

**Comprehensive Annual
Financial Report**

of the

Township of Dennis Board of Education

Dennis Township, New Jersey

For the Fiscal Year Ended June 30, 2018

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Introductory Section

DENNIS TOWNSHIP



PAIGE SHARP-RUMAKER
Business Administrator/Board Secretary

601 Hagan Road
Cape May Court House, NJ 08210
(609) 861-2821, EXT 112
Fax: (609) 861-1597
prumaker@dtschools.org

SCHOOL DISTRICT

January 28, 2019

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Township of Dennis Board of Education for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The Introductory Section includes a Table of Contents, Transmittal Letter, the District's Organization Chart and a list of principal officials;
- The Financial Section begins with the Independent Auditor's Report and includes the Management Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2017-2018 fiscal year with a June enrollment of 553 students, which is 10 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-18	553	1.84%
2016-17	543	-0.18%
2015-16	544	2.64%
2014-15	530	-7.34%
2013-14	572	-3.54%

2. ECONOMIC CONDITION AND OUTLOOK:

The Dennis Township area has seen slight residential growth as well as a little commercial or industrial growth. Any proposed commercial/industrial properties may provide tax base growth; however, current regulatory restrictions limit the size, scope and timing of any such initiatives to stabilize tax rates. Existing property owners will continue to bear a higher portion of the school costs while the short-term status of the United States and New Jersey economy remains uncertain. Due to the new S-2 legislation we will be looking at major cuts in our state funding which will need to be addressed sooner rather than later. This has and will continue to shift an additional cost burden to the local taxpayers. The District will continue to seek new sources of revenue and focus on cost containment.

3. MAJOR INITIATIVES:

Students have been experiencing struggles with the state and national averages on most standardized tests. We are currently looking to have our curriculum audited by the local university to see if we can pinpoint any issues. We also are looking at our growing special education population and what affect they are having on our scores. The local planning objectives were met at all levels. The objectives continue to challenge all students. Curriculum continues to be written and revised on the new State revision calendar. This calendar fits the implementation schedule of the New Jersey Core Curriculum Content Standards as well as the national Common Core Standards. Technology continues to expand in the area of web based programs to expand instructional and administrative capabilities. Integrated technology and other content area curricula can be found at all levels (K-8). Professional development for staff is implemented yearly in conjunction with the 100-hour initiative required by the New Jersey Department of Education. We have completed a 1 on 1 initiative for 1 on 1 chrome books in grades 4 through.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. INDEPENDENT AUDIT:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C. was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related State Treasury Circular Letter NJ OMB 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

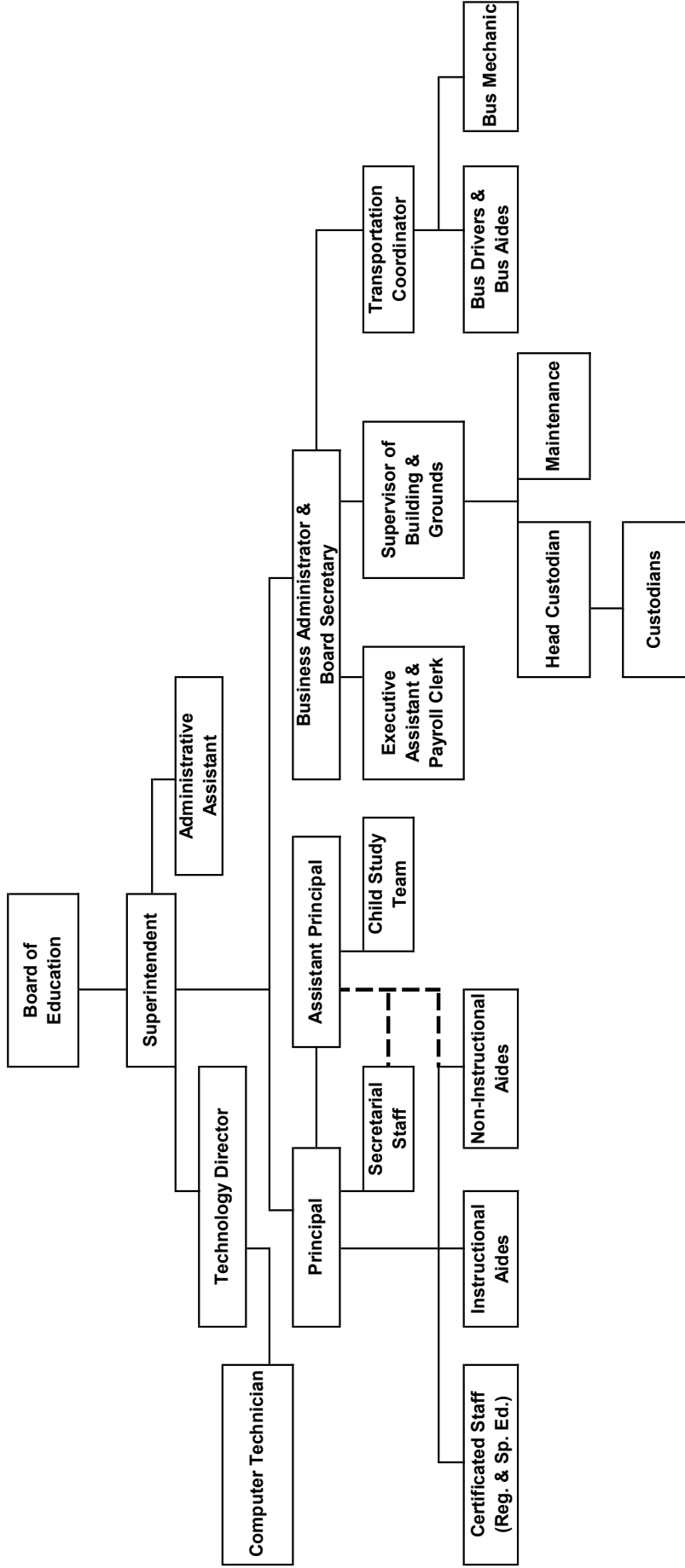


Mark Miller
Superintendent



Paige Sharp-Rumaker
Business Administrator/
Board Secretary

POLICY



**TOWNSHIP OF DENNIS BOARD OF EDUCATION
COUNTY OF CAPE MAY, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2018**

Members of the Board of Education

Term Expires

Nichol Hoff - President	2020
Mary Kate Garry – Vice President	2019
Jennifer Hand	2018
Claudia Miller	2020
Renee Pettit	2018
Jamie Burrows	2020
Jeffrey Trout	2018
Jason Hearon	2018
Jeanne Donohue	2019

Other Officials

Mark B. Miller, Superintendent
Paige Sharp-Rumaker, Business Administrator
Kelly Brazelton, Treasurer
William Donio, Solicitor

**TOWNSHIP OF DENNIS BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

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

ATTORNEY

William Donio
Cooper Levensen
1125 Atlantic Ave.
Atlantic City, NJ 08401

OFFICIAL DEPOSITORY

Sturdy Savings and Loan
1224 Route 47
Dennisville, NJ 08214

INSURANCE

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

Conner Strong
PO Box 358
Bridgeton, NJ 08302

Utica National Insurance
PO Box 6532
Utica, NY 13504

School Alliance Insurance Fund
51 Everett Dr.
Princeton Junction, NJ 08550

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Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Dennis School District, County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Township of Dennis School District, County of Cape May, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Dennis School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB Circular 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB Circular 15-08, and statistical information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB Circular 15-08, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2019 on our consideration of the Township of Dennis 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Dennis School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

January 28, 2019

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Required Supplementary Information – Part I

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED**

The discussion and analysis of Dennis Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for 2018 are as follows:

- In total, net position increased \$1,491,306.35, which represents a 26 percent increase from 2017.
- General revenues accounted for \$14,780,051.11 in revenue or 68 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$6,946,613.55 or 32 percent of total revenues of \$21,726,664.66.
- Cash and cash equivalents decreased by \$631,219.52, receivables increased by \$27,404.10, inventory increased by \$450.44, capital assets increased by \$1,382,906.88 and deferred outflows of resources decreased by \$262,693.93.
- The School District had \$21,168,334.69 in expenses; \$6,946,613.55 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$14,780,051.11 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$17,240,316.42 in revenues and \$17,794,466.28 in expenditures. The General Fund's fund balance decreased \$376,780.21 over 2017.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Changes in Net Position

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Changes in Net Position answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Changes in Net Position, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activity** - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Community Education enterprise funds are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

Enterprise Funds

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

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net position for 2018 and 2017.

