COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

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

For the Fiscal Year Ended June 30, 2011

Prepared by

Town of Dover School District
Board of Education
Finance Department

BOARD OF EDUCATION
TOWN OF DOVER

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INTRODUCTORY SECTION

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

(973) 989-2005

CATHERINE M. JENISCH **BUSINESS ADMINISTRATOR /SECRETARY TO THE BOARD**

November 15, 2011

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Town of Dover School District (District) for the fiscal year ended June 30, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors report thereon. The statistical section includes selected financial and demographic information generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and the State Treasury Circular Letter 04-04 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditors report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade level K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 2,927.8 students, which is 7 students less than the previous years enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2001-02	2,908.3	
2002-03	2,875.4	-1.1%
2003-04	2,948.4	2.5%
2004-05	2,896.6	-1.7%
2005-06	2,927.6	1.1%
2006-07	2,861.6	-2.3%
2007-08	2,898.9	1.3%
2008-09	2,895.5	-.01%
2009-10	2,934.8	1.4%
2010-11	2,927.8	-.01%

2) **ECONOMIC CONDITION AND OUTLOOK:** The Town of Dover area is experiencing a period of increase in ratables which is expected to continue. The Town is attempting to attract businesses to relocate within its boundaries through several advertised programs. It is anticipated that such programs will revitalize the Town and attract the businesses, which will continue to increase the needed ratable base.

3) **MAJOR INITIATIVES:** The Dover School District is committed to providing an optimal learning experience for all students. A variety of new initiatives are underway, all of which have a common focus of improving instruction and, concomitantly, academic achievement.

Academics/Technology

The academic goals for the Dover Schools continue to focus on increasing student achievement, meeting the diverse needs of our students as we prepare them today for their lives tomorrow. In the primary grades, we have focused on Reading and Mathematics, utilizing the most contemporary technology to move from "Chalk and Talk" to full engagement of the child within the learning process. New textbook series have been purchased and staff has been trained in all aspects of the pedagogical process. The relationship with NJIT has expanded, with our students now able to earn 24 Transcripted College Credits prior to graduation.

Our goal is to enhance the learning process by engaging technology in a seamless manner to enhance the conceptual attainment of the Core Content Standards. I Pads are now used from Kindergarten to Grade 12, Interactive Boards have been installed in every classroom, and laptop computers have been upgraded within all grade levels.

Facilities

The Window Project at Dover High School has now completed three out of four phases. The roofs at Academy Street and North Dover Schools have been replaced, parking lot paving has been implemented throughout the district and plans have been designed to upgrade our Football Fields, which have been in existence since 1934, transforming them into a multi-use facility which will withstand the increased use, not only by our own teams, but by the community as well

4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are complied to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is

designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

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

7) **DEBT ADMINISTRATION:** At June 30, 2011, the Districts outstanding debt issues included an outstanding debt of $335,000.00 of Certificates of Participation which were used to fund an addition to North Dover School and replacement of the High School heating system. In addition is a bond issue in the amount of $10,704,000.00, the proceeds of which were used to fund an addition to East Dover School and a Media Center and Wellness Center at Dover High School.

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

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

10) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of VM Associates was selected by the Board to perform that service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

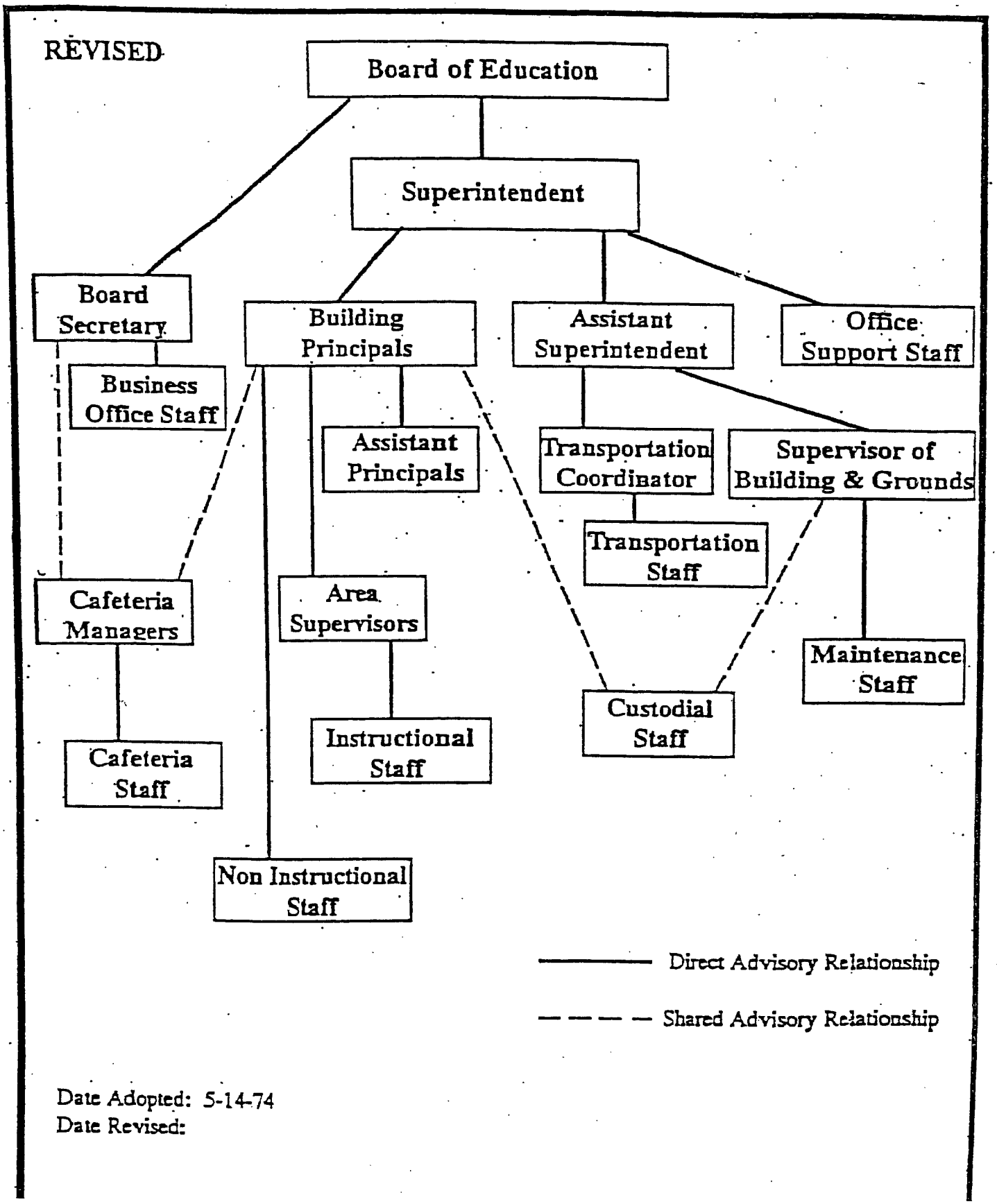
Robert B. Becker
Superintendent

Frederick E. Vanderhoof
Board Secretary (retired)

Catherine M. Jenisch
Business Administrator
/Board Secretary

RBB/FEV/CMJ:evr

Dover Board of Education



Date Adopted: 5-14-74
Date Revised:

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

ROSTER OF OFFICIALS
JUNE 30, 2011

Members of the Board of Education		**Term Expires**
Susan Shauer	President	2014
Lynn Laurie	Vice President	2014
Scott Miller	Member	2014
William F. Shuler	Member	2013
Donald M. Brill	Member	2013
Adolfo Gillioz	Member	2013
Albert Galloza	Member	2012
Julia Popovitch	Member	2012
Michael Scarneo	Member	2012
Bridget Mauro	Member	2012

Other Officials

Robert B. Becker, Superintendent

Vito A. Dellibovi, Business Administrator/Board Secretary

Kelly Toohey, Treasurer

Derlis Gutierrez, Esq., Board Attorney

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

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Referendum Attorney
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Building Construction Attorney
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Computerized Payroll
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Hazardous Chemical and Universal Waste Disposal
Strategic Environmental Services
25 Butternut Lane
Bayville, New Jersey 08721

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

VMA

VM ASSOCIATES, INC.

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dover School District as of and for the year ended June 30, 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 Town of Dover School District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dover School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2011 on our consideration of the Town of Dover School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis on page 13 through 19 and budgetary comparison information on schedules C-1 and C-2 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dover School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt 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 section and statistical information 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 Expenditures 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, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Vincent M. Montanino
Public School Accountant
License No. CS000495

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

December 1, 2011

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Dover School District financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here, in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 22.

FINANCIAL HIGHLIGHTS

- The District's net assets increased $2,957,005.81 as a result of this year's operations. Net assets of our business-type activities increased by $116,433.52 or 62.05 percent, and net assets of our governmental activities increased by $2,840,572.29 or 13.22 percent.
- Total cost of all of the District's programs was $44,195,394.82 in 2010-2011 compared to $47,536,755.13 in 2009-2010.
- During the year, the District had expenses for governmental activities that were $2,840,572.29 less than the $45,928,225.63 generated in tax and other program revenues.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 22 and 23) provide information about the activities of the District as a whole and present a longer-term view on the District's finances. Fund financial statements start on page 26. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the District as a whole begins on page 15. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

- Governmental activities: most of the District's basic services are reported here, including general administration. Local taxes, tuition and state and federal aid finance most of these activities.

- Business-type-activities: the District has one proprietary fund as shown on pages 30 to 32.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 17. The fund financial statements begin on page 26 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds: most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on page 28.

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

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for the Unemployment Compensation Trust, Scholarship Funds and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 34 and 35. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

The District's *combined* net assets changed from a year ago, *increasing* from $21,667,357.35 to $24,624,363.16. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental and business-type activities as of June 30.

Table 1
Net Assets

	Governmental Activities		Business-Type Activites		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	$ 9,927,566.87	$ 9,100,666.60	$ 390,632.04	$ 227,764.97	$ 10,318,198.91	$ 9,328,431.57
Capital Assets	26,538,659.86	26,310,506.22	30,540.82	23,123.89	26,569,200.68	26,333,630.11
Total Assets	36,466,226.73	35,411,172.82	421,172.86	250,888.86	36,887,399.59	35,662,061.68
Long-term Debt Outstanding	10,357,724.00	11,261,501.00	-	-	10,357,724.00	11,261,501.00
Other Liabilities	1,788,219.63	2,669,961.01	117,092.80	63,242.32	1,905,312.43	2,733,203.33
Total Liabilities	12,145,943.63	13,931,462.01	117,092.80	63,242.32	12,263,036.43	13,994,704.33
Net Assets:						
Invested in Capital Assets,						
Net of Debt	16,564,659.86	15,471,506.22	30,540.82	23,123.89	16,595,200.68	15,494,630.11
Restricted	9,532,456.98	7,900,459.34			9,532,456.98	7,900,459.34
Unrestricted (deficit)	(1,776,833.74)	(1,892,254.75)	273,539.24	164,522.65	(1,503,294.50)	(1,727,732.10)
Total Net Assets	$ 24,320,283.10	$ 21,479,710.81	$ 304,080.06	$ 187,646.54	$ 24,624,363.16	$ 21,667,357.35

Net assets of the District's governmental activities increased 13.22 percent. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased $115,421.01. Restricted net assets, those restricted mainly for capital projects, prior year encumbrances and excess surplus increased by $1,631,997.64. The investment in capital assets, net of debt category increased $1,093,153.64.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activites		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services	$ 2,515,690.60	$ 1,773,687.40	$ 295,139.89	$ 309,370.48	$ 2,810,830.49	$ 2,083,057.88
Operating Grants and Contributions	9,252,534.48	11,180,035.88	1,100,102.63	1,029,608.60	10,352,637.11	12,209,644.48
General revenues:						
Property Taxes	13,448,494.13	13,400,891.96			13,448,494.13	13,400,891.96
Federal and State Aid	20,615,709.32	18,820,331.13			20,615,709.32	18,820,331.13
Interest and Investment Earnings	-	266.00			-	266.00
Other General Revenues	95,797.10	171,025.20	-	-	95,797.10	171,025.20
Total Revenues:	45,928,225.63	45,346,237.57	1,395,242.52	1,338,979.08	47,323,468.15	46,685,216.65
Program Expenses Including Indirect Expenses						
Instruction:						
Regular	19,793,754.56	19,900,141.07			19,793,754.56	19,900,141.07
Special	3,012,418.87	4,233,326.41			3,012,418.87	4,233,326.41
Other Instruction	2,150,739.92	2,472,709.60			2,150,739.92	2,472,709.60
Support Services:						
Tuition	2,674,383.28	2,728,173.68			2,674,383.28	2,728,173.68
Student and Instruction Related Services	4,968,688.47	4,454,838.84			4,968,688.47	4,454,838.84
School Administrative Services	2,884,729.03	2,942,418.51			2,884,729.03	2,942,418.51
General and Business Administrative Services	1,618,222.67	1,684,567.30			1,618,222.67	1,684,567.30
Plant Operations and Maintenance	3,925,798.82	4,364,706.40			3,925,798.82	4,364,706.40
Pupil Transportation	1,354,721.34	1,582,351.95			1,354,721.34	1,582,351.95
Charter Schools	55,829.00	44,335.00			55,829.00	44,335.00
Debt Service Assessment	49,622.00				49,622.00	
Interest on Long-Term debt	427,677.86	470,361.04			427,677.86	470,361.04
Prior Year Receivable Cancelled	171,067.52	1,385,344.76			171,067.52	1,385,344.76
Business-Type Activities:						
Food Services	-	-	1,278,809.00	1,273,480.57	1,278,809.00	1,273,480.57
Total Expenses	43,087,653.34	46,263,274.56	1,278,809.00	1,273,480.57	44,366,462.34	47,536,755.13
Increase (Decrease) in Net Assets	$ 2,840,572.29	$ (917,036.99)	$ 116,433.52	$ 65,498.51	$ 2,957,005.81	$ (851,538.48)

THE DISTRICT'S FUNDS

Governmental Activities
Table 3
Information below compares revenues and expenditures for all governmental fund types for 2010-2011 and 2009-2010.

Revenues by Source:	2010-2011	2009-2010	% Change
Local Tax Levy	$ 13,876,172.00	$ 13,871,253.00	0.04%
Tuition Charges	2,515,690.60	1,773,687.40	41.83%
Interest Earned to Investments	-	266.00	-100.00%
Miscellaneous	95,797.10	171,025.20	-43.99%
Total - Local Sources	16,487,659.70	15,816,231.60	4.25%
State Sources	25,780,760.10	22,182,306.41	16.22%
Federal Sources	3,659,805.83	7,347,699.56	-50.19%
Total Revenues	$ 45,928,225.63	$ 45,346,237.57	1.28%

Expenditures by Function:	2010-2011	2009-2010	% Change
Current:			
Regular Instruction	$ 14,367,851.15	$ 14,765,880.22	-2.70%
Special Education	2,031,537.59	3,133,207.74	-35.16%
Other Instruction	1,585,198.45	1,861,782.28	-14.86%
Support Services and Undistributed Costs:			
Tuition	2,674,383.28	2,728,173.68	-1.97%
Student and Instruction Related Services	3,976,849.06	3,204,319.17	24.11%
School Administrative Services	2,032,580.49	2,203,450.81	-7.75%
General and Business Administrative Services	1,260,268.26	1,436,039.12	-12.24%
Plant Operations and Maintenance	3,278,371.12	3,489,010.86	-6.04%
Pupil Transportation	1,175,665.33	1,309,121.35	-10.19%
Employee Benefits	9,422,418.23	9,530,708.53	-1.14%
Capital Outlay	845,264.64	1,228,854.14	-31.22%
Capital Outlay - Debt Service Assessment	49,622.00		
Charter School	55,829.00	44,335.00	25.93%
Debt Service:			
Principal	865,000.00	955,000.00	-9.42%
Interest on Long-Term Debt	434,613.82	477,360.08	-8.95%
Total Expenditures	$ 44,055,452.42	$ 46,367,242.98	-4.99%

Business-type Activities

District's major Enterprise Funds is for Food Service. The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 4, which demonstrates return on ending assets and return on ending net assets.

Table 4

	Food Service
Total Assets	$ 421,172.86
Net Assets	304,080.06
Change in Net Assets	116,433.52
Return on Ending Total Assets	27.65%
Return on Ending Net Assets	38.29%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
Table 5

Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-Type Activites		Totals	
	2011	2010	2011	2010	2011	2010
Land	$ 497,100.00	$ 497,100.00	$ -	$ -	$ 497,100.00	$ 497,100.00
Land Improvements	1,296,359.00	1,296,359.00			1,296,359.00	1,296,359.00
Buildings	22,607,118.00	22,607,118.00			22,607,118.00	22,607,118.00
Machinery and Equipment	7,190,051.00	7,190,051.00	117,183.39	111,963.49	7,307,234.39	7,302,014.49
Construction-in-Progress	12,633,943.86	11,788,679.22	-	-	12,633,943.86	11,788,679.22
Subtotal	44,224,571.86	43,379,307.22	117,183.39	111,963.49	44,341,755.25	43,491,270.71
Accumulated Depreciation	(17,685,912.00)	(17,068,801.00)	(86,642.57)	(88,839.60)	(17,772,554.57)	(17,157,640.60)
Totals	$ 26,538,659.86	$ 26,310,506.22	$ 30,540.82	$ 23,123.89	$ 26,569,200.68	$ 26,333,630.11

This year's major additions in the Governmental Activities included renovations to the various school buildings of the District.

The District's 2011-2012 capital budget anticipates a spending level of $196,382 for capital projects. More detailed information about the District capital assets is presented in Note II:C. to the basic financial statements

DEBT

At year – end the District had total debt of $ 10,358,652.00 outstanding versus $11,262,429.00 last year – a decrease of 8.02 percent – as shown in Table 6.

