Comprehensive Annual Financial Report

of the

Township of Dennis Board of Education

Dennis Township, New Jersey

For the Fiscal Year Ended June 30, 2011

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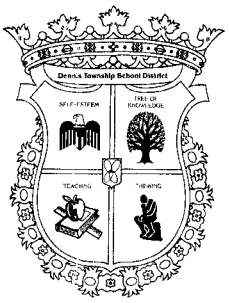
Introductory Section

DENNIS TOWNSHIP

TERRI NOWOTNY
Business Administrator/
Board Secretary



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(609) 861-2859, ext 511
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BOARD OF EDUCATION

November 14, 2011

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, 2011, 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 2010-2011 fiscal year with a June enrollment of 620 students, which is 6 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
2010-11	620	-0.96%
2009-10	626	-5.58%
2008-09	663	-3.21%
2007-08	685	-4.20%
2006-07	715	-5.42%
2005-06	756	-3.08%
2004-05	780	0.13%

2. ECONOMIC CONDITION AND OUTLOOK:

The Dennis Township area has seen slight residential growth as well as a 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 stableized state aid for school districts, has again "delayed" the final 2010-2011 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. The District will continue to seek new sources of revenue and focus on cost containment.

3. MAJOR INITIATIVES:

Students continued to score above the state and national averages on most 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 the new State revision calendar. This calendar fits the implementation schedule of the New Jersey Core Curriculum Content Standards as well as the national Common Core Standards. Technology continues to expand in the area of web based programs to expand instructional and administrative 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, 2011.

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 1.

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 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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:

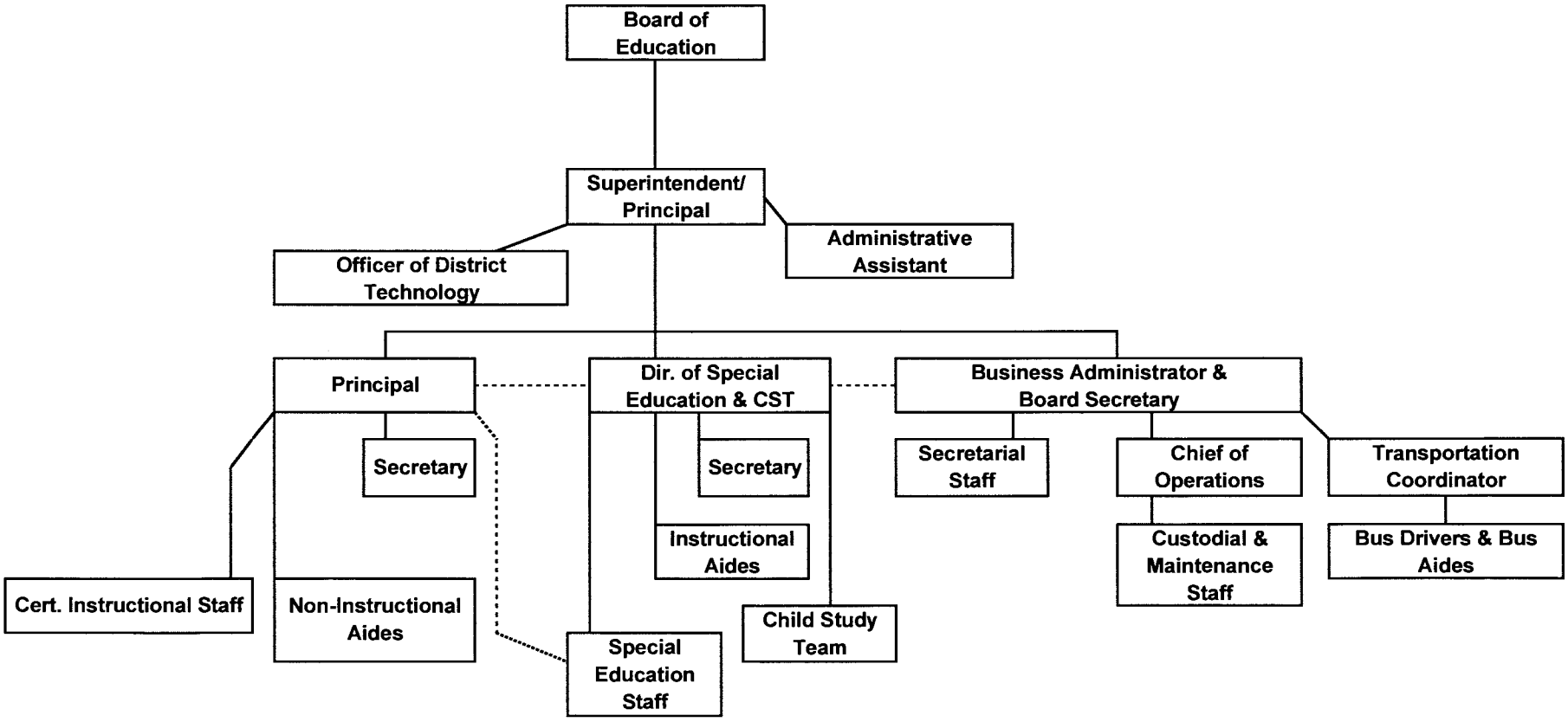
We would like to express our appreciation to the members of the Township of Dennis Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our 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

POLICY

Organizational Chart



TOWNSHIP OF DENNIS BOARD OF EDUCATION
COUNTY OF CAPE MAY, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2011

Members of the Board of Education	Term Expires
Russell Tozer, President	2014
Sara Teefy, Vice President	2014
Jesse Gery	2012
Consuela Ross	2012
Renee Pettit	2012
Tracy Kulick	2014
Dawn McDaniel	2013
Patricia Ziolkowski	2013
Vacany	

Other Officials

George R. Papp, Superintendent
Terri Nowotny, School Business Administrator
Kelly Brazelton, 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

Frederic Sherkman
Cooper Levensen
1125 Atlantic Ave.
Atlantic City, NJ 08401

OFFICIAL DEPOSITORY

Sturdy Savings and Loan
1224 Route 47
Dennisville, NJ 08214

TD Bank
Route 9
Marmora, NJ 08233

INSURANCE

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

Conner Strong
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 of the Board of Education of the Dennis Township School District, in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Dennis Township 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, and each major fund of the Dennis Township Board of Education, in the County of Cape May, State of New Jersey, as of June 30, 2011, 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 14, 2011 on our consideration of the Dennis Township 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 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. 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 Dennis Township Board of Education's basic financial statements. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and related major fund supporting statements and schedules 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on 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 14, 2011

Required Supplementary Information – Part I

DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
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, 2010 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 2011 are as follows:

- In total, net assets increased $1,063,671.96, which represents a 16 percent increase from 2010.
- General revenues accounted for $15,801,671.32 in revenue or 95 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $894,463.47 or 5 percent of total revenues of $16,696,134.79.
- Cash and cash equivalents decreased by $95,411.07 receivables decreased by $67,824.17, internal balances increased $483.25, inventory decreased by $226.53, deferred bond issuance costs decreased by $34,250.00 and capital assets increased by $392,718.00.
- The School District had $16,563,992.83 in expenses; only $894,463.47 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of $15,801,671.32 were adequate to provide for these programs.
- Among governmental funds, the General Fund had 15,310,510.41 in revenues and $15,090,326.04 in expenditures. The General Fund's fund balance increased $220,184.37 over 2010.

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 2011?" 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 2011 and 2010.

Table 1
Net Assets

	2011	2010
Assets		
Current and Other Assets	$ 916,389.02	$ 1,113,359.14
Capital Assets	12,276,044.00	11,883,326.00
Total Assets	13,192,433.02	12,996,685.14
Liabilities		
Long-Term Liabilities	5,141,783.84	5,639,132.83
Other Liabilities	311,338.15	681,913.24
Total Liabilities	5,453,121.99	6,321,046.07
Net Assets		
Invested in Capital Assets, Net of Debt	7,683,516.87	6,863,277.15
Restricted	577,752.75	261,283.78
Unrestricted	(521,958.59)	(448,921.86)
Total Net Assets	$ 7,739,311.03	$ 6,675,639.07

The District's combined net assets were $7,739,311.03 on June 30, 2011. This was an increase of 16% percent from the prior year.

The School District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year's 2011 and 2010.

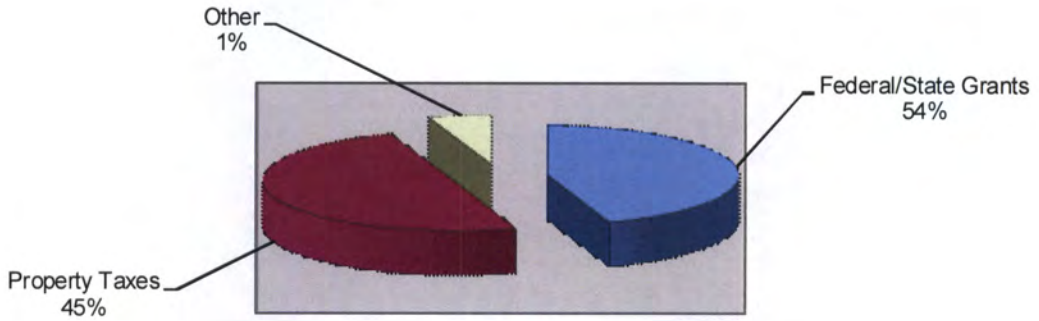
Table 2
Changes in Net Assets

	2011	2010
Revenues		
Program Revenues:		
Charges for Services	$ 188,271.96	$ 254,908.77
Operating Grants and Contributions	706,191.51	1,204,208.01
General Revenues:		
Property Taxes	8,605,765.00	8,293,482.00
Grants and Entitlements	7,100,097.53	7,445,674.89
Other	95,808.79	105,684.48
Extraordinary Item		
Fixed Asset Adjustment	931,530.00	-
Total Revenues	17,627,664.79	17,303,958.15
Program Expenses		
Instruction	7,082,161.01	7,389,106.85
Support Services:		
Tuition	4,342,887.24	4,292,410.28
Related Services - Pupils and Instructional Staff	1,544,564.04	1,705,948.37
General Administration, School Administration,	780,417.30	947,029.89
Central Operations and Maintenance of Facilities	1,283,996.45	1,372,211.24
Pupil Transportation	1,114,798.82	1,060,844.00
Interest on Debt	129,532.52	227,857.00
Food Service	208,328.43	215,783.50
Community Education Program	77,307.02	96,029.47
Total Expenses	16,563,992.83	17,307,220.60
Increase (Decrease) in Net Assets	$ 1,063,671.96	$ (3,262.45)

Governmental Activities

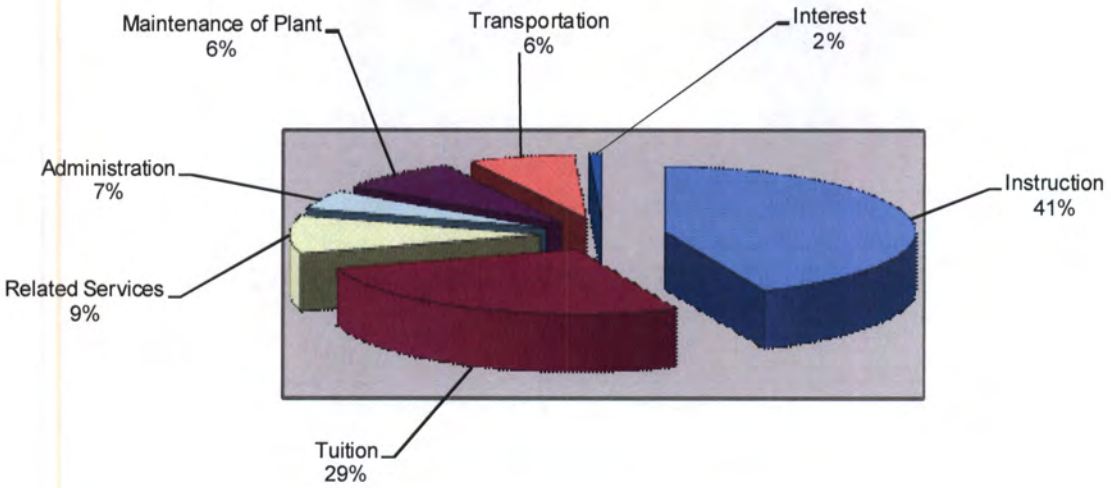
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 45 percent of revenues for governmental activities for the Dennis Township School District for fiscal year 2011. The District's total revenues were $17,254,493.69 for the year ended June 30, 2011. Federal, state, and local grants accounted for another 54 percent of revenue.

Sources of Revenue for 2011



The total cost of all program and services was $16,278,357.38. Instruction comprises 41 percent of District expenses.

Expenses for 2011



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 $10,856.82 and Community Education expenses exceeded revenues by $16,371.93.
- Charges for food services represent $119,294.47 of revenue. This represents amounts paid by patrons for daily food service. Charges for Community Education represent $60,935.09 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 $78,177.14.

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 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
Instruction	$ 7,082,161.01	$ 6,637,780.87	$ 7,389,106.85	$ 6,550,335.12
Support Services:				
Tuition	4,342,887.24	4,335,103.24	4,292,410.28	4,276,730.28
Pupils and Instructional Staff	1,544,564.04	1,432,988.81	1,705,948.37	1,504,160.61
General Administration, School Administration	780,417.30	780,417.30	947,029.89	947,029.89
Business Operation and Maintenance of Facilities	1,283,996.45	1,283,996.45	1,372,211.24	1,372,211.24
Pupil Transportation	1,114,798.82	1,114,540.42	1,060,844.00	1,060,347.39
Interest and Fiscal Charges	129,532.52	57,473.52	227,857.00	141,588.00
Total Expenses	$ 16,278,357.38	$ 15,642,300.61	$ 16,995,407.63	$ 15,852,402.53

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 $16,437,652.69 expenditures were $16,197,625.37. The increase in fund balance for the year was $240,027.32.

