.66
Travel						913.93
Supplies & Materials						11,183.54
Total Support Services	25,956.00	-	-	-	-	147,836.63
Facilities Acquisitions and Construction Services:						
Non-Instructional Equipment	-	-	-		5,000.00	5,000.00
Total Facilities Acquisitions and Const. Services:	-	-	-	-	5,000.00	5,000.00
Transfer to Charter Schools						-
Other Financing Sources (Uses)						
None						-
	-	-	-	-	-	-
Total Outflows	25,956.00	484.87	300.00	3,000.00	5,000.00	661,093.09
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Instructional Supplement Aid Schedule of Expenditures
June 30, 2008
For the Year Ended June 30, 2008

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
None	$	$	$ -
Total Instruction	-	-	-
Support Services:			
Salaries of Supervisors of Instruction	25,956.00	25,956.00	-
Total Support Services	25,956.00	25,956.00	-
Contribution to Charter Schools			-
Total Expenditures	$ 25,956.00	$ 25,956.00	$ -

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2007-08 Instructional Supplement Allocation	$ 25,956.00
Adjustments	
Actual Instructional Supplement Carryover June 30, 2008	
	25,956.00
Less: 2007-08 Budgeted Instructional Supplement Aid (Including prior year budgeted carryover)	(25,956.00)
Available & Unbudgeted ISA Funds as of June 30, 2008	-
Add: 2007-08 Unexpended ISA	-
2007-08 Actual Carryover - ISA	$ -
2007-08 ISA Carryover Budgeted in 2008-09	$ -

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
June 30, 2008

Revenues and Other Financing Sources		
State Sources - SCC Grant	$	-
Bond Proceeds		-
Total Revenues		-
Expenditures and Other Financing Uses		
Project Expenditures		-
Total Expenditures		-
Excess (Deficiency) of Revenues Over (Under) Expenditures		-
Fund Balance, Beginning		13,204.77
Fund Balance, Ending	$	13,204.77

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
June 30, 2008
From Inception and for the Year Ended June 30, 2008

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ 5,619,577.00	$	$ 5,619,577.00	$ 5,619,577.00
Bond Proceeds	5,711,000.00		5,711,000.00	5,711,000.00
Total Revenues	11,330,577.00	-	11,330,577.00	11,330,577.00
Expenditures and Other Financing Uses				
Project Expenditures	11,317,372.23		11,317,372.23	11,330,577.00
Total Expenditures	11,317,372.23	-	11,317,372.23	11,330,577.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 13,204.77	$ -	$ 13,204.77	$ -

Additional Project Information:	
Project Number	2572003067
Grant Date	2002
Bond Authorization Date	2002
Bonds Authorized	2002
Bonds Issued	$ 5,711,000.00
Original Authorized Cost	11,330,577
Additional Authorized Cost	-
Revised Authorized Cost	11,330,577
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	January, 2004
Revised Target Completion Date	September, 2004

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Capital Projects Funds
Summary Statement of Project Expenditures
June 30, 2008

Project Title/Issue	Date	Original Appropriations	Expenditures to Date Prior Years	Expenditures to Date Current Years	Unexpended Balance June 30, 2008
Acquisition of Real Property and Construction of a new Primary School; construction of addition to the Intermediated/ Middle School and Middle School and various necessary Improvements and upgrades	2002	$ 11,330,577.00	$ 11,317,372.23	$ -	$ 13,204.77
		$ 11,330,577.00	$ 11,317,372.23	$ -	$ 13,204.77

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Service Fund - This fund provides for the operation of food services in all schools within the school district.

Community Education Fund - This fund provides for the operation of before and after school care and a summer activities program.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Unemployment Compensation Fund - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2008

	Unemployment Compensation Trust	Scholarship Funds	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	$ 8,093.32	$ 10,573.93	$ 52,701.26	$ 71,368.51
Interfund Receivable	-		74.40	74.40
Total Assets	8,093.32	10,573.93	52,775.66	71,442.91
LIABILITIES				
Payable to Student Groups			52,251.12	52,251.12
Interfunds Payable			524.54	524.54
Payroll Deductions & Withholdings			-	-
Total Liabilities	-	-	52,775.66	52,775.66
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	$ 8,093.32			8,093.32
Reserve for Scholarships		$ 10,573.93		10,573.93
Total Net Assets				18,667.25
Total Liabilities and Net Assets				$ 71,442.91

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
June 30, 2008

	Unemployment Compensation Trust	Scholarship Funds	Totals
ADDITIONS			
Contributions:			
None	$	$	$ -
Total Contributions	-	-	-
Investments Earnings:			
Interest	185.66	547.30	732.96
Net Investment Earnings	185.66	547.30	732.96
Total Additions	185.66	547.30	732.96
Deductions			
Scholarship Awards	-	100.00	100.00
Total Deductions	-	100.00	100.00
Change in Net Assets	185.66	447.30	632.96
Net Assets - Beginning of the Year	7,907.66	10,126.63	18,034.29
Net Assets - End of the Year	$ 8,093.32	$ 10,573.93	$ 18,667.25

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
June 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
ELEMENTARY SCHOOLS				
Eighth Grade Activities	$ 12,441.67	$ 63,599.94	$ 66,399.05	$ 9,642.56
Other	34,017.50	102,303.06	93,712.00	42,608.56
Total Assets	$ 46,459.17	$ 165,903.00	$ 160,111.05	$ 52,251.12

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
June 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
ASSETS:				
Cash and Cash Equivalents	$ 379.07	$ 7,676,351.72	$ 7,676,280.65	$ 450.14
Interfund Receivable	74.40	-	-	74.40
Total Assets	$ 453.47	$ 7,676,351.72	$ 7,676,280.65	$ 524.54
LIABILITIES:				
Payroll Deductions & Withholding	$ 246.07	$ 7,676,034.58	$ 7,676,280.65	$ -
Interfund Payable	207.40	317.14		524.54
Total Liabilities	$ 453.47	$ 7,676,351.72	$ 7,676,280.65	$ 524.54

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2008

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding 6/30/2008 Date	Amount	Interest Rate	Balance June 30, 2007	Decreased	Balance June 30, 2008
1996	4/15/1996	$ 1,991,000.00	4/15/2009	$ 175,000.00	5.290%	$ 706,000.00	$ 165,000.00	$ 541,000.00
			4/15/2010	180,000.00				
			4/15/2011	186,000.00				
2002	4/1/2002	5,711,000.00	4/1/09-11	190,000.00	4.700%	5,236,000.00	190,000.00	5,046,000.00
			4/1/12-21	425,000.00				
			4/1/2022	226,000.00				
						$ 5,942,000.00	$ 355,000.00	$ 5,587,000.00