Outstanding Debt, at year –end
Table 6

	Governmental Activities	
	2011	2010
Serial Bonds	$ 9,639,000.00	$ 10,034,000.00
Lease Purchase Agreement	335,000.00	805,000.00
Compensated Absences	383,724.00	422,501.00
Authorized But Not Issued	928.00	928.00
	$ 10,358,652.00	$ 11,262,429.00

An analysis of District Debt is presented in Note III: B. to the basic financial statements.

BUDGETS

The significant variances between the originally adopted budget for the 2010-2011 school year and the final budget were caused by the treatment of 2009-2010 encumbrances that was added to the original budget.

It should be noted that there were a number of transfers within the budget itself from one line account to another. These transfers were approved by the board to address unanticipated expenditures that arose since the budget was drafted. These include additional costs for identified special education students, professional development for both certificated and non-certificated staff.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

SECTION A

DISTRICT – WIDE FINANCIAL STATEMENTS

Exhibit A-1

BOARD OF EDUCATION
TOWN OF DOVER
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 59,479.93	$ 308,567.47	$ 368,047.40
Interfund Receivables	28,989.62	-	28,989.62
Receivables, Net	5,721,159.85	76,818.82	5,797,978.67
Inventory		5,245.75	5,245.75
Restricted Assets:			
Cash and Cash Equivalents	1,120,520.12		1,120,520.12
Capital Reserve Account - Cash	2,997,417.35		2,997,417.35
Capital Assets, Net	26,538,659.86	30,540.82	26,569,200.68
Total Assets	36,466,226.73	421,172.86	36,887,399.59
LIABILITIES			
Accounts Payable	38,664.63	88,103.18	126,767.81
Interfund Payable	12,593.70	28,989.62	41,583.32
Reserve to Pay Debt Service	831,198.57		831,198.57
Deferred Revenue	807,201.48		807,201.48
Bond Interest Payable	98,561.25		98,561.25
Noncurrent Liabilities:			
Due Within One Year	730,000.00		730,000.00
Due Beyond One Year	9,627,724.00	-	9,627,724.00
Total Liabilities	12,145,943.63	117,092.80	12,263,036.43
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	16,564,659.86	30,540.82	16,595,200.68
Restricted For:			
Special Revenue Fund	(39,072.00)		(39,072.00)
Capital Projects	2,325,227.66		2,325,227.66
Debt Service	49,622.78		49,622.78
Other Purposes	7,196,678.54		7,196,678.54
Unrestricted	(1,776,833.74)	273,539.24	(1,503,294.50)
Total Net Assets	$ 24,320,283.10	$ 304,080.06	$ 24,624,363.16

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

Exhibit A-2

BOARD OF EDUCATION
TOWN OF DOVER
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: 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	$ 19,793,754.56	$ 2,515,690.60	4,074,965.87		$ (13,203,098.09)		$ (13,203,098.09)
Special Education	3,012,418.87		2,188,743.91		(823,674.96)		(823,674.96)
Other	2,150,739.92		173,185.56		(1,977,554.36)		(1,977,554.36)
Support Services:							
Tuition	2,674,383.28		163,527.00		(2,510,856.28)		(2,510,856.28)
Student and Instruction Related Services	4,968,688.47		1,608,246.29		(3,360,442.18)		(3,360,442.18)
School Administrative Services	2,884,729.03		263,822.12		(2,620,906.91)		(2,620,906.91)
General and Business Administrative Services	1,618,222.67		112,668.22		(1,505,554.45)		(1,505,554.45)
Plant Operations and Maintenance	3,925,798.82		199,958.20		(3,725,840.62)		(3,725,840.62)
Pupil Transportation	1,354,721.34		39,739.44		(1,314,981.90)		(1,314,981.90)
Charter Schools	55,829.00				(55,829.00)		(55,829.00)
Debt Service Assessment	49,622.00				(49,622.00)		(49,622.00)
Interest on Long-Term Debt	427,677.86	-	427,677.86	-	-	-	-
Total Governmental Activities	42,916,585.82	2,515,690.60	9,252,534.47	-	(31,148,360.75)	-	(31,148,360.75)
Business-Type Activities:							
Food Service	1,278,809.00	295,139.89	1,100,102.63	-	-	116,433.52	116,433.52
Total Business-Type Activities	1,278,809.00	295,139.89	1,100,102.63	-	-	116,433.52	116,433.52
Total Primary Government	$ 44,195,394.82	$ 2,810,830.49	$ 10,352,637.10	$ -	$ (31,148,360.75)	$ 116,433.52	$ (31,031,927.23)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					$ 12,709,480.00		$ 12,709,480.00
Property Taxes, Levied for Debt Service Principal					739,014.14		739,014.14
Federal and State Aid Not Restricted					20,615,709.32		20,615,709.32
Miscellaneous Income					95,797.10		95,797.10
Special Item - Prior Year Receivables Cancelled					(171,067.52)		(171,067.52)
Total General Revenues, Special Items, Extraordinary Items and Transfers					33,988,933.04	-	33,988,933.04
Change in Net Assets					2,840,572.29	116,433.52	2,957,005.81
Net Assets—Beginning					21,479,710.81	187,646.54	21,667,357.35
Net Assets—Ending					$ 24,320,283.10	$ 304,080.06	$ 24,624,363.16

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

SECTION B

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

Exhibit B-1

BOARD OF EDUCATION
TOWN OF DOVER
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	$ 765,345.72	$ (767,438.02)	$ 689,058.70	$ 61,572.23	$ 748,538.63
Investments			431,461.42		431,461.42
Interfunds Receivable	408,604.13		1,041,777.19	32,373.05	1,482,754.37
Receivables From Other Governments	2,823,798.37	1,491,245.00	1,406,116.48		5,721,159.85
Restricted Cash and Cash Equivalents	2,997,417.35	-	-	-	2,997,417.35
Total Assets	$ 6,995,165.57	$ 723,806.98	$ 3,568,413.79	$ 93,945.28	$ 11,381,331.62
LIABILITIES AND FUND BALANCES					
Liabilities:					
Reserve to Pay Debt Service	$ -	$ -	$ 831,198.57	$ -	$ 831,198.57
Accounts Payable	38,664.63	-			38,664.63
Interfunds Payable	1,054,370.89		411,987.56		1,466,358.45
Deferred Revenue	-	762,878.98	-	44,322.50	807,201.48
Total Liabilities	1,093,035.52	762,878.98	1,243,186.13	44,322.50	3,143,423.13
Fund Balances:					
Restricted For:					
Maintenance Reserve Account	1,000,000.00				1,000,000.00
Capital Reserve Account	1,997,417.35				1,997,417.35
Excess Surplus	2,328,220.51				2,328,220.51
Assigned:					
Prior Year Encumbrances	1,871,040.68				1,871,040.68
Capital Projects Fund			2,325,227.66		2,325,227.66
Unassigned, Reported In:					
General Fund	(1,294,548.49)				(1,294,548.49)
Special Revenue Fund		(39,072.00)			(39,072.00)
Debt Service Fund	-	-	-	49,622.78	49,622.78
Total Fund Balances	5,902,130.05	(39,072.00)	2,325,227.66	49,622.78	8,237,908.49
Total Liabilities and Fund Balances	$ 6,995,165.57	$ 723,806.98	$ 3,568,413.79	$ 93,945.28	
	-	-			

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

Adjustment to net assets for the accrual of interest expense.	(98,561.25)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $43,379,307.22 and the accumulated depreciation is $17,068,801.00.	26,538,659.86
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(10,357,724.00)
Net assets of governmental activities	$ 24,320,283.10

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

Exhibit B-2

BOARD OF EDUCATION
TOWN OF DOVER
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 12,709,480.00	$ -	$ -	$ 1,166,692.00	$ 13,876,172.00
Tuition Charges	2,515,690.60				2,515,690.60
Miscellaneous	89,210.80	6,586.30	-	-	95,797.10
Total - Local Sources	15,314,381.40	6,586.30	-	1,166,692.00	16,487,659.70
State Sources	24,960,689.93	637,526.17		182,544.00	25,780,760.10
Federal Sources	27,607.62	3,632,198.21	-	-	3,659,805.83
Total Revenues	40,302,678.95	4,276,310.68	-	1,349,236.00	45,928,225.63
EXPENDITURES					
Current:					
Regular Instruction	12,101,244.39	2,266,606.76			14,367,851.15
Special Education Instruction	1,792,659.19	238,878.40			2,031,537.59
Other Instruction	1,585,198.45				1,585,198.45
Support Services and Undistributed Costs:					
Tuition	2,674,383.28				2,674,383.28
Student and Instruction Related Services	2,667,830.17	1,309,018.89			3,976,849.06
School Administrative Services	2,032,580.49				2,032,580.49
General and Business Administrative Services	1,260,268.26				1,260,268.26
Plant Operations and Maintenance	3,278,371.12				3,278,371.12
Pupil Transportation	1,175,665.33				1,175,665.33
Unallocated Benefits	8,956,829.00	465,589.23			9,422,418.23
Transfer to Charter School	55,829.00				55,829.00
Capital Outlay	367,692.94	3,055.00	474,516.70		845,264.64
Capital Outlay - Debt Service Assessment	49,622.00				49,622.00
Debt Service:					
Principal				865,000.00	865,000.00
Interest and Other Charges	-	-	-	434,613.82	434,613.82
Total Expenditures	37,998,173.62	4,283,148.28	474,516.70	1,299,613.82	44,055,452.42
Excess (Deficiency) of Revenues Over Expenditures	2,304,505.33	(6,837.60)	(474,516.70)	49,622.18	1,872,773.21
OTHER FINANCING SOURCES AND (USES)					
Transfers In	-		16,269.19		16,269.19
Prior Year State Grant Cancelled			(171,067.52)		(171,067.52)
Transfers (Out)	(16,269.19)	-	-		(16,269.19)
Total Other Financing Sources and (Uses)	(16,269.19)	-	(154,798.33)		(171,067.52)
Net Change in Fund Balances	2,288,236.14	(6,837.60)	(629,315.03)	49,622.18	1,701,705.69
Fund Balance—July 1	3,613,893.91	(32,234.40)	2,954,542.69	0.60	6,536,202.80
Fund Balance—June 30	$ 5,902,130.05	$ (39,072.00)	$ 2,325,227.66	$ 49,622.78	$ 8,237,908.49

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

Exhibit B-3

BOARD OF EDUCATION
TOWN OF DOVER
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Total net change in fund balances - governmental funds (from B-2)			$ 1,701,705.69
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)			
	Interest paid	$ 434,613.82	
	Interest accrued	(427,677.86)	
			6,935.96
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.			
	Depreciation expense	(617,111.00)	
	Capital outlays	845,264.64	
			228,153.64
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+).			38,777.00
Payment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			
	Debt Principal		865,000.00
Change in net assets of governmental activities			$ 2,840,572.29

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

PROPRIETARY FUNDS

Exhibit B-4

BOARD OF EDUCATION
TOWN OF DOVER
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 308,567.47	$ 308,567.47
Accounts Receivable	76,818.82	76,818.82
Inventories	5,245.75	5,245.75
Total Current Assets	390,632.04	390,632.04
Noncurrent Assets:		
Furniture, Machinery and Equipment	117,183.39	117,183.39
Less Accumulated Depreciation	(86,642.57)	(86,642.57)
Total Noncurrent Assets	30,540.82	30,540.82
Total Assets	421,172.86	421,172.86
LIABILITIES		
Current Liabilities:		
Accounts Payable	88,103.18	88,103.18
Interfund Payable	28,989.62	28,989.62
Total Current Liabilities	117,092.80	117,092.80
Total Liabilities	117,092.80	117,092.80
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	30,540.82	30,540.82
Unrestricted	273,539.24	273,539.24
Total Net Assets	$ 304,080.06	$ 304,080.06

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

Exhibit B-5

BOARD OF EDUCATION
TOWN OF DOVER
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds	
	Food Service	Totals
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	$ 163,315.85	$ 163,315.85
Daily Sales - Non-Reimbursable Programs	129,824.04	129,824.04
Special Functions	2,000.00	2,000.00
Total Operating Revenues	295,139.89	295,139.89
Operating Expenses:		
Cost of Sales	606,729.41	606,729.41
Salaries	374,669.81	374,669.81
Employee Benefits	117,875.62	117,875.62
Other Purchased Professional Services	112,056.43	112,056.43
Cleaning, Repair and Maintenance Services	13,270.46	13,270.46
Miscellaneous Expenses	5,933.19	5,933.19
General Supplies	44,267.62	44,267.62
Depreciation	4,006.46	4,006.46
Total Operating Expenses	1,278,809.00	1,278,809.00
Operating (Loss)	(983,669.11)	(983,669.11)
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	18,514.55	18,514.55
Federal Sources:		
National School Lunch Program	837,159.00	837,159.00
School Breakfast Program	119,138.76	119,138.76
Special Milk Program	1,149.91	1,149.91
Fresh Fruits and Vegetables Program	32,170.66	32,170.66
Department of Agriculture Equipment Grant	10,773.39	10,773.39
Food Distribution Program	81,196.36	81,196.36
Total Nonoperating Revenues	1,100,102.63	1,100,102.63
Change in Net Assets	116,433.52	116,433.52
Total Net Assets—Beginning	187,646.54	187,646.54
Total Net Assets—Ending	$ 304,080.06	$ 304,080.06

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

Exhibit B-6

BOARD OF EDUCATION
TOWN OF DOVER
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds	
	Food Service	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$ 295,139.89	$ 295,139.89
Payments to Employees	(374,669.81)	(374,669.81)
Payments for Employee Benefits	(117,875.62)	(117,875.62)
Payments to Suppliers	(750,800.19)	(750,800.19)
Net Cash (Used For) Operating Activities	(948,205.73)	(948,205.73)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	19,879.57	19,879.57
Federal Sources	952,489.89	952,489.89
Change in Interfund	105,473.95	105,473.95
Fresh Fruits and Vegetables Program	24,774.88	24,774.88
Department of Agriculture Equipment Grant	10,773.39	10,773.39
Food Distribution Program	81,196.36	81,196.36
Net Cash Provided By Non-Capital Financing Activities	1,194,588.04	1,194,588.04
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	(11,423.39)	(11,423.39)
Net Cash (Used For) Capital and Related Financing Activities	(11,423.39)	(11,423.39)
Net (Decrease) in Cash and Cash Equivalents	234,958.92	234,958.92
Balances—Beginning of Year	73,608.55	73,608.55
Balances—End of Year	$ 308,567.47	$ 308,567.47
Reconciliation of Operating (Loss) to Net Cash (Used For) Operating Activities:		
Operating (Loss)	$ (983,669.11)	$ (983,669.11)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used For) Operating Activities:		
Depreciation	4,006.46	4,006.46
Decrease in Inventories	6,596.06	6,596.06
Increase in Accounts Payable	24,860.86	24,860.86
Total Adjustments	35,463.38	35,463.38
Net Cash (Used for) Operating Activities	$ (948,205.73)	$ (948,205.73)

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

FIDUCIARY FUNDS

Exhibit B-7

BOARD OF EDUCATION
TOWN OF DOVER
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ 832.43	$ 56,583.54	$ 154,917.74
Interfund Receivable	-	12,593.70	-
Total Assets	$ 832.43	$ 69,177.24	$ 154,917.74
LIABILITIES			
Payable to Student Groups			$ 75,151.21
Payroll Deductions and Withholdings			79,766.53
Total Liabilities			$ 154,917.74
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	$ 832.43		
Reserved for Scholarships		$ 69,177.24	

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

Exhibit B-8

BOARD OF EDUCATION
TOWN OF DOVER
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan member	$ 255,473.53	$ -
Other	-	12,793.70
Total Contributions	255,473.53	12,793.70
Investment Earnings:		
Interest	-	122.54
Net Investment Earnings	-	122.54
Total Additions	255,473.53	12,916.24
DEDUCTIONS		
Quarterly contribution reports		
Unemployment Claims	255,473.53	
Scholarships Awarded	-	15,593.70
Miscellaneous Expenses	65.00	-
Total Deductions	255,538.53	15,593.70
Change in Net Assets	(65.00)	(2,677.46)
Net Assets—Beginning	897.43	71,854.70
Net Assets—Ending	$ 832.43	$ 69,177.24

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Town of Dover School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District is required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

B. Reporting Entity

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

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 the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include three elementary, one middle and one senior high school located in Dover, NJ. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

C. Basic Financial Statements- Government-Wide Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements

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

The following fund types are used by the District:

Governmental Fund Types

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

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

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

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

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

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

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

Note I: Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Type

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

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

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

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

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

Fiduciary Fund Types

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

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

Note I: Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting

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

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

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

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office 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. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Appropriation of additional fund balance in the amount of $0.00, and prior year encumbrances in the amount of $2,122,926.66 was made during the year ended year ended June 30, 2011. The significant budget transfers and amendments approved in the school year are presented on Exhibit C-1.

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

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

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

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 reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Exhibit C-3.

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Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

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

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

2. Short – term Interfund Receivables/Payables

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

3. Inventories

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

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

4. Capital Assets

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

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

Land and Construction in Progress are not depreciated.

GASB No. 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006.

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

5. Compensated Absences

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

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

6. Deferred Revenue

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

7. Long – term Obligations

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

8. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

9. Use of Estimates

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

Note I: Summary of Significant Accounting Policies (Continued)

H. Recent Accounting Pronouncements

The District elected to implement GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions,* in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

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

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

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

Assigned- includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.

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

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

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Note II: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

At June 30, 2011 the Town of Dover School District's cash and cash equivalent's amounted to $5,583,566.81. Of this amount, $312,898.50 was covered by federal depository insurance (F.D.I.C.) and $5,270,668.31 by a collateral pool maintained by the banks as required by GUDPA.

At June 30, 2011 the Town of Dover School District did not participate in the State of New Jersey Cash Management Fund.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town of Dover School District will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of June 30, 2011, none of the Town of Dover School District's cash and cash equivalents was exposed to custodial credit risk.