**Table 1
Net Position**

	2018	2017
Assets		
Current and Other Assets	\$ 2,194,632.33	2,809,742.15
Capital Assets	11,556,922.88	10,174,016.00
Total Assets	13,751,555.21	12,983,758.15
Deferred Outflows of Resources		
Loss on Refunding Bonds	61,441.15	79,561.08
Deferred Outflows Related to Pensions	1,183,149.00	1,427,723.00
Total Deferred Outflows of Resources	1,244,590.15	1,507,284.08
Liabilities		
Long-Term Liabilities	6,780,332.59	8,372,672.27
Other Liabilities	29,683.68	253,059.86
Total Liabilities	6,810,016.27	8,625,732.13
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	1,035,759.00	194,501.00
Net Position		
Net Investment in Capital Assets	9,275,878.56	7,275,548.49
Restricted	1,787,038.69	1,359,664.20
Unrestricted	(3,912,547.16)	(2,976,148.95)
Total Net Position	\$ 7,150,370.09	5,659,063.74

The District's combined net position was \$7,150,370.09 on June 30, 2018. This was a decrease of 26 percent from the prior year.

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal years 2018 and 2017.

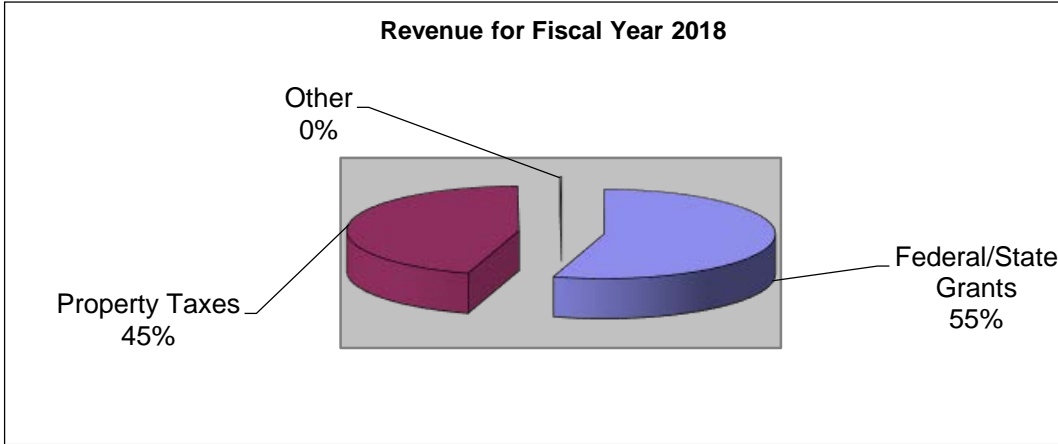
	2018	2017
Revenues		
Program Revenues:		
Charges for Services	\$ 1,629,961.54	1,651,559.68
Operating Grants and Contributions	5,316,652.01	4,262,613.96
General Revenues:		
Property Taxes	9,683,533.00	9,398,460.00
Grants and Entitlements	5,066,768.04	5,193,461.98
Other	29,750.07	35,582.64
Special Items:		
Gain on Fixed Assets	932,976.38	-
Total Revenues	22,659,641.04	20,541,678.26
Program Expenses		
Instruction	10,612,550.08	10,539,529.99
Support Services:		
Tuition	3,891,986.08	3,921,424.00
Related Services - Pupils and Instructional Staff	2,330,683.85	2,191,984.36
General Administration, School Administration,	1,084,555.12	1,121,643.34
Central Operations and Maintenance of Facilities	1,745,667.98	1,633,638.14
Pupil Transportation	1,162,051.26	1,186,516.55
Interest on Debt	78,602.75	92,109.47
Food Service	176,333.67	206,749.37
Community Education Program	85,903.90	81,992.45
Total Expenses	21,168,334.69	20,975,587.67
Increase(Decrease) in Net Position	\$ 1,491,306.35	(433,909.41)

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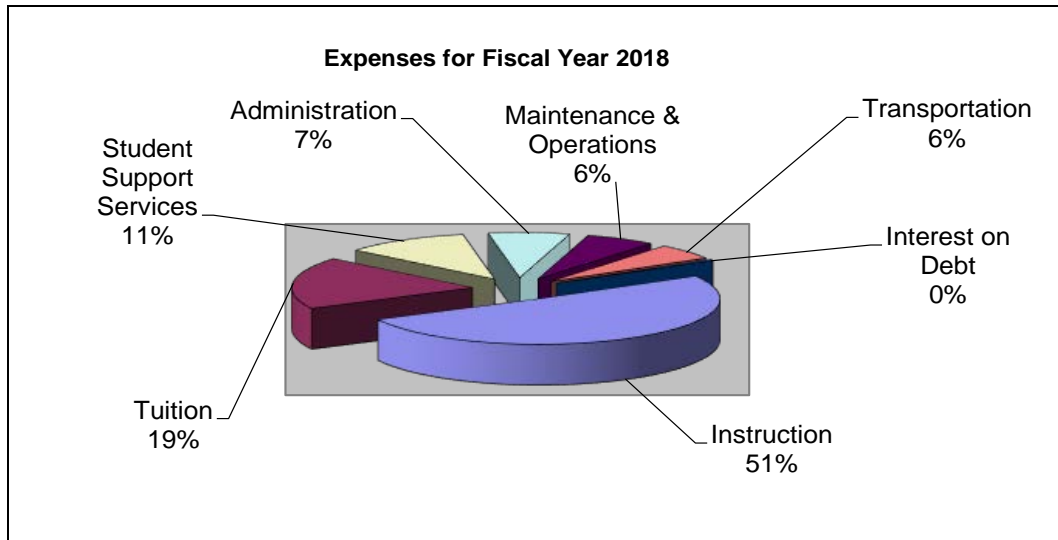
**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

Governmental Activities

Property taxes made up 49 percent of revenues for governmental activities for the Dennis Township School District for fiscal year 2018. The District's total revenues were \$21,474,857.84 for the year ended June 30, 2018. Federal, state, and local grants accounted for another 44 percent of revenue.



The total cost of all program and services was \$20,906,097.12. Instruction comprises 49 percent of District expenses.



**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

Business-Type Activities

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

- Food service expenses exceeded revenues by \$4,881.23 and Community Education expenses exceeded revenues by \$5,571.78.
- Charges for food services represent \$75,103.64 of revenue. This represents amounts paid by patrons for daily food service. Charges for Community Education represent \$80,332.12 of revenue. This represents amounts paid by patrons for daycare services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$96,348.80.

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>
Instruction	\$ 10,612,550.08	6,307,503.90	10,539,529.99	6,793,182.85
Support Services:				
Tuition	3,891,986.08	3,891,986.08	3,921,424.00	3,921,424.00
Pupils and Instructional Staff	2,330,683.85	1,459,533.11	2,191,984.36	1,480,585.48
General & School Administration	1,084,555.12	921,418.94	1,121,643.34	1,051,196.10
Business Operation & Maint of Facilities	1,745,667.98	1,513,953.10	1,633,638.14	1,535,271.57
Pupil Transportation	1,162,051.26	38,270.25	1,186,516.55	155,663.02
Interest and Fiscal Charges	78,602.75	78,602.75	92,109.47	92,109.47
Total Expenses	<u>\$ 20,906,097.12</u>	<u>14,211,268.13</u>	<u>20,686,845.85</u>	<u>15,029,432.49</u>

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

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

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

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

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

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

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

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$18,402,667.84 expenditures were \$18,956,817.96. The decrease in fund balance for the year was \$376,780.47.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2018, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2017	Percent of Increase (Decrease)
Local Sources	\$ 10,120,653.83	55%	274,002.24	3%
State Sources	7,746,617.15	42%	125,724.73	2%
Federal Sources	535,396.86	3%	145,513.98	37%
Total	<u>\$ 18,402,667.84</u>	<u>100%</u>	<u>545,240.95</u>	<u>3.05%</u>

The following schedule represents a summary of general fund, special revenue fund, capital projects and debt service fund expenditures for the fiscal year ended June 30, 2018, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2017	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 5,320,989.98	28%	(21,200.84)	0%
Undistributed expenditures	11,881,953.35	63%	13,127.77	0%
Capital Outlay	1,254,993.37	7%	650,385.03	108%
Debt Service	498,881.26	3%	(18,200.00)	-4%
Total	<u>\$ 18,956,817.96</u>	<u>100%</u>	<u>624,111.96</u>	<u>3%</u>

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**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of the fiscal year 2018, the School District had \$11,556,922.88 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2018 balances compared to 2017.

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

	2018	2017
Land	\$ 518,653.00	518,653.00
Building and Building Improvements	9,404,059.88	8,529,773.00
Machinery and Equipment	1,634,210.00	1,125,590.00
Total	\$ 11,556,922.88	10,174,016.00

Overall capital assets increased \$1,382,906.88 from fiscal year 2017 to fiscal year 2018. This increase was due to a complete inventory being conducted in fiscal year 2018. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2018, the School District had \$2,329,913.59 of outstanding debt. Of this amount, \$280,907.26 is for compensated absences; \$574,006.33 for various capital leases; \$1,475,000.00 of serial bonds for school construction.