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2008

Description	Amount of Original Issue	Balance June 30, 2007	Issued Current Year	Retired Current Year	Balance June 30, 2008
2003 - Three 54 Passenger Buses	$ 175,200.00	$ 39,109.66	$	$ 39,109.66	$ -
2006- One 54 Passenger Buses	58,598.00	35,115.20		11,203.72	23,911.48
2007- One 54 Passenger Buses	180,600.00	180,600.00		1,016.73	179,583.27
2008- One 54 Passenger Buses	92,562.00	-	92,562.00		92,562.00
		$ 254,824.86	$ 92,562.00	$ 51,330.11	$ 296,056.75

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 551,617.00	$	$ 551,617.00	$ 551,617.00	$ -
State Sources:					
Debt Service Aid Type II	87,503.00		87,503.00	87,503.00	-
Total - State Sources	87,503.00	-	87,503.00	87,503.00	-
Total Revenues	639,120.00	-	639,120.00	639,120.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	284,120.00		284,120.00	284,120.00	-
Redemption of Principal	355,000.00		355,000.00	355,000.00	-
Total Regular Debt Service	639,120.00	-	639,120.00	639,120.00	-
Total Expenditures	639,120.00	-	639,120.00	639,120.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	0.69		0.69	0.69	-
Fund Balance, June 30	$ 0.69	$ -	$ 0.69	$ 0.69	$ -

Statistical Section

Dennis Township BOE
Net Assets by Component,
Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	$ (1,370,898.00)	$ 5,310,748.00	$ 7,176,019.44	$ 7,148,452.40	$ 7,124,710.46	$ 6,744,794.25
Restricted	6,282,756.00	2,405,098.00	565,541.24	259,994.07	541,095.24	396,257.50
Unrestricted	2,733,351.00	258,840.00	128,760.60	(194,857.86)	(222,450.88)	(248,532.65)
Total governmental activities net assets	$ 7,645,209.00	$ 7,974,686.00	$ 7,870,321.28	$ 7,213,588.61	$ 7,443,354.82	$ 6,892,519.10
Business-type activities						
Invested in capital assets, net of related debt	$ -	$ 2,821.00	$ 1,914.00	$ 1,367.00	$ 5,500.00	$ 6,888.00
Restricted	-	33,757.00	-	-	-	-
Unrestricted	53,791.00	-	20,520.35	83,261.64	49,174.86	59,519.47
Total business-type activities net assets	$ 53,791.00	$ 36,578.00	$ 22,434.35	$ 84,628.64	$ 54,674.86	$ 66,407.47
District-wide						
Invested in capital assets, net of related debt	$ (1,370,898.00)	$ 5,313,569.00	$ 7,177,933.44	$ 7,149,819.40	$ 7,130,210.46	$ 6,751,682.25
Restricted	6,282,756.00	2,438,855.00	565,541.24	259,994.07	541,095.24	396,257.50
Unrestricted	2,787,142.00	258,840.00	149,280.95	(111,596.22)	(173,276.02)	(189,013.18)
Total district net assets	$ 7,699,000.00	$ 8,011,264.00	$ 7,892,755.63	$ 7,298,217.25	$ 7,498,029.68	$ 6,958,926.57

Source: CAFR Schedule A-1

Dennis Township BOE
Changes in Net Assets,
Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
Instruction:						
Regular	$ 3,067,926.00	$ 2,933,527.00	$ 3,563,556.70	$ 3,853,605.00	$ 4,155,739.72	$ 4,499,603.02
Special education	864,926.00	1,305,696.00	1,991,141.35	2,011,118.20	2,168,841.80	2,501,283.84
Other special education	258,391.00	151,127.00	172,739.84	133,349.26	216,688.61	205,497.73
Other Instruction	37,227.00	1,238.00	-	-	-	-
Nonpublic school programs	190,362.00	218,906.00	-	-	-	-
Support Services:						
Tuition	3,334,946.00	4,042,737.00	4,257,746.68	4,351,661.43	4,188,697.39	4,336,612.33
Student & instruction related services	946,082.00	899,191.00	1,269,607.86	1,429,047.39	1,486,831.68	1,563,559.32
General and business administrative services	486,354.00	346,114.00	417,473.54	390,934.73	445,676.53	507,946.64
School administrative services	300,612.00	289,156.00	400,399.91	439,462.26	475,823.37	433,742.00
Business administrative services						
Plant operations and maintenance	458,282.00	527,632.00	776,026.52	904,164.75	977,175.63	1,119,192.38
Pupil transportation	755,665.00	716,696.00	946,028.86	903,257.76	947,300.85	987,517.54
Central and Technical Services	-	-	262,759.88	277,977.08	305,178.39	343,199.41
Business and other support services	1,681,083.00	1,971,405.00	-	-		
Facilities Acquisitions and Construction Serv.	-	-	-	19,620.34	-	-
Charter Schools	-	-	8,949.64	9,220.00	9,557.00	9,557.00
Amortization of Debt Issue Costs	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	5,600.00
Interest on long-term debt	366,483.00	349,758.00	411,407.50	314,567.50	300,566.00	279,342.00
Unallocated depreciation	289,353.00	152,589.00				-
Total governmental activities expenses	13,044,892.00	13,912,972.00	14,485,038.28	15,045,185.70	15,685,276.97	16,792,653.21