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, 2011, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue		Amount	Percent of Total		Increase (Decrease) from 2010	Percent of Increase (Decrease)
Local Sources	$	8,714,612.79	53%	$	294,722.77	4%
State Sources		7,272,806.94	44%		(396,861.86)	-5%
Federal Sources		450,232.96	3%		(447,856.62)	-50%
Total	$	16,437,652.69	100%	$	(549,995.71)	-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, 2011, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures		Amount	Percent of Total		Increase (Decrease) from 2010	Percent of Increase (Decrease)
Current expense:						
Instruction	$	5,005,584.77	31%	$	(408,249.72)	-8%
Undistributed expenditures		10,538,156.08	65%		(389,970.98)	-4%
Capital Outlay		67,665.00	0%		(26,948.20)	-28%
Debt Service		586,219.52	4%		(32,190.48)	-5%
Total	$	16,197,625.37	100%	$	(857,359.38)	-5%

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 2011, the School District had $12,169,575.00 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2011 balances compared to 2010.

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

	2011	2010
Land	$ 518,653.00	$ 898,902.00
Building and Building Improvements	11,019,572.00	10,503,963.00
Machinery and Equipment	631,350.00	474,251.00
Total	$ 12,169,575.00	$ 11,877,116.00

Overall capital assets decreased $292,459.00 from fiscal year 2010 to fiscal year 2011. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2011, the School District had $5,141,783.84 of outstanding debt. Of this amount, $309,506.71 is for compensated absences; $157,277.13 for various capital leases; $4,675,000.00 of serial bonds for school construction.

Table 5
Bonded Outstanding Debt at June 30,

	2011	2010
1996 Issue	$ -	$ 186,000.00
2002 Issue	-	190,000.00
2010 Refunding Issue	4,675,000.00	4,750,000.00
Total	$ 4,675,000.00	$ 5,126,000.00

At June 30, 2011, 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 George R. Papp, Superintendent or Terri Nowotny, Business Administrator 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, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 149,461.96	$ 43,788.43	$ 193,250.39
Receivables, Net	340,711.63	12,647.70	353,359.33
Internal Balances	5,741.29	(5,258.04)	483.25
Inventory		4,078.51	4,078.51
Deferred Bond Issuance Costs	239,750.00		239,750.00
Restricted Assets:			
Capital Reserve Account - Cash	125,467.54		125,467.54
Capital Assets, Net (Note 6)	12,169,575.00	106,469.00	12,276,044.00
Total Assets	13,030,707.42	161,725.60	13,192,433.02
LIABILITIES			
Accounts Payable	20,817.54	11,482.38	32,299.92
Loans Payable	95,000.00		95,000.00
Payable to state government	17,486.00		17,486.00
Deferred Revenue	103,250.28	1,700.95	104,951.23
Tuition Adjustment	25,136.00		25,136.00
Accrued Interest	36,465.00		36,465.00
Noncurrent Liabilities (Note 7)			
Due Within One Year	960,000.00		960,000.00
Due Beyond One Year	4,181,783.84		4,181,783.84
Total Liabilities	5,439,938.66	13,183.33	5,453,121.99
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,577,047.87	106,469.00	7,683,516.87
Restricted for:			
Debt Service (Deficit)	(16,654.33)		(16,654.33)
Capital Projects	206,409.14		206,409.14
Other	387,997.94		387,997.94
Unrestricted	(564,031.86)	42,073.27	(521,958.59)
Total Net Assets	$ 7,590,768.76	$ 148,542.27	$ 7,739,311.03

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2011

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	$ 4,384,879.55	$ -	$ 34,875.56	$ -	$ (4,350,003.99)	$ -	$ (4,350,003.99)
Special Education	2,335,735.94		409,504.58		(1,926,231.36)		(1,926,231.36)
Other Special Instruction	361,545.52				(361,545.52)		(361,545.52)
Support Services:							
Tuition	4,317,962.24	7,784.00			(4,310,178.24)		(4,310,178.24)
Student & Instruction Related Services	1,544,564.04		111,575.23		(1,432,988.81)		(1,432,988.81)
General Administrative Services	414,823.80				(414,823.80)		(414,823.80)
School Administrative Services	365,593.50				(365,593.50)		(365,593.50)
Plant Operation and Maintenance	1,026,266.78				(1,026,266.78)		(1,026,266.78)
Pupil Transportation	1,114,798.82	258.40			(1,114,540.42)		(1,114,540.42)
Central And Technical Services	257,729.67				(257,729.67)		(257,729.67)
Charter Schools	24,925.00				(24,925.00)		(24,925.00)
Interest on Long-Term Debt	129,532.52		72,059.00		(57,473.52)		(57,473.52)
Total Governmental Activities	16,278,357.38	8,042.40	628,014.37	-	(15,642,300.61)	-	(15,642,300.61)
Business-Type Activities:							
Food Service	208,328.43	119,294.47	78,177.14			(10,856.82)	(10,856.82)
Community Education	77,307.02	60,935.09				(16,371.93)	(16,371.93)
Total Business-Type Activities	285,635.45	180,229.56	78,177.14	-	-	(27,228.75)	(27,228.75)
Total Primary Government	$ 16,563,992.83	$ 188,271.96	$ 706,191.51	$ -	$ (15,642,300.61)	$ (27,228.75)	$ (15,669,529.36)

General Revenues:	Governmental Activities	Business-Type Activities	Total
Taxes:			
Property Taxes, Levied for General Purposes, Net	$ 8,071,794.00	$ -	$ 8,071,794.00
Taxes Levied for Debt Service	533,971.00		533,971.00
Federal and State Aid not Restricted	7,100,097.53		7,100,097.53
Miscellaneous Income	95,733.39	75.40	95,808.79
Extraordinary Item:			
Fixed Asset Adjustment	816,841.00	114,689.00	931,530.00
Total General Revenues, Special Items, Extraordinary Items and Transfers	16,618,436.92	114,764.40	16,733,201.32
Change in Net Assets	976,136.31	87,535.65	1,063,671.96
Net Assets - Beginning	6,614,632.45	61,006.62	6,675,639.07
Net Assets - Ending	$ 7,590,768.76	$ 148,542.27	$ 7,739,311.03

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, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 255,035.23	$ 534.13	$ 32.47	$ 19,327.67	$ 274,929.50
Due from Other Funds	43,104.45	17,516.57		483.00	61,104.02
Receivables from Other Governments	113,337.31	138,556.00	82,884.65		334,777.96
Other	5,933.67				5,933.67
Total Assets	$ 417,410.66	$ 156,606.70	$ 82,917.12	$ 19,810.67	$ 676,745.15
LIABILITIES AND FUND BALANCES					
Liabilities:					
Loans Payable	$ 95,000.00	$ -	$ -	$ -	$ 95,000.00
Accounts Payable	20,817.54				20,817.54
Payable to State Government		17,486.00			17,486.00
Interfund Payable	17,516.79	35,870.42	1,975.52		55,362.73
Deferred Revenue		103,250.28			103,250.28
Total Liabilities	133,334.33	156,606.70	1,975.52	-	291,916.55
Fund Balances:					
Restricted for:					
Excess Surplus	173,821.05				173,821.05
Capital Reserve Account	125,467.54				125,467.54
Excess Surplus - Designated Subsequent Year	36,827.40				36,827.40
Debt Service Fund				19,810.67	19,810.67
Capital Projects Fund			13,237.24		13,237.24
Assigned to:					
Designated by BOE for Subsequent Expenditures	84,645.00				84,645.00
Other Purposes	92,704.49		67,704.36		160,408.85
Unassigned, Reported in:					
General Fund	(229,389.15)				(229,389.15)
Total Fund Balances (Deficits)	284,076.33	-	80,941.60	19,810.67	384,828.60
Total Liabilities and Fund Balances	$ 417,410.66	$ 156,606.70	$ 82,917.12	$ 19,810.67	

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

Capital assets used in governmental activities are not resources and therefore are not reported in the funds. The cost of the assets is $19,565,283.00 and the accumulated depreciation is $7,395,708.00. (See Note 6)	12,169,575.00
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(36,465.00)
Bond Refunding costs are reported in the governmental fund as expenditures in the year the bonds are issued but are amortized over the life of the bonds on the statement of activities. (See Note 21)	239,750.00
Tuition Adjustment Receivable	(25,136.00)
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.	(5,141,783.84)
Net assets of governmental activities	$ 7,590,768.76

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 8,071,794.00	$ -	$ -	$ 533,971.00	$ 8,605,765.00
Tuition from Individuals	7,784.00				7,784.00
Transportation Fees	34,558.92				34,558.92
Interest on Capital Reserve	258.40				258.40
Miscellaneous	61,142.00	5,072.00	32.47		66,246.47
Total Local Sources	8,175,537.32	5,072.00	32.47	533,971.00	8,714,612.79
State Sources	7,086,815.61	113,932.33		72,059.00	7,272,806.94
Federal Sources	48,157.48	402,075.48			450,232.96
Total Revenues	15,310,510.41	521,079.81	32.47	606,030.00	16,437,652.69
EXPENDITURES					
Current:					
Regular Instruction	3,027,508.03				3,027,508.03
Special Education Instruction	1,314,621.83	409,504.58			1,724,126.41
Other Special Instruction	253,950.33				253,950.33
Support Services and Undistributed Costs:					
Tuition	4,292,826.24				4,292,826.24
Student & Instruction Related Serv.	1,018,582.33	103,936.23			1,122,518.56
General Administrative Services	328,742.64				328,742.64
School Administrative Services	259,013.36				259,013.36
Plant Operation and Maintenance	904,969.19				904,969.19
Pupil Transportation	1,043,206.70				1,043,206.70
Central and Technical Services	196,120.79				196,120.79
Unallocated Employee Benefits	2,365,833.60				2,365,833.60
Transfer to Charter School	24,925.00				24,925.00
Capital Outlay	60,026.00	7,639.00			67,665.00
Debt Service:					
Principal				451,000.00	451,000.00
Interest and Other Charges				135,219.52	135,219.52
Total Expenditures	15,090,326.04	521,079.81	-	586,219.52	16,197,625.37
Excess (Deficiency) of Revenues Over Expenditures	220,184.37	-	32.47	19,810.48	240,027.32
Net Changes in Fund Balance	220,184.37	-	32.47	19,810.48	240,027.32
Fund Balance - July 1	63,891.96	-	80,909.13	0.19	144,801.28
Fund Balance - June 30	$ 284,076.33	$ -	$ 80,941.60	$ 19,810.67	$ 384,828.60

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, 2011

Total Net Change in Fund Balance - Governmental Funds (from B-2)		$ 240,027.32
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	$ (601,879.00)	
Fixed Asset Adjustment	816,841.00	
Capital Outlay	77,497.00	
		292,459.00
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		451,000.00
Capital Lease Payments		64,968.72
Increase in Capital Lease		(54,197.00)
The costs associated with the refunding of bonds dated April 29, 2010 are amortized over the life of the bonds.		(34,250.00)
Tuition Adjustment Receivable		(25,136.00)
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.		35,577.27
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.		5,687.00
Change in Net Assets of Governmental Activities		$ 976,136.31

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2011

	Business-Type Activities - Enterprise Fund		
	Food Service	Community Education	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 16,983.37	$ 26,805.06	$ 43,788.43
Accounts Receivable	447.32	12,200.38	12,647.70
Inventories	4,078.51		4,078.51
Total Current Assets	21,509.20	39,005.44	60,514.64
Noncurrent Assets:			
Furniture, Machinery & Equipment	221,272.00		221,272.00
Less: Accumulated Depreciation	(114,803.00)		(114,803.00)
Total Noncurrent Assets	106,469.00	-	106,469.00
Total Assets	$ 127,978.20	$ 39,005.44	$ 166,983.64
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 10,810.64	$ 671.74	$ 11,482.38
Prepaid Accounts	1,700.95		1,700.95
Interfund Payable	5,258.04		5,258.04
Total Current Liabilities	17,769.63	671.74	18,441.37
NET ASSETS			
Invested in Capital Assets Net of Related Debt	106,469.00	-	106,469.00
Unrestricted	3,739.57	38,333.70	42,073.27
Total Net Assets	$ 110,208.57	$ 38,333.70	$ 148,542.27

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
June 30, 2011

	Business-Type Activities - Enterprise Fund		
	Food Service	Community Education	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Sales	$ 119,294.47	$ -	$ 119,294.47
Program Fees		60,935.09	60,935.09
Total Operating Revenue	119,294.47	60,935.09	180,229.56
Operating Expenses:			
Cost of Sales	87,214.85	5,986.24	93,201.09
Salaries and Benefits	73,279.38	69,395.37	142,674.75
Management Fee	24,600.00		24,600.00
General Supplies	7,578.95	1,846.25	9,425.20
Miscellaneous	1,225.25	79.16	1,304.41
Depreciation	14,430.00		14,430.00
Total Operating Expenses	208,328.43	77,307.02	285,635.45
Operating Income (Loss)	(89,033.96)	(16,371.93)	(105,405.89)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,393.06		2,393.06
Federal Sources:			
National School Lunch Program	63,659.85		63,659.85
Food Distribution Program	12,124.23		12,124.23
Interest and Investment Income	43.47	31.93	75.40
Fixed Asset Adjustment	114,689.00		114,689.00
Total Nonoperating Revenues (Expenses)	192,909.61	31.93	192,941.54
Income (Loss) before Contributions & Transfers	103,875.65	(16,340.00)	87,535.65
Changes in Net Assets	103,875.65	(16,340.00)	87,535.65
Total Net Assets - Beginning	6,332.92	54,673.70	61,006.62
Total Net Assets - Ending	$ 110,208.57	$ 38,333.70	$ 148,542.27