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

A. Deposits and Investments (Continued

Investments

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

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

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

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

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

(6) Local government investment pools:

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

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

Interest Rate Risk: The District does not have a formal policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

The Town of Dover School District had the following investments valued at cost, which approximates market value, at June 30, 2011:

	Fair Value
U.S. Treasury Notes	$431,461.42

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

B. Interfund Receivables and Payables

As of June 30, 2011, interfund receivables and payables resulting from various interfund transactions were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	$ 408,604.13	$1,054,370.89
Capital Projects Fund	1,041,777.19	411,987.56
Debt Service Fund	32,373.05	
Enterprise Fund		28,989.62
Trust and Agency Fund	12,593.70	
	$1,495,348.07.	$1,495,348.07

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution. Accordingly, an interfund accounts receivable and payable for $379,614.51 was established in the capital projects and general funds, respectively. The debt service and capital projects funds have an interfund receivable and payable for $32,373.05 for the 2003-2004 accrued interest.

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

C. Capital Assets

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

	Beginning Balance	Additions	Adjustment	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 497,100.00	$ -	$ -	$ 497,100.00
Construction in Progress	11,788,679.22	845,264.64	-	12,633,943.86
Total Capital Assets Not Being Depreciated	12,285,779.22	845,264.64	-	13,131,043.86
Land Improvements	1,296,359.00		-	1,296,359.00
Buildings and Improvements	22,607,118.00		-	22,607,118.00
Machinery and Equipment	7,190,051.00	-	-	7,190,051.00
Totals at Historical Cost	31,093,528.00	-	-	31,093,528.00
Less Accumulated Depreciation For:				
Land Improvements	(970,997.00)	(26,032.00)		(997,029.00)
Buildings and Improvements	(9,849,586.00)	(427,124.00)		(10,276,710.00)
Machinery and Equipment	(6,248,218.00)	(163,955.00)	-	(6,412,173.00)
Total Accumulated Depreciation	(17,068,801.00)	(617,111.00) (1)	-	(17,685,912.00)
Net Capital Assets Being Depreciated	14,024,727.00	(617,111.00)	-	13,407,616.00
Governmental Activities Capital Assets, Net	$26,310,506.22	$ 228,153.64	$ -	$ 26,538,659.86
Business - Type Activities:				
Equipment	$ 111,963.49	$ 11,423.39	$ 6,203.49	$ 117,183.39
Less Accumulated Depreciation	(88,839.60)	(4,006.46)	(6,203.49)	(86,642.57)
Business - Type Activities Capital Assets, Net	$ 23,123.89	$ 7,416.93	$ -	$ 30,540.82

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

Instruction	$ 380,943.74
Special Education	80,017.20
Other Instruction	9,322.39
Student and Instruction Related Services	39,620.17
School Administrative Services	20,198.52
General and Business Administrative Services	20,198.52
Plant Operations and Maintenance	5,438.06
Pupil Transportation	61,372.40
	$ 617,111.00

Note III: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has commitments to lease copying equipment under operating leases which expire in 2011-2012. Total operating lease payments made during the year ended June 30, 2011 were $62,238.00. Future minimum lease payments are as follows:

Year Ended	Amount
June 30, 2012	$ 60,522.00
Total Future Minimum Lease Payments	$ 60,522.00

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Adjustments	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Long - Term Debt:					
Serial Bonds	$ 10,034,000.00	$ -	$ (395,000.00)	$ 9,639,000.00	$ 395,000.00
Lease Purchase Agreements	805,000.00		(470,000.00)	335,000.00	335,000.00
Loans	-	-	-	-	-
Total Debt Payable	10,839,000.00	-	(865,000.00) (1)	9,974,000.00	730,000.00
Other Liabilities:					
Compensated Absences	422,501.00	77,928.00	(116,705.00)	383,724.00	-
Total Other Liabilities	422,501.00	77,928.00	(116,705.00) (2)	383,724.00	-
Governmental Activities Long - Term Liabilities	$ 11,261,501.00	$ 77,928.00	$ (981,705.00)	$ 10,357,724.00	$ 730,000.00

(1) Paid by Debt Service Fund
(2) Paid by General Fund

Note III: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures

B. Long – Term Liabilities (Continued)

1. Bonds Payable

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

Serial Bonds outstanding as of June 30, 2011 consisted of the following:

Description	Interest Rate	Due Date	Maturity Date	Amount Issued	Amount Outstanding
School Bonds of 2004	Variable	4/1	2029	$12,224,000.00	$9,639,000.00

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

	Principal	Interest	Total
Year ending June 30,			
2012	$ 405,000.00	$ 387,545.00	$ 792,545.00
2013	415,000.00	372,863.75	787,863.75
2014	425,000.00	357,820.00	782,820.00
2015	435,000.00	342,413.75	777,413.75
2016	445,000.00	325,013.75	770,013.75
2017	465,000.00	307,213.75	772,213.75
2018	475,000.00	288,613.75	763,613.75
2019	490,000.00	269,613.75	759,613.75
2020	510,000.00	250,013.75	760,013.75
2021	530,000.00	229,613.75	759,613.75
2022	545,000.00	208,413.75	753,413.75
2023	570,000.00	186,613.75	756,613.75
2024	595,000.00	163,813.75	758,813.75
2025	620,000.00	139,270.00	759,270.00
2026	645,000.00	113,695.00	758,695.00
2027	675,000.00	87,088.75	762,088.75
2028	694,000.00	59,245.00	753,245.00
2029	700,000.00	29,750.00	729,750.00
	$ 9,639,000.00	$4,118,615.00	$13,757,615.00

2. Temporary Notes

As of June 30, 2011 the Board had no Temporary Notes.

3. Bonds Authorized But Not Issued

As of June 30, 2011 the Board had $928.00 authorized but not issued bonds.

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

B. Long – Term Liabilities (Continued)

4. Capital Leases Payable

The District has no Capital Leases Payable at June 30, 2011.

5. Lease Purchase Agreement (COPs)

On September 15, 1997, pursuant to N.J.S.A. 18A:20-4.2(f), the Town of Dover School District (the Lessee) entered into a school building lease purchase agreement with Munilease Funding Inc. (the Lessor) to finance acquisition and construction of a nineteen (19) classroom addition to North Dover School, replacement of the HVAC system at Dover High School and the acquisition of certain equipment. The approval was obtained from the Commissioner of Education of the State of New Jersey and the New Jersey Local Finance Board in the Department of Community Affairs on August 11, 1997. The building is located on land owned by the Board of Education that has been leased to Munilease Funding Inc. pursuant to a ground lease agreement dated September 15, 1997. Certificates of Participation (the Certificates) in the par amount of $10,085,000.00 were issued and the proceeds budgeted as follows:

Project Construction Fund	$ 6,796,234.96
Reserve Fund	2,922,010.62
Cost of Certificate Issuance	142,559.63
Accrued Interest	22,031.51
Capitalized Interest	202,163.78
	$10,085,000.00

Under the lease, the Board is required to pay Basic Rent due on each December 1 and June 1, commencing December 1, 1997. Basic Rent is composed of an interest component and a principal component. The Certificates carry interest rates in the range of 3.75% to 5.125%; and the Certificates mature on June 1, 2012. Payment of the principal of and interest on the Certificates is insured by Financial Security Assurance, Inc. Summit Bank has been appointed to serve as a trustee in the agreement.

Future Minimum Lease Payments – Future minimum lease payments under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2011 are:

Year Ending June 30	Amount
2012	$347,625.00
Total minimum lease payments	347,625.00
Less: amount representing interest	12,625.00
Present value of lease payments	$335,000.00

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

B. Long – Term Liabilities (Continued)

5. Lease Purchase Agreement (COPs) (Continued)

Optional Prepayment – The Certificates maturing on or after June 1, 2008 are subject to prepayment on or after December 1, 2007 at the option of the Board as a whole at any time or in part of any Interest Payment Date at a redemption price expressed as a percentage of the principal portion of the basic rent represented by the Certificates or portion thereof to be redeemed set opposite such period in the following table plus accrued interest to the date of redemption.

Period (both dates inclusive)	Prepayment Percentage
December 1, 2007 and thereafter	100%

Mandatory Prepayment – The Certificates are subject to mandatory prepayment at a redemption price equal to their principal amount plus accrued interest to the redemption date:

(A) In whole or from time to time in part (in inverse order or maturities and within a maturity by lot), on any interest payment date, form the net proceeds of insurance or condemnation proceedings, together with any available revenues permitted to be applied to the purpose, if the Board determines not to repair, restore or reconstruct the Project or the affected portion thereof or,

(B) In whole, at any time, with the consent of the Insurer, from moneys received by the Agent on the exercise of its rights under the Agent Agreement with respect to an event of default or an event of nonappropriation.

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Note IV: Detailed Disclosure Regarding Fund Equity

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701),the designation for Reserved Fund Balance—Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The restricted fund balance-excess surplus at June 30, 2011 is $2,328,220.51 and will be appropriated in the fiscal year 2012-2013.

B. Capital Reserve Account

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

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

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

2000-2001 Budget (See above)	$ 208,000.00
2001-2002 Transfer from Undesignated	500,000.00
2001-2002 Interest Earnings	3,480.75
2001-2002 Withdrawal	(571,000.00)
2002-2008 Interest Earnings	82,446.00
2006-2007 Transfer from Undesignated	561,000.00
2008-2009 Interest Earnings	13,741.00
2008-2009 Transfer from Undesignated	570,166.00
2009-2010 Transfer from Undesignated	629,583.60
Balance June 30, 2011	$1,997,417.35

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is $2,109,599.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

Note IV: Detailed Disclosure Regarding Fund Equity (Continued)

C. Maintenance Reserve Account

New Jersey Statute 18A:7G-9 permits districts to accumulate funds for the required maintenance of a facility in accordance with the Educational Facilities Construction and Financing Act (EFCFA). The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities project, districts are required to submit a plan for the maintenance of that facility. As of June 30, 2011, the District has reserved $1,000,000.00for maintenance.

D. Deficit Fund Balances

The Town of Dover School District has a deficit fund balance of $(39,072.00) in the Special Revenue Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, district must record the last two state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district can not recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statue and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of $(1,294,548.49) is equal to (or) is less than the last two state aid payments.

Note V: Pension Plans

Description of Systems

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

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

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

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. These reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Retirement Benefits

For PERS and TPAF employees, the benefits will be 1/55 of the average of the three highest years compensation for each year of service. However, for PERS and TPAF who are veterans of the U.S. armed forces, the benefits will be 1/55 of final compensation for each year of service.

Significant Legislation

Chapter 89, P.L. 2008, effective November 1, 2008, increased TPAF and PERS retirement age. If a person becomes a member on or after November 1, 2008 that person must be at least 62 years of age in order to retire without reduction in their retirement allowance.

Chapter 99, P.L. 2009, effective March 17, 2009 gives local PERS employers the option to defer 50% of their contributions in fiscal year 2009 the normal and accrued liability and pay 50 percent of the certified amount as determined by the actuary or pay the full 100% certified amount.

Note V: Pension Plans (Continued)

Description of Systems (Continued)

Contribution Requirements – Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.50 percent for TPAF and PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2010, for TPAF, annual pension cost equals annual required contribution. For PERS, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Contributions – Actual

The District's total payroll for the year ended June 30, 2011 was $24,621,086.05 and covered payroll was $19,275,793.00 for TPAF and $3,267,987.00 for PERS. Contributions to the TPAF and the PERS for the last three years ended June 30, 2011 made by the employees, the Board, and the State of New Jersey on behalf of the Board were as follows:

		TPAF	Percent of Covered Payroll	PERS	Percent of Covered Payroll
Employees	6/30/09	1,012,642.21	5.60%	217,745.05	5.69%
	6/30/10	1,088,899.87	5.57%	186,964.23	5.60%
	6/30/11	1,072,709.96	5.57%	181,332.64	5.55%
Board of Education	6/30/09			566,807.06	14.82%
	6/30/10			340,074.00	10.19%
	6/30/11			434,419.00	13.29%
State of New Jersey	6/30/09	1,137,577.00	6.29%		
	6/30/10	1,191,121.00	6.10%		
	6/30/11	1,311,982.00	6.80%		

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $1,476,835.33 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

Note VI: Post-Retirement Medical Benefits

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

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS 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.

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

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

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

Note VII: Risk Management

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

Note VIII: Compensated Absences

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

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

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

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 Fund.

Note IX: Contingent Liabilities

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

Note X: Subsequent Events

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

SECTION C

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:						
Local Sources:						
Local Tax Levy		$ 12,709,480.00	$ -	$ 12,709,480.00	$ 12,709,480.00	$ -
Tuition		2,385,140.00	-	2,385,140.00	2,515,690.60	130,550.60
Interest Earned on Investments		106,259.00	-	106,259.00	-	(106,259.00)
Interest Earned on Capital Reserve Funds		13,741.00	-	13,741.00	-	(13,741.00)
Miscellaneous		30,715.00	-	30,715.00	89,210.80	58,495.80
Total - Local Sources		15,245,335.00	-	15,245,335.00	15,314,381.40	69,046.40
State Sources:						
Equalization Aid		21,009,660.00	(784,415.00)	20,225,245.00	20,225,245.00	-
Special Education Aid		804,253.00	784,415.00	1,588,668.00	1,588,668.00	-
Non Public Transportation Aid		-	-		696.00	696.00
Extraordinary Aid			-		163,527.00	163,527.00
TPAF Pension (On-Behalf - Non-Budgeted)			-		1,311,982.00	1,311,982.00
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	1,476,835.33	1,476,835.33
Total State Sources		21,813,913.00	-	21,813,913.00	24,766,953.33	2,953,040.33
Federal Sources:						
Medical Assistance Program		37,330.00	-	37,330.00	27,607.62	(9,722.38)
Total - Federal Sources		37,330.00	-	37,330.00	27,607.62	(9,722.38)
Total Revenues		37,096,578.00	-	37,096,578.00	40,108,942.35	3,012,364.35
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool/Kindergarten - Salaries of Teachers	110-100-101	$ 748,418.00	$ (53,000.00)	$ 695,418.00	$ 694,672.60	$ 745.40
Grades 1-5 - Salaries of Teachers	120-100-101	3,962,645.00	122,701.00	4,085,346.00	4,075,960.86	9,385.14
Grades 6-8 - Salaries of Teachers	130-100-101	2,379,914.00	(374,208.00)	2,005,706.00	1,999,727.54	5,978.46
Grades 9-12 - Salaries of Teachers	140-100-101	4,234,457.00	(66,194.68)	4,168,262.32	4,168,262.32	-
Regular Programs - Home Instruction:						
Salaries of Teachers	150-100-101	55,000.00	(10,805.32)	44,194.68	35,049.13	9,145.55
Regular Programs - Undistributed Instruction						
Other Salaries for Instruction	190-100-106	228,484.00	60,000.00	288,484.00	287,623.32	860.68
Other Purchased Services (400-500 series)	190-100-500	176,867.00	8,556.12	185,423.12	93,429.75	91,993.37
General Supplies	190-100-610	154,000.00	572,109.83	726,109.83	507,421.66	218,688.17
Textbooks	190-100-640	16,000.00	277,019.40	293,019.40	239,097.21	53,922.19
TOTAL REGULAR PROGRAMS - INSTRUCTION		11,955,785.00	536,178.35	12,491,963.35	12,101,244.39	390,718.96
SPECIAL EDUCATION - INSTRUCTION						
Learning and/or Language Disabilities:						
Salaries of Teachers	204-100-101	631,443.00	1,955.00	633,398.00	630,753.64	2,644.36
Other Salaries for Instruction	204-100-106	243,311.00	58,404.00	301,715.00	301,420.03	294.97
General Supplies	204-100-610	15,041.00	-	15,041.00	14,997.26	43.74
Total Learning and/or Language Disabilities		889,795.00	60,359.00	950,154.00	947,170.93	2,983.07
Behavioral Disabilities:						
Salaries of Teachers	209-100-101	232,896.00	5,200.00	238,096.00	238,085.80	10.20
Other Salaries for Instruction	209-100-106	13,037.00	-	13,037.00	11,439.00	1,598.00
Other Purchased Services (400-500 series)	209-100-500		415.00	415.00	415.00	-
General Supplies	209-100-610	5,600.00	(2,965.00)	2,635.00	2,542.72	92.28
Other Objects	209-100-800	-	2,550.00	2,550.00	2,420.27	129.73
Total Behavioral Disabilities		251,533.00	5,200.00	256,733.00	254,902.79	1,830.21
Resource Room/Resource Center:						
Salaries of Teachers	213-100-101	657,324.00	(45,200.00)	612,124.00	582,144.50	29,979.50
General Supplies	213-100-610	7,500.00	40,000.00	47,500.00	8,440.97	39,059.03
Total Resource Room/Resource Center		664,824.00	(5,200.00)	659,624.00	590,585.47	69,038.53
TOTAL SPECIAL EDUCATION - INSTRUCTION		1,806,152.00	60,359.00	1,866,511.00	1,792,659.19	73,851.81
Bilingual Education - Instruction						
Salaries of Teachers	240-100-101	861,114.00	-	861,114.00	832,704.62	28,409.38
Total Bilingual Education - Instruction		861,114.00	-	861,114.00	832,704.62	28,409.38

BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011
(Continued)