Dennis Township BOE
Changes in Net Assets,
Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Business-type activities:						
Food service	$ 244,014.00	$ 225,274.00	$ 238,361.89	$ 220,925.77	$ 228,429.59	$ 237,535.73
Community Education	25,557.00	23,158.00	33,559.78	50,687.63	125,336.70	77,314.59
Total business-type activities expenses	269,571.00	248,432.00	271,921.67	271,613.40	353,766.29	314,850.32
Total district expenses	$ 13,314,463.00	$ 14,161,404.00	$ 14,756,959.95	$ 15,316,799.10	$ 16,039,043.26	$ 17,107,503.53
Program Revenues						
Governmental activities:						
Charges for services:						
Instruction (tuition)	$ 35,875.00	$ 39,735.00	$ -	$ -	$ 4,620.00	$ 10,920.00
Pupil transportation	-	-	470.40	-	6,570.44	3,100.69
Operating grants and contributions	610,208.00	639,034.00	780,363.76	751,147.63	744,733.82	747,784.45
Total governmental activities program revenues	646,083.00	678,769.00	780,834.16	751,147.63	755,924.26	761,805.14
Business-type activities:						
Charges for services:						
Food service	146,782.00	133,293.00	120,269.78	186,543.87	169,992.34	155,340.26
Community Education	28,635.00	42,025.00	48,230.60	74,958.42	97,579.88	91,598.97
Operating grants and contributions	65,223.00	51,265.00	38,158.33	47,299.93	59,119.05	74,639.80
Capital grants and contributions						
Total business-type activities program revenue	240,640.00	226,583.00	206,658.71	308,802.22	326,691.27	321,579.03
Total district program revenue	$ 886,723.00	$ 905,352.00	$ 987,492.87	$ 1,059,949.85	$ 1,082,615.53	$ 1,083,384.17
Net (Expense)/Revenue						
Governmental activities	$ (12,398,809.00)	$ (13,234,203.00)	$ (13,704,204.12)	$ (14,294,038.07)	$ (14,929,352.71)	$ (16,030,848.07)
Business-type activities	(28,931.00)	(21,849.00)	(65,262.96)	37,188.82	(27,075.02)	6,728.71
Total district-wide net expense	$ (12,427,740.00)	$ (13,256,052.00)	$ (13,769,467.08)	$ (14,256,849.25)	$ (14,956,427.73)	$ (16,024,119.36)

Dennis Township BOE
Changes in Net Assets,
Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	$ 4,813,338.00	$ 5,157,991.00	$ 6,009,258.00	$ 6,222,567.00	$ 6,988,971.00	$ 7,268,253.00
Taxes levied for debt service	342,319.00	479,368.00	542,846.00	551,374.00	536,274.00	551,617.00
Unrestricted grants and contributions	6,473,284.00	7,008,712.00	7,073,516.06	7,079,828.08	7,482,549.42	7,831,762.21
Fixed Asset Adjustment	-	-	-	(191,715.87)	-	(224,028.32)
Investment earnings	100,367.00	34,764.00	-	-	-	-
Miscellaneous income	26,088.00	33,146.00	35,051.63	56,185.97	151,324.50	52,408.46
Increase in Capital Lease	-	-	-	(58,598.00)	-	-
Transfers	(36,654.00)	(40,567.00)	(50,994.01)	(22,335.78)	-	
Total governmental activities	11,718,742.00	12,673,414.00	13,609,677.68	13,637,305.40	15,159,118.92	15,480,012.35
Business-type activities:						
Miscellaneous income	234.00	22,025.00	125.38	2,669.69	3,416.24	5,003.90
Transfers	36,654.00	-	50,994.01	22,335.78	-	-
Reduction of Receivable	-	-	-	-	(6,295.00)	-
Total business-type activities	36,888.00	22,025.00	51,119.39	25,005.47	(2,878.76)	5,003.90
Total district-wide	$ 11,755,630.00	$ 12,695,439.00	$ 13,660,797.07	$ 13,662,310.87	$ 15,156,240.16	$ 15,485,016.25
Changes in Net Assets						
Governmental activities	$ (680,067.00)	$ (560,789.00)	$ (94,526.44)	$ (656,732.67)	$ 229,766.21	$ (550,835.72)
Business-type activities	7,957.00	176.00	(14,143.57)	62,194.29	(29,953.78)	11,732.61
Total district	$ (672,110.00)	$ (560,613.00)	$ (108,670.01)	$ (594,538.38)	$ 199,812.43	$ (539,103.11)

Source: CAFR Schedule A-2

Dennis Township BOE
Fund Balances, Governmental Funds,
Last Six Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	$ 1,020,894.00	$ 460,451.00	$ 300,571.88	$ 338,193.51	$ 545,806.88	$ 396,191.14
Unreserved	(2,545.00)	89,373.00	348,874.77	17,722.68	87,108.46	69,474.10
Total general fund	$ 1,018,349.00	$ 549,824.00	$ 649,446.65	$ 355,916.19	$ 632,915.34	$ 465,665.24
All Other Governmental Funds						
Reserved	$ 5,863,098.00	$ 2,267,449.00	$ 358,064.23	$ 67,704.36	$ 67,704.36	$ 67,704.36
Unreserved, reported in:						
Special revenue fund	(3,901.00)	(1,298.00)	(970.00)	(1,297.80)	(1,297.80)	(1,297.80)
Capital projects fund	2,371,638.00	65,517.00	13,204.77	13,204.77	13,204.77	13,204.77
Debt service fund	483.00	21,810.00	21,811.19	1.69	0.69	0.69
Permanent fund	9,767.00	9,839.00	-	-		-
Total all other governmental funds	$ 8,241,085.00	$ 2,363,317.00	$ 392,110.19	$ 79,613.02	$ 79,612.02	$ 79,612.02