**Table 5
Bonded Outstanding Debt at June 30,**

	2018	2017
2010 Refunding Issue	\$ 1,475,000.00	1,910,000.00
Total	\$ 1,475,000.00	1,910,000.00

At June 30, 2018, the School District was within its legal debt margin.

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**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

For the Future

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

Contacting the School District's Management

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

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Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,926,284.66	57,811.90	1,984,096.56
Receivables, Net	195,597.03	8,441.26	204,038.29
Inventory		6,489.78	6,489.78
Internal Balances	4,194.70	(4,187.00)	7.70
Capital Assets:			
Land and Land Improvements	518,653.00		518,653.00
Capital Assets being Depreciated, net	10,983,680.88	54,589.00	11,038,269.88
Total Assets	13,628,410.27	123,144.94	13,751,555.21
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,183,149.00		1,183,149.00
Loss on Refunding Bonds	61,441.15		61,441.15
Total Deferred Outflows of Resources	1,244,590.15	-	1,244,590.15
LIABILITIES			
Intergovernmental Payable	457.00		457.00
Unearned Revenue	14,551.15	2,103.65	16,654.80
Accrued Interest	12,571.88		12,571.88
Noncurrent Liabilities:			
Due Within One Year	825,411.89		825,411.89
Due Beyond One Year	1,504,501.70		1,504,501.70
Net Pension Liability	4,450,419.00		4,450,419.00
Total Liabilities	6,807,912.62	2,103.65	6,810,016.27
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,035,759.00		1,035,759.00
NET POSITION			
Net Investment in Capital Assets	9,221,289.56	54,589.00	9,275,878.56
Restricted for:			
Other Purposes	1,787,038.69		1,787,038.69
Unrestricted	(3,978,999.45)	66,452.29	(3,912,547.16)
Total Net Position	\$ 7,029,328.80	121,041.29	7,150,370.09

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Statement of Changes in Net Position
For the Year Ended June 30, 2018

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 4,387,000.35	1,445,722.45	154,128.22	1,811,827.41		(3,866,767.17)		(3,866,767.17)
Special Education	2,900,040.72	832,540.10	441,644.00	1,565,288.20		(1,725,648.62)		(1,725,648.62)
Other Special Instruction	775,551.58	271,694.88		332,158.35		(715,088.11)		(715,088.11)
Support Services:								
Tuition	3,878,545.08					(3,878,545.08)		(3,878,545.08)
Student & Instruction Related Services	1,833,761.76	496,922.09		871,150.74		(1,459,533.11)		(1,459,533.11)
General Administrative Services	515,558.55	87,045.26		67,063.38		(535,540.43)		(535,540.43)
School Administrative Services	357,253.14	124,698.17		96,072.80		(385,878.51)		(385,878.51)
Plant Operation and Maintenance	1,118,493.61	193,831.50		149,336.07		(1,162,989.04)		(1,162,989.04)
Pupil Transportation	874,652.29	287,398.97	878,753.56	245,027.45		(38,270.25)		(38,270.25)
Central and Technical Services	326,418.89	106,923.98		82,378.81		(350,964.06)		(350,964.06)
Unallocated Benefits	3,846,777.40	(3,846,777.40)				-		-
Charter Schools	13,441.00					(13,441.00)		(13,441.00)
Interest on Long-Term Debt	78,602.75					(78,602.75)		(78,602.75)
Total Governmental Activities	<u>20,906,097.12</u>	<u>-</u>	<u>1,474,525.78</u>	<u>5,220,303.21</u>	<u>-</u>	<u>(14,211,268.13)</u>	<u>-</u>	<u>(14,211,268.13)</u>
Business-Type Activities:								
Food Service	176,333.67		75,103.64	96,348.80		(4,881.23)		(4,881.23)
Community Education	85,903.90		80,332.12			(5,571.78)		(5,571.78)
Total Business-Type Activities	<u>262,237.57</u>	<u>-</u>	<u>155,435.76</u>	<u>96,348.80</u>	<u>-</u>	<u>(10,453.01)</u>	<u>(10,453.01)</u>	<u>(10,453.01)</u>
Total Primary Government	<u>\$ 21,168,334.69</u>	<u>-</u>	<u>1,629,961.54</u>	<u>5,316,652.01</u>	<u>-</u>	<u>(14,221,268.13)</u>	<u>(10,453.01)</u>	<u>(14,221,271.14)</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes, Net						\$ 9,184,652.00		9,184,652.00
Taxes Levied for Debt Service						498,881.00		498,881.00
Federal and State Aid not Restricted						5,066,768.04		5,066,768.04
Miscellaneous Income						29,727.81	22.26	29,750.07
Special Items:								
Gain of Fixed Assets						908,308.88	24,667.50	932,976.38
Total General Revenues, Special Items, Extraordinary Items and Transfers						<u>15,688,337.73</u>	<u>24,689.76</u>	<u>15,713,027.49</u>
Change in Net Position						<u>1,477,069.60</u>	<u>14,236.75</u>	<u>1,491,306.35</u>
Net Position - Beginning						5,552,259.20	106,804.54	5,659,063.74
Net Position - Ending						<u>\$ 7,029,328.80</u>	<u>121,041.29</u>	<u>7,150,370.09</u>

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

FUND FINANCIAL STATEMENTS

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,922,835.81		3,448.85	1,926,284.66
Due from Other Funds	91,402.15			91,402.15
Receivables from Other Governments	69,789.92	77,783.00		147,572.92
Other	33,024.11	15,000.00		48,024.11
Total Assets	<u>2,117,051.99</u>	<u>92,783.00</u>	<u>3,448.85</u>	<u>2,213,283.84</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Intergovernmental Payable		457.00		457.00
Interfund Payable		87,207.45		87,207.45
Unearned Revenue	9,432.60	5,118.55		14,551.15
Total Liabilities	<u>9,432.60</u>	<u>92,783.00</u>	<u>-</u>	<u>102,215.60</u>
Fund Balances:				
Restricted for:				
Excess Surplus	330,690.75			330,690.75
Excess Surplus - Designated Subsequent Year	314,065.00			314,065.00
Debt Service Fund			3,448.85	3,448.85
Committed to:				
Capital Reserve Account	149,908.94			149,908.94
Maintenance Reserve Account	375,000.00			375,000.00
Emergency Reserve	100,000.00			100,000.00
Assigned to:				
Designated by BOE for Subsequent Expenditures	77,623.00			77,623.00
Capital Reserve Designated by BOE for Subsequent Expenditures	214,751.00			214,751.00
Maintenance Reserve Designated by BOE for Subsequent Expenditures	100,000.00			100,000.00
Emergency Reserve Designated by BOE for Subsequent Expenditures	125,000.00			125,000.00
Unassigned, Reported in:				
General Fund	320,580.70			320,580.70
Total Fund Balances	<u>2,107,619.39</u>	<u>-</u>	<u>3,448.85</u>	<u>2,111,068.24</u>
Total Liabilities and Fund Balances	<u>\$ 2,117,051.99</u>	<u>92,783.00</u>	<u>3,448.85</u>	

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

Capital assets used in governmental activities are not resources and therefore are not reported in the funds. The cost of the assets is \$24,206,073.00 and the accumulated depreciation is \$12,703,739.12.	11,502,333.88
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(12,571.88)
Deferred amount on refunding and premiums on bonds are reported in the governmental fund as expenditures in the year the bonds are issued but are amortized over the life on the bonds on the statement of activities.	61,441.15
Pension Liabilities Net of Deferred Outflows & Inflows	(4,303,029.00)
Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,329,913.59)
Net position of governmental activities	<u>\$ 7,029,328.80</u>