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular Actvts. - Inst.						
Salaries	401-100-100	$ 126,257.00	$ 93,977.20	$ 220,234.20	$ 220,234.20	$ -
Other Objects	401-100-800	157,531.00	21,856.07	179,387.07	80,417.25	98,969.82
Total School-Spon. Cocurricular Actvts. - Inst.		283,788.00	115,833.27	399,621.27	300,651.45	98,969.82
School-Spon. Athletics - Instruction						
Salaries	402-100-100	385,759.00	(93,977.20)	291,781.80	239,419.68	52,362.12
Supplies and Materials	402-100-600	105,605.00	15,281.61	120,886.61	105,911.00	14,975.61
Transfers to Cover Deficit (Agency Funds)	402-100-930	80,465.00	(5,000.00)	75,465.00	75,465.00	-
Total School-Spon. Athletics - Instruction		571,829.00	(83,695.59)	488,133.41	420,795.68	67,337.73
Other Instructional Programs - Instruction						
Salaries	4XX-100-100	50,000.00	-	50,000.00	31,046.70	18,953.30
Total Other Instructional Programs - Instruction		50,000.00	-	50,000.00	31,046.70	18,953.30
Total Instruction		15,528,668.00	628,675.03	16,157,343.03	15,479,102.03	678,241.00
Undistributed Expenditures - Instruction:						
Tuition to Other LEAs Within the State - Special	000-100-562	590,076.00	52,390.63	642,466.63	387,082.73	255,383.90
Tuition to County Voc. School Dist. - Regular	000-100-563	397,125.00	-	397,125.00	334,061.00	63,064.00
Tuition to County Voc. School Dist. - Special	000-100-564	38,944.00	-	38,944.00	33,740.00	5,204.00
Tuition to CSSD & Regional Day Schools	000-100-565	61,000.00	91,660.00	152,660.00	148,344.56	4,315.44
Tuition to Private Schools for the Disabled - Within State	000-100-566	2,111,765.00	(88,229.07)	2,023,535.93	1,688,018.42	335,517.51
Tuition - State Facilities	000-100-568	75,000.00	-	75,000.00	75,000.00	-
Tuition - Other	000-100-569	40,000.00	(13,329.00)	26,671.00	8,136.57	18,534.43
Total Undistributed Expenditures - Instruction:		3,313,910.00	42,492.56	3,356,402.56	2,674,383.28	682,019.28
Undistributed Expend. - Attend. & Social Work						
Salaries	000-211-100	238,928.00	309.21	239,237.21	239,237.21	-
Purchased Professional and Technical Services	000-211-300	-	1,575.00	1,575.00	1,575.00	-
Total Undistributed Expend. - Attend. & Social Work		238,928.00	1,884.21	240,812.21	240,812.21	-
Undist. Expend. - Health Services						
Salaries	000-213-100	389,548.00	(309.21)	389,238.79	349,194.96	40,043.83
Other Purchased Services (400-500 series)	000-213-500	53,095.00	(3,107.45)	49,987.55	36,744.11	13,243.44
Supplies and Materials	000-213-600	15,642.00	1,896.74	17,538.74	9,440.91	8,097.83
Total Undistributed Expenditures - Health Services		458,285.00	(1,519.92)	456,765.08	395,379.98	61,385.10
Undist. Expend. - Other Supp. Serv. Students - Related Serv.						
Salaries of Other Professional Staff	000-216-100	238,180.00	(2,532.00)	235,648.00	227,879.16	7,768.84
Purchased Professional - Educational Services	000-216-320		17,000.00	17,000.00	7,533.75	9,466.25
Supplies and Materials	000-216-600	2,375.00	-	2,375.00	2,329.27	45.73
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.		240,555.00	14,468.00	255,023.00	237,742.18	17,280.82
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.						
Salaries of Other Professional Staff	000-217-100	121,286.00	(59,000.00)	62,286.00	25,072.75	37,213.25
Purchased Professional - Educational Services	000-217-320	-	1,000.00	1,000.00	420.00	580.00
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.		121,286.00	(58,000.00)	63,286.00	25,492.75	37,793.25
Undist. Expend. - Other Supp. Serv. Students-Reg.						
Salaries of Other Professional Staff	000-218-104	583,843.00	(67,000.00)	516,843.00	445,823.51	71,019.49
Salaries of Secretarial and Clerical Assistants	000-218-105	51,874.00	62,000.00	113,874.00	101,987.83	11,886.17
Other Purchased Services (400-500 series)	000-218-500	1,000.00	57.51	1,057.51	698.22	359.29
Supplies and Materials	000-218-600	215,569.00	54,953.62	270,522.62	197,786.78	72,735.84
Total Undist. Expend. - Other Supp. Serv. Students-Reg.		852,286.00	50,011.13	902,297.13	746,296.34	156,000.79
Undist. Expend. - Other Supp. Serv. Students-Special						
Salaries of Other Professional Staff	000-219-104	181,538.00	-	181,538.00	83,944.63	97,593.37
Salaries of Secretarial and Clerical Assistants	000-219-105	130,191.00	-	130,191.00	125,863.51	4,327.49
Misc. Pur. Serv. (400-500 series) Other Than Residential Costs	000-219-592	2,000.00	381.26	2,381.26	1,776.28	604.98
Total Undist. Expend. - Other Supp. Serv. Students-Spl.		313,729.00	381.26	314,110.26	211,584.42	102,525.84
Undist. Expend. - Improvement of Inst. Serv.						
Salaries of Other Professional Staff	000-221-104	170,000.00	55,340.00	225,340.00	225,340.00	-
Total Undist. Expend. - Improvement of Inst. Serv.		170,000.00	55,340.00	225,340.00	225,340.00	-
Undist. Expend. - Edu. Media Serv./Sch. Library						
Salaries	000-222-100	404,051.00	(45,726.00)	358,325.00	339,254.57	19,070.43
Salaries of Technology Coordinators	000-222-177	100,265.00	386.00	100,651.00	100,650.96	0.04
Supplies and Materials	000-222-600	34,500.00	2,204.60	36,704.60	26,872.61	9,831.99
Total Undist. Expend. - Edu. Media Serv./Sch. Library		538,816.00	(43,135.40)	495,680.60	466,778.14	28,902.46
Undist. Expend. - Instructional Staff Training Serv.						
Other Purchased Services (400-500 series)	000-223-500	59,190.00	90,506.72	149,696.72	118,404.15	31,292.57
Total Undist. Expend. - Instructional Staff Training Serv.		59,190.00	90,506.72	149,696.72	118,404.15	31,292.57
Undist. Expend. - Supp. Serv. - General Admin.						
Salaries	000-230-100	409,099.00	5,224.00	414,323.00	414,322.67	0.33
Legal Services	000-230-331	75,000.00	(40,000.00)	35,000.00	12,040.07	22,959.93
Audit Fees	000-230-332	32,000.00	8,700.00	40,700.00	30,035.00	10,665.00
Other Purchased Professional Services	000-230-339	37,000.00	2,500.00	39,500.00	37,822.15	1,677.85
Communications/Telephone	000-230-530	100,677.00	60,884.22	161,561.22	147,829.67	13,731.55
BOE Other Purchased Services	000-230-585	3,000.00	(2,000.00)	1,000.00	10.70	989.30
Other Purchased Services (400-500 series)	000-230-590	79,100.00	11,467.24	90,567.24	88,989.54	1,577.70
General Supplies	000-230-610	56,000.00	(7,437.01)	48,562.99	37,922.90	10,640.09
Miscellaneous Expenditures	000-230-890	17,000.00	10,979.95	27,979.95	26,898.46	1,081.49
Membership and Dues	000-230-895	18,902.00	(2,210.60)	16,691.40	16,088.25	603.15
Total Undist. Expend. - Supp. Serv. - General Admin.		827,778.00	48,107.80	875,885.80	811,959.41	63,926.39

BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011
(Continued)

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Admin.						
Salaries of Principals/Assistant Principals	000-240-103	$ 1,691,651.00	$ (23,224.00)	$ 1,668,427.00	$ 1,656,286.89	$ 12,140.11
Salaries of Secretarial and Clerical Assistants	000-240-105	388,621.00	(22,000.00)	366,621.00	360,421.07	6,199.93
Other Purchased Services (400-500 series)	000-240-500	-	20,000.00	20,000.00	15,872.53	4,127.47
Total Undist. Expend. - Support Serv. - School Admin.		2,080,272.00	(25,224.00)	2,055,048.00	2,032,580.49	22,467.51
Undist. Expend,- Central Services						
Salaries	000-251-100	305,740.00	58,000.00	363,740.00	361,474.26	2,265.74
Purchased Technical Services	000-251-340		118,000.00	118,000.00	28,302.84	89,697.16
Miscellaneous Purchased Services (400-500 series)	000-251-592	-	2,000.00	2,000.00	932.23	1,067.77
Total Undist. Expend. - Support Serv. - School Admin.		305,740.00	178,000.00	483,740.00	390,709.33	93,030.67
Undist. Expend,- Admin. Info. Technology						
Salaries	000-252-100	59,040.00	-	59,040.00	57,047.04	1,992.96
Other Purchased Services (400-500 series)	000-252-500	-	2,000.00	2,000.00	552.48	1,447.52
Total Undist. Expend. - Admin. Info Technology		59,040.00	2,000.00	61,040.00	57,599.52	3,440.48
Undist. Expend. - Allowable Maint. For School Facilities						
Salaries	000-261-100	342,114.00	(8,000.00)	334,114.00	273,460.34	60,653.66
Cleaning, Repair and Maintenance Services	000-261-420	311,233.00	11,278.32	322,511.32	199,378.67	123,132.65
Total Undist. Expend. - Allowable Maint. For School Facilities		653,347.00	3,278.32	656,625.32	472,839.01	183,786.31
Undist. Expend. - Oth. Oper. & Maint. of Plant						
Salaries	000-262-100	938,997.00	-	938,997.00	921,157.69	17,839.31
Salaries of Non-Instructional Aides	000-262-107	52,756.00	-	52,756.00	52,652.47	103.53
Rental of Buildings	000-262-441	36,500.00	-	36,500.00	36,500.00	-
Other Purchased Property Services	000-262-490	116,790.00	4,242.07	121,032.07	90,610.23	30,421.84
Insurance	000-262-520	68,000.00	14,420.00	82,420.00	82,420.00	-
Miscellaneous Purchased Services	000-262-590	2,000.00	10,144.04	12,144.04	9,451.20	2,692.84
General Supplies	000-262-610	200,000.00	2,696.76	202,696.76	159,735.13	42,961.63
Energy (Energy and Electricity)	000-262-620	1,171,104.00	118,091.18	1,289,195.18	1,171,059.93	118,135.25
Total Undist. Expend. - Other Oper. & Maint. Of Plant		2,586,147.00	149,594.05	2,735,741.05	2,523,586.65	212,154.40
Care and Upkeep of Grounds						
Salaries	000-263-100	123,124.00	-	123,124.00	92,272.66	30,851.34
Total Care and Upkeep of Grounds		123,124.00	-	123,124.00	92,272.66	30,851.34
Security						
Salaries	000-266-100	194,437.00	-	194,437.00	187,972.23	6,464.77
Security Services	000-266-420	-	5,000.00	5,000.00	1,700.57	3,299.43
Total Security		194,437.00	5,000.00	199,437.00	189,672.80	9,764.20
Undist. Expend. - Student Transportation Serv.						
Salaries of Non-Instructional Aides	000-270-107	51,262.00	-	51,262.00	26,337.74	24,924.26
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-160	329,722.00	-	329,722.00	272,256.58	57,465.42
Cleaning, Repair and Maintenance Services	000-270-420	43,372.00	10,576.00	53,948.00	52,445.27	1,502.73
Copier Service Transportation	000-270-500	-	1,160.95	1,160.95	646.01	514.94
Transportation Aid-in-Lieu	000-270-503	-	19,000.00	19,000.00	18,223.06	776.94
Contracted Services (Between Home and School) - Joint Agreements	000-270-513	217,302.00	(12,000.00)	205,302.00	200,195.20	5,106.80
Contracted Services (Special Education Students) - Joint Agreements	000-270-515	541,176.00	32,935.73	574,111.73	520,373.55	53,738.18
Miscellaneous Purchased Services - Transportation	000-270-593	23,000.00	(6,457.00)	16,543.00	10,937.00	5,606.00
Supplies and Materials	000-270-600	89,697.00	11,049.65	100,746.65	74,250.92	26,495.73
Total Undist. Expend. - Student Transportation Serv.		1,295,531.00	56,265.33	1,351,796.33	1,175,665.33	176,131.00
UNALLOCATED BENEFITS						
Social Security Contributions	000-291-220	300,000.00	-	300,000.00	295,604.51	4,395.49
Other Retirement Contributions - Regular	000-291-241	230,000.00	370,000.00	600,000.00	506,608.23	93,391.77
Unemployment Compensation	000-291-250	400,000.00	(120,000.00)	280,000.00	254,367.33	25,632.67
Workmen's Compensation	000-291-260	226,121.00	-	226,121.00	88,291.18	137,829.82
Health Benefits	000-291-270	5,502,341.00	(250,000.00)	5,252,341.00	5,023,140.42	229,200.58
TOTAL UNALLOCATED BENEFITS		6,658,462.00	-	6,658,462.00	6,168,011.67	490,450.33
On-behalf TPAF pension Contributions (non-budgeted)			-		1,311,982.00	(1,311,982.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-	-	-	1,476,835.33	(1,476,835.33)
TOTAL ON-BEHALF CONTRIBUTIONS		-	-	-	2,788,817.33	(2,788,817.33)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS		6,658,462.00	-	6,658,462.00	8,956,829.00	(2,298,367.00)
TOTAL UNDISTRIBUTED EXPENDITURES		21,090,863.00	569,450.06	21,660,313.06	22,045,927.65	(385,614.59)
TOTAL GENERAL CURRENT EXPENSE		36,619,531.00	1,198,125.09	37,817,656.09	37,525,029.68	292,626.41

Exhibit C-1

BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011
(Concluded)

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY						
Equipment						
Regular Programs - Instruction:						
Undistributed Expenditures - Instruction	000-100-730	140,000.00	99,581.99	239,581.99	155,951.99	83,630.00
Undistributed Expenditures - Operation of Plant Services	000-261-730	45,000.00	-	45,000.00	-	45,000.00
Total Equipment		185,000.00	99,581.99	284,581.99	155,951.99	128,630.00
Facilities Acquisition and Construction Services						
Other Purchased Professional and Technical Services	000-400-390	5,000.00	6,904.63	11,904.63	-	11,904.63
Construction Services	000-400-450	1,127,525.00	776,619.83	1,904,144.83	197,841.56	1,706,303.27
Land and Improvements	000-400-710	3,000.00	14,625.12	17,625.12	13,899.39	3,725.73
Other Objects	000-400-800	49,622.00	-	49,622.00	49,622.00	-
Total Facilities Acquisition and Construction Services		1,185,147.00	798,149.58	1,983,296.58	261,362.95	1,721,933.63
TOTAL CAPITAL OUTLAY		1,370,147.00	897,731.57	2,267,878.57	417,314.94	1,850,563.63
Transfer of Funds to Charter Schools	000-100-56X	56,462.00	27,070.00	83,532.00	55,829.00	27,703.00
TOTAL EXPENDITURES		38,046,140.00	2,122,926.66	40,169,066.66	37,998,173.62	2,170,893.04
Excess (Deficiency) of Revenues Over (Under) Expenditures		(949,562.00)	(2,122,926.66)	(3,072,488.66)	2,110,768.73	5,183,257.39
Other Financing Sources and (Uses):						
Operating Transfer Out:						
Transfer to Capital Projects Fund					(16,269.19)	(16,269.19)
Total Other Financing Sources and (Uses)		-	-	-	(16,269.19)	(16,269.19)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)		(949,562.00)	(2,122,926.66)	(3,072,488.66)	2,094,499.54	5,166,988.20
Fund Balance, July 1		5,970,914.51	-	5,970,914.51	5,970,914.51	-
Fund Balance, June 30		$ 5,021,352.51	$ (2,122,926.66)	$ 2,898,425.85	$ 8,065,414.05	$ 5,166,988.20
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses):						
Increase in Capital Reserve		$ 13,741.00	$ -	$ 13,741.00	$ -	$ (13,741.00)
Adjustment for Prior Year Encumbrances			(2,122,926.66)	(2,122,926.66)	(2,047,207.44)	75,719.22
Budgeted Fund Balance		(963,303.00)	-	(963,303.00)	4,141,706.98	5,105,009.98
Total		$ (949,562.00)	$ (2,122,926.66)	$ (3,072,488.66)	$ 2,094,499.54	$ 5,166,988.20

Analysis of Fund Balance June 30, 2011:

Restricted:	
Excess Surplus	$ 2,328,220.51
Maintenance Reserve Account	1,000,000.00
Capital Reserve Account	1,997,417.35
Assigned:	
Prior Year Encumbrances	1,871,040.68
Unassigned Fund Balance	868,735.51
	$ 8,065,414.05

Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:

Fund Balance June 30, 2011	$ 8,065,414.05
Last Current Year State Aid Payments Not Realized on GAAP Basis	(2,163,284.00)
	$ 5,902,130.05

Exhibit C-2

BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	$ 390,720.00	$ 333,198.00	$ 723,918.00	$ 645,914.25	$ 78,003.75
Federal Sources	2,654,668.00	1,435,886.83	4,090,554.83	3,486,990.54	603,564.29
Local Sources	-	6,586.30	6,586.30	6,586.30	-
Total Revenues	3,045,388.00	1,775,671.13	4,821,059.13	4,139,491.09	681,568.04
EXPENDITURES:					
Instruction					
Personal Services - Salaries	1,333,313.00	1,353,708.94	2,687,021.94	2,282,935.62	404,086.32
Purchased Professional and Technical Services	115,897.00	(115,557.00)	340.00	340.00	-
Other Purchased Services (400-500 series)	-	37,732.00	37,732.00	37,732.00	-
General Supplies	458,959.00	(283,830.63)	175,128.37	137,812.46	37,315.91
Other Objects	15,000.00	(14,936.00)	64.00	64.00	-
Total Instruction	1,923,169.00	977,117.31	2,900,286.31	2,458,884.08	441,402.23
Support Services					
Personal Services - Salaries	562,759.00	358,199.93	920,958.93	867,950.21	53,008.72
Personal Services - Employee Benefits	258,742.00	271,905.47	530,647.47	465,589.23	65,058.24
Purchased Professional and Technical Services	200,742.00	52,882.28	253,624.28	216,851.51	36,772.77
Other Purchased Services (400-500 series)	58,467.00	97,857.31	156,324.31	78,969.51	77,354.80
Supplies & Materials	25,200.00	(6,208.36)	18,991.64	16,223.47	2,768.17
Other Objects	13,309.00	23,862.19	37,171.19	31,968.08	5,203.11
Total Support Services	1,119,219.00	798,498.82	1,917,717.82	1,677,552.01	240,165.81
Facilities Acquisition and Construction Services:					
Instructional Equipment	3,000.00	55.00	3,055.00	3,055.00	-
Total Facilities Acquisition and Construction Services	3,000.00	55.00	3,055.00	3,055.00	-
Total Expenditures	3,045,388.00	1,775,671.13	4,821,059.13	4,139,491.09	681,568.04
Total Outflows	$ 3,045,388.00	$ 1,775,671.13	$ 4,821,059.13	$ 4,139,491.09	$ 681,568.04