Source: CAFR Schedule B-1

Dennis Township BOE
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Tax Levy	$ 3,963,384	$ 4,065,191	$ 4,151,435	$ 4,392,463	$ 5,155,657	$ 5,637,359	$ 6,552,104	$ 6,773,941	$ 7,525,245	$ 7,819,870
Tuition charges		504	-			21,359	-	-	4,620	10,920
Interest earnings		94,921	124,469	91,422	100,367	34,764	3,000	8,647	6,570	859
Transportation Fees		18,391	-	2,389	11,070	5,646	470	-	27,041	3,101
Miscellaneous	154,734	12,296	8,938	19,454	15,018	6,141	32,541	72,326	131,682	60,334
State sources	6,074,007	6,829,425	7,131,629	6,662,043	6,740,351	7,260,158	7,440,215	7,424,720	7,840,153	8,137,182
Federal sources	229,053	258,796	257,396	333,876	343,141	387,588	413,176	381,469	379,731	433,580
Total revenue	10,421,178	11,279,524	11,673,867	11,501,647	12,365,604	13,353,015	14,441,505	14,661,103	15,915,043	16,465,846
Expenditures										
Instruction:										
Regular instruction	2,664,986	2,847,911	3,111,320	3,055,678	3,067,926	2,630,458	2,593,118	2,781,602	2,887,391	3,140,778
Special education instruction	478,455	523,065	642,383	748,264	864,926	1,305,696	1,506,707	1,508,392	1,589,360	1,805,569
Other special education instruction	204,979	167,368	175,888	302,779	258,391	151,127	124,905	124,255	203,696	192,007
Other instruction					37,227	1,238			-	-
Nonpublic school programs					190,362	218,906			-	-
Support Services:										
Tuition	2,436,772	2,650,173	2,709,166	2,821,784	3,334,946	4,042,737	4,257,747	4,351,661	4,188,697	4,336,612
Student & instruction related services	627,884	901,841	907,399	961,247	915,841	858,672	952,390	1,022,838	1,112,997	1,151,722
General administrative services	276,266	286,026	353,361	398,600	486,354	346,114	342,589	314,226	360,977	344,225
School administrative services	231,391	276,777	265,768	294,131	300,612	289,156	294,503	318,574	341,979	357,111
Business administrative services	144,321	170,139	171,128	168,403		222,507	196,885	204,159	222,182	247,977
Plant operations and maintenance	470,763	562,504	474,081	480,738	458,282	527,632	682,711	788,690	840,942	972,143
Pupil transportation	577,795	687,484	697,757	673,776	755,665	716,696	902,244	864,055	872,833	903,772
Unallocated employee benefits	1,260,253	1,163,432	1,291,058	1,327,288	1,675,449	1,781,573	1,743,132	1,983,623	2,236,145	2,531,556
Facilities Acquisitions and Construction Serv.								19,620	-	
Charter Schools							8,950	9,220	9,557	9,557
Capital outlay	296,955	208,330	196,063	786,604	2,701,889	5,926,471	1,967,222	290,360	119,838	446
Debt service:										
Principal	250,000	260,000	270,000	275,000	280,000	290,000	345,000	345,000	350,000	355,000
Interest and other charges	160,590	145,440	129,765	113,565	366,483	349,758	334,158	318,518	301,450	284,120
Total Expenditures	10,081,410	10,850,491	11,395,136	12,407,857	15,694,353	19,658,741	16,252,258	15,244,795	15,638,045	16,632,596
Excess (Deficiency) of revenues over (under) expenditures	339,768	429,033	278,731	(906,210)	(3,328,749)	(6,305,726)	(1,810,752)	(583,692)	276,998	(166,750)
Other Financing Sources (Uses)										
Transfer in						21,327			26,200	-
Transfer out			(35,705)	(186,148)		(61,894)	(50,994)	(22,336)	(26,200)	-
Proceeds from Bond Issue				5,711,000						
State Grant Award				5,619,577						
Cancellation of Retainage	5,094									
Transfer from other funds				98,358						
Capital Leases (non-budgeted)	49,260	52,265	52,200							
Total other financing sources (uses)	54,354	52,265	16,495	11,242,787	-	(40,567)	(50,994)	(22,336)	-	-
Extraordinary Item										
Loss on Sale of Securities										
Net change in fund balances	$ 394,122	$ 481,298	$ 295,227	$ 10,336,577	$ (3,328,749)	$ (6,346,293)	$ (1,861,746)	$ (606,028)	$ 276,998	$ (166,750)
Debt service as a percentage of noncapital expenditures	4.20%	3.81%	3.57%	3.34%	4.98%	4.66%	4.75%	4.44%	4.20%	3.84%

Source: CAFR Schedule B-2

Dennis Township BOE
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
Unaudited

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Miscellaneous	Totals
1999	$ 75,034.00	$ 24,733.00		$ 54,968.00	$ 154,735.00
2000	94,921.00	504.00		30,687.00	126,112.00
2001	124,469.00	-		8,938.00	133,407.00
2002	65,672.00	13,258.00		8,585.00	87,515.00
2003	24,309.00	7,595.00		18,493.00	50,397.00
2004	13,265.00	21,359.00		11,550.00	46,174.00
2005	23,686.00	-		11,835.00	35,521.00
2006	51,576.00	-		4,610.00	56,186.00
2007	53,255.45	4,620.00		104,639.49	162,514.94
2008	36,111.18	10,920.00		19,397.97	66,429.15

Source: District Records

Dennis Township BOE
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

	Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	County Equalized Value
	1999	$ 36,488,200	$ 257,723,500	$ 7,389,900	$ 1,271,500	$ 41,638,900	$ -	$ -	$ 344,512,000	$ -	$ 3,541,717	$ 348,053,717	1.167	$ 370,782,468
	2000	35,187,600	263,688,600	7,864,400	1,283,700	44,096,100	-	-	352,120,400	-	2,844,923	354,965,323	1.159	380,231,761
	2001	34,399,800	271,363,700	8,015,600	1,333,700	44,949,300	-	-	360,062,100	-	2,705,406	362,767,506	1.211	402,936,794
	2002	33,566,600	275,330,300	7,872,900	1,433,800	46,377,400	-	-	364,581,000	-	2,411,068	366,992,068	1.404	444,562,294
	2003	32,963,400	278,623,700	7,860,200	1,524,100	52,153,900	-	-	373,125,300	-	2,298,697	375,423,997	1.502	481,811,146
	2004	33,099,900	284,774,300	7,700,000	1,470,700	55,689,000	-	-	382,733,900	-	1,929,519	384,663,419	1.705	550,361,390
	2005	31,973,300	291,257,600	7,314,300	1,564,400	59,711,000	-	-	391,820,600	-	1,618,589	393,439,189	1.723	640,834,059
R	2006	64,579,100	796,267,100	16,516,200	1,509,600	143,107,900	-	-	1,021,979,900	-	2,458,313	1,024,438,213	0.735	763,171,296
	2007	64,571,800	800,446,500	16,270,500	1,549,100	143,388,500			1,026,226,400	-	2,539,849	1,028,766,249	0.761	928,218,108
	2008	64,571,800	815,342,900	16,270,500	1,549,100	143,388,500	-	-	1,041,122,800	-	2,654,571	1,043,777,371	0.777	1,045,215,840

Source: County Abstract of Ratables & Municipal Tax Assessor
R = Revaluation/Reassessment