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 9,184,652.00		498,881.00	9,683,533.00
Tuition from Individuals	114,502.22			114,502.22
Tuition from Other Government Sources	39,626.00			39,626.00
Transportation Fees	195,779.00			195,779.00
Transportation from Other Government Sources	36,944.56			36,944.56
Interest on Capital Reserve	220.90			220.90
Miscellaneous	29,506.91	20,541.24		50,048.15
Total Local Sources	9,601,231.59	20,541.24	498,881.00	10,120,653.83
State Sources	7,615,390.79	131,226.36		7,746,617.15
Federal Sources	23,694.04	511,702.82		535,396.86
Total Revenues	17,240,316.42	663,470.42	498,881.00	18,402,667.84
EXPENDITURES				
Current:				
Regular Instruction	2,873,016.12			2,873,016.12
Special Education Instruction	1,490,397.49	451,975.71		1,942,373.20
Other Special Instruction	505,600.66			505,600.66
Support Services and Undistributed Costs:				
Tuition	3,878,545.08			3,878,545.08
Student & Instruction Related Serv.	1,048,644.06	187,891.71		1,236,535.77
General Administrative Services	391,782.02			391,782.02
School Administrative Services	251,845.35			251,845.35
Plant Operation and Maintenance	1,045,629.63			1,045,629.63
Pupil Transportation	961,546.44	23,603.00		985,149.44
Central and Technical Services	232,247.66			232,247.66
Unallocated Employee Benefits	3,846,777.40			3,846,777.40
Transfer to Charter School	13,441.00			13,441.00
Capital Outlay	1,254,993.37			1,254,993.37
Debt Service:				
Principal			435,000.00	435,000.00
Interest and Other Charges			63,881.26	63,881.26
Total Expenditures	17,794,466.28	663,470.42	498,881.26	18,956,817.96
Excess (Deficiency) of Revenues Over Expenditures	(554,149.86)	-	(0.26)	(554,150.12)
OTHER FINANCING SOURCES (USES)				
Assets acquired by Capital Lease	177,369.65			177,369.65
Total Other Financing Sources and Uses	177,369.65	-	-	177,369.65
Net Changes in Fund Balance	(376,780.21)	-	(0.26)	(376,780.47)
Fund Balance - July 1	2,484,399.60	-	3,449.11	2,487,848.71
Fund Balance - June 30	\$ 2,107,619.39	-	3,448.85	2,111,068.24

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
June 30, 2018

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$	(376,780.47)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	(661,362.00)	
Capital Outlay	1,115,117.00	
Gain of Fixed Assets	<u>908,308.88</u>	
		1,362,063.88
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p>		
Capital Leases		(177,369.65)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Bonds		435,000.00
Capital Lease Payments		341,493.00
<p>Governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of Deferred Amount on Refunding (Loss)	<u>(18,119.93)</u>	(18,119.93)
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS		
Cost of benefits earned net of employee contributions	<u>(125,637.00)</u>	(125,637.00)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		33,021.33
<p>In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		3,398.44
Change in Net Position of Governmental Activities	\$	<u><u>1,477,069.60</u></u>

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2018

	Business-Type Activities - Enterprise Fund		
	Major Fund Food Service	Non Major Fund Community Education	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 4,663.65	53,148.25	57,811.90
Accounts Receivable	6,988.76	1,452.50	8,441.26
Inventories	6,489.78		6,489.78
Total Current Assets	<u>18,142.19</u>	<u>54,600.75</u>	<u>72,742.94</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	250,440.00		250,440.00
Less: Accumulated Depreciation	(195,851.00)		(195,851.00)
Total Noncurrent Assets	<u>54,589.00</u>	<u>-</u>	<u>54,589.00</u>
Total Assets	<u>72,731.19</u>	<u>54,600.75</u>	<u>127,331.94</u>
LIABILITIES			
Current Liabilities:			
Unearned Revenue	2,103.65		2,103.65
Interfund Payable	4,187.00		4,187.00
Total Current Liabilities	<u>6,290.65</u>	<u>-</u>	<u>6,290.65</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt	54,589.00	-	54,589.00
Unrestricted	11,851.54	54,600.75	66,452.29
Total Net Position	<u>\$ 66,440.54</u>	<u>54,600.75</u>	<u>121,041.29</u>

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
June 30, 2018

	Business-Type Activities - Enterprise Fund		
	Major Fund	Non Major Fund	Totals
	Food Service	Community Education	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 53,751.45		53,751.45
Daily Sales - Non-reimbursable Programs	21,352.19		21,352.19
Program Fees		80,332.12	80,332.12
Total Operating Revenue	<u>75,103.64</u>	<u>80,332.12</u>	<u>155,435.76</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	66,756.16		66,756.16
Cost of Sales - Non-reimbursable Programs	9,496.25		9,496.25
Salaries and Benefits	73,630.57	72,231.47	145,862.04
Management Fee	14,717.50		14,717.50
Other Purchased Services		3,754.69	3,754.69
General Supplies	5,428.19	9,917.74	15,345.93
Depreciation	6,305.00		6,305.00
Total Operating Expenses	<u>176,333.67</u>	<u>85,903.90</u>	<u>262,237.57</u>
Operating Income (Loss)	(101,230.03)	(5,571.78)	(106,801.81)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,802.11		1,802.11
Federal Sources:			
National School Lunch Program	61,604.08		61,604.08
National School Breakfast Program	17,864.85		17,864.85
Food Distribution Program	15,077.76		15,077.76
Gain on Fixed Asset Inventory	24,667.50		24,667.50
Interest and Investment Income	6.85	15.41	22.26
Total Nonoperating Revenues (Expenses)	<u>121,023.15</u>	<u>15.41</u>	<u>121,038.56</u>
Income (Loss) before Contributions & Transfers	<u>19,793.12</u>	<u>(5,556.37)</u>	<u>14,236.75</u>
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	19,793.12	(5,556.37)	14,236.75
Total Net Position - Beginning	<u>46,647.42</u>	<u>60,157.12</u>	<u>106,804.54</u>
Total Net Position - Ending	<u>\$ 66,440.54</u>	<u>54,600.75</u>	<u>121,041.29</u>

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
June 30, 2018

	Business-Type Activities - Enterprise Fund		
	Major Fund Food Service	Non Major Fund Community Education	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 77,685.54	87,494.62	165,180.16
Payments to Employees	(73,630.57)	(72,231.47)	(145,862.04)
Payments for Other Purchased Services		(3,754.69)	(3,754.69)
Payments for Management Fee	(14,717.50)		(14,717.50)
Payments for Suppliers	(67,445.63)	(9,917.74)	(77,363.37)
Net Cash Provided by (Used for) Operating Activities	<u>(78,108.16)</u>	<u>1,590.72</u>	<u>(76,517.44)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	1,783.25		1,783.25
Federal Sources	79,168.03		79,168.03
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>80,951.28</u>	<u>-</u>	<u>80,951.28</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(2,480.50)		(2,480.50)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(2,480.50)</u>	<u>-</u>	<u>(2,480.50)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	6.85	15.41	22.26
Net Cash Provided by (Used for) Investing Activities	<u>6.85</u>	<u>15.41</u>	<u>22.26</u>
Net Increase (Decrease) in Cash and Cash Equivalents	369.47	1,606.13	1,975.60
Balance - Beginning of Year	4,294.18	51,542.12	55,836.30
Balance - End of Year	<u>4,663.65</u>	<u>53,148.25</u>	<u>57,811.90</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(101,230.03)	(5,571.78)	(106,801.81)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	6,305.00		6,305.00
(Increase) Decrease in Accounts Receivable	2,436.50	7,162.50	9,599.00
Increase (Decrease) in Unearned Revenue	145.40		145.40
(Increase) Decrease in Inventories	(450.44)		(450.44)
(Decrease) Increase in Accounts Payable	(392.35)		(392.35)
Commodities	15,077.76		15,077.76
Total Adjustments	<u>23,121.87</u>	<u>7,162.50</u>	<u>30,284.37</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (78,108.16)</u>	<u>1,590.72</u>	<u>(76,517.44)</u>

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2018

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 10,391.33	45,261.22
Total Assets	<u>10,391.33</u>	<u>45,261.22</u>
LIABILITIES		
Payable to Student Groups		41,914.38
Accounts Payable		392.00
Payroll Deductions & Withholding		2,947.14
Interfund Payable		<u>7.70</u>
Total Liabilities	<u>-</u>	<u>45,261.22</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes		
Reserved for Scholarships	\$ <u>10,391.33</u>	

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
June 30, 2018

		Private Purpose Scholarship Fund <hr style="border: 0.5px solid black;"/>
ADDITIONS		
Contributions:		
None	\$	-
Total Contributions		<hr style="border: 0.5px solid black;"/> -
Investment Earnings:		
Interest		13.76
Net Investment Earnings		<hr style="border: 0.5px solid black;"/> 13.76
Total Additions		<hr style="border: 0.5px solid black;"/> 13.76
DEDUCTIONS		
Scholarship Awards		100.00
Total Deductions		<hr style="border: 0.5px solid black;"/> 100.00
Changes in Net Position		(86.24)
Net Position - Beginning of the Year		10,477.57
Net Position - End of the Year	\$	<hr style="border: 0.5px solid black;"/> <hr style="border: 0.5px solid black;"/> 10,391.33

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Dennis Township 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 financial statements of the Board of Education (Board) of Dennis Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. REPORTING ENTITY:

The Dennis Township School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The District operates a primary, elementary and middle school located in Dennis Township. Students in grades 9-12 attend Middle Township High School on a tuition basis. The Dennis Township School District had an enrollment at June 30, 2018 of 553 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide statements (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general, special revenue and debt service activities are classified as governmental activities. The District's food service and community service programs are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

The government-wide Statement of Changes in Net Position reports both the gross and net cost of each of the District's functions and business-type activities (food service and community education). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Changes in Net Position reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. 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 comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds

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.