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
June 30, 2011

	Business-Type Activities - Enterprise Fund		
	Food Service	Community Education	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	$ 120,509.10	$ 71,539.33	$ 192,048.43
Payments to Employees	(75,789.39)	(69,395.37)	(145,184.76)
Payments for Management Fee	(24,950.00)		(24,950.00)
Payments for Suppliers	(100,090.12)	(8,263.14)	(108,353.26)
Payments for Miscellaneous		(79.16)	(79.16)
Net Cash Provided by (Used for) Operating Activities	(80,320.41)	(6,198.34)	(86,518.75)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	2,998.95		2,998.95
Federal Sources	81,332.30		81,332.30
Net Cash Provided by (Used for) Noncapital Financing Activities	84,331.25	-	84,331.25
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None			-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-	-
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	43.47	31.93	75.40
Net Cash Provided by (Used for) Investing Activities	43.47	31.93	75.40
Net Increase (Decrease) in Cash and Cash Equivalents	4,054.31	(6,166.41)	(2,112.10)
Balance - Beginning of Year	12,929.06	32,971.47	45,900.53
Balance - End of Year	$ 16,983.37	$ 26,805.06	$ 43,788.43
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (89,033.96)	$ (16,371.93)	$ (105,405.89)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	14,430.00		14,430.00
Increase (Decrease) in Prepaid Assets	249.53		249.53
(Increase) Decrease in Accounts Receivable	965.10	10,604.24	11,569.34
(Increase) Decrease in Inventories	226.53		226.53
Increase (Decrease) in Accounts Payable	(7,157.61)	(430.65)	(7,588.26)
Total Adjustments	8,713.55	10,173.59	18,887.14
Net Cash Provided by (Used for) Operating Activities	$ (80,320.41)	$ (6,198.34)	$ (86,518.75)

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, 2011

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ -	$ 10,918.19	$ 49,345.85
Accounts Receivable			25.00
Total Assets	-	10,918.19	49,370.85
LIABILITIES			
Payable to Student Groups			49,294.43
Accounts Payable			75.98
Interfund Payable			0.44
Total Liabilities	-	-	$ 49,370.85
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	$ -		
Reserved for Scholarships		$ 10,918.19	

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
June 30, 2011

	Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
None	$ -	$ -
Total Contributions	-	-
Investment Earnings:		
Interest	-	113.37
Net Investment Earnings	-	113.37
Total Additions	-	113.37
DEDUCTIONS		
Paid to Current Fund	1.63	
Scholarship Awards	-	150.00
Total Deductions	1.63	150.00
Changes in Net Assets	(1.63)	(36.63)
Net Assets - Beginning of the Year	1.63	10,954.82
Net Assets - End of the Year	$ -	$ 10,918.19

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

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows;

- Non-spendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

- Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.

- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education, Superintendent or Business Administrator.

- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

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 – DEPOSITS 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 $250,000.00 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, 2011, the carrying amount of the District's deposits was $424,036.57 and the bank balance was $670,420.05. Of the bank balance, $239,727.67 was uninsured and uncollateralized.

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.

Investments

The District had no investments at June 30, 2011.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2011 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 Aid	$ 164,963.82	$ 166,307.79
Federal Aid	168,604.14	168,604.14
Other	5,933.67	18,447.40
Gross Receivables	339,501.63	353,359.33
Less: Allowance for Uncollectibles		
Total Receivables, Net	$ 339,501.63	$ 353,359.33

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, 2011:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 43,104.45	$ 17,516.79
Food Service Fund		5,258.04
Payroll		0.44
Special Revenue Fund	17,516.57	35,870.42
Capital Projects Fund		1,975.52
Debt Service Fund	483.00	482.81
Total	$ 61,104.02	$ 61,104.02

The general fund receivable is comprised of five interfunds. The first is due from the special revenue fund in the amount of $35,870.42 which is a result of the general funds loan to cover the special revenue funds cash deficit. The second interfund represents payments totaling $482.81 due from the debt service fund. The third interfund relates to $5,258.04 owed to the general fund, which the food service enterprise fund received to pay food service charges. The fourth interfund is owed to the general fund in the amount of $0.44 from the Payroll. The fifth interfund is due from the capital projects fund in the amount of 1,492.52.

NOTE 5 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2011, consisted of the following:

Food & Supplies	$ 4,078.51
	$ 4,078.51

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 898,902.00	$	$ 380,249.00	$ 518,653.00
Total capital assets not being depreciated	898,902.00	-	380,249.00	518,653.00
Capital assets being depreciated:				
Buildings and building improvements	15,352,999.00	929,697.00		16,282,696.00
Equipment	2,938,961.00	77,497.00	252,524.00	2,763,934.00
Total capital assets being depreciated at historical cost	18,291,960.00	1,007,194.00	252,524.00	19,046,630.00
Less accumulated depreciation for:				
Buildings and improvements	(4,849,036.00)	(414,088.00)		(5,263,124.00)
Equipment	(2,464,710.00)	332,126.00		(2,132,584.00)
Total capital assets being depreciated, net of accumulated depreciation	10,978,214.00	925,232.00	252,524.00	11,650,922.00
Govemmental activity capital assets, net	$ 11,877,116.00	$ 925,232.00	$ 632,773.00	$ 12,169,575.00
Business-type activities:				
Capital assets being depreciated:				
Equipment	$ 72,121.00	$ 149,151.00	$	$ 221,272.00
Less accumulated depreciation	(65,911.00)	(48,892.00)		(114,803.00)
Enterprise Fund capital assets, net	$ 6,210.00	$ 100,259.00	$ -	$ 106,469.00

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2011 are as follows:

	Balance July 1, 2010	Issues or Additions	Payments or Expenditures	Balance June 30, 2011	Amounts Due Within One Year
Compensated Absences	$ 345,083.98	$	$ 35,577.27	$ 309,506.71	$ -
Capital Leases	168,048.85	54,197.00	64,968.72	157,277.13	65,941.40
Bonds Payable	5,126,000.00		451,000.00	4,675,000.00	960,000.00
	$ 5,639,132.83	$ 54,197.00	$ 551,545.99	$ 5,141,783.84	$ 1,025,941.40

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, 2011, 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. There was no balance remaining as of June 30, 2011.

$5,711,000 School Bonds dated April 1, 2003, due in annual installments through April 1, 2022, bearing interest at 4.70% per annum. There was no balance remaining as of June 30, 2011.

$4,750,000 Refunding Bonds dated April 29, 2010, due in annual installments through April 1, 2022, bearing interest rates from 2.00% to 3.625%. The balance remaining as of June 30, 2010 is $4,675,000.

NOTE 7 – LONG-TERM OBLIGATIONS - Continued

Refunding Bonds Issued

On April 29, 2010, the Board of Education issued Refunding Bonds in the amount of $4,750,000.00 to Advance Refund the callable Series 1996 and 2002 Bonds. The Debt retired in the amount of $4,846,000.00 was replaced with the Refunding Issue. The required cash flow for the 1996 and 2002 Bonds for Principal and Interest prior to the refunding was $6,306,265.00 and the cash flow requirements after the refunding is $6,293,623.30 resulting in net savings in the amount of $12,611.70.

Debt service requirements on serial bonds payable at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	$ 485,000.00	$ 133,818.76	$ 618,818.76
2013	475,000.00	124,118.76	599,118.76
2014	465,000.00	114,618.76	579,618.76
2015	455,000.00	100,668.76	555,668.76
2016	445,000.00	36,412.50	481,412.50
2016 - 2020	1,725,000.00	281,681.28	2,006,681.28
2021 - 2022	625,000.00	29,750.00	654,750.00
	$ 4,675,000.00	$ 821,068.82	$ 5,496,068.82

Capital Leases

The District is leasing buses totaling $327,359.00. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2011:

Fiscal Year Ending June 30	Total
2012	$ 73,629.83
2013	73,629.83
2014	11,742.65
2015	11,742.65
Total minimum lease payments	170,744.96
Less amount representing interest	13,467.83
Present value of lease payments	$ 157,277.13

NOTE 8 – PENSION PLANS

Substantially all of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost sharing contributory defined benefit pension plan which was established on January 1, 1955 under the provisions of N.J.S.A. 18A;66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF are required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to normal rate when such surplus assets not longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Board of Education and all other related non-contributing employers. No normal or accrued liability contribution has been required over several preceding fiscal years.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS are required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to normal rate when such surplus assets not longer exist.

The School District is billed annually for its normal contribution plus an accrued liability.

NOTE 8 – PENSION PLANS - Continued

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

Defined Contribution Retirement Program (DCRP)- Continued- The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2011.

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.

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.

The School District's contributions to TPAF for the years ending June 30, 2011, 2010 and 2009 were $0, $0, and $0 respectively, and normally paid by the State of New Jersey on behalf of the board. The State of New Jersey did not make the required contributions for the last three years. The School District's contributions to PERS for the years ending June 30, 2011, 2010, 2009 were $160,620.00, $123,869.00, and $97,524.00 respectively, equal to the required contributions for each year.

NOTE 8 – PENSION PLANS - Continued

During the fiscal years ended June 30, 2011, 2010 and 2009, the State of New Jersey contributed $371,137.00, $352,296.00, and $342,173.00, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board $388,414.61, $410,742.80, and $397,072.26 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

NOTE 9 – POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program ("the SHBP"), a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The Division of Pension and Benefits 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.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, C. 103 amended the law to eliminate the funding and payment of post-retirement medical benefits for retired state employees through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010, there were 87,288 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.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, 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 $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

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, 2011, 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, 2011, the District had interest earnings of $258.40. 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
2008 / 2009		1,229.33		124,712.53
2009 / 2010		496.61		125,209.14
2010 / 2011		258.40		125,467.54

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
2010-2011	$	$	$	$ (1.63)	$ -
2009-2010	32.41	-	-	(8,207.69)	1.63
2008-2009	83.59	-	-	-	8,176.91
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 – ECONOMIC DEPENDENCY

The District receives support from federal government and from the state governments through local school districts. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 16 – FUND BALANCE APPROPRIATED

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted an unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used be spent first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Regular Public School Districts (N.J.S.A. 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or $250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below;

Non-Spendable Fund Balance – The District had no non-spendable fund balance at June 30, 2011.

Restricted Fund Balance

Capital Reserve Account – Of the $125,467.54 balance in the capital reserve account at June 30, 2011. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan (LRFP).

Reserve for Excess Surplus – There was excess fund balance in the amount of $173,821.05 at June 30, 2011. This amount will be appropriated as revenue in support of the 2012-2013 School Budget. $36,827.40 was appropriated in the 2011-2012 school budget and was restricted as of June 30, 2011.

Debt Service Fund - As of June 30, 2011, the restricted balance in the debt service fund was $19,810.67.

Capital Projects - $13,237.24 is restricted for expenditures related to a capital projects authorized by the board in 2002.

Committed Fund Balance - The District has no committed fund balance at June 30, 2011.

Assigned Fund Balance – At June 30, 2011, the Board of Education has assigned and the voters have approved, $84,645.00 of general fund balance to expenditures in the 2011-12 budget.

In addition, the District assigned fund balance in the general fund for other purposes of $92,704.49 and $67,704.36 in the capital projects fund. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

Unassigned Fund Balance – At June 30, 2011, the District has $323,588.71 of unassigned fund balance in the general fund.

NOTE 17 – 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 $173,821.05 excess fund balance at June 30, 2011.

NOTE 18 – DEFICIT FUND BALANCES

The District has a deficit fund balance of $229,389.15 the General Fund as of June 30, 2011 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 delayed one or more June state aid payments 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 June state aid payments 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 June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the General fund in the GAAP fund statements of $229,389.15 is less than the last state aid payment.