Dennis Township BOE
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per $100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Dennis Township BOE			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Other	Municipal Local Purpose	
1999	$ 1.098	$ 0.066	$ 1.164	$ 0.438	$ 0.012	$ 0.033	$ -	$ 0.163	$ 1.810
2000	1.112	0.055	1.167	0.448	0.012	0.034	-	0.159	1.820
2001	1.092	0.067	1.159	0.445	0.011	0.033	-	0.152	1.800
2002	1.169	0.042	1.211	0.403	0.012	0.033	-	0.151	1.810
2003	1.311	0.093	1.404	0.399	0.013	0.036	-	0.148	2.000
2004	1.374	0.128	1.502	0.378	0.014	0.039	-	0.147	2.080
2005	1.564	0.141	1.705	0.356	0.016	0.043	-	0.140	2.260
2006	1.583	0.140	1.723	0.338	0.018	0.049	-	0.142	2.270
2007	0.709	0.052	0.761	0.136	0.010	0.027	-	0.126	1.060
2008	0.724	0.053	0.777	0.152	0.011	0.030	-	0.126	1.096

Source: District Records and Municipal Tax Collector

Dennis Township BOE
Principal Property Tax Payers,
Current Year and Six Years Ago

Exhibit J-8

	2008			2002		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Turner Partners, L.P.	$ 9,728,700	1	0.93%	$ 6,154,700	1	1.68%
O.W. Acquisition Corp.	8,803,500	2	0.84%	4,564,600	2	1.24%
Driftwood Campground	8,357,600	3	0.80%	2,535,000	4	0.69%
Pine Haven, LLC c/o Diversified	7,119,700	5	0.68%			
Sea Quest Enterprises, LLC	7,004,500	4	0.67%	1,708,400	9	0.47%
Wenzel, William & Patricia	4,400,000	6	0.42%			
The Stafford Family LLC	3,633,000	7	0.35%			
Catanoso Family Limited Partnership	3,503,300	8	0.34%			
Minmar II Inc.	3,151,400	9	0.30%	1,838,900	7	0.50%
Resort Campground Corp	2,972,200	10	0.28%	2,488,900	5	0.68%
Pedroni Fuel				1,882,900	6	0.51%
Individual Taxpayer				2,697,700	3	0.74%
Individual Taxpayer				1,731,000	8	0.47%
Individual Taxpayer				1,581,400	10	0.43%
Totals	$ 58,673,900		5.62%	$ 27,183,500		7.41%
	District Assessed Value		$ 1,043,777,371			$ 366,992,068

Source: District CAFR & Municipal Tax Assessor

Dennis Township BOE
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
1999	$ 3,963,384.00	$ 3,963,384.00	100%	-
2000	4,055,791.00	4,055,791.00	100%	-
2001	4,115,835.00	4,115,835.00	100%	-
2002	4,392,463.00	4,392,463.00	100%	-
2003	5,155,657.00	5,155,657.00	100%	-
2004	5,637,359.00	5,637,359.00	100%	-
2005	6,552,104.00	6,552,104.00	100%	-
2006	6,773,941.00	6,773,941.00	100%	-
2007	6,988,971.00	6,988,971.00	100%	-
2008	7,819,870.00	7,819,870.00	100%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

Dennis Township BOE
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	Per Capita Personal Income
1999	$ 2,646,000		$ 117,550			$ 2,763,550	1.07%	$ 29,610
2000	2,386,000		114,557			2,500,557	1.27%	31,662
2001	2,116,000		114,976			2,230,976	1.49%	33,208
2002	7,552,000		63,046			7,615,046	0.45%	34,378
2003	7,272,000		189,583			7,461,583	0.46%	34,641
2004	6,982,000		156,908			7,138,908	0.51%	36,525
2005	6,637,000		111,954			6,748,954	Not available	Not available
2006	6,292,000		116,781			6,408,781	Not available	Not available
2007	5,942,000		254,825			6,196,825	Not available	Not available
2008	5,587,000		296,057			5,883,057	Not available	Not available

Source: District CAFR Schedules I-1, I-2

Dennis Township BOE
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
1999	$ 2,646,000	$ -	$ 2,646,000	0.76%	$ 29,610
2000	2,386,000	-	2,386,000	0.67%	31,662
2001	2,116,000	-	2,116,000	0.58%	33,208
2002	7,552,000	-	7,552,000	2.06%	34,378
2003	7,272,000	-	7,272,000	1.94%	34,641
2004	6,982,000	-	6,982,000	1.82%	36,525
2005	6,637,000	-	6,637,000	1.69%	Not available
2006	6,292,000	-	6,292,000	0.61%	Not available
2007	5,942,000		5,942,000	0.58%	Not available
2008	5,587,000	-	5,587,000	0.54%	Not available

Dennis Township BOE
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2007

Exhibit J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Local Municipality	$ 3,298,554.57	100.00%	$ 3,298,554.57
Other debt			
County of Cape May	71,998,290.77	1.91%	1,374,726.48
Cape May County Municipal Utilities Authority	139,842,250.00	1.91%	2,670,130.67
Cape May County Bridge Commission	16,315,000.00	1.91%	311,516.60
Subtotal, overlapping debt			7,654,928.32
Dennis Township School District Direct Debt			5,942,000.00
Total direct and overlapping debt			$ 13,596,928.32

Sources:
- Dennis Township BOE - 2007 Audit Report
- County of Cape May - 2007 Audit Report
- Cape May County Bridge Commission - 2007 Audit Report
- Dennis Township 2007 Debt Statement
- District Records

Dennis Township BOE
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Equalized valuation basis	
2007	$ 1,026,226,400
2006	920,619,674
2004	748,177,583
	$ 2,695,023,657
Average equalized valuation of taxable property	$ 898,341,219
Debt limit (3% of average)	26,950,236.57
Net bonded school debt	5,942,000
Legal debt margin	$ 21,008,237

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	$ 10,371,349	$ 10,676,032	$ 11,166,808	$ 11,943,326	$ 12,935,989	$ 14,368,243	$ 16,245,226	$ 19,051,087	$ 22,921,424	$ 26,950,237
Total net debt applicable to limit	2,646,000	2,496,000	2,116,000	7,552,000	7,552,000	7,552,000	6,982,000	6,637,000	6,292,000	5,942,000
Legal debt margin	$ 7,725,349	$ 8,180,032	$ 9,050,808	$ 4,391,326	$ 5,383,989	$ 6,816,243	$ 9,263,226	$ 12,414,087	$ 16,629,424	$ 21,008,237
Total net debt applicable to the limit as a percentage of debt limit	25.51%	23.38%	18.95%	63.23%	58.38%	52.56%	42.98%	34.84%	27.45%	22.05%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