- a. **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.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Debt service** funds are 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Fund Balances – Governmental Funds

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. Under the District's policy, amounts may be assigned by the Business Administrator.

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.

The details of the fund balances are included in the Governmental Funds Balance Sheet. 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.

2. Proprietary Funds:

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

- a. Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program and a community education fund for the students of the district.

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

3. Fiduciary Funds:

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

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, 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.

All funds internal activity is eliminated when carried to the Government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund. At June 30, 2017, the District had no investments.

3. Inventories

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2018 the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food & Supplies	\$ 3,440.16
Commodities	3,049.62
	\$ 6,489.78

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

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 all assets is provided on the straight-line basis over the following estimated useful lives:

Building	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount 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 measureable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. Compensated absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event this 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 both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provide, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfer. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

9. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPS, there is no public vote on the budget. If the budget exceeds State mandated CAPS, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Reg Prg-Instruction	
Kindergarten - Salaries of Teachers	(27,716.95)
Grades 1 - 5 Salaries - Teachers	63,509.40
Grades 6 - 8 Salaries - Teachers	(180,724.89)
Undistributed Instruction - General Supplies	58,868.38
Undistributed Instruction - Textbooks	(29,000.00)
Undistributed-Instruction	
Tuition-County Voc. School Dist. - Regular	36,675.60
Tuition-CSSD & Regional Day Schools	(119,808.16)
Undistributed-Child Study Team	
Salaries of Other Professional Staff	(67,992.53)
Purch Prof/Educ Srv	46,102.50
Undistributed-Required Maint. For School Fac.	
Salaries	31,317.84
Undistributed-Student Transportation	
Sal.-Pup. Trans. Nonpublic	(25,916.00)
Contr. Serv. - (Special Students) - ESCs & CTAs	29,670.99
Undistributed-Unallocated Benefits	
Other Retirement Contributions - PERS	28,225.06
Health Benefits	(59,366.83)
Unused Sick Payment to Terminated/Retired Staff	32,612.95

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

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

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

10. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs.

11. Tuition Payable

Tuition charges for the fiscal year 2017/18 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. 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 reported amounts and disclosures. Accordingly, actual results could differ from those results.

13. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

14. Pensions

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83 "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for reporting periods beginning after December 15, 2019, may have an effect on the District's financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements". This statement is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61". This statement is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

NOTE 2 – CASH

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2018, \$142,112.86 of the government's bank balance of \$2,577,151.79 was exposed to custodial credit risk.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2018, consisted of accounts (other services) and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State Aid	\$ 69,789.84	69,917.30
Federal Aid	77,783.00	83,451.22
Other	48,024.19	50,669.77
Gross Receivables	195,597.03	204,038.29
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 195,597.03	204,038.29

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

The following interfund balances remained on the fund financial statements at June 30, 2018:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 91,402.15	
Special Revenue Fund		87,207.45
Food Service Fund		4,187.00
Agency Fund		7.70
Total	\$ 91,402.15	91,402.15

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

The general fund receivable is comprised of three interfunds. The first interfund is due from the Special Revenue Fund for \$87,207.45 which is a result of the general funds loan to cover the special revenue funds cash deficit. The second interfund is due from the Agency Fund for \$7.70 which is result of payroll interest not turned over to the general fund by June 30th. The third interfund is due from the Food Service Fund for \$4,187.00 which is result of the purchase of food service equipment by the General Fund.

NOTE 5 – CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 518,653.00			518,653.00
Total capital assets not being depreciated	<u>518,653.00</u>	<u>-</u>	<u>-</u>	<u>518,653.00</u>
Capital assets being depreciated:				
Buildings and building improvements	16,181,696.00	947,730.00	638,741.00	17,768,167.00
Equipment	4,179,841.00	167,387.00	1,572,025.00	5,919,253.00
Total capital assets being depreciated at historical cost	<u>20,361,537.00</u>	<u>1,115,117.00</u>	<u>2,210,766.00</u>	<u>23,687,420.00</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,651,923.00)	(442,131.00)	(270,053.12)	(8,364,107.12)
Equipment	(3,087,997.00)	(219,231.00)	(1,032,404.00)	(4,339,632.00)
Total capital assets being depreciated, net of accumulated depreciation	<u>9,621,617.00</u>	<u>453,755.00</u>	<u>908,308.88</u>	<u>10,983,680.88</u>
Governmental activity capital assets, net	<u>10,140,270.00</u>	<u>453,755.00</u>	<u>908,308.88</u>	<u>11,502,333.88</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	223,292.00	2,481.00	24,667.00	250,440.00
Less accumulated depreciation	(189,546.00)	(6,573.00)	268.00	(195,851.00)
Enterprise Fund capital assets, net	<u>\$ 33,746.00</u>	<u>(4,092.00)</u>	<u>24,935.00</u>	<u>54,589.00</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 255,618.00
Special Instruction	172,816.00
Other Special Instruction	44,984.00
Student & Instruction Related Services	110,017.00
Gen Administration Services	34,857.00
School Administrative Services	22,407.00
Business and Other Support Services	20,663.00
	<u>\$ 661,362.00</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

NOTE 6 – LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Issues or Additions	Payments or Expenditures	Balance June 30, 2018	Amounts Due Within One Year
Compensated Absences	\$ 313,928.59		33,021.33	280,907.26	
Capital Leases	738,129.68	177,369.65	341,493.00	574,006.33	395,411.89
Bonds Payable	1,910,000.00		435,000.00	1,475,000.00	430,000.00
Net Pension Liability	5,410,614.00	1,485,894.00	2,446,089.00	4,450,419.00	
	<u>\$ 8,372,672.27</u>	<u>1,663,263.65</u>	<u>3,255,603.33</u>	<u>6,780,332.59</u>	<u>825,411.89</u>

A. Bonds Payable:

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

Description of Bonds Payable

At June 30, 2018, bonds payable consisted of the following issues:

\$4,750,000 Refunding Bonds dated April 29, 2010, due in annual installments through April 1, 2022, bearing interest rates from 2.00% to 3.625%. The balance remaining as of June 30, 2018 is \$1,475,000.00.

On April 29, 2010, the District issued \$4,750,000 in Refunding School Bonds to advance refund \$4,476,000 of outstanding 2002 school bonds with an average interest rate of 3.14%. The net proceeds of \$4,673,861.33, including a premium on the bonds of \$10,124.20 and net of payments of \$18,905.00 in underwriting fees and \$67,357.87 of issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for part of future debt service payments until the call date (April 1, 2011) at which time the escrow will have sufficient funds to pay the principal of the 2002 bonds, when due.

Debt service requirements on serial bonds payable at June 30, 2018 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 430,000.00	50,287.50	480,287.50
2020	420,000.00	36,312.50	456,312.50
2021	415,000.00	22,137.50	437,137.50
2022	210,000.00	7,612.50	217,612.50
	<u>\$ 1,475,000.00</u>	<u>116,350.00</u>	<u>1,591,350.00</u>

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

NOTE 7 – PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

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

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.34% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 23.85% and the PERS rate is 13.37% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2018, 2017, and 2016 were \$680,543.00, \$506,071.00 and \$379,676.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2018, 2017, and 2016 were \$187,795.00, \$170,561.00 and \$164,078.00, respectively, equal to the required contributions for each year.

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

During the fiscal years ended June 30, 2018, 2017, and 2016, the State of New Jersey contributed \$438,864.00, \$420,844.00 and \$452,089.00, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$365,235.79, \$364,040.24 and \$339,763.43, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were employees enrolled in the DCRP for the year ended June 30, 2018.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS and employer contributions to the retirement systems.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 8 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2018, the District reported a liability of \$4,450,419.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District's proportion was 0.01911823180%, which was an increase of 4.65% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$302,745.00. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 104,792.00	
Changes of assumptions	896,606.00	893,319.00
Net difference between projected and actual earnings on pension plan investments	30,304.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	151,447.00	142,440.00
District contributions subsequent to the measurement date	177,108.00	
Total	\$ 1,360,257.00	\$ 1,035,759.00

\$177,108.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Year ended June 30,		
2019	\$	117,260.00
2020		170,361.00
2021		101,194.00
2022		(135,290.00)
2023		(106,135.00)
Total	\$	<u>147,390.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.50%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

The following presents the collective net pension liability of the participated employers as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the net pension liability	\$ 5,339,428.45	4,450,419.00	3,710,723.44

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

NOTE 9 – TEACHERS PENSIONS AND ANNUITY FUND (TPAF)

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		30,275,568.00
Total	\$	30,275,568.00

The net pension liability was measured as of June 30, 2017 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$2,097,338.00 and revenue of \$2,097,338.00 for support provided by the State. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 198,077.00	51,810.00
Changes of assumptions	6,007,307.00	5,246,912.00
Net difference between projected and actual earnings on pension plan investments	153,349.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		5,290,811.00
District contributions subsequent to the measurement date	504,227.00	
Total	\$ 6,862,960.00	10,589,533.00

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

\$504,227.00 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ (1,326,859.00)
2020	(2,107,032.00)
2021	(1,761,773.00)
2022	(987,791.00)
2023	(1,119,874.00)
Thereafter	3,072,528.00
Total	<u>\$ (4,230,801.00)</u>

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.25%
Salary Increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging market equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%

Discount rate. The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.25% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.25%) or 1-percentage point higher (5.25%) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

NOTE 10 – OTHER POST-RETIREMENT BENEFITS

P.L. 1987, Chapter 384 and P.L. 1990 Chapter 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007 c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for funding and payment of post-retirement medical benefits for retired State employees and educational employees. 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 pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms:

At June 30, 2018, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate used for the fiscal year ending June 30, 2017 is 3.58%.