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
TOWN OF DOVER
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2011

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

	Exhibit	General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1&C-2]	$ 40,108,942.35	$ 4,139,491.09
Difference - budget to GAAP:			
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		193,736.60	(6,837.60)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	143,657.19
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	$ 40,302,678.95	$ 4,276,310.68
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	$ 37,998,173.62	$ 4,139,491.09
Differences - 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 *financial reporting* purposes.		$ -	143,657.19
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	$ 37,998,173.62	$ 4,283,148.28

OTHER SUPPLEMENTARY INFORMATION

SECTION D

SCHOOL LEVEL SCHEDULES

SECTION E

SPECIAL REVENUE FUND

Exhibit E-1

BOARD OF EDUCATION
TOWN OF DOVER
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

		Total	State Aid	Federal Aid	Local Aid
REVENUES					
State Sources		$ 645,914.25	$ 645,914.25	$ -	$ -
Federal Sources		3,486,990.54		3,486,990.54	
Local Sources		6,586.30	-	-	6,586.30
Total Revenues		4,139,491.09	645,914.25	3,486,990.54	6,586.30
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	100-100	2,282,935.62	231,218.00	2,051,717.62	-
Purchased Professional and Technical Services	100-300	340.00	-	340.00	-
Other Purchased Services (400-500 series)	100-500	37,732.00	-	37,732.00	-
General Supplies	100-600	137,812.46	68,981.44	62,244.72	6,586.30
Other Objects	100-800	64.00	-	64.00	-
Total Instruction		2,458,884.08	300,199.44	2,152,098.34	6,586.30
Support Services:					
Personal Services - Salaries	200-100	867,950.21	247,944.45	620,005.76	-
Personal Services - Employee Benefits	200-200	465,589.23	18,669.00	446,920.23	-
Purchased Professional and Technical Services	200-300	216,851.51	63,614.05	153,237.46	-
Other Purchased Services (400-500 series)	200-500	78,969.51	-	78,969.51	-
Travel	200-580	-	-	-	-
Supplies and Materials	200-600	16,223.47	2,225.00	13,998.47	-
Other Objects	200-800	31,968.08	13,262.31	18,705.77	-
Total Support Services		1,677,552.01	345,714.81	1,331,837.20	-
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	400-731	3,055.00	-	3,055.00	-
Total Facilities Acquisition and Const. Serv.		3,055.00	-	3,055.00	-
Total Expenditures		$ 4,139,491.09	$ 645,914.25	$ 3,486,990.54	$ 6,586.30

Exhibit E-1a

BOARD OF EDUCATION
TOWN OF DOVER
Special Revenue Fund
Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

		Total	Preschool Aid	School Based Youth Services
REVENUES				
State Sources		$ 645,914.25	$314,516.08	$331,398.17
Total State Revenues		645,914.25	314,516.08	331,398.17
EXPENDITURES:				
Instruction:				
Personal Services - Salaries	100-100	231,218.00	231,218.00	
General Supplies	100-600	68,981.44	68,981.44	
Total Instruction		300,199.44	300,199.44	
Support Services:				
Personal Services - Salaries	200-100	247,944.45	14,316.64	233,627.81
Personal Services - Employee Benefits	200-200	18,669.00		18,669.00
Purchased Professional and Technical Services	200-300	63,614.05		63,614.05
Travel	200-580	-		-
Supplies & Materials	200-600	2,225.00		2,225.00
Other Objects	200-800	13,262.31	-	13,262.31
Total Support Services		345,714.81	14,316.64	331,398.17
Total Expenditures		$ 645,914.25	$ 314,516.08	$ 331,398.17

Exhibit E-1b

BOARD OF EDUCATION
TOWN OF DOVER
Special Revenue Fund
Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

			E.S.E.A.					I.D.E.A. Part B	
		Total	Title I	Title IIA	Title IID	Title III	Title IV	Basic	Preschool
REVENUES									
Federal Sources		$ 3,486,990.54	$2,306,036.74	$147,196.28	$577.47	$ 56,120.13	$ 6.68	$960,606.03	$ 16,447.21
Total Federal Revenues		3,486,990.54	2,306,036.74	147,196.28	577.47	56,120.13	6.68	960,606.03	16,447.21
EXPENDITURES:									
Instruction:									
Personal Services - Salaries	100-100	2,051,717.62	1,769,504.28	108,445.42	-	40,792.92		127,737.00	5,238.00
Purchased Professional and Technical Services	100-300	340.00	340.00	-	-	-		-	-
Other Purchased Services (400-500 series)	100-500	37,732.00	-	-	-	-		37,732.00	-
General Supplies	100-600	62,244.72	40,383.74	-	-	6,876.96		14,342.81	641.21
Other Objects	100-800	64.00	64.00	-	-	-	-	-	-
Total Instruction		2,152,098.34	1,810,292.02	108,445.42	-	47,669.88	-	179,811.81	5,879.21
Support Services:									
Personal Services - Salaries	200-100	620,005.76	88,422.04	7,491.44	111.68	929.08	6.68	523,044.84	-
Personal Services - Employee Benefits	200-200	446,920.23	286,117.50	22,696.91	22.33	7,521.17		130,161.32	401.00
Purchased Professional and Technical Services	200-300	153,237.46	23,396.00	-	-	-		119,674.46	10,167.00
Purchased Professional - Educational Services	200-320	-	-	-	-	-		-	-
Other Purchased Services (400-500 series)	200-500	78,969.51	71,496.00	7,473.51	-	-		-	-
Supplies and Materials	200-600	13,998.47	7,607.41	1,089.00	443.46	-		4,858.60	-
Other Objects	200-800	18,705.77	18,705.77	-	-	-	-	-	-
Total Support Services		1,331,837.20	495,744.72	38,750.86	577.47	8,450.25	6.68	777,739.22	10,568.00
Facilities Acquisition and Const. Serv.:									
Instructional Equipment	400-731	3,055.00	-	-	-	-	-	3,055.00	-
Total Facilities Acquisition and Const. Serv.		3,055.00	-	-	-	-	-	3,055.00	-
Total Expenditures		$ 3,486,990.54	$ 2,306,036.74	$147,196.28	$577.47	$ 56,120.13	$ 6.68	$960,606.03	$ 16,447.21

Exhibit E-1c

BOARD OF EDUCATION
TOWN OF DOVER
Special Revenue Fund
Combining Schedule of Local Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

		Total	Michael Jordan Grant
REVENUES			
Local Sources		$ 6,586.30	$ 6,586.30
Total Local Revenues		6,586.30	6,586.30
EXPENDITURES:			
Instruction:			
General Supplies	100-610	6,586.30	6,586.30
Total Instruction		6,586.30	6,586.30
Total Expenditures		$ 6,586.30	$ 6,586.30

SECTION F

CAPITAL PROJECTS FUND

Exhibit F-1

BOARD OF EDUCATION
TOWN OF DOVER
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2011

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2011
			Prior Years	Current Year	
Construction and Addition of Portable Classrooms at Dover Middle School	5/1/2003	$ 971,000.00	$ 864,853.12	$ -	$ 106,146.88
Construct Additions to Renovate, Upgrade and Equip both the Dover Middle School and Dover High School	12/9/2003	16,801,950.24	15,971,716.45	-	830,233.79
Academy Street School - Roof Replacement	2/26/2009	378,407.48	185,977.00	100,926.75	91,503.73
Dover High School - Window Replacement Projects - Phase I	2/26/2009	309,820.19	209,052.69	100,767.50	-
Dover High School - Window Replacement Projects - Phase II	2/26/2009	1,577,613.00	6,519.29	272,822.45	1,298,271.26
Totals		$ 20,038,790.91	$ 17,238,118.55	$ 474,516.70	$ 2,326,155.66

Fund Balance	$ 2,325,227.66
Authorized but not Issued	928.00
	$ 2,326,155.66

Exhibit F-2

BOARD OF EDUCATION
TOWN OF DOVER
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2011

REVENUES AND OTHER FINANCING SOURCES	
State Sources - SCC Grant	$ (171,067.52)
Transfer from Capital Outlay	16,269.19
Total Revenues	(154,798.33)
EXPENDITURES AND OTHER FINANCING USES	
Other Purchased Professional and Technical Services (390)	39,439.40
Construction Services (450)	435,077.30
Total Expenditures	474,516.70
Excess/(Deficency) of Revenues Over/(Under) Expenditures	(629,315.03)
Fund Balance - July 1	2,954,542.69
Fund Balance - June 30	$ 2,325,227.66

Exhibit F-2a

BOARD OF EDUCATION
TOWN OF DOVER
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Construction and Addition of Portable Classrooms at Dover Middle School
From Inception and For the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
Transfer from Capital Reserve	$ 971,000.00	$ -	$ 971,000.00	$ 864,853.12
Total Revenues	971,000.00	-	971,000.00	864,853.12
EXPENDITURES AND OTHER FINANCING USES				
Construction Services (450)	864,853.12	-	864,853.12	864,853.12
Total Expenditures	864,853.12	-	864,853.12	864,853.12
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 106,146.88	$ -	$ 106,146.88	$ -

ADDITIONAL PROJECT INFORMATION	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 971,000.00
Additional Authorized Cost	$ (106,146.88)
Revised Authorized Cost	$ 864,853.12
Percentage Increase over Original Authorized Cost	-10.93%
Percentage Completed	100.00%
Original Target Completion Date	6/30/2005
Revised Target Completion Date	9/30/2005

Exhibit F-2b

BOARD OF EDUCATION
TOWN OF DOVER
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Construct Additions to Renovate, Upgrade and Equip both the Dover Middle School and Dover High School
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	$ 4,577,022.24	$ -	$ 4,577,022.24	$ 4,577,022.24
Bond Proceeds	12,224,000.00	-	12,224,000.00	12,224,928.00
Total Revenues	16,801,022.24	-	16,801,022.24	16,801,950.24
EXPENDITURES AND OTHER FINANCING USES				
Legal Services (331)	153,446.20		153,446.20	153,446.20
Other Purchased Professional and Technical Services (390)	1,591,297.21		1,591,297.21	2,439,668.80
Construction Services (450)	14,226,973.04		14,226,973.04	14,208,835.24
Land and Improvements (710)	-	-	-	
Total Expenditures	15,971,716.45	-	15,971,716.45	16,801,950.24
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 829,305.79	$ -	$ 829,305.79	$ -

ADDITIONAL PROJECT INFORMATION

Project Numbers	SP1110-065-03-0989 and SP1110-040-03-0988
Grant Date	11/30/2004
Bond Authorization Date	12/9/2003
Bonds Authorized	$ 12,224,928.00
Bonds Issued	$ 12,224,000.00
Original Authorized Cost	$ 18,187,295.00
Additional Authorized Cost	$ (1,385,344.76)
Revised Authorized Cost	$ 16,801,950.24
Percentage Increase over Original Authorized Cost	-7.62%
Percentage Completed	95.06%
Original Target Completion Date	6/30/2006
Revised Target Completion Date	6/30/2010

Exhibit F-2c

BOARD OF EDUCATION
TOWN OF DOVER
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Academy Street School - Roof Replacement
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	$ 358,014.00	$ (171,067.52)	$ 186,946.48	$ 186,946.48
Transfer from Capital Outlay	191,461.00	-	191,461.00	191,461.00
Total Revenues	549,475.00	(171,067.52)	378,407.48	378,407.48
EXPENDITURES AND OTHER FINANCING USES				
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	28,020.00	105.75	28,125.75	30,000.00
Construction Services (450)	157,957.00	100,821.00	258,778.00	348,407.48
Land and Improvements (710)	-	-	-	-
Total Expenditures	185,977.00	100,926.75	286,903.75	378,407.48
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 363,498.00	$ (271,994.27)	$ 91,503.73	$ -

ADDITIONAL PROJECT INFORMATION

Project Numbers	SP1110-040-09-1001
Grant Date	2/26/2009
Original Authorized Cost	$ 549,475.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 549,475.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	75.82%
Original Target Completion Date	6/30/2010
Revised Target Completion Date	6/30/2010

Exhibit F-2d

BOARD OF EDUCATION
TOWN OF DOVER
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Dover High School - Window Replacement Projects
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	$ 191,265.00	$ -	$ 191,265.00	$ 191,265.00
Transfer from Capital Outlay	102,286.00	16,269.19	118,555.19	118,555.19
Total Revenues	293,551.00	16,269.19	309,820.19	309,820.19
EXPENDITURES AND OTHER FINANCING USES				
Other Purchased Professional and Technical Services (390)	34,300.69		34,300.69	34,300.69
Construction Services (450)	174,752.00	100,767.50	275,519.50	275,519.50
Total Expenditures	209,052.69	100,767.50	309,820.19	309,820.19
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 84,498.31	$ (84,498.31)	$ -	$ -

ADDITIONAL PROJECT INFORMATION	
Project Numbers	SP1110-040-09-OTAM
Grant Date	2/26/2009
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	$ 293,551.00
Additional Authorized Cost	$ 16,269.19
Revised Authorized Cost	$ 309,820.19
Percentage Increase over Original Authorized Cost	5.54%
Percentage Completed	100.00%
Original Target Completion Date	6/30/2010
Revised Target Completion Date	9/30/2010

Exhibit F-2e

BOARD OF EDUCATION
TOWN OF DOVER
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Dover High School - Window Replacement Projects - Phase II
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	$ 1,027,905.00	$ -	$ 1,027,905.00	$ 1,027,905.00
Transfer from Capital Outlay	549,708.00	-	549,708.00	549,708.00
Total Revenues	1,577,613.00	-	1,577,613.00	1,577,613.00
EXPENDITURES AND OTHER FINANCING USES				
Other Purchased Professional and Technical Services (390)	6,519.29	39,333.65	45,852.94	125,000.00
Construction Services (450)	-	233,488.80	233,488.80	1,452,613.00
Total Expenditures	6,519.29	272,822.45	279,341.74	1,577,613.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 1,571,093.71	$ (272,822.45)	$ 1,298,271.26	$ -

ADDITIONAL PROJECT INFORMATION

Project Numbers	SP1110-040-09-OZNH
Grant Date	2/26/2009
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	$ 1,577,613.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 1,577,613.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	17.71%
Original Target Completion Date	6/30/2010
Revised Target Completion Date	9/30/2011

SECTION G

PROPRIETARY FUNDS

ENTERPRISE FUND

INTERNAL SERVICE FUND

SECTION H

FIDUCIARY FUND

Exhibit H-3

BOARD OF EDUCATION
TOWN OF DOVER
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

Schools	Balance June 30, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Elementary Schools:				
North Dover	$ 5,646.04	$ 23,557.16	$ 22,940.24	$ 6,262.96
East Dover	1,223.06	5,761.50	5,567.41	1,417.15
Academy Street	2,368.95	12,896.00	12,405.75	2,859.20
Middle School	14,617.39	60,931.66	64,345.49	11,203.56
Middle School Soda		7,528.03	5,498.22	2,029.81
Senior High School	53,442.45	99,737.78	108,035.13	45,145.10
Athletic Fund	566.81	87,020.03	85,474.77	2,112.07
Buildings & Grounds	12.99			12.99
Meld/Tiger R.A.P.	8,150.18	14,792.83	18,834.64	4,108.37
	$ 86,027.87	$ 312,224.99	$ 323,101.65	$ 75,151.21

Exhibit H-4

BOARD OF EDUCATION
TOWN OF DOVER
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

	Balance June 30, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Payroll Deductions and Withholdings	$ 18,986.19	$ 10,370,106.18	$ 10,327,184.33	$ 61,908.04
Net Salaries and Wages	15,266.72	16,222,209.17	16,219,617.40	17,858.49
Interfund Accounts Payable	356,633.36	173,314.88	529,948.24	-
	$ 390,886.27	$ 26,765,630.23	$ 27,076,749.97	$ 79,766.53

SECTION I

LONG – TERM DEBT

Exhibit I-1

BOARD OF EDUCATION
TOWN OF DOVER
Long - Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2011

Purpose	Date of Issue	Amount of Issue	Annual Maturities of Bonds Outstanding June 30, 2011 Date	Amount	Interest Rate	Balance June 30, 2010	Retired Current Year	Balance June 30, 2011
School Bonds	3/15/2004	$ 12,224,000.00	4/1/2012	$ 405,000.00	3.625%	$ 10,034,000.00	$ 395,000.00	$ 9,639,000.00
			4/1/2013	415,000.00	3.625%			
			4/1/2014	425,000.00	3.625%			
			4/1/2015	435,000.00	4.000%			
			4/1/2016	445,000.00	4.000%			
			4/1/2017	465,000.00	4.000%			
			4/1/2018	475,000.00	4.000%			
			4/1/2019	490,000.00	4.000%			
			4/1/2020	510,000.00	4.000%			
			4/1/2021	530,000.00	4.000%			
			4/1/2022	545,000.00	4.000%			
			4/1/2023	570,000.00	4.000%			
			4/1/2024	595,000.00	4.125%			
			4/1/2025	620,000.00	4.125%			
			4/1/2026	645,000.00	4.125%			
			4/1/2027	675,000.00	4.125%			
			4/1/2028	694,000.00	4.250%			
			4/1/2029	700,000.00	4.250%			
						-	-	-
						$ 10,034,000.00	$ 395,000.00	$ 9,639,000.00

Exhibit I-2

BOARD OF EDUCATION
TOWN OF DOVER
Long - Term Debt
Schedule of Certificates of Participation Payable
For the Fiscal Year Ended June 30, 2011

Purpose	Date of Issue	Amount of Issue	Annual Maturities of Bonds Outstanding June 30, 2011 Date	Amount	Balance June 30, 2010	Retired Current Year	Balance June 30, 2011
Various School Improvements	9/15/1997	$ 10,085,000.00	11/15/2011	$ 165,000.00	$ 805,000.00	$ 470,000.00	$ 335,000.00
			5/15/2012	170,000.00			
					-	-	-
					$ 805,000.00	$ 470,000.00	$ 335,000.00

Exhibit I-3

BOARD OF EDUCATION
TOWN OF DOVER
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 1,166,692.00	$ -	$ 1,166,692.00	$ 1,166,692.00	$ -
State Sources:					
Debt Service Aid Type II	132,922.00		132,922.00	182,544.00	(49,622.00)
Total - State Sources	132,922.00		132,922.00	182,544.00	(49,622.00)
Total Revenues	1,299,614.00		1,299,614.00	1,349,236.00	(49,622.00)
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal-Lease Purchase Agreements	470,000.00		470,000.00	470,000.00	-
Interest-Lease Purchase Agreements	32,750.00		32,750.00	32,750.00	-
Interest on Loans and Bonds	401,864.00		401,864.00	401,863.82	0.18
Redemption of Principal on Loans and Bonds	395,000.00		395,000.00	395,000.00	-
Total Regular Debt Service	1,299,614.00		1,299,614.00	1,299,613.82	0.18
Total Expenditures	1,299,614.00		1,299,614.00	1,299,613.82	0.18
(Deficiency) of Revenues (Under) Expenditures	-	-	-	49,622.18	(49,622.18)
Fund Balance, July 1	0.60	-	0.60	0.60	-
Fund Balance, June 30	$ 0.60	$ -	$ 0.60	$ 49,622.78	$(49,622.18)
Recapitulation of Excess of Revenues and Other Financing Sources Over Expenditures					
Budgeted Fund Balance	$ -	$ -	$ -	$ 49,622.18	$(49,622.18)

STATISTICAL SECTION (Unaudited)

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Certain Exhibits do not contain ten years of information since GASBS No. 44 was implemented as of the fiscal year ending June 30, 2003.