NOTE 19 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2011 through November 14, 2011, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

NOTE 20 – COMMITMENTS

The District does not have encumbrance policy for the fiscal year end to determine significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund. Significant encumbrances at June 30th are as follows:

Fund		Amount
General Fund Encumbered Orders	$	92,704.49
Capital Projects Encumbered Orders		67,704.36
	$	160,408.85

NOTE 21 – DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (8 years). The cost associated with the 2010 bonds amounted to $274,000.00. Amortization started in fiscal year June 30, 2011. Amortization expense in fiscal year June 30, 2011 is $34,250.00. The balance of unamortized bond issuance costs at June 30, 2011 was $239,750.00.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 8,071,794.00	$ -	$ 8,071,794.00	$ 8,071,794.00	$ -
Tuition from Individuals	16,800.00		16,800.00	7,784.00	(9,016.00)
Transportation Fees from other LEA's	40,000.00		40,000.00	34,558.92	(5,441.08)
Interest Earned on Capital Reserve Funds	1,200.00		1,200.00	258.40	(941.60)
Unrestricted Miscellaneous Revenues	43,025.00		43,025.00	61,142.00	18,117.00
Total Local Sources	8,172,819.00	-	8,172,819.00	8,175,537.32	2,718.32
State Sources:					
Extraordinary Aid	25,000.00		25,000.00	52,229.00	27,229.00
Categorical Special Education Aid	424,314.00		424,314.00	424,314.00	-
Equalization Aid	1,302,130.00		1,302,130.00	1,302,130.00	-
Categorical Security Aid	82,075.00		82,075.00	82,075.00	-
Adjustment Aid	3,736,204.00		3,736,204.00	3,736,204.00	-
Categorical Transportation Aid	641,643.00		641,643.00	641,643.00	-
Other State Aids-Out of Cap			-	9,744.00	9,744.00
TPAF Pension (On-Behalf - Non-Budgeted)			-	371,137.00	371,137.00
TPAF Social Security (Reimbursed-Non-Budgeted)			-	388,414.61	388,414.61
Total State Sources	6,211,366.00	-	6,211,366.00	7,007,890.61	796,524.61
Federal Sources:					
Education Jobs Fund Program		51,312.00	51,312.00	34,875.56	(16,436.44)
Medicaid Reimbursement	10,628.00		10,628.00	13,281.92	2,653.92
Total Federal Sources	10,628.00	51,312.00	61,940.00	48,157.48	(13,782.52)
Total Revenues	14,394,813.00	51,312.00	14,446,125.00	15,231,585.41	785,460.41
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten- Salaries of Teachers	251,827.00	526.00	252,353.00	252,350.10	2.90
Grades 1 - 5 Salaries of Teachers	1,295,462.00	210,299.00	1,505,761.00	1,505,760.86	0.14
Grades 6 - 8 Salaries of Teachers	1,069,684.00	57,465.00	1,127,149.00	1,127,148.39	0.61
Regular Programs - Home Instruction					
Salaries of Teachers	3,000.00	(1,441.00)	1,559.00	1,096.00	463.00
Regular Programs - Undistributed Instruction					
Purchased Technical Services	4,500.00	65.70	4,565.70	915.87	3,649.83
Other Purchased Services (400-500 series)	28,300.00	(19,150.00)	9,150.00	1,205.73	7,944.27
General Supplies	174,900.00	(8,543.62)	166,356.38	134,270.83	32,085.55
Textbooks		4,760.25	4,760.25	4,760.25	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,827,673.00	243,981.33	3,071,654.33	3,027,508.03	44,146.30
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities					
Salaries of Teachers	326,324.00	(84,574.07)	241,749.93	241,749.93	-
Other Salaries for Instruction	84,789.00	2,479.66	87,268.66	87,258.66	10.00
General Supplies	4,000.00	(2,260.00)	1,740.00	1,672.93	67.07
Total Multiple Disabilities	415,113.00	(84,354.41)	330,758.59	330,681.52	77.07
Resource Room/Resource Center					
Salaries of Teachers	713,446.00	125,498.01	838,944.01	836,762.04	2,181.97
Other Salaries for Instruction	244,328.00	(99,787.37)	144,540.63	143,514.30	1,026.33
General Supplies	4,000.00		4,000.00	3,663.97	336.03
Total Resource Room/Resource Center	961,774.00	25,710.64	987,484.64	983,940.31	3,544.33
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,376,887.00	(58,643.77)	1,318,243.23	1,314,621.83	3,621.40

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic Skills/Remedial - Instruction					
Salaries of Teachers	$ 203,245.00	$ 37,360.77	$ 240,605.77	$ 235,922.41	$ 4,683.36
General Supplies	900.00		900.00	750.42	149.58
Total Basic Skills/Remedial - Instruction	204,145.00	37,360.77	241,505.77	236,672.83	4,832.94
School-Spon. Cocurricular Activities - Instruction					
Salaries	10,489.00	(2,176.00)	8,313.00	7,881.72	431.28
Total School-Spon. Cocurricular Activities - Inst.	10,489.00	(2,176.00)	8,313.00	7,881.72	431.28
School-Sponsored Athletics - Instruction					
Salaries	6,089.00	9,193.00	15,282.00	7,781.90	7,500.10
Purchased Services (300-500 series)	4,650.00		4,650.00	1,881.00	2,769.00
Supplies & Materials	-	108.00	108.00	107.88	0.12
Total School-Sponsored Athletics - Instruction	10,739.00	9,301.00	20,040.00	9,770.78	10,269.22
Communtiy Services - Inst.					
Supplies & Materials	-	375.00	375.00	(375.00)	750.00
Total Community Services - Instruction	-	375.00	375.00	(375.00)	750.00
TOTAL INSTRUCTION	4,429,933.00	230,198.33	4,660,131.33	4,596,080.19	64,051.14
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	2,646,556.00	89,028.60	2,735,584.80	2,735,582.52	2.08
Tuition to Other LEAs Within the State - Special	228,348.00	27,597.54	255,945.54	255,554.26	391.28
Tuition to County Voc. School Dist. - Regular	628,742.00		628,742.00	628,451.60	290.40
Tuition to CSSD & Regional Day Schools	501,587.00	(35,574.56)	466,012.44	465,374.78	637.66
Tuition to Private Schools for the Disabled W/I State	143,979.00	2,384.08	146,363.08	146,363.08	-
Tuition to Private Schools for the Disabled & Other LEA - Spl. O/S St.	51,847.00	(51,830.00)	17.00		17.00
Tuition - State Facilities	84,271.00	(22,770.66)	61,500.34	61,500.00	0.34
Total Undistributed Expenditures - Instruction	4,285,330.00	8,835.00	4,294,165.00	4,292,826.24	1,338.76
Undistributed Expend. - Health Services					
Salaries	161,312.00	500.00	161,812.00	159,433.36	2,378.64
Purchased Professional and Technical Services	8,500.00		8,500.00	7,449.50	1,050.50
Supplies & Materials	7,000.00	(500.00)	6,500.00	5,260.68	1,239.32
Total Undistributed Expend. - Health Services	176,812.00	-	176,812.00	172,143.54	4,668.46
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	109,899.00	28.55	109,927.55	112,066.51	(2,138.96)
Purchased Professional - Education Services	750.00		750.00		750.00
Supplies & Materials	3,000.00	(1,395.55)	1,604.45	932.83	671.62
Total Undist. Expend. - Other Support Services Student - Related Services	113,649.00	(1,367.00)	112,282.00	112,999.34	(717.34)
Undist. Expend.- Guidance					
Salaries of Other Professional Staff	102,110.00	(19,000.00)	83,110.00	82,363.33	746.67
Supplies and Materials	1,000.00		1,000.00	948.24	51.76
Total Undist. Expend. - Other Support Serv.- Reg	103,110.00	(19,000.00)	84,110.00	83,311.57	798.43

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	$ 317,252.00	$ 5,597.00	$ 322,849.00	$ 327,613.95	$ (4,764.95)
Salaries of Secretarial and Clerical Assistants	21,470.00	43,760.00	65,230.00	65,072.46	157.54
Purchased Professional - Education Services	78,000.00	(22,271.60)	55,728.40	47,315.36	8,413.04
Other Purchased Professional and Tech. Services	14,200.00	(2,025.00)	12,175.00	9,789.90	2,385.10
Miscel. Purchs Serv.		1,923.00	1,923.00	1,044.16	878.84
Supplies & Materials	7,200.00	77.00	7,277.00	7,276.67	0.33
Other Objects	1,000.00	3,862.60	4,862.60	2,624.00	2,238.60
Total Undist. Expend. - Child Study Teams	439,122.00	30,923.00	470,045.00	460,736.50	9,308.50
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	92,039.00	(92,039.00)	-		-
Salaries of Other Professional Staff	3,398.00	(30.00)	3,368.00		3,368.00
Salaries of Secretarial and Clerical Assistants	44,714.00	(40,204.00)	4,510.00	4,508.12	1.68
Other Purchased Services (400-500 series)	700.00	(155.00)	545.00		545.00
Supplies & Materials	500.00		500.00		500.00
Total Undist. Expend. - Improvement of Inst. Serv.	141,351.00	(132,428.00)	8,923.00	4,508.12	4,414.88
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	95,803.00	28,695.00	124,498.00	123,464.83	1,033.17
Purchased Professional and Technical Services	2,500.00	(600.00)	1,900.00	1,823.00	77.00
Other Purchased Services (400-500 series)	1,500.00		1,500.00		1,500.00
Supplies & Materials	12,151.00	39,283.92	51,434.92	49,829.86	1,605.06
Total Undistributed Expenditures - Educational Media Services - School Library	111,954.00	67,378.92	179,332.92	175,117.69	4,215.23
Undist. Expend. - Instructional Staff Training					
Purchased Professional - Education Services	3,000.00		3,000.00	156.94	2,843.06
Other Purchased Services (400-500 series)	22,500.00	(4,556.00)	17,944.00	8,331.90	9,612.10
Travel		5,000.00	5,000.00	1,276.73	3,723.27
Total Undistributed Expenditures - Instructional Staff Training Services	25,500.00	444.00	25,944.00	9,765.57	16,178.43
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	168,381.00	(5,100.00)	163,281.00	163,215.24	65.76
Legal Services	18,000.00	9,111.83	27,111.83	26,703.83	408.00
Audit Fees	19,000.00	(1,000.00)	18,000.00	18,000.00	-
Other Purchased Professional Services	14,000.00	(3,490.47)	10,509.53	10,441.19	68.34
Communications/Telephone	51,500.00	11,403.07	62,903.07	62,367.78	535.29
Travel		500.00	500.00	33.17	486.83
BOE Other Purchased Services	3,000.00	(2,121.36)	878.64	572.33	306.31
Other Purchased Services (400-500 series)	22,225.00		22,225.00	22,079.91	145.09
General Supplies	5,500.00	(1,500.00)	4,000.00	2,758.85	1,241.15
BOE In-House Training/Meeting Supplies	2,500.00	(990.00)	1,510.00	883.23	626.77
Judgments		2,500.00	2,500.00	2,500.00	-
Miscellaneous Expenditures	14,435.00	(4,603.07)	9,831.93	9,450.31	381.62
BOE Membership Dues & Fees	10,000.00		10,000.00	9,736.80	263.20
Total Undistributed Expenditures - Support Services - General Administration	328,541.00	4,710.00	333,251.00	328,742.64	4,508.36
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	118,500.00	(5,184.00)	113,316.00	113,190.67	125.33
Salaries of Secretarial and Clerical Assistants	133,401.00	(7,685.48)	125,715.52	125,715.52	-
Other Purchased Services (400-500 series)	24,000.00	(11,535.55)	12,464.45	8,680.34	3,784.11
Supplies & Materials	10,450.00	151.03	10,601.03	10,411.83	189.20
Other Objects		1,015.00	1,015.00	1,015.00	-
Total Undistributed Expenditures - Support Services - School Administration	286,351.00	(23,239.00)	263,112.00	259,013.36	4,098.64