Dennis Township BOE
Demographic and Economic Statistics,
Last Ten Fiscal Years

Exhibit J-14

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	** Per Capita Personal Income	Unemployment Rate
1999	6,686	$ 197,972,460	$ 29,610	7.0%
2000	6,492	205,549,704	31,662	5.9%
2001	6,427	213,794,155	33,265	5.7%
2002	6,367	219,546,894	34,482	6.7%
2003	6,313	220,323,700	34,900	6.9%
2004	6,178	231,044,844	37,398	4.7%
2005	6,039	235,877,301	39,059	3.8%
2006	5,900	242,301,200	41,068	4.0%
2007	5,791	Not available	Not available	3.8%
2008	Not available	Not available	Not available	Not available

** County wide information

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System; New Jersey Department of Labor, Bureau of Labor Force Statistics; U.S. Bureau of Census, Population Division

Dennis Township BOE
Principal Employers,
Current Year and Nine Years Ago

Exhibit J-15

	2007			1998		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
		1				
		2				
This Information is not available for this district.		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
Totals	-		0.00%	-		0.00%

Source:

Dennis Township School District
Full-Time Equivalent District Employees by Function/ Program
Last Ten Years

Exhibit J-16

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Instruction										
Regular	39	38	38	38	37	36	35	37	37	39
Special Ed	13	14	14	15	15	16	17	16	16	19
Other Spec. Ed	5	5	5	5	6	5	6	6	6	13
Other instruction	17	17	18	21	21	17	17	14	14	12
Support services										
Student & Instruction related services	10	14	15	15	15	11	11	11	11	12
General Administration	2	2	2	2	2	2	2	2	2	2
School Administration Services	4	4	4	4	4	4	4	4	4	4
Other Administration services										
Central services										
Administrative Information technology										
Plant Operations and Maintenance	9	10	9	9	9	9	10	11	11	11
Pupil transportation	17	15	19	22	19	16	16	15	16	18
Other Support Services	15	15	12	13	11	10	10	10	8	9
	131	134	136	144	139	126	128	126	125	139

Source: District Personnel Records

Dennis Township BOE
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio Elementary School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
1999	1,302	$ 9,554,240	$ 7,338	1.33%	69	1:18.9	884	836	0.34%	94.57%
2000	1,242	10,246,935	8,250	12.43%	74	1:16.8	906	797	2.49%	87.97%
2001	1,261	10,884,202	8,631	4.62%	75	1:16.8	896	851	-1.10%	94.98%
2002	1,244	11,256,173	9,048	4.83%	74	1:16.8	862	831	-3.79%	96.40%
2003	1,223	12,316,209	10,070	11.30%	73	1:16.8	802	760	-6.96%	94.76%
2004	1,225	13,092,412	10,688	6.13%	69	1:17.8	779	742	-2.87%	95.25%
2005	1,200	13,605,878	11,338	6.09%	69	1:17.4	757	711	-2.82%	93.92%
2006	1,152	14,290,917	12,405	9.41%	69	1:16.7	751	741	-0.79%	98.67%
2007	1,132	14,986,595	13,239	6.72%	70	1:16.2	715	673	-4.79%	94.13%
2008	1,125	15,993,476	14,216	7.38%	70	1:16.1	689	648	-3.64%	94.05%

Source: District records, ASSA and Schedules J-12, J-14

Dennis Township BOE
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
District Buildings										
Elementary										
Dennis Township Elementary/ Middle School (1950)										
Square Feet	86,690	86,690	86,690	86,690	86,690	89,220	89,220	89,220	89,220	89,220
Capacity	650	650	650	650	650	608	608	608	608	608
Students	881	892	865	862	824	809	564	541	509	481
Dennis Township Primary School (2004)										
Square Feet	-	-	-	-	-	-	51,105	51,105	51,105	51,105
Capacity	-	-	-	-	-	-	329	329	329	329
Students	-	-	-	-	-	-	210	213	208	204
Other										
Administration Building (1996)										
Square Feet	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960
Bus Maintenance Garage (1970)										
Square Feet	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980

Source: District Records, ASSA

Dennis Township BOE
General Fund
Schedule of Required Maintenance for School Facilities,
Last Seven Fiscal Years
(Unaudited)

Exhibit J-19

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2002	2003	2004	2005	2006	2007	2008
Dennis Elementary	N/A	$ 189,283	$ 137,466	$ 153,775	$ 121,131	$ 127,250	$ 134,594	$178,516
Dennis Primary	N/A	N/A	N/A	N/A	33,569	44,270	45,230	37,335
Total School Facilities		189,283	137,466	153,775	154,700	171,520	179,824	215,851
Other Facilities								
Grand Total		$ 189,283	$ 137,466	$ 153,775	$ 154,700	$ 171,520	$ 179,824	$215,851

Source: District Records

Dennis Township BOE
Insurance Schedule
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Exhibit J-20

Company	Amount of Coverage	Deductible
School Package Policy		
Property - Blanket Buildings & Contents	$ 23,249,681	$
Comprehensive General Liability	3,000,000	
Commercial Auto	1,000,000	575.00
Umbrella Liability	5,000,000	500.00
Employers Liability	2,000,000	
Abuse or Molestation Liability	3,000,000	
Data Processing	255,000	250.00
Employee Benefits Liability	3,000,000	
SPELL	3,000,000	
Workers Compensation		

Source: District Records

Single Audit Section

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

The Honorable President and
Members of Board of Education
Dennis Township School District
County of Cape May, New Jersey

We have audited the basic financial statements of the Dennis Township Board of Education School District in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated November 5, 2008. We conducted our audit 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 Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dennis Township Board of Education's basic 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 basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended for the information of the management of the Dennis Township Board of Education, the New Jersey State Department of Education (the cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 5, 2008

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and
Members of Board of Education
Dennis Township School District
County of Cape May, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Dennis Township School District in the County of Cape May, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2008. Dennis Township 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Dennis Township Board of Education's management. Our responsibility is to express an opinion on Dennis Township Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, OMB Circular A-*133 Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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 Dennis Township 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. Our audit does not provide a legal determination of Dennis Township Board of Education's compliance with those requirements.

In our opinion the Board of Education of the Dennis Township School District, in the County of Cape May, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Board of Education of the Dennis Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Dennis Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the Dennis Township Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 non compliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or a state program will not be prevented or detected by the entity's internal control.