BOARD OF EDUCATION
TOWN OF DOVER

Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities									
Invested in Capital Assets, Net of Related Debt	$16,564,659.86	$15,471,506.22	$ 13,987,524.08	$11,729,880.03	$ 10,889,811.85	$ 8,389,475.13	$ (1,837,296.81)	$ (6,690,583.77)	$ 7,435,284.67
Restricted	9,532,456.98	7,900,459.34	9,985,326.23	7,763,890.16	8,083,464.70	6,490,275.50	18,260,373.37	15,736,705.00	3,343,472.89
Unrestricted	(1,776,833.74)	(1,892,254.75)	(1,576,102.51)	(297,411.18)	(286,709.66)	2,903,512.18	104,980.79	(36,136.47)	654,198.02
Total Governmental Activities Net Assets	$24,320,283.10	$21,479,710.81	$ 22,396,747.80	$19,196,359.01	$ 18,686,566.89	$ 17,783,262.81	$ 16,528,057.35	$ 9,009,984.76	$ 11,432,955.58
Business-Type Activities									
Invested in Capital Assets, Net of Related Debt	$ 30,540.82	$ 23,123.89	$ 27,767.46	$ 33,340.89	$ 39,275.86	$ 45,853.02	$ 37,253.92	$ 20,916.11	$ 27,074.76
Unrestricted	273,539.24	164,522.65	94,380.57	126,237.87	143,390.07	361,482.32	263,808.09	301,368.05	253,540.27
Total Business-Type Activities Net Assets	$ 304,080.06	$ 187,646.54	$ 122,148.03	$ 159,578.76	$ 182,665.93	$ 407,335.34	$ 301,062.01	$ 322,284.16	$ 280,615.03
District-wide									
Invested in Capital Assets, Net of Related Debt	$16,595,200.68	$15,494,630.11	$ 14,015,291.54	$11,763,220.92	$ 10,929,087.71	$ 8,435,328.15	$ (1,800,042.89)	$ (6,669,667.66)	$ 7,462,359.43
Restricted	9,532,456.98	7,900,459.34	9,985,326.23	7,763,890.16	8,083,464.70	6,490,275.50	18,260,373.37	15,736,705.00	3,343,472.89
Unrestricted	(1,503,294.50)	(1,727,732.10)	(1,481,721.94)	(171,173.31)	(143,319.59)	3,264,994.50	368,788.88	265,231.58	907,738.29
Total District Net Assets	$24,624,363.16	$21,667,357.35	$ 22,518,895.83	$19,355,937.77	$ 18,869,232.82	$ 18,190,598.15	$ 16,829,119.36	$ 9,332,268.92	$ 11,713,570.61

Source: District Records

BOARD OF EDUCATION
TOWN OF DOVER

Changes In Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental Activities									
Instruction									
Regular	$ 19,793,754.56	$ 19,900,141.07	$ 19,519,612.87	$ 18,171,078.53	$ 17,239,136.34	$ 16,201,306.39	$ 15,527,260.97	$ 14,309,380.76	$ 12,609,391.69
Special Education	3,012,418.87	4,233,326.41	3,170,166.39	3,442,150.83	3,295,751.57	3,208,854.20	3,404,943.51	4,300,737.63	3,825,784.80
Other Instruction	2,150,739.92	2,472,709.60	1,860,064.44	1,998,986.31	1,936,963.54	2,228,414.81	2,487,161.03	2,461,501.61	1,797,770.96
Support Services:									
Tuition	2,674,383.28	2,728,173.68	1,874,168.82	1,601,147.57	1,816,035.23	1,600,061.51	1,356,931.88	1,215,037.46	1,428,667.14
Student and Instruction Related Services	4,968,688.47	4,454,838.84	5,301,791.05	5,708,027.26	5,378,176.10	5,132,765.55	4,382,822.92	4,949,480.72	4,898,496.04
School Administrative Services	2,884,729.03	2,942,418.51	2,162,394.26	2,228,823.47	2,125,382.70	2,255,250.21	2,165,431.94	1,792,742.95	1,717,585.75
General and Business Administrative Services	1,618,222.67	1,684,567.30	1,590,970.31	1,476,803.30	1,357,965.63	1,742,190.88	1,511,535.43	1,318,719.50	1,438,461.68
Plant Operations and Maintenance	3,925,798.82	4,364,706.40	3,956,898.08	4,291,714.36	4,256,354.69	3,717,030.94	3,355,018.03	3,619,817.23	3,293,806.50
Pupil Transportation	1,354,721.34	1,582,351.95	1,050,797.05	1,071,037.03	1,103,974.38	884,623.43	883,921.71	848,672.33	812,936.83
Charter Schools	55,829.00	44,335.00	57,725.00	38,331.00	22,857.00	23,316.00	11,982.00	23,297.00	37,902.98
Debt Service Assessment	49,622.00								
Interest on Long-Term Debt	427,677.86	470,361.04	511,185.19	555,564.99	580,161.94	639,572.79	720,704.17	372,513.99	254,524.66
Total Governmental Activities Expenses	42,916,585.82	44,877,929.80	41,055,773.46	40,583,664.65	39,112,759.12	37,633,386.71	35,807,713.59	35,211,901.18	32,115,329.03
Business-Type Activities:									
Food Service	1,278,809.00	1,273,480.57	1,267,601.25	1,286,965.97	1,271,581.69	1,329,691.28	1,309,240.46	934,608.54	913,491.90
Total Business-Type Activities Expense	1,278,809.00	1,273,480.57	1,267,601.25	1,286,965.97	1,271,581.69	1,329,691.28	1,309,240.46	934,608.54	913,491.90
Total District-Wide Expenses	44,195,394.82	46,151,410.37	42,323,374.71	41,870,630.62	40,384,340.81	38,963,077.99	37,116,954.05	36,146,509.72	33,028,820.93
Program Revenues									
Governmental Activities:									
Charges for Services:									
Instruction (Tuition)	2,515,690.60	1,773,687.40	4,216,162.00	3,988,935.16	4,513,399.00	4,828,889.00	4,648,713.00	3,891,636.00	2,841,175.00
Operating Grants and Contributions	9,252,534.47	11,180,035.88	7,986,971.97	12,711,021.55	12,113,533.27	11,561,980.38	10,530,765.88	10,355,947.15	9,401,897.16
Total Governmental Activities Program Revenues	11,768,225.07	12,953,723.28	12,203,133.97	16,699,956.71	16,626,932.27	16,390,869.38	15,179,478.88	14,247,583.15	12,243,072.16

BOARD OF EDUCATION
TOWN OF DOVER

Changes In Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-Type Activities:									
Charges for Services									
Food Service	$ 295,139.89	$ 309,370.48	$ 291,400.27	$ 343,786.51	$ 342,065.26	$ 382,463.04	$ 379,424.96	$ 395,182.75	$ 392,562.46
Operating Grants and Contributions	1,100,102.63	1,029,608.60	848,335.08	755,942.29	704,847.02	687,757.65	622,142.22	581,094.72	563,967.20
Total Business-Type Activities Program Revenues	1,395,242.52	1,338,979.08	1,139,735.35	1,099,728.80	1,046,912.28	1,070,220.69	1,001,567.18	976,277.47	956,529.66
Total District-Wide Program Revenues	13,163,467.59	14,292,702.36	13,342,869.32	17,799,685.51	17,673,844.55	17,461,090.07	16,181,046.06	15,223,860.62	13,199,601.82
Net (Expense)/Revenue									
Governmental Activities	(31,148,360.75)	(31,924,206.52)	(28,852,639.49)	(23,883,707.94)	(22,485,826.85)	(21,242,517.33)	(20,628,234.71)	(20,964,318.03)	(19,872,256.87)
Business-Type Activities	116,433.52	65,498.51	(127,865.90)	(187,237.17)	(224,669.41)	(259,470.59)	(307,673.28)	41,668.93	43,037.76
Total District-Wide Net Expense	(31,031,927.23)	(31,858,708.01)	(28,980,505.39)	(24,070,945.11)	(22,710,496.26)	(21,501,987.92)	(20,935,907.99)	(20,922,649.10)	(19,829,219.11)
General Revenues and Other Changes In Net Assets									
Governmental Activities:									
Taxes:									
Property Taxes, Levied for General Purposes	12,709,480.00	12,709,480.00	11,886,478.00	11,414,066.00	11,882,100.00	11,378,720.00	11,132,110.00	11,320,031.00	11,479,669.00
Property Taxes, Levied for Debt Service Principal	739,014.14	691,411.96	744,151.81	1,039,836.01	989,072.87	940,160.21	857,440.83	412,599.01	445,944.00
Federal and State Aid Not Restricted	20,615,709.32	18,820,331.13	19,324,179.91	11,896,298.94	10,237,406.55	10,237,406.55	10,061,169.53	9,482,195.74	8,991,607.63
Investment Earnings	-	266.00	42,657.07	157,861.33	329,500.28	236,431.97	350,354.71	130,102.83	49,433.69
Miscellaneous Income	95,797.10	171,025.20	177,983.66	49,587.78	45,023.33	70,747.98	48,070.34	144,675.43	154,556.27
Special Item - Prior Year Receivable Canceled	(171,067.52)	(1,385,344.76)			(93,972.00)				
Special Item - EDA Loan Refinanced							21,246.02		
N.J. Economic Development Authority Grants							5,962,367.00		
Transfers			(122,422.17)	(164,150.00)		(365,743.92)	(286,451.13)	(66,000.00)	(111,147.00)
Total Governmental Activities	33,988,933.04	31,007,169.53	32,053,028.28	24,393,500.06	23,389,131.03	22,497,722.79	28,146,307.30	21,423,604.01	21,010,063.59
Business-Type Activities:									
Transfers	-	-	90,435.17	164,150.00	-	365,743.92	286,451.13		47,147.35
Total Business-Type Activities	-	-	90,435.17	164,150.00	-	365,743.92	286,451.13	-	47,147.35
Total District-Wide General Revenues	33,988,933.04	31,007,169.53	32,143,463.45	24,557,650.06	23,389,131.03	22,863,466.71	28,432,758.43	21,423,604.01	21,057,210.94
Change In Net Assets									
Governmental Activities	2,840,572.29	(917,036.99)	3,200,388.79	509,792.12	903,304.18	1,255,205.46	7,518,072.59	459,285.98	1,137,806.72
Business-Type Activities	116,433.52	65,498.51	(37,430.73)	(23,087.17)	(224,669.41)	106,273.33	(21,222.15)	41,668.93	90,185.11
Total District-Wide Change in Net Assets	$ 2,957,005.81	$ (851,538.48)	$ 3,162,958.06	$ 486,704.95	$ 678,634.77	$ 1,361,478.79	$ 7,496,850.44	$ 500,954.91	$ 1,227,991.83

Exhibit J-3

BOARD OF EDUCATION
TOWN OF DOVER

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

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund									
Reserved	$ 7,196,678.54	$ 5,083,647.66	$ 5,028,119.54	$ 5,041,203.74	$ 5,214,069.35	$ 5,379,619.56	$ 4,326,103.38	$ 3,864,944.92	$ 2,919,688.95
Unreserved	(1,294,548.49)	(1,469,753.75)	(1,155,269.51)	57,257.72	43,877.34	51,185.88	411,570.29	279,010.66	984,465.52
Total General Fund	$ 5,902,130.05	$ 3,613,893.91	$ 3,872,850.03	$ 5,098,461.46	$ 5,257,946.69	$ 5,430,805.44	$ 4,737,673.67	$ 4,143,955.58	$ 3,904,154.47
All Other Governmental Funds									
Reserved	$ 2,325,227.66	$ 2,954,542.69	$ 5,100,078.46	$ 2,942,975.91	$ 3,126,920.42	$ 4,617,102.51	$ 14,196,262.53	$ 12,078,516.04	$ 528,212.64
Unreserved, Reported In:									
Special Revenue Fund	(39,072.00)	(32,234.40)	(31,191.20)	(126,113.05)	(126,113.05)	(125,682.06)	(126,113.05)	(125,634.62)	(131,997.50)
Capital Projects Fund									
Debt Service Fund	49,622.78	0.60	815.68	816.31	0.76	0.13	32,394.06	59,963.43	27,568.80
Total all Other Governmental Funds	$ 2,335,778.44	$ 2,922,308.89	$ 5,069,702.94	$ 2,817,679.17	$ 3,000,808.13	$ 4,491,420.58	$ 14,102,543.54	$ 12,012,844.85	$ 423,783.94
Total Fund Balances	$ 8,237,908.49	$ 6,536,202.80	$ 8,942,552.97	$ 7,916,140.63	$ 8,258,754.82	$ 9,922,226.02	$ 18,840,217.21	$ 16,156,800.43	$ 4,327,938.41

Source: District Records

BOARD OF EDUCATION
TOWN OF DOVER

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

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues									
Tax Levy	$13,876,172.00	$13,871,253.00	$ 13,141,815.00	$12,672,965.00	$ 13,145,378.00	$ 12,637,353.00	$12,372,819.00	$11,769,771.00	$ 11,925,613.00
Tuition Charges	2,515,690.60	1,773,687.40	4,216,162.00	3,988,935.16	4,513,399.00	4,828,889.00	4,648,713.00	3,891,636.00	2,841,175.00
Interest Earnings	-	266.00	42,657.07	157,861.33	329,500.28	236,431.97	350,354.71	130,102.83	49,433.69
Miscellaneous	95,797.10	171,025.20	177,983.66	49,587.78	45,023.33	83,184.72	48,070.34	144,675.43	154,556.27
State Sources	25,780,760.10	22,182,306.41	24,210,087.75	22,120,993.54	20,159,754.24	18,987,535.58	18,392,933.24	17,750,708.88	16,467,342.18
Federal Sources	3,659,805.83	7,347,699.56	2,589,878.94	2,267,263.96	1,916,980.45	2,480,941.82	1,815,734.00	2,050,293.02	1,926,162.61
Total Revenues	45,928,225.63	45,346,237.57	44,378,584.42	41,257,606.77	40,110,035.30	39,254,336.09	37,628,624.29	35,737,187.16	33,364,282.75
Expenditures									
Instruction									
Regular Instruction	14,367,851.15	15,024,575.74	14,677,781.82	12,810,529.77	12,111,739.74	11,747,626.26	10,984,258.41	9,943,665.27	10,253,008.74
Special Education Instruction	2,031,537.59	3,133,207.74	2,366,977.42	2,483,370.57	2,409,955.22	2,420,830.86	2,604,910.25	3,478,171.79	3,243,853.05
Other Instruction	1,585,198.45	1,861,782.28	1,426,548.15	1,394,294.37	1,367,953.56	1,723,491.68	1,997,000.47	1,960,357.03	1,512,406.54
Support Services:									
Tuition	2,674,383.28	2,728,173.68	1,874,168.82	1,601,147.57	1,816,035.23	1,600,061.51	1,356,931.88	1,215,037.46	1,428,667.14
Student and Instruction Related Services	3,976,849.06	3,204,319.17	4,005,473.42	4,452,708.24	4,177,792.07	4,071,370.92	3,390,278.08	3,640,322.13	3,597,110.38
School Administrative Services	2,032,580.49	2,203,450.81	1,570,435.54	1,518,222.29	1,442,553.50	1,670,976.29	1,598,844.93	1,296,405.94	1,268,826.98
General and Business Administrative Services	1,260,268.26	1,436,039.12	1,257,267.48	1,228,503.23	1,111,117.75	1,334,583.71	1,300,487.28	1,128,317.69	985,148.31
Plant Operations and Maintenance	3,278,371.12	3,489,010.86	3,378,537.87	3,438,339.57	3,423,669.63	3,034,590.04	2,741,024.08	3,029,358.96	2,773,017.62
Pupil Transportation	1,175,665.33	1,309,121.35	853,452.36	793,100.09	863,040.01	724,934.15	723,265.79	709,105.33	777,383.26
Employee Benefits	9,422,418.23	9,272,013.01	8,206,006.89	9,436,347.46	9,301,937.47	7,816,552.00	7,325,226.55	7,245,295.15	5,611,089.52
Charter Schools	55,829.00	44,335.00	57,725.00	38,331.00	22,857.00	23,316.00	11,982.00	23,297.00	37,902.98
Capital Outlay	845,264.64	1,228,854.14	1,963,780.51	646,591.35	2,033,839.96	10,026,123.01	4,981,199.29	1,611,899.97	1,431,996.62
Debt Service Assessment	49,622.00								
Debt Service:									
Principal	865,000.00	955,000.00	1,070,729.88	1,029,783.83	989,072.87	963,501.93	912,198.98	553,662.20	523,808.16
Interest and Other Charges	434,613.82	477,360.08	520,864.75	564,801.62	607,970.50	648,625.00	693,515.39	231,429.22	254,524.66
Total Expenditures	44,055,452.42	46,367,242.98	43,229,749.91	41,436,070.96	41,679,534.51	47,806,583.36	40,621,123.38	36,066,325.14	33,698,743.96
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,872,773.21	(1,021,005.41)	1,148,834.51	(178,464.19)	(1,569,499.21)	(8,552,247.27)	(2,992,499.09)	(329,137.98)	(334,461.21)