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Health Care Trend: For pre-Medicare PPO medical benefits, the initial amount is 5.9% and decreases to 5.0% long term trend rate after 9 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after 9 years. For prescription drug benefits, the initial trend rate is 10/5% decreasing to a 5.0% long-term trend rate after 8years. For Medicare Part-B reimbursement, the trend rate is 5.0%.

Salary Scale: The salary scale assumptions will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on the following:

Pre-retirement Healthy Mortality: RP-2014 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2014 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2014 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

Changes in the Total OPEB liability reported by the State of New Jersey:

Balance at 6/30/16	\$ 57,831,784,184.00
Changes for the year:	
Service cost	2,391,878,884.00
Interest	1,699,441,736.00
Changes in assumptions or other inputs	(7,086,599,129.00)
Contributions: Member	45,748,749.00
Benefit payments	<u>(1,242,412,566.00)</u>
Net changes	<u>(4,191,942,326.00)</u>
Balance at 6/30/17	<u>\$ 53,639,841,858.00</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability (School Retirees)	63,674,362,200.00	53,639,841,858.00	45,680,364,953.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the State, as well as what the State's total OPB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	44,113,584,560.00	53,639,841,858.00	66,290,599,457.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$1,917,943.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	
Changes of assumptions		6,343,769,032.00
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	1,190,373,242.00	
Total	\$ 1,190,373,242.00	6,343,769,032.00

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB will be recognized in OPEB expense as follows:

Year ended June 30,		
2019	\$	(742,830,097.00)
2020		(742,830,097.00)
2021		(742,830,097.00)
2022		(742,830,097.00)
2023		(742,830,097.00)
Thereafter		(2,629,618,547.00)
Total	\$	<u>(6,343,769,032.00)</u>

(Contributions made after June 30, 2017 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

NOTE 11 – DEFERRED COMPENSATION

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

- Siracusa Insurance
- Lincoln Investment Planning, Inc.
- Prudential Insurance Co.
- Ameriprise
- Equitable

NOTE 12 – 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 varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years as long as it does not violate Title 18A. Upon retirement, employees shall be paid by the District for unused sick leave in accordance with the District's agreements with the various employee unions.

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, there was no liability for compensated absences in the Food Service Enterprise Fund.

NOTE 13 – MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Dennis Township Board of Education for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Maintenance reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017		\$	375,000.00
Deposits:			
June Transfer	100,000.00		100,000.00
Withdrawals			
None	-		
Total withdrawals	-		
Ending balance, June 30, 2018		\$	475,000.00

NOTE 14 – EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Dennis Township Board of Education for the accumulation of funds for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the emergency reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017		\$	125,000.00
Deposits:			
June Transfer	100,000.00		100,000.00
Withdrawals			
None	-		
Total withdrawals	-		
Ending balance, June 30, 2018		\$	225,000.00

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

NOTE 15 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Dennis Township Board of Education by inclusion of \$200,000.00 in the original 1999-2000 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A 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). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at on of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017		\$	214,439.04
Deposits:			
Interest earnings	220.90		
June Transfer	150,000.00		
			150,220.90
Withdrawals			
None	-		
Total withdrawals	-		-
Ending balance, June 30, 2018		\$	364,659.94

NOTE 16 – RISK MANAGEMENT

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

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

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**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

NOTE 17 – CAPITAL LEASE PAYABLE

The District is leasing buses and technology equipment totaling \$1,972,183.58. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30	Total
2019	\$ 411,974.25
2020	184,845.11
Total minimum lease payments	596,819.36
Less amount representing interest	22,813.03
Present value of lease payments	\$ 574,006.33

NOTE 18 – COMMITMENTS

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

Fund	Amount
General Fund Encumbered Orders	\$ 463,446.62
Special Revenue Fund Encumbered Orders	5,118.55
	\$ 468,565.17

NOTE 19 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

NOTE 20 – ECONOMIC DEPENDENCY

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

NOTE 21 – FUND BALANCE APPROPRIATED

General Fund – Of the \$2,107,619.39 General Fund fund balance, at June 30, 2018, \$463,446.62 is reserved for encumbrances, but not reflected as committed on the balance sheet since the unassigned balance would be negative; \$644,755.75 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$314,065.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2018), \$364,659.94 has been reserved in the Capital Reserve Account; \$225,000.00 has been reserved in the Emergency Reserve Account; \$475,000.00 has been reserved in the Maintenance Reserve Account; and \$320,580.70 is classified and Unassigned, after adjusting for the encumbrance amount of \$463,446.62.

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)**

NOTE 22 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance generated in June 30, 2018 is \$330,690.75.

NOTE 23 – LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

NOTE 24 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2018 through January 28, 2019, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements. No items have come to the attention of the District that would require disclosure.

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Required Supplementary Information – Part II

Budgetary Comparison Schedules

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,184,652.00		9,184,652.00	9,184,652.00	-
Tuition from Individuals	125,565.00		125,565.00	114,502.22	(11,062.78)
Tuition from Other Government Sources within the State	70,397.00		70,397.00	39,626.00	(30,771.00)
Transportation Fees from Individuals	4,420.00		4,420.00	8,421.32	4,001.32
Transportation Fees from Other LEA's	141,089.00		141,089.00	187,357.68	46,268.68
Transportation from Other Government Sources			-	36,944.56	36,944.56
Interest Earned on Maintenance Reserve Funds	150.00		150.00		(150.00)
Interest Earned on Capital Reserve Funds	232.00		232.00	220.90	(11.10)
Unrestricted Miscellaneous Revenues	16,935.00		16,935.00	29,506.91	12,571.91
Total Local Sources	9,543,440.00	-	9,543,440.00	9,601,231.59	57,791.59
State Sources:					
Extraordinary Aid			-	47,719.00	47,719.00
Categorical Special Education Aid	441,644.00		441,644.00	441,644.00	-
Equalization Aid	1,063,893.00		1,063,893.00	1,063,893.00	-
Categorical Security Aid	81,178.00		81,178.00	81,178.00	-
Adjustment Aid	3,918,560.00	(123,341.00)	3,795,219.00	3,695,975.00	(99,244.00)
Add Adjustment Aid			-	99,244.00	99,244.00
PARCC Readiness Aid	6,880.00		6,880.00	6,880.00	-
Per Pupil Growth Aid	6,880.00		6,880.00	6,880.00	-
Professional Learning Community Aid	6,050.00		6,050.00	6,050.00	-
Categorical Transportation Aid	641,970.00		641,970.00	641,970.00	-
State Reimbursement for Lead Testing of Drinking Water	3,000.00		3,000.00	2,164.00	(836.00)
NonPublic Transportation Aid			-	4,060.00	4,060.00
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)			-	438,864.00	438,864.00
TPAF Pension (On-Behalf - Non-Budgeted)			-	679,484.00	679,484.00
TPAF Pension - Long-Term Disability Insurance (On Behalf - Non-Budgeted)			-	1,059.00	1,059.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	365,235.79	365,235.79
Total State Sources	6,170,055.00	(123,341.00)	6,046,714.00	7,582,299.79	1,535,585.79
Federal Sources:					
Medicaid Reimbursement	18,758.00		18,758.00	23,694.04	4,936.04
Total Federal Sources	18,758.00	-	18,758.00	23,694.04	4,936.04
Total Revenues	15,732,253.00	(123,341.00)	15,608,912.00	17,207,225.42	1,598,313.42
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool- Salaries of Teachers	95,286.00	3,258.00	98,544.00	98,349.16	194.84
Kindergarten- Salaries of Teachers	258,314.00	(27,716.95)	230,597.05	230,597.05	-
Grades 1 - 5 Salaries of Teachers	1,327,851.00	63,509.40	1,391,360.40	1,391,360.40	-
Grades 6 - 8 Salaries of Teachers	852,601.00	(180,724.89)	671,876.11	671,876.11	-
Regular Programs - Home Instruction					
Salaries of Teachers	5,300.00	(240.00)	5,060.00	2,628.00	2,432.00
Purchased Technical Services		600.00	600.00	600.00	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	22,104.00	935.89	23,039.89	23,039.89	-
Purchased Technical Services	11,900.00	(100.00)	11,800.00	11,732.79	67.21
Other Purchased Services (400-500 series)	975.00	600.00	1,575.00	1,318.91	256.09
General Supplies	402,346.45	58,868.38	461,214.83	393,411.86	67,802.97
Textbooks	77,826.10	(29,000.00)	48,826.10	48,101.95	724.15
Other Objects	5,000.00	(4,500.87)	499.13	499.13	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,059,503.55	(114,511.04)	2,944,992.51	2,873,016.12	71,976.39
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities					
Salaries of Teachers	130,313.00	2,127.00	132,440.00	132,440.00	-
General Supplies	3,020.77	(1,530.00)	1,490.77	1,308.13	182.64
Total Multiple Disabilities	133,333.77	597.00	133,930.77	133,748.13	182.64
Resource Room/Resource Center					
Salaries of Teachers	934,670.00	(3,453.16)	931,216.84	892,347.30	38,869.54
Other Salaries for Instruction	363,901.00	260.00	364,161.00	334,239.50	29,921.50
Purchased Professional-Educational Services	2,500.00		2,500.00	1,944.00	556.00
General Supplies	7,803.40		7,803.40	2,577.70	5,225.70
Total Resource Room/Resource Center	1,308,874.40	(3,193.16)	1,305,681.24	1,231,108.50	74,572.74

**TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
PreSchool Disabilities - Full-Time					
Salaries of Teachers	86,353.00	2,464.52	88,817.52	87,923.75	893.77
Other Salaries for Instruction	31,510.00	1,999.59	33,509.59	33,509.59	-
Other Purchased Services (400-500 series)		998.09	998.09	998.09	-
General Supplies	6,000.00	(2,690.34)	3,309.66	3,109.43	200.23
Total PreSchool Disabilities - Full-Time	123,863.00	2,771.86	126,634.86	125,540.86	1,094.00
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,566,071.17	175.70	1,566,246.87	1,490,397.49	75,849.38
Basic Skills/Remedial - Instruction					
Salaries of Teachers	524,512.00	(859.09)	523,652.91	432,867.14	90,785.77
General Supplies	6,966.82		6,966.82	895.51	6,071.31
Total Basic Skills/Remedial - Instruction	531,478.82	(859.09)	530,619.73	433,762.65	96,857.08
School-Spon. Cocurricular Activities - Instruction					
Salaries	49,338.00		49,338.00	38,763.24	10,574.76
Purchased Services (300-500 series)	1,000.00		1,000.00	385.00	615.00
Supplies and Materials	1,500.00		1,500.00	766.45	733.55
Total School-Spon. Cocurricular Activities - Inst.	51,838.00	-	51,838.00	39,914.69	11,923.31
School-Sponsored Athletics - Instruction					
Salaries	23,894.00	826.00	24,720.00	24,720.00	-
Purchased Services (300-500 series)	3,500.00		3,500.00	2,923.75	576.25
Supplies and Materials	1,500.00	300.00	1,800.00	1,483.07	316.93
Other Objects	2,600.00	(300.00)	2,300.00	1,296.50	1,003.50
Total School-Sponsored Athletics - Instruction	31,494.00	826.00	32,320.00	30,423.32	1,896.68
Community Services - Inst.					
Purchased Services (300-500 series)	1,500.00		1,500.00	1,500.00	-
Total Community Services - Instruction	1,500.00	-	1,500.00	1,500.00	-
TOTAL INSTRUCTION	5,241,885.54	(114,368.43)	5,127,517.11	4,869,014.27	258,502.84
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	1,410,586.00		1,410,586.00	1,410,585.66	0.34
Tuition to Other LEAs Within the State - Special	73,460.00		73,460.00	73,459.58	0.42
Tuition to County Voc. School Dist. - Regular	1,019,880.00	36,675.60	1,056,555.60	1,048,092.00	8,463.60
Tuition to County Voc. School Dist. - Special	262,990.00	18,500.00	281,490.00	281,490.00	-
Tuition to CSSD & Regional Day Schools	1,061,850.00	(119,808.16)	942,041.84	785,099.08	156,942.76
Tuition to Private Schools for the Disabled W/ State	306,300.00		306,300.00	246,866.76	59,433.24
Tuition - State Facilities	32,952.00		32,952.00	32,952.00	-
Total Undistributed Expenditures - Instruction	4,168,018.00	(64,632.56)	4,103,385.44	3,878,545.08	224,840.36
Undistributed Expend. - Attendance & Social Work					
Other Purchased Services (400-500 series)	65.00		65.00		65.00
Total Undistributed Expend. - Attendance & Social Work	65.00	-	65.00	-	65.00
Undistributed Expend. - Health Services					
Salaries	146,651.00	2,284.71	148,935.71	148,935.71	-
Purchased Professional and Technical Services	5,900.00		5,900.00	5,294.00	606.00
Supplies & Materials	12,159.91	(2,284.71)	9,875.20	3,757.63	6,117.57
Total Undistributed Expend. - Health Services	164,710.91	-	164,710.91	157,987.34	6,723.57
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	125,688.00	(23,766.00)	101,922.00	96,565.25	5,356.75
Purchased Professional - Educational Services	5,878.00		5,878.00		5,878.00
Supplies & Materials	6,100.00		6,100.00	2,802.80	3,297.20
Total Undist. Expend. - Other Support Services	137,666.00	(23,766.00)	113,900.00	99,368.05	14,531.95
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	123,905.00	5,742.00	129,647.00	129,642.40	4.60
Purchased Professional - Educational Services	1,500.00	(203.00)	1,297.00	20.00	1,277.00
Supplies and Materials	1,500.00		1,500.00	1,104.45	395.55
Total Undist. Expend. - Other Support Serv. - Reg	126,905.00	5,539.00	132,444.00	130,766.85	1,677.15
Undist. Expend. - Child Study Teams					

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Salaries of Other Professional Staff	350,777.00	(67,992.53)	282,784.47	282,784.47	-
Salaries of Secretarial and Clerical Assistants	89,658.00	164.74	89,822.74	89,822.74	-
Purchased Professional - Education Services	52,000.00	46,102.50	98,102.50	98,102.50	-
Other Purchased Professional and Tech. Services	10,000.00	1,217.75	11,217.75	11,217.75	-
Miscel. Purchs Serv.	800.00	889.51	1,689.51	1,689.51	-
Supplies & Materials	6,200.00	147.19	6,347.19	6,277.56	69.63
Other Objects	1,400.00	(171.95)	1,228.05	1,219.64	8.41
Total Undist. Expend. - Child Study Teams	510,835.00	(19,642.79)	491,192.21	491,114.17	78.04
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	23,715.00	(2,355.90)	21,359.10	21,359.10	-
Salaries of Secretarial and Clerical Assistants	8,207.00	4,149.37	12,356.37	12,356.37	-
Total Undist. Expend. - Improvement of Inst. Serv.	31,922.00	1,793.47	33,715.47	33,715.47	-
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	56,354.00	911.00	57,265.00	57,265.00	-
Salary of Technology Coordinator	65,867.00	3,212.49	69,079.49	69,079.49	-
Purchased Professional and Technical Services	60.00		60.00	60.00	-
Supplies & Materials	10,016.63	(4,634.87)	5,381.76	5,381.76	-
Total Undistributed Expenditures - Educational Media Services - School Library	132,297.63	(511.38)	131,786.25	131,786.25	-
Undist. Expend. - Instructional Staff Training					
Other Purchased Services (400-500 series)	5,000.00		5,000.00	3,905.93	1,094.07
Total Undistributed Expenditures - Instructional Staff Training Services	5,000.00	-	5,000.00	3,905.93	1,094.07
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	162,101.00	5,307.79	167,408.79	159,020.10	8,388.69
Legal Services	55,000.00		55,000.00	51,471.37	3,528.63
Audit Fees	22,000.00		22,000.00	20,000.00	2,000.00
Architectural/Engineering Services		18,000.00	18,000.00	17,062.02	937.98
Other Purchased Professional Services	10,000.00		10,000.00	4,025.00	5,975.00
Purchased Technical Services	3,900.00	(140.00)	3,760.00	3,071.75	688.25
Communications/Telephone	85,400.00	390.00	85,790.00	85,757.29	32.71
BOE Other Purchased Services	3,000.00	(1,500.00)	1,500.00	1,500.00	-
Misc. Purch Serv.	27,000.00	2,938.14	29,938.14	26,074.99	3,863.15
General Supplies	6,245.00	(238.14)	6,006.86	5,474.54	532.32
BOE In-house Training/Meeting Supplies	2,500.00	(500.00)	2,000.00	975.18	1,024.82
Miscellaneous Expenditures	9,800.00	(300.00)	9,500.00	8,213.82	1,286.18
BOE Membership Dues & Fees	10,000.00	(650.00)	9,350.00	9,135.96	214.04
Total Undistributed Expenditures - Support Services - General Administration	396,946.00	23,307.79	420,253.79	391,782.02	28,471.77
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals/Prog Dir	114,588.00	14,750.00	129,338.00	104,778.48	24,559.52
Salaries of Secretarial and Clerical Assistants	122,342.00	2,000.00	124,342.00	123,028.48	1,313.52
Purchased Professional Services		1,250.00	1,250.00	916.00	334.00
Other Purchased Services (400-500 series)	12,200.00	2,500.00	14,700.00	13,576.93	1,123.07
Supplies & Materials	10,000.00	(500.00)	9,500.00	8,725.46	774.54
Other Objects	1,000.00	6,000.00	7,000.00	820.00	6,180.00
Total Undistributed Expenditures - Support Services - School Administration	260,130.00	26,000.00	286,130.00	251,845.35	34,284.65
Undistributed Expenditures - Central Services					
Salaries	169,927.00	19,150.00	189,077.00	171,547.00	17,530.00
Purchased Professional Services	19,913.00	3,766.00	23,679.00	18,630.94	5,048.06
Miscellaneous Purchased Services (400-500 series)	8,732.00	(916.00)	7,816.00	4,382.27	3,433.73
Supplies & Materials	10,670.20	2,000.00	12,670.20	10,966.18	1,704.02
Interest on Current Loans	100.00		100.00		100.00
Miscellaneous Expenditures	3,025.00		3,025.00	2,932.39	92.61
Total Undistributed Expenditures - Central Services	212,367.20	24,000.00	236,367.20	208,458.78	27,908.42
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	24,293.00		24,293.00	23,788.88	504.12
Purchased Professional Services	5,000.00		5,000.00		5,000.00
Other Purchased Services (400-500 series)	385.00		385.00		385.00
Total Undistributed Expenditures - Admin. Info. Tech.	29,678.00	-	29,678.00	23,788.88	5,889.12