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Central Services					
Salaries	$ 170,763.00	$ (74,128.38)	$ 96,634.62	$ 96,601.12	$ 33.50
Purchased Professional Services	25,500.00	34,028.94	59,528.94	56,120.94	3,408.00
Miscellaneous Purchased Services (400-500 series)	7,000.00	(6,850.00)	150.00	150.00	-
Sale/Lease-back Payments	4,500.00	7,816.86	12,316.86	6,876.41	5,440.45
Interest		986.44	988.44	843.35	343.09
Miscellaneous Expenditures	5,000.00	(466.86)	4,533.14	3,720.65	812.49
Total Undistributed Expenditures - Central Services	212,763.00	(38,613.00)	174,150.00	164,112.47	10,037.53
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	30,936.00	(650.00)	30,286.00	29,956.16	329.84
Purchased Professional Services	5,000.00		5,000.00	2,052.16	2,947.84
Total Undistributed Expenditures - Admin. Info. Tech.	35,936.00	(650.00)	35,286.00	32,008.32	3,277.68
Undist. Expend. - Required Maint. For School Fac.					
Salaries	165,673.00		165,673.00	165,262.13	410.87
Cleaning, Repair and Maintenance Service	38,500.00	23,001.63	61,501.63	59,787.56	1,714.07
General Supplies	22,100.00	(15,000.00)	7,100.00	3,974.78	3,125.22
Other Objects	2,250.00		2,250.00	556.00	1,694.00
Total Undistributed Expenditures - Allowable Maintenance for School Facilities	228,523.00	8,001.63	236,524.63	229,580.47	6,944.16
Undist. Expend. - Custodial Services					
Salaries	181,951.00	(578.00)	181,373.00	179,970.64	1,402.36
Purchased Professional and Technical Services	33,814.00	(5,515.66)	28,298.34	28,240.00	58.34
Cleaning, Repair and Maintenance Service	15,900.00	19,860.00	35,760.00	35,759.42	0.58
Insurance	33,800.00	(5,515.00)	28,085.00	27,714.57	370.43
Miscellaneous Purchased Services	1,000.00	(445.00)	555.00	369.82	185.18
General Supplies	51,400.00	6,000.00	57,400.00	55,964.53	1,435.47
Energy (Electricity)	236,000.00	(39,250.00)	196,750.00	193,697.33	3,052.67
Other Objects		100.00	100.00	29.14	70.86
Salaries of Non-Instructional Aides	28,096.00	119.66	28,215.66	28,215.66	-
Energy (Natural Gas)	60,000.00	(21,500.00)	38,500.00	32,850.84	5,649.16
Energy (Oil)	65,000.00	28,000.00	93,000.00	92,576.77	423.23
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	706,761.00	(18,724.00)	688,037.00	675,388.72	12,648.28
Total Undistributed Expenditures Operations and Maintenance of Plant	935,284.00	(10,722.37)	924,561.63	904,969.19	19,592.44
Undist. Expend. - Student Transportation Serv.					
Sal. Of Non-Instructional Aides	58,204.00	(6,928.00)	51,276.00	51,276.00	-
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	251,532.00	28,389.00	279,921.00	279,920.49	0.51
Sal.- Pup. Trans. (Bet. Home & School) - Spc. Ed.	53,036.00		53,036.00	53,013.75	22.25
Sal.- Pup. Trans. (Other than Home & School)	4,606.00	(70.00)	4,536.00	4,464.24	71.76
Other Purchased Professional and Tech. Services	5,000.00	1,600.00	6,600.00	6,197.00	403.00
Cleaning, Repair and Maintenance Service	45,382.00	(1,535.00)	43,847.00	43,846.82	0.18
Rental - School Bus		2,136.00	2,136.00	2,135.53	0.47
Lease Purchase Payments - School Buses	75,000.00	9,139.00	84,139.00	74,079.83	10,059.17
Contr. Serv. - (Oth. Than Bet Home & Sch)- Vend	5,560.00	(5,560.00)	-		-
Contr. Serv. - (Oth. Than Bet Home & Sch)- Joint		4,000.00	4,000.00	4,000.00	-
Contr. Serv. - (Bet. Home & School) - Vendors	283,396.00	(282,572.09)	823.91		823.91
Contr. Serv. - (Bet. Home & School) - Joint Agrmnts	45,000.00	(45,000.00)	-		-
Contr. Serv. - (Special Ed. Students) - Joint Agrm.	3,000.00	13,897.00	16,897.00	16,896.69	0.31
Contr. Serv. - (Reg. Students) - ESCs & CTSAs	30,282.00	258,037.09	288,319.09	288,319.09	-
Contr. Serv. - (Special Students) - ESCs & CTSAs		69,441.00	69,441.00	69,440.55	0.45
Contr. Serv. - Aid in Lieu of Pymts-Nonpub Sch	12,020.00	(4,036.00)	7,984.00	7,956.00	28.00
Misc. Purchased Service - Transportation	29,000.00	(11,771.00)	17,229.00	17,172.52	56.48
General Supplies	108,300.00	14,950.00	123,250.00	123,249.81	0.19
Other Objects	1,100.00	139.00	1,239.00	1,238.38	0.62
Total Undistributed Expenditures - Student Transportation Services	1,010,418.00	44,256.00	1,054,674.00	1,043,206.70	11,467.30
Unallocated Benefits - Employee Benefits					
Social Security Contribution	153,000.00	(5,495.00)	147,505.00	134,427.70	13,077.30
Other Retirement Contributions - PERS	150,000.00	59,854.66	209,854.66	209,854.05	0.61
Unemployment Compensation	25,000.00	9,762.00	34,762.00	34,761.56	0.44
Workmen's Compensation	85,280.00	(20,317.00)	64,963.00	64,487.92	475.08
Health Benefits	1,351,394.00	(115,449.66)	1,235,944.34	1,143,918.61	92,025.73
Tuition Reimbursement	25,000.00		25,000.00	16,994.00	8,006.00
Other Employee Benefits		12,185.00	12,185.00	1,838.15	10,346.85
Total Unallocated Benefits	1,789,674.00	(59,460.00)	1,716,029.00	1,606,281.99	113,565.16

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)		$ -	$ -	$ 371,137.00	$ (371,137.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	388,414.61	(388,414.61)
Total On-Behalf Contributions	-	-	-	759,551.61	(759,551.61)
Total Personal Services - Employee Benefits	1,789,674.00	(59,460.00)	1,718,029.00	2,365,833.60	(645,966.45)
TOTAL UNDISTRIBUTED EXPENDITURES	9,995,795.00	(128,932.45)	9,854,677.55	10,409,294.85	(552,779.15)
TOTAL GENERAL CURRENT EXPENSE	14,425,728.00	101,265.88	14,514,808.88	15,005,375.04	(488,728.01)
CAPITAL OUTLAY					
Interest Deposited to Capital Reserve	1,200.00		1,200.00		1,200.00
Facilities Acquisition and Construction Services					
Other Objects	60,026.00		60,026.00	60,026.00	-
Total Capital Outlay	61,226.00	-	61,226.00	60,026.00	1,200.00
SPECIAL SCHOOLS					
None					
TOTAL SPECIAL SCHOOLS	-	-	-	-	-
Transfer of Funds to Charter Schools	29,477.00		29,477.00	24,925.00	4,552.00
TOTAL EXPENDITURES	14,516,431.00	101,265.88	14,605,511.88	15,090,326.04	(482,976.01)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(121,618.00)	(49,953.88)	(159,386.88)	141,259.37	300,646.25
Fund Balance July 1	696,246.96		696,246.96	696,246.96	-
Fund Balance June 30	$ 574,628.96	$ (49,953.88)	$ 536,860.08	$ 837,506.33	$ 300,646.25

Recapitulation:	
Nonspendable Fund Balance	
None	$ -
Restricted Fund Balance:	
Capital Reserve	125,467.54
Excess Surplus - Current Year	174,273.19
Excess Surplus - Designated for Subsequent Year's Expenditures	36,827.40
Committed Fund Balance:	
None	-
Assigned Fund Balance:	
Other Purposes	92,704.49
Designated for Subsequent Year's Expenditures	84,645.00
Unassigned Fund Balance	323,588.71
	837,506.33
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not recognized on GAAP basis	553,430.00
Fund Balance per Governmental Funds (GAAP)	$ 284,076.33

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Required Supplementary Information
Education Jobs Fund Program - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	$ -	$ 51,312.00	$ 51,312.00	$ 34,875.56	$ (16,436.44)
Total Revenues	-	51,312.00	51,312.00	34,875.56	(16,436.44)
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction					
Salaries of Teachers		27,925.00	27,925.00	26,296.80	1,628.20
Total Basic Skills/Remedial - Instruction	-	27,925.00	27,925.00	26,296.80	1,628.20
School-Sponsored Athletics - Instruction					
Salaries		7,500.00	7,500.00		7,500.00
Total School-Sponsored Athletics - Instruction	-	7,500.00	7,500.00	-	7,500.00
UNDISTRIBUTED EXPENDITURES					
Undist. Expend. - Custodial Services					
Salaries		6,026.00	6,026.00	4,624.13	1,401.87
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	-	6,026.00	6,026.00	4,624.13	1,401.87
Unallocated Benefits - Employee Benefits					
Social Security Contribution		3,667.00	3,667.00	601.41	3,065.59
Health Benefits		3,768.00	3,768.00	2,901.08	866.92
		2,426.00	2,426.00		2,426.00
Total Unallocated Benefits	-	9,861.00	9,861.00	3,502.49	6,358.51
Other Financing Sources (Uses)					
None			-		-
Total Outflows	-	51,312.00	51,312.00	34,423.42	16,888.58
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ 452.14	$ 452.14

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	$ 131,000.00	$ 3,399.12	$ 134,399.12	$ 113,932.33	$ (20,466.79)
Federal Sources	309,000.00	102,276.23	411,276.23	371,954.97	(39,321.26)
Local Sources		5,072.00	5,072.00	5,072.00	-
Total Revenues	440,000.00	110,747.35	550,747.35	490,959.30	(59,788.05)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	381,598.00	(242,428.88)	139,169.12	113,028.12	26,141.00
Purchased Professional Technical Services	1,000.00	(1,000.00)	-	-	-
Other Purchased Services (400-500 series)		238,073.00	238,073.00	238,073.00	-
General Supplies		40,167.50	40,167.50	28,051.74	12,115.76
Textbooks	18,000.00		18,000.00	16,026.21	1,973.79
Total Instruction	400,598.00	34,811.62	435,409.62	395,179.07	40,230.55
Support Services:					
Salaries of Other Professional Staff	38,052.29	18,216.75	56,269.04	48,813.79	7,455.25
Personal Services - Employee Benefits	1,349.71	18,003.95	19,353.66	18,197.01	1,156.65
Purchased Professional Technical Services		2,893.09	2,893.09	723.00	2,170.09
Other Purchased Services (400-500 series)		23,700.73	23,700.73	14,925.99	8,774.74
Supplies & Materials		5,482.21	5,482.21	5,481.44	0.77
Total Support Services	39,402.00	68,296.73	107,698.73	88,141.23	19,557.50

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Non Instructional Equipment	$ -	$ 7,639.00	$ 7,639.00	$ 7,639.00	$ -
Total Facilities Acquisitions and Const. Services:	-	7,639.00	7,639.00	7,639.00	-
Transfer to Charter Schools			-	-	-
Other Financing Sources (Uses)					
None			-		-
	-	-	-	-	-
Total Outflows	440,000.00	110,747.35	550,747.35	490,959.30	59,788.05
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
For the Year Ended June 30, 2011

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]	$ 15,231,585.41	[C-2]	$ 490,959.30
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				30,120.51
Final State Aid payment was delayed until July 2010 is recorded as GAAP revenue but is not recognized as budgetary revenue.		632,355.00		
Final State Aid payment was delayed until July 2011 is recorded as budgetary revenue but is not recognized under GAAP.		(553,430.00)		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	$ 15,310,510.41	[B-2]	$ 521,079.81
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	$ 15,090,326.04	[C-2]	$ 490,959.30
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.				30,120.51
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	$ 15,090,326.04	[B-2]	$ 521,079.81

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
For the Year Ended June 30, 2011

	Title I Part A	Title IIA	IDEA Part B	IDEA Preschool	IDEA Basic ARRA
REVENUES:					
State Sources	$ -	$ -	$ -	$ -	$ -
Federal Sources	36,383.90	21,122.36	274,631.48	4,847.00	34,970.23
Local Sources					
Total Revenues	36,383.90	21,122.36	274,631.48	4,847.00	34,970.23
EXPENDITURES:					
Instruction:					
Salaries of Teachers	29,000.00	6,502.00	12,000.00		
Purchased Professional Technical Services					
Other Purchased Services (400-500 series)			233,226.00	4,847.00	
General Supplies	453.30		267.21		27,331.23
Textbooks					
Total Instruction	29,453.30	6,502.00	245,493.21	4,847.00	27,331.23
Support Services:					
Salaries of Other Professional Staff			21,000.00		
Personal Services - Employee Benefits	6,930.60	120.00	6,580.20		
Purchased Professional Technical Services		723.00			
Other Purchased Services (400-500 series)		13,367.92	1,558.07		
Supplies & Materials		409.44	-		-
Total Support Services	6,930.60	14,620.36	29,138.27	-	-
Facilities Acquisitions and Construction Services:					
Instructional Equipment - ARRA	-	-	-	-	7,639.00
Total Facilities Acquisitions and Const. Services:	-	-	-	-	7,639.00
Transfer to Charter Schools					
Other Financing Sources (Uses)					
None					
	-	-	-	-	-
Total Outflows	36,383.90	21,122.36	274,631.48	4,847.00	34,970.23
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, 2011

	Nonpublic Speech	Nonpublic Nursing	Nonpublic Supplemental Instruction	Nonpublic Examination & Classification	Nonpublic Textbooks	Nonpublic Compensatory Education
REVENUES:						
State Sources	$ 11,160.00	$ 18,993.00	$ 12,390.00	$ 13,387.00	$ 16,026.21	$ 40,809.00
Federal Sources						
Local Sources						
Total Revenues	11,160.00	18,993.00	12,390.00	13,387.00	16,026.21	40,809.00
EXPENDITURES:						
Instruction:						
Salaries of Teachers	11,160.00		12,390.00			40,809.00
Purchased Professional Technical Services						
Other Purchased Services (400-500 series)						
General Supplies	-					
Textbooks					16,026.21	
Total Instruction	11,160.00	-	12,390.00	-	16,026.21	40,809.00
Support Services:						
Salaries of Other Professional Staff		17,540.04		10,273.75		
Personal Services - Employee Benefits		1,452.96		3,113.25		
Purchased Professional Technical Services						
Other Purchased Services (400-500 series)						
Supplies & Materials						
Total Support Services	-	18,993.00	-	13,387.00	-	-
Facilities Acquisitions and Construction Services:						
Instructional Equipment - ARRA	-	-	-	-	-	
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	-
Transfer to Charter Schools						
Other Financing Sources (Uses)						
None						
	-	-	-	-	-	-
Total Outflows	11,160.00	18,993.00	12,390.00	13,387.00	16,026.21	40,809.00
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, 2011

	Nonpublic Home Instruction	NJSBAIG Safety Grant	Totals 2011
REVENUES:			
State Sources	$ 1,167.12	$ -	$ 113,932.33
Federal Sources			371,954.97
Local Sources		5,072.00	5,072.00
Total Revenues	1,167.12	5,072.00	490,959.30
EXPENDITURES:			
Instruction:			
Salaries of Teachers	1,167.12		113,028.12
Purchased Professional Technical Services			-
Other Purchased Services (400-500 series)			238,073.00
General Supplies			28,051.74
Textbooks			16,026.21
Total Instruction	1,167.12	-	395,179.07
Support Services:			
Salaries of Other Professional Staff			48,813.79
Personal Services - Employee Benefits			18,197.01
Purchased Technical Services			723.00
Other Purchased Services (400-500 series)			14,925.99
Supplies & Materials		5,072.00	5,481.44
Total Support Services	-	5,072.00	88,141.23
Facilities Acquisitions and Construction Services:			
Instructional Equipment - ARRA	-	-	7,639.00
Total Facilities Acquisitions and Const. Services:	-	-	7,639.00
Transfer to Charter Schools			-
Other Financing Sources (Uses)			
None			-
	-	-	-
Total Outflows	1,167.12	5,072.00	490,959.30
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -

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, 2011

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
From Inception and for the Year Ended June 30, 2011

	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, 2011

Project Title/Issue	Date	Original Appropriations	Expenditures to Date Prior Years	Expenditures to Date Current Years	Unexpended Balance June 30, 2011
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

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, 2011

	Unemployment Compensation Trust	Scholarship Funds	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	$ -	$ 10,918.19	$ 49,345.85	$ 60,264.04
Accounts Receivable			25.00	25.00
Total Assets	-	10,918.19	49,370.85	60,289.04
LIABILITIES				
Payable to Student Groups			49,294.43	49,294.43
Accounts Payable			75.98	75.98
Interfund Payable			0.44	0.44
Total Liabilities	-	-	49,370.85	49,370.85
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	$ -			-
Reserve for Scholarships		$ 10,918.19		10,918.19
Total Net Assets				10,918.19
Total Liabilities and Net Assets				$ 60,289.04

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
June 30, 2011

	Unemployment Compensation Trust	Scholarship Funds	Totals
ADDITIONS			
Contributions:			
None	$ -	$ -	$ -
Total Contributions	-	-	-
Investments Earnings:			
Interest	-	113.37	113.37
Net Investment Earnings	-	113.37	113.37
Total Additions	-	113.37	113.37
Deductions			
Paid to Current Fund	1.63		1.63
Scholarship Awards		150.00	150.00
Total Deductions	1.63	150.00	151.63
Change in Net Assets	(1.63)	(36.63)	(38.26)
Net Assets - Beginning of the Year	1.63	10,954.82	10,956.45
Net Assets - End of the Year	$ -	$ 10,918.19	$ 10,918.19

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
June 30, 2011

ELEMENTARY SCHOOLS	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Eighth Grade Activities	$ 7,868.17	$ 46,195.29	$ 50,088.28	$ 3,975.18
Other	23,674.74	114,924.55	94,587.70	44,011.59
Total Assets	$ 31,542.91	$ 161,119.84	$ 144,675.98	$ 47,986.77

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and Cash Equivalents	$ 0.44	$ 7,724,153.47	$ 7,722,794.83	$ 1,359.08
Total Assets	$ 0.44	$ 7,724,153.47	$ 7,722,794.83	$ 1,359.08
LIABILITIES:				
Payroll Deductions & Withholding	$ -	$ 7,724,153.47	$ 7,722,794.83	$ 1,358.64
Interfund Payable	0.44			0.44
Total Liabilities	$ 0.44	$ 7,724,153.47	$ 7,722,794.83	$ 1,359.08

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, 2011

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding 6/30/2011 Date	Amount	Interest Rate	Balance June 30, 2010	Increased	Decreased	Balance June 30, 2011
1996	4/15/1996	$ 1,991,000.00				$ 186,000.00	$	$ 186,000.00	$ -
2002	4/1/2002	5,711,000.00				190,000.00		190,000.00	-
2010 Refunding	4/29/2010	4,750,000.00	4/1/12-13	960,000.00	2.000%	4,750,000.00		75,000.00	4,675,000.00
			4/1/2014	465,000.00	3.000%				
			4/1/2015	455,000.00	2.250%				
			4/1/16-17	885,000.00	3.000%				
			4/1/2018	435,000.00	3.125%				
			4/1/2019	430,000.00	3.250%				
			4/1/2020	420,000.00	3.375%				
			4/1/2021	415,000.00	3.500%				
			4/1/2022	210,000.00	3.625%				
						$ 5,126,000.00	$ -	$ 451,000.00	$ 4,675,000.00

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2011

Description	Amount of Original Issue	Balance June 30, 2010	Issued Current Year	Retired Current Year	Balance June 30, 2011
2007- One 54 Passenger Buses	180,600.00	$ 110,879.79	$ -	$ 35,071.92	$ 75,807.87
2008- One 54 Passenger Buses	92,562.00	57,169.06		18,154.15	39,014.91
2011 - One 54 Passenger Bus	54,197.00	-	54,197.00	11,742.65	42,454.35
		$ 168,048.85	$ 54,197.00	$ 64,968.72	$ 157,277.13

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 533,971.00	$	$ 533,971.00	$ 533,971.00	$ -
State Sources:					
Debt Service Aid Type II	72,059.00		72,059.00	72,059.00	-
Total - State Sources	72,059.00	-	72,059.00	72,059.00	-
Total Revenues	606,030.00	-	606,030.00	606,030.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	230,030.00	(75,000.00)	155,030.00	135,219.52	19,810.48
Redemption of Principal	376,000.00	75,000.00	451,000.00	451,000.00	-
Total Regular Debt Service	606,030.00	-	606,030.00	586,219.52	19,810.48
Total Expenditures	606,030.00	-	606,030.00	586,219.52	19,810.48
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	19,810.48	(19,810.48)
Fund Balance, July 1	0.19		0.19	0.19	-
Fund Balance, June 30	$ 0.19	$ -	$ 0.19	$ 19,810.67	$ (19,810.48)

Statistical Section

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

Exhibit J-1

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 6,791,720.83	$ 6,857,067.15	$ 7,577,047.87
Restricted	6,282,756.00	2,405,098.00	565,541.24	259,994.07	541,095.24	396,257.50	327,498.93	261,283.78	577,752.75
Unrestricted	2,733,351.00	258,840.00	128,760.60	(194,857.86)	(222,450.88)	(248,532.65)	(496,828.08)	(503,718.48)	(564,031.86)
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	$ 6,622,391.68	$ 6,614,632.45	$ 7,590,768.76
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	$ 4,914.00	$ 6,210.00	$ 106,469.00
Restricted	-	33,757.00	-	-	-	-	-	-	-
Unrestricted	53,791.00	-	20,520.35	83,261.64	49,174.86	59,519.47	51,595.84	54,796.62	42,073.27
Total business-type activities net assets	$ 53,791.00	$ 36,578.00	$ 22,434.35	$ 84,628.64	$ 54,674.86	$ 66,407.47	$ 56,509.84	$ 61,006.62	$ 148,542.27
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	$ 6,796,634.83	$ 6,863,277.15	$ 7,683,516.87
Restricted	6,282,756.00	2,438,855.00	565,541.24	259,994.07	541,095.24	396,257.50	327,498.93	261,283.78	577,752.75
Unrestricted	2,787,142.00	258,840.00	149,280.95	(111,596.22)	(173,276.02)	(189,013.18)	(445,232.24)	(448,921.86)	(521,958.59)
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	$ 6,678,901.52	$ 6,675,639.07	$ 7,739,311.03

Source: CAFR Schedule A-1

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

Exhibit J-2

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 4,208,142.41	$ 4,356,352.75	$ 4,384,879.55
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	2,447,134.57	2,630,386.28	2,335,735.94
Other special education	258,391.00	151,127.00	172,739.84	133,349.26	216,688.61	205,497.73	292,662.24	402,367.82	361,545.52
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	4,440,851.05	4,282,788.94	4,317,962.24
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	1,529,250.20	1,705,948.37	1,544,564.04
General and business administrative services	486,354.00	346,114.00	417,473.54	390,934.73	445,676.53	507,946.64	399,645.45	408,973.39	414,823.80
School administrative services	300,612.00	289,156.00	400,399.91	439,462.26	475,823.37	433,742.00	511,022.73	538,056.50	365,593.50
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	1,110,005.78	1,042,299.80	1,026,266.78
Pupil transportation	755,665.00	716,696.00	946,028.86	903,257.76	947,300.85	987,517.54	951,943.29	1,060,844.00	1,114,798.82
Central and Technical Services	-	-	262,759.88	277,977.08	305,178.39	343,199.41	349,994.30	329,911.44	257,729.67
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	8,979.34	9,621.34	24,925.00
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	261,594.50	227,857.00	129,532.52
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	16,511,225.86	16,995,407.63	16,278,357.38

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

Exhibit J-2

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Food service	$ 244,014.00	$ 225,274.00	$ 238,361.89	$ 220,925.77	$ 228,429.59	$ 237,535.73	$ 219,238.80	$ 215,783.50	$ 208,328.43
Community Education	25,557.00	23,158.00	33,559.78	50,687.63	125,336.70	77,314.59	92,387.12	96,029.47	77,307.02
Total business-type activities expenses	269,571.00	248,432.00	271,921.67	271,613.40	353,766.29	314,850.32	311,625.92	311,812.97	285,635.45
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	$ 16,822,851.78	$ 17,307,220.60	$ 16,563,992.83
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction (tuition)	$ 35,875.00	$ 39,735.00	$ -	$ -	$ 4,620.00	$ 10,920.00	$ 10,668.00	$ 15,680.00	$ 7,784.00
Pupil transportation	-	-	470.40	-	6,570.44	3,100.69	1,229.33	496.61	258.40
Operating grants and contributions	610,208.00	639,034.00	780,363.76	751,147.63	744,733.82	747,784.45	674,194.89	1,126,828.49	628,014.37
Total governmental activities program revenues	646,083.00	678,769.00	780,834.16	751,147.63	755,924.26	761,805.14	686,092.22	1,143,005.10	636,056.77
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	141,096.98	134,892.15	119,294.47
Community Education	28,635.00	42,025.00	48,230.60	74,958.42	97,579.88	91,598.97	85,685.91	103,840.01	60,935.09
Operating grants and contributions	65,223.00	51,265.00	38,158.33	47,299.93	59,119.05	74,639.80	74,335.16	77,379.52	78,177.14
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	301,118.05	316,111.68	258,406.70
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	$ 987,210.27	$ 1,459,116.78	$ 894,463.47
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)	$ (15,825,133.64)	$ (15,852,402.53)	$ (15,642,300.61)
Business-type activities	(28,931.00)	(21,849.00)	(65,262.96)	37,188.82	(27,075.02)	6,728.71	(10,507.87)	4,298.71	(27,228.75)
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)	$ (15,835,641.51)	$ (15,848,103.82)	$ (15,669,529.36)

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

Exhibit J-2

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 7,558,983.00	$ 7,761,341.00	$ 8,071,794.00
Taxes levied for debt service	342,319.00	479,368.00	542,846.00	551,374.00	536,274.00	551,617.00	543,445.00	532,141.00	533,971.00
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	7,389,336.20	7,445,674.89	7,100,097.53
Fixed Asset Adjustment	-	-	-	(191,715.87)	-	(224,028.32)	(4,929.00)	-	816,841.00
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	68,171.02	105,486.41	95,733.39
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	15,555,006.22	15,844,643.30	16,618,436.92
Business-type activities:									
Miscellaneous income	234.00	22,025.00	125.38	2,669.69	3,416.24	5,003.90	610.24	198.07	75.40
Transfers	36,654.00	-	50,994.01	22,335.78	-	-	-	-	-
Fixed Asset Adjustment									114,689.00
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	610.24	198.07	114,764.40
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	$ 15,555,616.46	$ 15,844,841.37	$ 16,733,201.32
Changes in Net Assets									
Governmental activities	$ (680,067.00)	$ (560,789.00)	$ (94,526.44)	$ (656,732.67)	$ 229,766.21	$ (550,835.72)	$ (270,127.42)	$ (7,759.23)	$ 976,136.31
Business-type activities	7,957.00	176.00	(14,143.57)	62,194.29	(29,953.78)	11,732.61	(9,897.63)	4,496.78	87,535.65
Total district	$ (672,110.00)	$ (560,613.00)	$ (108,670.01)	$ (594,538.38)	$ 199,812.43	$ (539,103.11)	$ (280,025.05)	$ (3,262.45)	$ 1,063,671.96

Source: CAFR Schedule A-2

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

Exhibit J-3

	Fiscal Year Ending June 30,								*
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Restricted									$ 336,115.99
Committed									
Assigned									177,349.49
Unassigned									(229,389.15)
Reserved	1,020,894.00	460,451.00	300,571.88	338,193.51	545,806.88	396,191.14	322,499.57	235,731.42	-
Unreserved	(2,545.00)	89,373.00	348,874.77	17,722.68	87,108.46	69,474.10	(191,271.26)	(171,839.46)	
Total general fund	$ 1,018,349.00	$ 549,824.00	$ 649,446.65	$ 355,916.19	$ 632,915.34	$ 465,665.24	$ 131,228.31	$ 63,891.96	$ 284,076.33
All Other Governmental Funds									
Restricted									
Reported in Capital projects fund	5,863,098.00	2,267,449.00	358,064.23	67,704.36	67,704.36	67,704.36	67,704.36	67,704.36	13,237.24
Debt service fund									19,810.67
Committed									
Assigned									67,704.36
Unassigned									
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	13,204.77	13,204.77	-
Debt service fund	483.00	21,810.00	21,811.19	1.69	0.69	0.69	0.19	0.19	
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	$ 80,909.32	$ 80,909.32	$ 100,752.27

* - FY 2011 was the first year of reporting under GASB 54 - Fund Balance Classifications