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

This report is intended for the information of the management of the Dennis Township Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 5, 2008

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2008

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2007	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2008	Deferred Revenue at June 30, 2008	Due to Grantor at June 30, 2008
U.S. Department of Education Passed-Through State Department Education:														
Special Revenue Fund:														
Title I	84.010A	NCLB 06	$ 76,715.00	9/1/2006	8/31/2007	$ 3,791.26	$	$	$ (3,791.26)	$	$	$ -	$ -	$ -
Title I	84.010A	NCLB 07	54,658.00	9/1/2007	8/31/2008			57,658.00	(55,191.02)			-	2,466.98	-
Title IIA	84.281A	NCLB 06	30,583.00	9/1/2006	8/31/2007	14,267.82			(14,267.82)			-	-	-
Title IIA	84.281A	NCLB 07	29,709.00	9/1/2007	8/31/2008			29,709.00	(24,688.71)			-	5,020.29	-
Title IID	84.281D	NCLB 06	385.00	9/1/2007	8/31/2008	-		385.00	-			-	385.00	-
Title IV	84.186	NCLB 06	3,141.00	9/1/2006	8/31/2007	943.51			(943.51)			-	-	-
Title IV	84.186	NCLB 07	3,120.00	9/1/2007	8/31/2008			3,120.00	(2,236.55)			-	883.45	-
Title V	84.298	NCLB 06	1,495.00	9/1/2006	8/31/2007	573.78			(573.78)			-	-	-
Title V	84.298	NCLB 07	1,214.00	9/1/2007	8/31/2008			1,214.00	(706.89)			-	507.11	-
I.D.E.A. Part B, Basic Regular	84.027A	FT 06	285,690.00	9/1/2006	8/31/2007	71,410.00			(71,410.00)			-	-	-
I.D.E.A. Part B, Basic Regular	84.027A	FT 07	280,331.00	9/1/2007	8/31/2008			280,331.00	(255,431.00)			-	24,900.00	-
I.D.E.A. Part B, Preschool	84.173	FT 07	5,151.00	9/1/2007	8/31/2008	-		5,151.00	(5,151.00)			-	-	-
Total Special Revenue Fund						90,986.37	-	377,568.00	(434,391.54)	-	-	-	34,162.83	-
U.S. Department of Education Passed-through State Department of Education:														
Enterprise Fund:														
National School Lunch Program	10.555	N/A	45,342.65	7/1/2006	6/30/2007	(2,750.20)		2,750.20				-	-	-
National School Lunch Program	10.555	N/A	50,394.88	7/1/2007	6/30/2008	-		47,618.26	(50,394.88)			(2,776.62)	-	-
Food Distribution Program	10.550	N/A	10,060.00	7/1/2006	6/30/2007	6,106.11			(6,106.11)				-	-
Food Distribution Program	10.550	N/A	20,387.00	7/1/2007	6/30/2008			20,387.00	(14,280.89)				6,106.11	-
Total Enterprise Fund						3,355.91	-	70,755.46	(70,781.88)	-	-	(2,776.62)	6,106.11	-
Total Federal Financial Awards						$ 94,342.28	$ -	$ 448,323.46	$ (505,173.42)	$ -	$ -	$ (2,776.62)	$ 40,268.94	$ -