BOARD OF EDUCATION
TOWN OF DOVER

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

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other Financing sources (uses)									
Bond Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,224,000.00	$ -
N.J. Economic Development Authority Grants							5,962,367.00		
Special Item - Prior Year Receivable Canceled	(171,067.52)	(1,385,344.76)		-	(93,972.00)				
Transfers In	16,269.19		843,455.00		26,408.05	111,170.02	242,036.44	32,373.05	400,000.00
Transfers Out	(16,269.19)		(965,877.17)	(164,150.00)	(26,408.05)	(476,913.94)	(528,487.57)	(98,373.05)	(511,147.00)
Total Other Financing Sources (Uses)	(171,067.52)	(1,385,344.76)	(122,422.17)	(164,150.00)	(93,972.00)	(365,743.92)	5,675,915.87	12,158,000.00	(111,147.00)
Net Change in Fund Balances	$ 1,701,705.69	$ (2,406,350.17)	$ 1,026,412.34	$ (342,614.19)	$ (1,663,471.21)	$ (8,917,991.19)	$ 2,683,416.78	$ 11,828,862.02	$ (445,608.21)
Debt Service as a Percentage of Noncapital Expenditures	3.01%	3.17%	3.86%	3.91%	4.03%	4.27%	4.51%	2.28%	2.41%

Source: District Records

Exhibit J-5

BOARD OF EDUCATION
TOWN OF DOVER

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

Fiscal Year Ending June 30,	Total	Tuition	Interest	Summer School	Prior Year Refunds	Other Miscellaneous
2002	$ 3,132,473.52	$ 3,001,671.00	$ 69,614.62	$ 11,404.00	$ -	$ 49,783.90
2003	3,032,586.50	2,841,175.00	49,433.69	-	-	141,977.81
2004	4,134,041.21	3,891,636.00	97,729.78	15,845.00	68,458.20	60,372.23
2005	4,805,101.61	4,648,713.00	108,318.27	11,392.68	-	36,677.66
2006	5,024,898.93	4,828,889.00	125,261.95	-	-	70,747.98
2007	4,861,514.56	4,513,399.00	303,092.23	-	-	45,023.33
2008	4,196,384.27	3,988,935.16	157,861.33	-	-	49,587.78
2009	4,436,802.73	4,216,162.00	42,657.07	-	-	177,983.66
2010	1,944,978.60	1,773,687.40	266.00	-	-	171,025.20
2011	2,604,901.40	2,515,690.60	-	-	-	89,210.80

Source: District records

BOARD OF EDUCATION
TOWN OF DOVER

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

Fiscal Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2002	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 681,313,399.00	$ 797,174,922.00	1.660
2003	6,994,700	470,921,100	116,272,200	62,156,300	22,814,400	679,158,700	4,811,091	683,976,791	890,086,233	1.733
2004	7,039,100	473,516,100	116,431,000	61,978,300	22,612,100	681,576,600	4,147,655	685,724,255	1,026,931,224	1.762
2005	6,796,500	475,811,600	115,146,300	61,978,300	23,120,100	682,852,800	3,631,171	686,483,971	1,207,052,592	1.822
2006	8,632,100	478,589,300	113,899,300	58,047,800	22,078,100	681,246,600	3,037,390	684,283,990	1,348,695,770	1.885
2007	7,111,100	480,512,600	111,733,400	61,061,800	22,078,100	682,497,000	2,631,983	685,128,983	1,586,328,438	1.885
2008	6,847,800	481,322,400	110,579,800	60,546,800	22,078,100	681,374,900	2,890,760	684,265,660	1,703,051,456	1.886
2009	11,291,000	1,049,892,500	283,806,100	153,885,300	54,752,500	1,553,627,400	-	1,553,627,400	1,642,176,617	0.842
2010	10,738,100	1,048,446,200	279,436,500	150,896,900	49,572,900	1,539,090,600	-	1,539,090,600	1,538,134,911	0.845
2011						1,517,017,200		1,517,017,200		-

(1) Revaluation Year

Source: Municipal Tax Assessor

Exhibit J-7

BOARD OF EDUCATION
TOWN OF DOVER

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

	School District Direct Rate			Overlapping Rates		
Fiscal Year Ended December 31,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	County	Total Direct and Overlapping Tax Rate
2002	1.545	0.115	1.660	1.110	0.350	3.120
2003	1.619	0.114	1.733	1.136	0.381	3.250
2004	1.648	0.114	1.762	1.186	0.422	3.370
2005	1.588	0.234	1.822	1.350	0.468	3.640
2006	1.649	0.236	1.885	1.401	0.494	3.780
2007	1.652	0.233	1.885	1.432	0.553	3.870
2008	1.653	0.233	1.886	1.546	0.580	4.012
2009	0.609	0.233	0.842	0.724	0.241	1.807
2010	0.612	0.233	0.845	0.764	0.229	1.838
2011	-			0.803		

Source: Municipal Tax Collector

Exhibit J-8

BOARD OF EDUCATION
TOWN OF DOVER

Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

		2011		2002	
Fiscal Year Ended June 30,	Nature of Business	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
SW/Dover I, LP	Commercial	$ 22,600,000	1.49%	N/A	N/A
Home Depot USA Inc.	Retail	18,360,000	1.21%	N/A	N/A
MCRS Dover LLC	Retail	11,730,400	0.77%	N/A	N/A
Casio, Inc.	Electronics	10,719,200	0.71%	N/A	N/A
63-105 Bassett Hwy, LLC	Commercial	8,000,000	0.53%	N/A	N/A
Dover Fox Tenants Corp.	Apartments	7,365,600	0.49%	N/A	N/A
Dover Garden Apartments II, LLC	Apartments	6,336,000	0.42%	N/A	N/A
Denville-Morris Properties, LLC	Industrial	6,284,500	0.41%	N/A	N/A
Dover Morris Properties, LLC	Industrial	6,250,000	0.41%	N/A	N/A
65 North Sussex, LLC	Industrial	6,200,000	0.41%	N/A	N/A
Total		$ 103,845,700	6.85%	$ -	0.00%

Source: Municipal Tax Assessor

Exhibit J-9

BOARD OF EDUCATION
TOWN OF DOVER

Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	$ 20,203,893	$ 19,732,492	97.66%	-	$19,732,492	97.66%
2002	21,331,072	20,636,474	96.74%	-	20,636,474	96.74%
2003	22,105,246	21,733,036	98.31%	-	21,733,036	98.31%
2004	23,154,154	22,673,748	97.92%	-	22,673,748	97.92%
2005	25,079,506	24,591,991	98.06%	-	24,591,991	98.05%
2006	25,968,189	25,197,111	97.03%	-	25,197,111	97.03%
2007	26,551,920	25,700,417	96.79%	-	25,700,417	96.79%
2008	27,535,556	26,272,369	95.41%	-	26,272,369	95.41%
2009	28,118,019	27,194,015	96.71%	-	27,194,015	96.71%
2010	28,307,753	27,277,177	96.35%		27,277,177	96.35%

Source: Municipal Tax Collector

Exhibit J-10

BOARD OF EDUCATION
TOWN OF DOVER

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

	Governmental Activities						
Fiscal Year Ended June 30,	General Obligation Bonds	Certificates of Participation	Capital Leases	Loans	Total District	Percentage of Personal Income	Per Capita
2002	$ -	$ -	$ -	$ -	$ -	0.00%	-
2003	-	4,320,097.10	37,458.86	899,343.51	5,256,899.47	1.46%	287
2004	12,224,000.00	3,885,000.00	12,143.67	748,464.34	16,869,608.01	4.53%	922
2005	11,874,000.00	3,425,000.00	-	548,088.06	15,847,088.06	4.15%	868
2006	11,519,000.00	2,945,000.00	-	419,586.13	14,883,586.13	3.84%	828
2007	11,159,000.00	2,450,000.00	-	285,513.37	13,894,513.37	3.51%	780
2008	10,794,000.00	1,925,000.00	-	145,730	12,864,729.54	3.16%	724
2009	10,419,000.00	1,375,000.00	-	-	11,794,000.00	2.81%	663
2010	10,034,000.00	805,000.00	-	-	10,839,000.00	2.59%	609
2011	9,639,000.00	335,000.00			9,974,000.00	2.31%	561

Exhibit J-11

BOARD OF EDUCATION
TOWN OF DOVER

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

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2002	$ -	$ -	$ -	0.00%	-
2003	-	-	-	0.00%	-
2004	12,224,000	-	12,224,000	1.78%	668
2005	11,874,000	-	11,874,000	1.73%	651
2006	11,519,000	-	11,519,000	1.68%	641
2007	11,159,000	-	11,159,000	1.63%	627
2008	10,794,000	-	10,794,000	1.58%	607
2009	10,419,000	-	10,419,000	0.67%	586
2010	10,034,000	-	10,034,000	0.65%	564
2011	9,639,000		9,639,000	0.64%	542

Exhibit J-12

BOARD OF EDUCATION
TOWN OF DOVER

Direct and Overlapping Governmental Activities Debt
As of December 31, 2010
Unaudited

Net Direct Debt of School District as of December 31, 2010		$ 10,839,000.00
Net Overlapping Debt of School District:		
Town of Dover (100%)	$ 5,431,467.00	
County of Morris - Town's share (1.50%)	3,738,511.56	
Utility Authority - Town's share (11.05%)	1,722,074.37	
		10,892,052.93
Total Direct and Overlapping Debt as of December 31, 2010		$ 21,731,052.93

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

Exhibit J-13

BOARD OF EDUCATION
TOWN OF DOVER

Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized Valuation Basis	
2008	1,617,699,193.00
2009	1,535,204,941.00
2010	1,515,002,067.00
	4,667,906,201.00
Average Equalized Valuation of Taxable Property	$1,555,968,733.67
Debt limit (3 % of	$ 46,679,062.01
Total Net Debt Applicable to Limit	10,839,000.00
Legal Debt Margin	$ 35,840,062.01

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	$ 40,878,798.30	$ 45,850,210.04	$48,682,414.01	$ 48,380,819.12	$ 46,679,062.01
Total Net Debt Applicable to Limit	13,894,513.37	12,864,729.54	11,794,000.00	11,514,000.00	10,839,000.00
Legal Debt Margin	26,984,284.93	32,985,480.50	36,888,414.01	36,866,819.12	35,840,062.01
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33.99%	28.06%	24.23%	23.80%	23.22%

	Fiscal Year				
	2001	2002	2003	2004	2005
Debt limit	$ -	$ 31,567,638.40	$35,511,581.05	$ 40,878,272.73	$ 35,298,807.22
Total net debt applicable to limit	NOT AVAILABLE	5,110,292	16,780,533.06	15,847,088.06	14,883,586.13
Legal debt margin	$ -	$ 26,457,346	$ 18,731,048	$ 25,031,185	$ 20,415,221
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	47.25%	38.77%	42.16%

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

Exhibit J-14

BOARD OF EDUCATION
TOWN OF DOVER

Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	18,032	$ 335,353,366	$ 18,598	6.00%
2002	18,071	346,161,036	19,156	9.10%
2003	18,304	361,143,022	19,730	9.00%
2004	18,305	371,997,634	20,322	7.30%
2005	18,249	381,985,380	20,932	8.20%
2006	17,982	387,688,472	21,560	8.50%
2007	17,805	395,388,558	22,207	7.70%
2008	17,774	406,541,158	22,873	7.70%
2009	17,789	419,090,777	23,559	16.50%
2010	17,789 (E)	431,663,500	24,266	16.60%

(E)-Estimate

Sources:

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

Exhibit J-15

BOARD OF EDUCATION
TOWN OF DOVER

Principal Employers
Current Year and Nine Years Ago
Unaudited

	2011			2002		
Employer	**Employees**	**Rank [Optional]**	**Percentage of Total Municipal Employment**	**Employees**	**Rank [Optional]**	**Percentage of Total Municipal Employment**
St. Clares Hospital-Dover Campus	700	1				
Town of Dover Board of Education	500	2				
Casio, Inc.	255	3				
Home Depot USA, Inc.	250	4				
Dover Christian Nursing Home	160	5				
Town of Dover	145	6		NOT AVAILABLE		
Jersey City Power and Light	65	7				
Canabera	60	8				
Morris County Municipal Utilities Authority	40	9 10				
	2175					

Source: Town of Dover

Exhibit J-16

BOARD OF EDUCATION
TOWN OF DOVER

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	225	230	234	234	227	229	222	235	229	245
Special Education	9	9	14	14	14	14	17	19	21	42
Support Services:										
Student and Instruction Related Services	40	40	40	40	40	40	33	33	21	27
School Administrative Services	20	20	20	20	20	20	20	20	22	29
General and Business Administrative Services	10	10	10	10	6	6	6	6	6	6
Plant Operations and Maintenance	30	31	31	31	31	31	31	32	32	39
Pupil Transportation	4	4	4	4	4	4	4	4	4	5
Total	338	344	353	353	342	344	333	349	335	393

Source: District Personnel Records

Exhibit J-17

BOARD OF EDUCATION
TOWN OF DOVER

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change In Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2002	2908.0	$ 25,341,037.99	8,714	1.51%					2908.0	2,744.0	2.90%	94.36%
2003	2875.4	27,466,474.10	9,552	9.62%	277	1:16	1:12	1:8	2875.4	2,745.1	-1.12%	95.47%
2004	2948.4	29,626,033.56	10,048	5.19%	282	1:16	1:12	1:8	2948.4	2,787.2	2.54%	94.53%
2005	2896.6	30,394,227.74	10,493	4.43%	275	1:16	1:12	1:9	2896.6	2,761.2	-1.76%	95.33%
2006	2,928.0	36,168,333.42	12,353	17.72%	272	1:16	1:12	1:9	2928.0	2,791.1	1.08%	95.32%
2007	2,861.6	38,048,651.18	13,296	7.64%	268	1:16	1:12	1:9	2861.6	2,722.6	-2.27%	95.14%
2008	2,898.9	39,194,894.16	13,521	1.69%	262	1:16	1:13	1:10	2898.9	2,770.9	1.30%	95.58%
2009	2895.50	39,865,679.43	13,768	1.83%	264	1:14	1:13	1:11	2895.5	2,762.0	-0.12%	95.39%
2010	2934.80	43,706,028.76	14,892	8.17%	251	1:14	1:12	1:10	2934.8	2,803.7	1.36%	95.53%
2011	2927.80	41,860,951.86	14,298	-3.99%	243	1:14	1:13	1:10	2927.8	2,791.1	-0.24%	95.33%

Source: District records

Note: Enrollment based on annual October district count.

Exhibit J-18

BOARD OF EDUCATION
TOWN OF DOVER

School Building Information
Last Ten Fiscal Years
Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Building										
Elementary										
Academy Street										
Square Feet	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364
Capacity (students)	559.8	559.8	559.8	559.8	559.8	559.8	559.8	559.8	559.8	559.8
Enrollment	589	567	579	573	557	473	482	445	490	513
East Dover										
Square Feet	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790
Capacity (students)	883.7	883.7	883.7	883.7	883.7	883.7	883.7	883.7	883.7	883.7
Enrollment [a]	358	304	312	237	193	525	898	533	556	450
North Dover										
Square Feet	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705
Capacity (students)	613.55	613.55	613.55	613.55	613.55	613.55	613.55	613.55	613.55	613.55
Enrollment	728	715	712	771	803	526	623	543	644	667
Middle School										
Dover Middle School										
Square Feet	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790
Capacity (students)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enrollment	471	528	511	527	513	497	509	503	504	467
High School										
Dover High School										
Square Feet	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500
Capacity (students)	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9	1065.9
Enrollment	763	761	824	884	862	834	841	902	883	850

Number of Schools at June 30, 2010
Elementary = 3
Middle School = 1
Senior High School = 1

Source: District Facilities Office

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

BOARD OF EDUCATION
TOWN OF DOVER

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

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

*School Facility	Pending Projects (w/DOE Project #)	Gross Building Area (SF)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Dover High School	N/A	157,500	$ 222,234.33	$ 297,982.19	$207,706.92	$ 267,102.56	$ 276,639.89	$ 186,529.34	$ 166,435.65	$ 193,352.98	$ 140,701.00	$ 843,521.91
Academy Street	N/A	52,364	75,654.24	103,325.52	69,056.29	90,928.53	94,175.28	62,015.38	55,361.01	64,284.03	46,801.00	280,445.60
Dover Middle School	N/A	63,790	89,839.41	122,699.06	84,124.60	107,977.63	111,833.15	75,547.35	67,350.02	78,311.03	56,936.00	341,639.76
North Dover Middle School	N/A	56,705	80,382.63	109,783.37	74,781.09	96,611.56	100,061.24	67,156.49	59,945.04	69,613.21	50,676.00	303,694.67
Blackwell Academy	N/A	3,452	4,728.39	6,457.86	4,552.40	5,683.03	5,885.96	4,088.25	3,526.19	4,237.81	2,981.00	18,487.86
			472,839.01	640,248.00	440,221.30	568,303.31	588,595.51	395,336.81	352,617.91	409,799.06	298,095.00	1,787,789.80
District Total			$ 472,839.01	$ 640,248.00	$440,221.30	$ 568,303.31	$ 588,595.51	$ 395,336.81	$ 352,617.91	$ 409,799.06	$ 298,095.00	$ 1,787,789.80

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

Source: District records

BOARD OF EDUCATION
TOWN OF DOVER

Insurance Schedule
2011
Unaudited

	Coverage	Deductible
School Package Policy - Selective Ins. Co.		
Property - Blanket Building & Contents	$ 109,175,349	$ 500
Comprehensive General liability Each Occurrence	1,000,000	
General Aggregate	2,000,000	
Comprehensive Auto liability	1,000,000	
Scheduled Equipment Floater	203,270	
Business Computer Coverage	789,748	
Employee Benefits Liability - Each Occurrence	1,000,000	
- General Aggregate	2,000,000	
Boiler & Machinery - Selective Ins. Co.		
Property Damage	Unlimited	500
Umbrella Liability - Selective Ins. Co.		
Umbrella Policy	10,000,000	
School Board Legal Liability - Selective Ins. Co.		
Directors & Officers Policy	1,000,000	
Position Bond - Selective Ins. Co.		
Kelly Toohey - Treasurer of School Moneys	270,000	
Fred Vanderhoof - Board Secretary	14,000	
Student Accident - Life Insurance Company of North America		
Compulsory School Time Coverage	25,000	
Catastrophic Coverage (all sports & activities)	1,000,000	
Public Employees' Faithful Performance		
Blanket Position Bond - Public Official	10,000	
Driving School License Bond	10,000	
Volunteer Accident Policy		
Life Insurance Company of North America	15,000	

Source: District's records.