Source: CAFR Schedule B-1

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

Exhibit J-4

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax Levy	$ 4,392,463	$ 5,155,657	$ 5,637,359	$ 6,552,104	$ 6,773,941	$ 7,525,245	$ 7,819,870	$ 8,102,428	$ 8,293,482.00	$ 8,605,765.00
Tuition charges			21,359	-	-	4,620	10,920	10,668	15,680	7,784
Interest earnings	91,422	100,367	34,764	3,000	8,647	6,570	859	1,229	497	258
Transportation Fees	2,389	11,070	5,646	470	-	27,041	3,101	31,457	37,558	34,559
Miscellaneous	19,454	15,018	6,141	32,541	72,326	131,682	60,334	38,867	72,674	66,246
State sources	6,662,043	6,740,351	7,260,158	7,440,215	7,424,720	7,840,153	8,137,182	7,652,774	7,669,669	7,272,807
Federal sources	333,876	343,141	387,588	413,176	381,469	379,731	433,580	408,604	898,090	450,233
Total revenue	11,501,647	12,365,604	13,353,015	14,441,505	14,661,103	15,915,043	16,465,846	16,246,027	16,987,648	16,437,653
Expenditures										
Instruction:										
Regular instruction	3,055,678	3,067,926	2,630,458	2,593,118	2,781,602	2,887,391	3,140,778	3,153,514	3,141,441	3,027,508
Special education instruction	748,264	864,926	1,305,696	1,506,707	1,508,392	1,589,360	1,805,569	1,793,847	1,988,407	1,724,126
Other special education instruction	302,779	258,391	151,127	124,905	124,255	203,696	192,007	273,666	283,987	253,950
Other instruction		37,227	1,238			-	-	-	-	-
Nonpublic school programs		190,362	218,906			-	-	-	-	-
Support Services:										
Tuition	2,821,784	3,334,946	4,042,737	4,257,747	4,351,661	4,188,697	4,336,612	4,440,851	4,282,789	4,292,826
Student & instruction related services	961,247	915,841	858,672	952,390	1,022,838	1,112,997	1,151,722	1,153,555	1,256,981	1,122,519
General administrative services	398,600	486,354	346,114	342,589	314,226	360,977	344,225	323,885	329,069	328,743
School administrative services	294,131	300,612	289,156	294,503	318,574	341,979	357,111	372,539	384,457	259,013
Business administrative services	168,403		222,507	196,885	204,159	222,182	247,977	259,824	240,802	196,121
Plant operations and maintenance	480,738	458,282	527,632	682,711	788,690	840,942	972,143	974,004	895,947	904,969
Pupil transportation	673,776	755,665	716,696	902,244	864,055	872,833	903,772	889,411	972,770	1,043,207
Unallocated employee benefits	1,327,288	1,675,449	1,781,573	1,743,132	1,983,623	2,236,145	2,531,556	2,299,065	2,555,691	2,365,834
Facilities Acquisitions and Construction Serv.					19,620	-				
Charter Schools				8,950	9,220	9,557	9,557	8,979	9,621	24,925
Capital outlay	786,604	2,701,889	5,926,471	1,967,222	290,360	119,838	446	5,000	94,613	67,665
Debt service:										
Principal	275,000	280,000	290,000	345,000	345,000	350,000	355,000	365,000	370,000	451,000
Interest and other charges	113,565	366,483	349,758	334,158	318,518	301,450	284,120	266,528	248,410	135,220
Total Expenditures	12,407,857	15,694,353	19,658,741	16,252,258	15,244,795	15,638,045	16,632,596	16,579,667	17,054,985	16,197,625
Excess (Deficiency) of revenues over (under) expenditures	(906,210)	(3,328,749)	(6,305,726)	(1,810,752)	(583,692)	276,998	(166,750)	(333,640)	(67,336)	240,027
Other Financing Sources (Uses)										
Transfer in			21,327			26,200	-	-	-	-
Transfer out	(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										
Transfer from other funds	98,358									
Capital Leases (non-budgeted)										
Total other financing sources (uses)	11,242,787	-	(40,567)	(50,994)	(22,336)	-	-	-	-	-
Extraordinary Item										
Loss on Sale of Securities										
Net change in fund balances	$ 10,336,577	$ (3,328,749)	$ (6,346,293)	$ (1,861,746)	$ (606,028)	$ 276,998	$ (166,750)	$ (333,640)	$ (67,336)	$ 240,027
Debt service as a percentage of noncapital expenditures	3.34%	4.98%	4.66%	4.75%	4.44%	4.20%	3.84%	3.81%	3.65%	3.63%

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
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
2009	13,156.59	10,668.00		56,243.76	80,068.35
2010	4,645.12	15,680.00	9,790.00	91,547.90	121,663.02
2011	2,638.14	7,784.00		63,866.73	74,288.87

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
	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
	2009	63,040,300	813,938,500	15,189,200	1,468,000	154,133,700			1,047,769,700	-	2,803,517	1,050,573,217	0.790	1,066,025,588
	2010	60,025,300	812,078,200	20,209,700	1,457,400	156,771,400			1,050,542,000	-	2,811,828	1,053,353,828	0.817	1,020,714,204
	2011	57,469,100	811,964,200	20,873,800	1,524,500	158,869,000			1,050,700,600	-	2,382,494	1,053,083,094	-	970,217,465

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	
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
2009	0.738	0.052	0.790	0.165	0.011	0.030		0.139	1.135
2010	0.766	0.051	0.817	0.168	0.010	0.029		0.140	1.164
2011	0.775	0.051	0.826	0.168	0.010	0.027		0.141	1.172

Source: District Records and Municipal Tax Collector

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

Exhibit J-8

	2011			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.	$ 16,484,400	1	1.57%	$ 6,154,700	1	1.68%
Driftwood Campground	9,509,900	2	0.90%	2,535,000	4	0.69%
MHC Lake & Shore	9,273,200	3	0.88%			
Sea Quest Enterprises, LLC	8,160,100	4	0.77%	1,708,400	9	0.47%
Pine Haven, LLC c/o Diversified	7,119,700	5	0.68%			
Wenzel, William & Patricia	4,400,000	6	0.42%			
The Stafford Family LLC	4,151,300	7	0.39%			
Resort Campground Corp	3,909,600	8	0.37%	2,488,900	5	0.68%
Catanoso Family Limited Partnership	3,767,300	9	0.36%			
Minmar II Inc.	3,151,400	10	0.30%	1,838,900	7	0.50%
O.W. Acquisition Corp.				4,564,600	2	1.24%
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	$ 69,926,900		6.64%	$ 27,183,500		7.41%
	District Assessed Value		$ 1,053,083,094			$ 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	
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%	-
2009	8,102,428.00	8,102,428.00	100%	-
2010	8,293,482.00	8,293,482.00	100%	-
2011	8,605,765.00	8,605,765.00	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
2002	$ 7,552,000		$ 63,046			$ 7,615,046	0.47%	$ 36,053
2003	7,272,000		189,583			7,461,583	0.49%	36,492
2004	6,982,000		156,908			7,138,908	0.54%	38,740
2005	6,637,000		111,954			6,748,954	0.60%	40,316
2006	6,292,000		116,781			6,408,781	0.66%	42,322
2007	5,942,000		254,825			6,196,825	0.72%	44,575
2008	5,587,000		296,057			5,883,057	0.78%	46,067
2009	5,222,000		230,880			5,452,880	0.85%	46,329
2010	5,126,000		168,049			5,294,049	Not available	Not available
2011	4,675,000		157,277			4,832,277	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		
2002	$ 7,552,000	$ -	$ 7,552,000	2.06%	$ 36,053
2003	7,272,000	-	7,272,000	1.94%	36,492
2004	6,982,000	-	6,982,000	1.82%	38,740
2005	6,637,000	-	6,637,000	1.69%	40,316
2006	6,292,000	-	6,292,000	0.61%	42,322
2007	5,942,000		5,942,000	0.58%	44,575
2008	5,587,000	-	5,587,000	0.54%	46,067
2009	5,222,000		5,222,000	0.50%	46,329
2010	5,126,000		5,126,000	0.49%	Not available
2011	4,675,000		4,675,000	0.44%	Not available

Dennis Township BOE
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2010

Exhibit J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Local Municipality - December 31, 2010	$ 2,586,490.54	100.00%	$ 2,586,490.54
Other Debt			
County of Cape May	32,134,000.00	1.88%	604,081.29
Cape May County Municipal Utilities Authority	99,268,094.00	1.88%	1,866,123.06
Cape May County Bridge Commission	15,190,000.00	1.88%	285,554.08
Subtotal, Overlapping Debt			5,342,248.97
Dennis Township School District Direct Debt			4,675,000.00
Total Direct and Overlapping Debt			$ 10,017,248.97

Sources:
- Dennis Township BOE - 2010 Audit Report
- County of Cape May - 2010 Audit Report
- Cape May County Bridge Commission - 2010 Audit Report
- Dennis Township 2010 Debt Statement
- District Records

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

Exhibit J-13

Equalized valuation basis:	
2010	$ 966,282,193
2009	1,013,709,075
2008	1,054,942,547
	$ 3,034,933,815
Average equalized valuation of taxable property	$ 1,011,644,605
Debt limit (3% of average)	30,349,338.15
Net bonded school debt	-
Legal debt margin	$ 30,349,338

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 11,943,326	$ 12,935,989	$ 14,368,243	$ 16,245,226	$ 19,051,087	$ 22,921,424	$ 26,950,237	$ 30,017,886	$ 30,948,780	$ 30,349,338
Total net debt applicable to limit	7,552,000	7,552,000	7,552,000	6,982,000	6,637,000	6,292,000	5,942,000	5,587,000	5,126,000	4,675,000
Legal debt margin	$ 4,391,326	$ 5,383,989	$ 6,816,243	$ 9,263,226	$ 12,414,087	$ 16,629,424	$ 21,008,237	$ 24,430,886	$ 25,822,780	$ 25,674,338
Total net debt applicable to the limit as a percentage of debt limit	63.23%	58.38%	52.56%	42.98%	34.84%	27.45%	22.05%	18.61%	16.56%	15.40%

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
2002	6,371	229,693,663	36,053	6.7%
2003	6,318	230,556,456	36,492	6.9%
2004	6,184	239,568,160	38,740	4.7%
2005	6,047	243,790,852	40,316	3.8%
2006	5,927	250,842,494	42,322	4.0%
2007	5,825	259,649,375	44,575	3.8%
2008	5,783	266,405,461	46,067	4.8%
2009	5,758	266,762,382	46,329	6.9%
2010	Not available	Not available	Not available	7.2%
2011	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 Ten Years Ago

Exhibit J-15

	2011			2002		
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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	38	37	36	35	37	37	39	39	50	45
Special Ed	15	15	16	17	16	16	19	19	21	18
Other Spec. Ed	5	6	5	6	6	6	13	14	14	8
Other Instruction	21	21	17	17	14	14	12	12	0	7
Support Services										
Student & Instruction Related Services	15	15	11	11	11	11	12	12	19	15
General Administration	2	2	2	2	2	2	2	2	2	2
School Administration Services	4	4	4	4	4	4	4	4	5	4
Other Administration services										
Central Services									3	3
Administrative Information Technology										1
Plant Operations and Maintenance	9	9	9	10	11	11	11	11	11	9
Pupil Transportation	22	19	16	16	15	16	18	20	19	18
Other Support Services	13	11	10	10	10	8	9	9	3	4
	144	139	126	128	126	125	139	142	147	134

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
2002	1,244	$ 11,256,173	$ 9,048	4.83%	74	1:16.8	862	831	-1.10%	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%
2009	1,079	16,362,567	15,165	6.67%	70	1:15.2	658	621	-4.50%	94.38%
2010	1,050	16,160,552	15,391	1.49%	71	1:15.0	632	596	-3.95%	94.22%
2011	1,015	16,129,960	15,892	3.25%	70	1:14.5	620	585	-1.90%	94.35%

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

Dennis Township BOE
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Buildings										
Elementary										
Dennis Township Elementary/ Middle School (1950)										
Square Feet	86,690	86,690	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220
Capacity	650	650	608	608	608	608	608	608	608	608
Students	862	824	809	564	541	509	481	450	432	424
Dennis Township Primary School (2004)										
Square Feet	-	-	-	51,105	51,105	51,105	51,105	51,105	51,105	51,105
Capacity	-	-	-	329	329	329	329	329	329	329
Students	-	-	-	210	213	208	204	201	197	196
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 Ten Fiscal Years
(Unaudited)

Exhibit J-19

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dennis Elementary	N/A	$ 189,283	$ 137,466	$ 153,775	$ 121,131	$ 127,250	$ 134,594	$178,516	$ 160,962	$ 185,086	$ 200,609
Dennis Primary	N/A	N/A	N/A	N/A	33,569	44,270	45,230	37,335	50,872	22,580	28,971
Total School Facilities		189,283	137,466	153,775	154,700	171,520	179,824	215,851	211,834	207,666	229,580
Other Facilities											
Grand Total		$ 189,283	$ 137,466	$ 153,775	$ 154,700	$ 171,520	$ 179,824	$215,851	$ 211,834	$ 207,666	$ 229,580

Source: District Records

Dennis Township BOE
Insurance Schedule
For the Fiscal Year Ended June 30, 2011
(Unaudited)

Exhibit J-20

Company	Amount of Coverage	Deductible
UTICA-		
School (Commerical) Package Policy		
Property - Blanket Buildings & Contents	$ 25,777,679	$ 1,000
General Liability	3,000,000	
Inland Marine	255,000	250
Auto Coverage	1,000,000	
Commerical Liability Umbrella	5,000,000	
ERIC/South/NJSBAIG - Workers Compensation		
Professional & Clerical	6,857,593	
Non-Professional & Driver	682,143	
Student Accident		
Basic	1,000,000	
Catastrophic	2,500,000	
Pollution Policy	1,000,000	5,000

Source: District Records

Single Audit Section

FORD-SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
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K-1 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 financial statements of the governmental activities, the business-type activities. Each major fund and the aggregate remaining fund information 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, 2011, and have issued our report thereon dated November 14, 2011. 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 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider 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 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 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.