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2008

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2007: Deferred Revenue (Accts Receivable)	Balance at June 30, 2007: Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2008: (Accounts Receivable) June 30, 2008	Balance at June 30, 2008: Deferred Revenue/ June 30, 2008	Balance at June 30, 2008: Due to Grantor at	MEMO: Budgetary Receivable	MEMO: Cumulative Total Expenditures
State Department of Education																
General Fund:																
Core Curriculum Aid	07-495-034-5120-022	$ 3,892,210	7/1/2006	6/30/2007	$ (183,636.67)	$	$	$ 183,636.67	$	$	$	$ -	$ -	$ -	$	$ -
Core Curriculum Aid	08-495-034-5120-022	3,892,210	7/1/2007	6/30/2008				3,709,613.90	(3,892,210.00)						(182,596.10)	3,892,210.00
Transportation Aid	07-495-034-5120-014	769,875	7/1/2006	6/30/2007	(36,319.14)			36,319.14				-	-	-		-
Transportation Aid	08-495-034-5120-014	769,875	7/1/2007	6/30/2008				733,757.69	(769,875.00)						(36,117.31)	769,875.00
Additional Transportation Aid	07-495-034-5120-014	8,088	7/1/2006	6/30/2007	(8,087.88)			8,087.88				-	-	-	-	-
Additional Transportation Aid	08-495-034-5120-014	7,565	7/1/2007	6/30/2008					(8,087.88)			(7,565.25)				8,087.88
Extraordinarry Aid	07-100-034-5120-049	37,134	7/1/2006	6/30/2007	(37,134.00)			37,134.00				-	-	-	-	-
Extraordinarry Aid	08-100-034-5120-049	22,617	7/1/2007	6/30/2008					(37,134.00)			(22,617.00)	-	-	-	37,134.00
Special Education Aid	07-495-034-5120-011	954,614	7/1/2006	6/30/2007	(45,039.23)			45,039.23								-
Special Education Aid	08-495-034-5120-011	954,614	7/1/2007	6/30/2008				909,829.98	(954,614.00)			-	-	-	(44,784.02)	954,614.00
Stabilization Aid	07-495-034-5120-030	551,953	7/1/2006	6/30/2007	(26,041.45)			26,041.45								-
Stabilization Aid	08-495-034-5120-030	551,953	7/1/2007	6/30/2008				526,059.11	(551,953.00)			-	-	-	(25,893.89)	551,953.00
Consolidated Aid	07-495-034-5120-057	123,874	7/1/2006	6/30/2007	(5,844.45)			5,844.45								-
Consolidated Aid	08-495-034-5120-057	123,874	7/1/2007	6/30/2008				118,062.67	(123,874.00)			-	-	-	(5,811.33)	123,874.00
Additional Furmula Aid	07-495-034-5120-058	189,554	7/1/2006	6/30/2007	(8,943.26)			8,943.26								-
Additional Furmula Aid	08-495-034-5120-058	384,795	7/1/2007	6/30/2008				366,743.03	(384,795.00)			-	-	-	(18,051.97)	384,795.00
Full Day Kindergarten Supplemental Aid	08-495-034-5120-074	125,073	7/1/2007	6/30/2008				119,205.42	(125,073.00)						(5,867.58)	125,073.00
Reimbursed TPAF Social Security Contributions	08-495-034-5095-002	381,917	7/1/2007	6/30/2008				363,183.47	(381,916.93)			(18,733.46)	-	-	-	381,916.93
Reimbursed TPAF Social Security Contributions	07-495-034-5095-002	357,536	7/1/2006	6/30/2007	(17,661.49)			17,661.49				-	-	-	-	-
Total General Fund					(368,707.57)	-	-	7,215,162.84	(7,229,532.81)	-	-	(48,915.71)	-	-	(319,122.20)	7,229,532.81
Special Revenue Fund:																
Instructional Supplement Aid	07-495-034-5120-029	25,956	7/1/2006	6/30/2007	(1,297.80)			1,297.80					-	-		-
Instructional Supplement Aid	08-495-034-5120-029	25,956	7/1/2007	6/30/2008				24,658.20	(25,956.00)						(1,297.80)	25,956.00
NJ Nonpublic Aid																
Textbooks	08-100-034-5120-064	17,773	7/1/2007	6/30/2008				17,773.00	(17,773.00)				-	-	-	17,773.00
Compensatory Education	01-100-034-5120-067	99	7/1/2000	6/30/2001		98.66					(98.66)		-	-	-	-
Compensatory Education	07-100-034-5120-067	80,883	7/1/2006	6/30/2007		1.71					(1.71)		-	-	-	-
Compensatory Education	08-100-034-5120-067	75,644	7/1/2007	6/30/2008				75,643.68	(75,643.68)					-		75,643.68
Handicapped Services:																
Examination and Classification	07-100-034-5120-066	46,080	7/1/2006	6/30/2007	0.02								0.02	-	-	-
Examination and Classification	08-100-034-5120-066	27,500	7/1/2007	6/30/2008				27,500.00	(27,500.00)				-	-	-	27,500.00
Corrective Speech	08-100-034-5120-066	13,950	7/1/2007	6/30/2008				13,950.00	(13,950.00)				-	-	-	13,950.00
Supplemental Instruction	08-100-034-5120-066	19,824	7/1/2007	6/30/2008				19,824.00	(19,824.00)				-	-	-	19,824.00
Technolgy	08-100-034-5120-373	12,720	7/1/2007	6/30/2008				12,720.00	(12,720.00)							12,720.00
Nursing	08-100-034-5120-070	24,550	7/1/2007	6/30/2008				24,550.00	(24,550.00)							24,550.00
Total Special Revenue Fund					(1,297.78)	100.37	-	217,916.68	(217,916.68)	-	(100.37)	-	0.02	-	(1,297.80)	217,916.68
Debt Service Fund:																
Debt Service Aid	08-495-034-5120-125	87,503	7/1/2007	6/30/2008				87,503.00	(87,503.00)			-	-	-	-	87,503.00
Total Debt Service Fund					-	-	-	87,503.00	(87,503.00)	-	-	-	-	-	-	87,503.00
State Department of Agriculture:																
National School Lunch Program (State Share)	07-100-010-3360-067	3,716	7/1/2007	6/30/2008	(218.00)			218.00				-	-	-	-	3,716.40
National School Lunch Program (State Share)	08-100-010-3360-067	3,858	7/1/2007	6/30/2008				3,644.42	(3,857.92)			(213.50)	-	-	-	3,857.92
Total Enterprise Fund					(218.00)	-	-	3,862.42	(3,857.92)	-	-	(213.50)	-	-	-	7,574.32
EDA / SCC:																
Capital Project Fund	2572003067	5,619,577	Open		(82,884.65)							(82,884.65)	-	-	-	5,619,577.00
Total State Financial Assistance					$ (453,108.00)	$ 100.37	$ -	$ 7,524,444.94	$ (7,538,810.41)	$ -	$ (100.37)	$ (132,013.86)	$ 0.02	$ -	$ (320,420.00)	$ 13,162,103.81

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2008

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Township of Dennis School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary of accounting with the exception of programs recorded in the enterprise funds, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 BASIC 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 last state aid payment in the current budget year, which is mandated pursuant to *N.J.S. 18A:22-4.2*. For GAAP purposes that payment is not recognized until the subsequent year due to the state deferral and recording of the 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 recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S. 18A:22-4.2*.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($13,294.00) for the general fund and ($811.64) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	TPAF Pension	Total
General Fund	$ -	$ 7,831,762.21	$ (631,635.00)	$ 7,200,127.21
Special Revenue Fund	433,579.90	217,916.68		651,496.58
Debt Service Fund		87,503.00		87,503.00
Food Service Fund	70,781.88	3,857.92		74,639.80
	$ 504,361.78	$ 8,141,039.81	$ (631,635.00)	$ 8,013,766.59

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

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 U.S.D.A. Commodities 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, 2008. 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, 2008.

DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2008

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified Opinion issued on the General- Purpose Financial Statements, dated November 5, 2008.

Internal control over financial reporting:

1) Material weakness(es) identified? _____ Yes __X__ No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes __X__ None reported

Noncompliance material to basic financial statements noted? _____ Yes __X__ No

Federal Awards

Internal control over major 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 issued on compliance for major programs: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	IDEA Basic

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? __X__ Yes _____ No

Section I – Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? X Yes ____ No

Type of auditor's report issued on compliance for major programs: Unqualified Opinion

Internal Control over major 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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 ____ Yes X No

Identification of major programs:

GMIS Number(s)	Name of State Program
08-495-034-5120-057	Consolidated Aid
08-495-034-5120-014	Transportation Aid
08-495-034-5120-058	Additional Formula Aid
08-495-034-5095-002	TPAF FICA Reimbursement
08-495-034-5120-125	Debt Service Aid Type II
08-100-034-5120-070	Non-Public Nursing
08-495-034-5120-074	Full Day Kindergarten Aid

Section II – Financial Statement Findings

In accordance with *Government Auditing Standards*, our audit disclosed no findings relating to the financial statements that are required to be reported under this section. However, we did note some immaterial findings that are reported in the Management Report on Administrative Findings.

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

FEDERAL AWARDS

Our audit disclosed no matters to be reported.

STATE AWARDS

Our audit disclosed no matters to be reported.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.