SINGLE AUDIT SECTION

VMA

VM ASSOCIATES, INC.

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

K-1
Sheet 1

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

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

We have audited the basic financial statements of the Town of Dover School District as of and for the year ended June 30, 2011, and have issued our report thereon dated October 28, 2010. 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 in compliance with audit requirements 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 Town of Dover School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Dover School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Dover School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Dover School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Town of Dover School District and the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vincent M. Montanino
Registered Municipal Accountant
License No. CS000495

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

December 1, 2011

VMA

VM ASSOCIATES, INC.

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

K-2
Sheet 1

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

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

Compliance

We have audited the compliance of the Town of Dover School District 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 Compliance Manual State Grants Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2011. Town of Dover School District 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 the Town of Dover School District's management. Our responsibility is to express an opinion on Town of Dover School District'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; the standards applicable to financial audits contained in Governmental 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 Office of Management and Budget Circular Letter 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey's OMB's Circular Letter 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 the Town of Dover School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Dover School District's compliance with those requirements.

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In our opinion, the Board of Education of the Town of Dover School District, in the County of Morris, State of New Jersey, complied, in all material respects, with the 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 the Town of Dover School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Town of Dover School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey's OMB's Circular Letter 04-04, but not for the purpose of expressing an opinion on the effectiveness of the Town of Dover School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Dover School District's internal control over compliance.

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

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

This report is intended solely for the information and use of the audit committee, management, the Town of Dover School District, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Vincent M. Montanino
Public School Accountant
License No. CS000495

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

December 1, 2011

BOARD OF EDUCATION
TOWN OF DOVER

Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA or Grant Number	Grant Period	Award Amount	Balance July 1, 2010	Adjustments	Cash Received	BUDGETARY EXPENDITURES Disbursements	Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Balance June 30, 2011 Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Treasury:														
Medicaid Reimbursement	93.778	7/1/10-6/30/11	$ 37,349.86	$ -	$ -	$ 37,349.86	$ 37,349.86	$ -	$ -	$ 37,349.86	$ -	$ -	$ -	$ -
Total U.S. Department of Treasury				-	-	37,349.86	37,349.86	-	-	37,349.86	-	-	-	-
U.S. Department of Agriculture Passed - Through State Department of Education:														
Food Distribution Program	10.550	7/1/10-6/30/11	81,196.36	5,423.74	-	81,196.36	84,018.34			84,018.34		-	2,601.76	
School Breakfast Program	10.553	7/1/10-6/30/11	119,138.76			109,348.36	119,138.76			119,138.76		(9,790.40)		
School Breakfast Program	10.553	7/1/09-6/30/10	96,888.12	(8,350.12)		8,350.12				-		-		
National School Lunch Program	10.555	7/1/10-6/30/11	837,159.00			778,974.12	837,159.00			837,159.00		(58,184.88)		
National School Lunch Program	10.555	7/1/09-6/30/10	788,802.49	(54,681.71)	-	54,681.71				-		-		
Special Milk Program	10.556	7/1/10-6/30/11	1,149.91			1,065.25	1,149.91			1,149.91		(84.66)		
Special Milk Program	10.556	7/1/09-6/30/10	980.25	(70.33)		70.33				-		-		
School Food Service Equipment Grant	10.579	7/1/10-6/30/11	10,773.39			10,773.39	10,773.39			10,773.39		-		
Fresh Fruits and Vegetables	10.582	7/1/10-6/30/11	32,170.66	-	-	24,774.88	32,170.66	-	-	32,170.66	-	(7,395.78)	-	-
Total U.S. Department of Agriculture				(57,678.42)	-	1,069,234.52	1,084,410.06	-	-	1,084,410.06	-	(75,455.72)	2,601.76	-
U.S. Department of Education Passed - Through State Department of Education:														
E.S.E.A. Title I	84.010A	9/1/10-8/31/11	1,647,552.00			1,076,048.00	1,522,154.77		31.24	1,522,186.01		(807,618.00)	361,479.99	
E.S.E.A. Title I	84.010A	9/1/09-8/31/10	1,709,116.00	(311,894.99)	38,926.30	628,876.00	355,907.31			355,907.31		-		
E.S.E.A. Title I - ARRA	84.389	9/1/09-8/31/11	974,490.00	(127,786.00)		435,880.00	426,496.70			426,496.70		(172,206.00)	53,803.30	
E.S.E.A. Title I - SA	84.010A	9/1/09-8/31/10	16,057.00		(0.28)	1,447.00	1,446.72			1,446.72		-		
E.S.E.A. Title I - SA	84.010A	9/1/08-8/31/09	16,057.00	481.00	(481.00)					-		-		
E.S.E.A. Title II A	84.367A	9/1/10-8/31/11	145,114.00			101,740.00	139,541.49			139,541.49		(120,653.00)	82,851.51	
E.S.E.A. Title II A	84.367A	9/1/09-8/31/10	181,129.00	(60,649.23)	(77,278.98)	145,583.00	7,654.79			7,654.79		-		
E.S.E.A. Title II D	84.367A	9/1/10-8/31/11	7,258.00			94.00	134.01			134.01		(7,164.00)	7,123.99	
E.S.E.A. Title II D	84.367A	9/1/09-8/31/10	16,785.00	58.50	(118.04)	503.00	443.46			443.46		-		
E.S.E.A. Title III	84.365A	9/1/10-8/31/11	51,071.00			31,590.00	49,724.94		1,182.74	50,907.68		(19,481.00)	163.32	
E.S.E.A. Title III	84.365A	9/1/09-8/31/10	61,952.00	(35,551.51)	4,837.63	30,726.00	12.12			12.12		-		
E.S.E.A. Title IV	84.186A	9/1/10-8/31/11	5,546.00							-		(5,546.00)	5,546.00	
E.S.E.A. Title IV	84.186A	9/1/09-8/31/10	28,835.00	(13,256.27)	(5,546.05)	18,809.00	6.68			6.68		-		
E.S.E.A. Title V	84.298A	9/1/09-8/31/10	6,755.00	(5,303.32)	3,648.32	1,655.00				-		-		
I.D.E.A. Part B, Basic	84.027A	9/1/10-8/31/11	702,603.00			431,797.00	633,015.94		22,171.87	655,187.81		(270,806.00)	47,415.19	
I.D.E.A. Part B, Basic	84.027A	9/1/09-8/31/10	712,667.00	(247,874.78)	544.36	328,172.00	47,415.22			47,415.22		-	33,426.36	
I.D.E.A. Part B, ARRA	84.391	9/1/09-8/31/11	818,746.00	(375,144.00)		560,949.00	258,003.00			258,003.00		(72,199.00)	1.00	
I.D.E.A. Part B, Preschool	84.173A	9/1/10-8/31/11	17,514.00			7,288.00	9,232.00		935.00	10,167.00		(10,226.00)	7,347.00	
I.D.E.A. Part B, Preschool	84.173A	9/1/09-8/31/10	13,634.00	(11,276.00)		11,276.00				-		-		
I.D.E.A. Part B, Preschool - ARRA	84.392	9/1/09-8/31/11	29,406.00	(13,866.00)		17,813.00	6,073.24		206.97	6,280.21		(2,348.00)	14.79	
Emergency Immigrant Education	84.162A	9/1/09-8/31/10	64,875.00	(53,019.28)		59,270.00	5,200.33			5,200.33		(5,227.00)	6,277.39	
GOALS 2000	84.002A	9/1/98-6/30/99	-	(38,758.91)	38,758.91	-	-	-	-	-	-	-	-	-
Total U.S. Department of Education				(1,293,840.79)	3,291.17	3,889,516.00	3,462,462.72	-	24,527.82	3,486,990.54	-	(1,493,474.00)	605,449.84	-
Total Federal Financial Assistance				$ (1,351,519.21)	$ 3,291.17	$ 4,996,100.38	$ 4,584,222.64	$ -	$ 24,527.82	$ 4,608,750.46	$ -	$ (1,568,929.72)	$ 608,051.60	$ -

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

BOARD OF EDUCATION
TOWN OF DOVER

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2010	Adjustments	Cash Received	BUDGETARY EXPENDITURES Disbursements	Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Balance June 30, 2011 Accounts Receivable	Deferred Revenue	Due to Grantor
State Department of Education:														
General Funds:														
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	$ 20,225,245.00	$ -	$ -	$ 18,220,828.00	$ 20,225,245.00	$ -	$ -	$ 20,225,245.00	$ -	$ (2,004,417.00)	$ -	$ -
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	20,996,868.00	(2,060,289.30)		2,060,289.30				-		-		
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	326,820.00	(32,682.00)		32,682.00				-		-		
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	1,588,668.00			1,429,801.00	1,588,668.00			1,588,668.00		(158,867.00)		
Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	1,588,668.00	(158,866.80)		158,866.80				-		-		
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	1,051,825.00	(105,182.50)		105,182.50				-		-		
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	163,527.00				163,527.00			163,527.00		(163,527.00)		
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	140,306.00	(140,306.00)		140,306.00				-		-		
Non-Public Transportation Aid	11-495-034-5120-014	7/1/10-6/30/11	696.00				696.00			696.00		(696.00)		
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	7/1/10-6/30/11	1,476,835.33			1,476,835.33	1,476,835.33			1,476,835.33		-		
On-Behalf TPAF Pension Contributions	11-495-034-5095-001	7/1/10-6/30/11	1,311,982.00	-	-	1,311,982.00	1,311,982.00	-	-	1,311,982.00	-	-	-	-
Total General Funds				(2,497,326.60)	-	24,936,772.93	24,766,953.33	-	-	24,766,953.33	-	(2,327,507.00)	-	-
Special Revenue Funds:														
Preschool Aid	11-495-034-5120-086	7/1/10-6/30/11	390,720.00			351,648.00	307,174.81		7,341.27	314,516.08		(39,072.00)	76,203.92	
Preschool Aid	10-495-034-5120-086	7/1/09-6/30/10	311,912.00	(4,746.40)		32,234.40				-		-	27,488.00	
New Jersey Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	27,831.00	27,831.00						-	27,831.00	-		
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	1,957.00	1,957.00						-	1,957.00	-		
Transportation	10-100-034-5120-068	7/1/09-6/30/10	5,959.00	5,959.00						-	5,959.00	-		
Handicapped Services:														
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	21,753.00	21,753.00						-	21,753.00	-		
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	11,657.00	11,657.00						-	11,657.00	-		
Supplementary Instruction	10-100-034-5120-066	7/1/09-6/30/10	11,946.00	11,946.00						-	11,946.00	-		
Character Education	06-100-034-5120-053	7/1/05-6/30/06	7,740.00	1,532.90						-		-	1,532.90	
School Based Youth Services	1630-100-016-1630-013	7/1/10-6/30/11	$ 330,523.00	$ -	$ -	$ 330,523.00	$ 324,768.71		$ 6,629.46	$ 331,398.17	$ -	$ (2,675.00)	$ 1,799.83	$ -
School Based Youth Services	1630-100-016-1630-013	7/1/09-6/30/10	332,430.00	4,828.69	220.05					-	4,596.00	-	452.74	
				-	-	-	-	-	-	-	-	-	-	-
Total Special Revenue Funds				82,718.19	220.05	714,405.40	631,943.52	-	13,970.73	645,914.25	85,699.00	(41,747.00)	107,477.39	-
Capital Project Funds:														
EFCFA (Window Replacement Phase I)	1110-040-09-OTAM		191,265.00	(191,265.00)						-		(191,265.00)		
EFCFA (Window Replacement Phase II)	1110-040-09-OZNH		1,027,905.00	(1,027,905.00)						-		(1,027,905.00)		
EFCFA (Academy Street Roof)	1110-050-09-OZNI		358,014.00	(358,014.00)	171,067.52	-	-	-	-	-	-	(186,946.48)	-	-
Total Capital Project Funds				(1,577,184.00)	171,067.52	-	-	-	-	-	-	(1,406,116.48)	-	-
Debt Service Funds:														
Debt Service Aid - State Support	11-100-034-5120-017	7/1/10-6/30/11	182,544.00	-	-	182,544.00	182,544.00	-	-	182,544.00	-	-	-	-
Total Debt Service Funds				-	-	182,544.00	182,544.00	-	-	182,544.00	-	-	-	-
Enterprise Funds:														
State School Lunch Program	10-100-010-3350-023	7/1/10-6/30/11	18,514.55			17,151.45	18,514.55			18,514.55		(1,363.10)		
State School Lunch Program	10-100-010-3350-023	7/1/09-6/30/10	32,187.38	(2,209.42)		2,209.42				-		-		
State School Breakfast Program	10-100-010-3350-021	7/1/09-6/30/10	6,015.00	(518.70)	-	518.70	-	-	-	-	-	-	-	-
				(2,728.12)	-	19,879.57	18,514.55	-	-	18,514.55	-	(1,363.10)	-	-
Total All Funds				$ (3,994,520.53)	$ 171,287.57	$ 25,853,601.90	$ 25,599,955.40	$ -	$ 13,970.73	$ 25,613,926.13	$ 85,699.00	$ (3,776,733.58)	$ 107,477.39	$ -

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

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011

Note 1: General

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

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I:E and Note I:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: Relationship to Basic Financial Statements

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

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

BOARD OF EDUCATION
TOWN OF DOVER

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $193,736.60 for the general fund and $136,819.59 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$ 27,607.62	$24,960,689.93	$24,988,297.55
Special Revenue Fund	3,632,198.21	633,526.17	4,265,724.38
Debt Service Fund		182,544.00	182,544.00
Food Service Fund	1,084,410.06	18,514.55	1,102,924.61
Total Awards and Financial Assistance	$4,744,215.89	$25,795,274.65	$30,539,490.54

Note 4: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 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.

BOARD OF EDUCATION
TOWN OF DOVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor's Results

Financial Statement Section

A) Type of auditor's report issued: Unqualified

B) Internal Control over financial reporting:

1) Material weakness(es) identified? _____yes ___X___no

2) Were significant deficiencies identified that were not considered to be material weaknesses? _____yes ___X___no

C) Noncompliance material to basic financial statements noted? _____yes ___X___no

Federal Awards Section

D) Dollar threshold used to determine Type A programs $300,000.00

E) Auditee qualified as low-risk auditee? _____yes___X___no_____n/a

F) Type of auditor's report on compliance for major programs Unqualified

G) Internal Control over compliance:

1) Material weakness(es) identified? _____yes ___X___no

2) Were significant deficiencies identified that were not considered to be material weaknesses? _____yes ___X___no

H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510 (a))? _____yes ___X___no

I) Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A/84.389	N.C.L.B. Title I/ARRA – NCLB Title I
10.553/10.555/10.556	Child Nutrition Cluster
84.027A/84.391	IDEA. Part B, Basic/ARRA - IDEA. Part B
84.173A/84.392	IDEA. Part B, Preschool/ARRA – IDEA Part Preschool

BOARD OF EDUCATION
TOWN OF DOVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

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

State Financial Assistance Section

J) Dollar threshold used to determine Type A Programs — $768,418.00

K) Auditee qualified as low-risk auditee? — ____yes __X__no ____n/a

L) Type of auditor's report on compliance for major programs. — Unqualified

M) Internal Control over compliance:

1) Material weakness(es) identified? — ____yes __X__no

2) Were significant deficiencies identified that were not considered to be material weaknesses? — ____yes __X__no

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? — ____yes __X__no

O) Identification of major programs:

GMIS Number(s)	Name of State Program
11-495-034-5120-078	Equalization Aid
11-495-034-5120-089	Special Education Aid
11-100-034-5095-002	Reimb. T.P.A.F. Social Sec. Contr.

BOARD OF EDUCATION
TOWN OF DOVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

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

NOT APPLICABLE

BOARD OF EDUCATION
TOWN OF DOVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL FINANCIAL ASSISTANCE

NOT APPLICABLE

BOARD OF EDUCATION
TOWN OF DOVER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

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

NOT APPLICABLE

BOARD OF EDUCATION
TOWN OF DOVER

SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2011

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a) (b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

NOT APPLICABLE