We noted certain matters that we reported to the Board of Education of the Dennis Township Board of Education in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial Compliance and Performance* dated November 14, 2011.

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 14, 2011

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K-2 REPORT ON COMPLIANCE WITH REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON 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, 2011. 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 Dennis Township Board of Education 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, 2011.

Internal Control Over Compliance

The management of Dennis Township Board of Education School District is responsible for establishing and maintaining effective internal control over compliance with the 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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ Circular 04-04, 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 *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 14, 2011

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2011

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, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2011	Deferred Revenue at June 30, 2011	Due to Grantor at June 30, 2011
U.S. Department of Education														
General Fund														
Education Jobs Fund Program	84.410		$ 34,875.56	7/1/2010	6/30/2011	$ -	$	$ 3,478.42	(34,875.56)	$	$	$ (31,397.14)	$ -	$
Total General Fund						-	-	3,478.42	(34,875.56)	-	-	(31,397.14)	-	-
U.S. Department of Education Passed-Through State Department Education:														
Special Revenue Fund:														
Special Education Cluster (IDEA):														
I.D.E.A. Part B, Basic	84.027	FT0010011	317,670.00	9/1/2010	8/31/2011			242,088.00	(274,631.48)			(75,582.00)	43,038.52	
I.D.E.A. Part B, Basic	84.027	FT0010010	276,051.00	9/1/2009	8/31/2010	(25,278.00)		25,278.00				-		
I.D.E.A. Part B, Preschool	84.027	PS0010011	4,847.00	9/1/2010	8/31/2011			4,847.00	(4,847.00)			-	-	
I.D.E.A. Part B, Preschool	84.027	PS0010010	4,507.00	9/1/2009	8/31/2010	(4,507.00)		4,507.00				-		
IDEIA Part B, Basic ARRA	84.391	FT0010010	260,819.00	9/1/2009	8/31/2010	(16,791.77)		51,762.00	(34,970.23)			-		
IDEIA Preschool ARRA	84.392	FT0010010	9,429.00	9/1/2009	8/31/2010	(5,196.00)		5,196.00				-		
Total Special Education Cluster (IDEA)						(51,772.77)	-	333,678.00	(314,448.71)	-	-	(75,582.00)	43,038.52	-
Title I, Part A Cluster:														
Title I	84.010A	NCLB 09	56,452.00	9/1/2008	8/31/2009	(12,764.00)		12,764.00				-		-
Title I	84.010A	NCLB 10	59,280.00	9/1/2009	8/31/2010	(32,955.00)		32,955.00				-		-
Title I	84.010A	NCLB 11	61,754.00	9/1/2010	8/31/2011			29,453.00	(36,383.90)			(32,301.00)	25,370.10	
ARRA - Title 1 - Part A	84.839	NCLB 10	19,779.00	9/1/2009	8/31/2010	(19,779.00)		19,779.00	-			-		
Total Title I, Part A Cluster						(65,498.00)	-	94,951.00	(36,383.90)	-	-	(32,301.00)	25,370.10	-
No Child Left Behind (NCLB):														
Title IIA	84.281A	NCLB 09	29,100.00	9/1/2008	8/31/2009	(17,950.00)		17,950.00				-		-
Title IIA	84.281A	NCLB 10	28,718.00	9/1/2009	8/31/2010	(17,702.00)		22,635.00	(4,933.00)			-		-
Title IIA	84.281A	NCLB 11	29,324.00	9/1/2010	8/31/2011				(16,189.36)			(29,324.00)	13,134.64	
Title IID	84.281D	NCLB 09	469.00	9/1/2008	8/31/2009	(261.00)		469.00	-	(208.00)		-	-	-
Title IID	84.281D	NCLB 10	605.00	9/1/2009	8/31/2010	(605.00)		605.00				-	-	
Title IV	84.186	NCLB 09	2,155.00	9/1/2008	8/31/2009	(1,103.00)		2,155.00		(1,052.00)		-	-	-
Title IV	84.186	NCLB 10	1,638.00	9/1/2009	8/31/2010	(1,638.00)		1,638.00				-		-
Title V	84.298	NCLB 09	1,260.00	9/1/2008	8/31/2009	(1,260.00)				1,260.00		-		-
Total Special Revenue Fund						(157,789.77)	-	474,081.00	(371,954.97)	-	-	(137,207.00)	81,543.26	-
U.S. Department of Education Passed-through State Department of Education:														
Enterprise Fund:														
Child Nutrition Cluster:														
National School Lunch Program	10.555	N/A	63,283.10	7/1/2010	6/30/2011			63,283.10	(63,283.10)			0.00	-	-
National School Lunch Program	10.555	N/A	58,907.36	7/1/2009	6/30/2010	(5,924.97)		5,924.97				-	-	-
Total Child Nutrition Cluster						(5,924.97)	-	69,208.07	(63,283.10)	-	-	0.00	-	-
Food Distribution Program	10.550	N/A	12,124.23	7/1/2010	6/30/2011			12,124.23	(12,124.23)			-	-	-
Total Enterprise Fund						(5,924.97)	-	81,332.30	(75,407.33)	-	-	0.00	-	-
Total Federal Financial Awards						$ (163,714.74)	$ -	$ 558,891.72	$ (482,237.86)	$ -	$ -	$ (168,604.14)	$ 81,543.26	$ -

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, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010: Deferred Revenue (Accts Receivable)	Balance at June 30, 2010: Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011: (Accounts Receivable)	Balance at June 30, 2011: Deferred Revenue/	Balance at June 30, 2011: Due to Grantor at	MEMO: Budgetary Receivable	MEMO: Cumulative Total Expenditures
State Department of Education																
General Fund:																
State Aid Public Cluster:																
Equalization Aid	11-495-034-5120-078	$ 1,302,130	7/1/2010	6/30/2011	$	$	$	$ 1,185,641.93	$ (1,302,130.00)	$	$	$ -	$ -	$ -	$ (116,488.07)	$ 1,302,130.00
Equalization Aid	10-495-034-5120-078	1,221,978	7/1/2009	6/30/2010	(115,985.72)			115,985.72				-	-	-	-	-
Special Education Aid	11-495-034-5120-089	424,314	7/1/2010	6/30/2011				386,355.03	(424,314.00)						(37,958.97)	424,314.00
Special Education Aid	10-495-034-5120-089	444,049	7/1/2009	6/30/2010	(42,147.52)			42,147.52							-	-
Security Aid	11-495-034-5120-084	82,075	7/1/2010	6/30/2011				74,732.60	(82,075.00)						(7,342.40)	82,075.00
Security Aid	10-495-034-5120-084	77,991	7/1/2009	6/30/2010	(7,402.82)			7,402.82							-	-
Adjustment Aid	11-495-034-5120-085	3,736,204	7/1/2010	6/30/2011				3,401,964.58	(3,736,204.00)						(334,239.42)	3,736,204.00
Adjustment Aid	10-495-034-5120-085	4,202,594	7/1/2009	6/30/2010	(405,888.90)			405,888.90							-	-
Total State Aid Public Cluster					(571,424.76)	-	-	5,620,118.90	(5,544,723.00)	-	-	-	-	-	(496,028.86)	5,544,723.00
Transportation Aid	11-495-034-5120-014	641,643	7/1/2010	6/30/2011				584,241.86	(641,643.00)			-	-	-	(57,401.14)	641,643.00
Transportation Aid	10-495-034-5120-014	641,936	7/1/2009	6/30/2010	(60,930.24)			60,930.24							-	-
Additional Transportation Aid	11-495-034-5120-014	9,744	7/1/2010	6/30/2011					(9,744.00)			(9,744.00)				9,744.00
Additional Transportation Aid	10-495-034-5120-014	7,853	7/1/2009	6/30/2010	(7,853.00)			7,853.00				-				-
Extraordinary Aid	11-100-034-5120-473	52,229	7/1/2010	6/30/2011					(52,229.00)			(52,229.00)	-	-		52,229.00
Extraordinary Aid	10-100-034-5120-049	75,236	7/1/2009	6/30/2010	(75,236.00)			75,236.00				-	-	-		-
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	388,415	7/1/2010	6/30/2011				368,606.06	(388,414.90)			(19,808.84)	-	-		388,414.90
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	410,743	7/1/2009	6/30/2010	(20,418.72)			20,418.72				-	-	-		-
Total General Fund					(735,862.72)	-	-	6,737,404.78	(6,636,753.90)	-	-	(81,781.84)	-	-	(553,430.00)	6,636,753.90
Special Revenue Fund:																
NJ Nonpublic Aid:																
Textbooks	11-100-034-5120-064	16,029	7/1/2010	6/30/2011				16,029.00	(16,026.21)				2.79		-	16,026.21
Compensatory Education	11-100-034-5120-067	45,213	7/1/2010	6/30/2011				45,213.00	(40,809.00)					4,404.00		40,809.00
Home Instruction	11-100-034-5120-067	1,349	7/1/2010	6/30/2011					(1,167.12)			(1,349.00)	181.88			1,167.12
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	11-100-034-5120-066	20,739	7/1/2010	6/30/2011				20,739.00	(13,387.00)					7,352.00	-	13,387.00
Corrective Speech	11-100-034-5120-066	13,299	7/1/2010	6/30/2011				13,299.00	(11,160.00)					2,139.00	-	11,160.00
Supplemental Instruction	11-100-034-5120-066	15,981	7/1/2010	6/30/2011				15,981.00	(12,390.00)					3,591.00	-	12,390.00
Nursing	11-100-034-5120-070	18,993	7/1/2010	6/30/2011				18,993.00	(18,993.00)							18,993.00
Total Special Revenue Fund					0.02	-	-	130,254.00	(113,932.33)	(0.02)	-	(1,349.00)	184.67	17,486.00	-	113,932.33
Debt Service Fund:																
Debt Service Aid	11-495-034-5120-125	72,059	7/1/2010	6/30/2011				72,059.00	(72,059.00)			-	-	-	-	72,059.00
Total Debt Service Fund					-	-	-	72,059.00	(72,059.00)	-	-	-	-	-	-	72,059.00
State Department of Agriculture:																
Child Nutrition Cluster:																
National School Lunch Program (State Share)	11-100-010-3360-067	2,770	7/1/2010	6/30/2011				2,635.76	(2,769.73)			(133.97)	-	-	-	2,769.73
National School Lunch Program (State Share)	10-100-010-3360-067	3,687	7/1/2009	6/30/2010	(363.18)			363.18				-	-	-	-	
Total Child Nutrition Cluster																
Total Enterprise Fund					(363.18)	-	-	2,998.94	(2,769.73)	-	-	(133.97)	-	-	-	2,769.73
EDA / SCC:																
Capital Project Fund	2572003067	5,619,577	Open		(62,884.65)							(82,884.65)	-	-	-	5,619,577.00
Total State Financial Assistance					$ (819,110.53)	$ -	$ -	$ 6,942,716.72	$ (6,825,514.96)	$ (0.02)	$ -	$ (166,149.46)	$ 184.67	$ 17,486.00	$ (553,430.00)	$ 12,445,091.96

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

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*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $78,925.00 for the general fund and $30,120.51 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	$ 48,157.48	7,086,815.61	(371,137.00)	$ 6,763,836.09
Special Revenue Fund	402,075.48	113,932.33		516,007.81
Debt Service Fund	-	72,059.00		72,059.00
Food Service Fund	75,784.08	2,393.06		78,177.14
	$ 526,017.04	$ 7,275,200.00	$ (371,137.00)	$ 7,430,080.04

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, 2011. 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, 2011.

DENNIS TOWNSHIP SCHOOL DISTRICT
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

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

2) Significant Deficiencies identified? _____ Yes ___X___ No

Non-compliance material to basic financial statements noted? _____ Yes ___X___ No

Federal Awards **N/A**

Internal Control over major programs:

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

2) Significant Deficiencies identified? _____ Yes _____ No

Type of auditor's report issued on compliance for major programs:
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ Yes _____ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster

Dollar threshold used to distinguish between type A and type B programs:

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

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: $300,000.00

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? ____ Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? ____ Yes X

Identification of major programs:

GMIS Number(s)	Name of State Program
	State Aid Public Cluster -
11-495-034-5120-078	Equalization Aid
11-495-034-5120-089	Special Education Categorical Aid
11-495-034-5120-084	Security Aid
11-495-034-5120-085	Adjustment Aid
11-495-034-5095-002	Reimbursed TPAF Social Security Aid
11-495-034-5120-014	Transportation 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 immaterial findings that are reported in the Management Report on Administrative Findings.

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

STATE AWARDS:

NONE

FEDERAL AWARDS:

NONE

STATUS OF PRIOR YEAR FINDINGS

Finding 2010-1
During our test of transactions we noted that inappropriate purchases were being made with personal credit cards. Individuals were then reimbursed for these purchases.

Recommendation:
That all purchases be made through the District's purchase order system. Also, credit cards in no instance should be used.

Current Status:
This finding was corrected during fiscal year 2011.

Finding 2010-2
Meals claimed did not agree with meal count records resulting in an over claim of $405.88, as detailed on the Schedule of Meal Count Activity.

Recommendation:
Prior to submitting reimbursement claims to the NJ Department of Agriculture, the meals claimed should be verified to the meal count activity records and Edit Check Worksheets.

Current Status:
This finding was not corrected in fiscal year 2011. We repeated this finding as number 2011-02. Corrective action was taken in September 2011.

STATE

None

FEDERAL:

None