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Required Maint. For School Fac.					
Salaries	123,818.00	31,317.84	155,135.84	155,135.84	-
Cleaning, Repair and Maintenance Service	275,891.70	(18,782.84)	257,108.86	163,210.79	93,898.07
Lead Testing of Drinking Water	3,000.00		3,000.00		3,000.00
General Supplies	42,650.00	(6,000.00)	36,650.00	24,635.89	12,014.11
Other Objects	1,800.00	2,465.00	4,265.00	4,122.49	142.51
Total Undistributed Expenditures - Allowable Maintenance for School Facilities	<u>447,159.70</u>	<u>9,000.00</u>	<u>456,159.70</u>	<u>347,105.01</u>	<u>109,054.69</u>
Undist. Expend. - Custodial Services					
Salaries	226,823.00	(11,000.00)	215,823.00	175,350.95	40,472.05
Salaries of Non-Instructional Aides	27,737.00		27,737.00	23,617.57	4,119.43
Purchased Professional and Technical Services	39,442.00	3,825.00	43,267.00	42,381.30	885.70
Cleaning, Repair and Maintenance Service	119,390.00	(8,473.85)	110,916.15	46,407.74	64,508.41
Insurance	76,594.00	1,471.78	78,065.78	78,065.78	-
Miscellaneous Purchased Services	3,100.00		3,100.00	1,210.71	1,889.29
General Supplies	88,223.26	(5,225.00)	82,998.26	44,550.87	38,447.39
Energy (Natural Gas)	33,000.00	6,000.00	39,000.00	38,038.99	961.01
Energy (Electricity)	220,000.00	(5,733.93)	214,266.07	195,150.40	19,115.67
Energy (Oil)	40,000.00	9,500.00	49,500.00	48,555.07	944.93
Other Objects	350.00	200.00	550.00	423.08	126.92
Total Undistributed Expenditures - Custodial Services	<u>874,659.26</u>	<u>(9,436.00)</u>	<u>865,223.26</u>	<u>693,752.46</u>	<u>171,470.80</u>
Undist. Expend. - Care/Upkeep Grounds					
General Supplies	6,000.00		6,000.00	3,439.96	2,560.04
Total Undistributed Expenditures - Care/Upkeep Grounds	<u>6,000.00</u>	<u>-</u>	<u>6,000.00</u>	<u>3,439.96</u>	<u>2,560.04</u>
Undist. Expend. - Security					
Cleaning, Repair and Maintenance Service	32,695.00	436.00	33,131.00	627.00	32,504.00
General Supplies	1,000.00		1,000.00	705.20	294.80
Total Undistributed Expenditures - Security	<u>33,695.00</u>	<u>436.00</u>	<u>34,131.00</u>	<u>1,332.20</u>	<u>32,798.80</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>1,361,513.96</u>	<u>-</u>	<u>1,361,513.96</u>	<u>1,045,629.63</u>	<u>315,884.33</u>
Undist. Expend. - Student Transportation Serv.					
Sal. Of Non-Instructional Aides	106,089.00	(19,640.76)	86,448.24	83,569.65	2,878.59
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	340,640.00	(11,807.62)	329,032.38	315,263.07	13,769.31
Sal.- Pup. Trans. (Bet. Home & School) - Spc. Ed.	85,035.00	22,526.97	107,561.97	96,795.70	10,766.27
Sal.- Pup. Trans. (Other than Bet. Home & School)	27,961.00	1,311.23	29,272.23	-	29,272.23
Sal.- Pup. Trans. Nonpublic	54,474.00	(25,916.00)	28,558.00	17,153.39	11,404.61
Other Purchased Professional and Tech. Services	12,245.00	6,566.00	18,811.00	18,811.00	-
Cleaning, Repair and Maintenance Service	25,200.00	(11,906.43)	13,293.57	1,644.63	11,648.94
Rental Payments - School Buses	1,500.00		1,500.00		1,500.00
Lease Purchase Payments - School Buses	174,363.00		174,363.00	174,362.81	0.19
Contr. Serv. - Aid in Lieu of Pymts-Nonpub Sch	4,420.00	12,401.90	16,821.90	16,821.90	-
Contr. Serv. - (Bet. Home & Sch)- Vend	10,000.00	(9,876.56)	123.44		123.44
Contr. Serv. - (Bet. Home & School) - Joint Agrmnts	6,998.00		6,998.00	6,574.34	423.66
Contr. Serv. - (Special Ed. Students) - Joint Agrm.	3,000.00		3,000.00	3,000.00	-
Contr. Serv. - (Special Students) - ESCs & CTSAs	39,780.00	29,670.99	69,450.99	69,450.99	-
Misc. Purchased Service - Transportation	15,997.00	8,402.20	24,399.20	8,243.58	16,155.62
General Supplies	154,880.00	14,557.12	169,437.12	145,104.52	24,332.60
Other Objects	2,300.00	2,450.86	4,750.86	4,750.86	-
Total Undistributed Expenditures - Student Transportation Services	<u>1,064,882.00</u>	<u>18,939.90</u>	<u>1,083,821.90</u>	<u>961,546.44</u>	<u>122,275.46</u>
Unallocated Benefits - Employee Benefits					
Social Security Contribution	164,828.00	8,535.28	173,363.28	172,700.25	663.03
Other Retirement Contributions - PERS	172,621.00	28,225.06	200,846.06	197,509.71	3,336.35
Unemployment Compensation	44,640.00	(10,438.23)	34,201.77	34,201.77	-
Workmen's Compensation	114,424.00	1,477.01	115,901.01	115,901.01	-
Health Benefits	1,985,346.33	(59,366.83)	1,925,979.50	1,828,021.87	97,957.63
Tuition Reimbursement	10,000.00	2,000.00	12,000.00	11,300.00	700.00
Other Employee Benefits	7,500.00	(3,045.24)	4,454.76	2,500.00	1,954.76
Unused Sick Payment to Terminated/Retired Staff		32,612.95	32,612.95		32,612.95
Total Unallocated Benefits	<u>2,499,359.33</u>	<u>-</u>	<u>2,499,359.33</u>	<u>2,362,134.61</u>	<u>137,224.72</u>
On-Behalf Contributions					
On-Behalf TPAF Post Retirement Pension (non-bud)			-	438,864.00	(438,864.00)
On-Behalf TPAF Pension Contribution (non-bud)			-	679,484.00	(679,484.00)
On-Behalf TPAF Long Term Disability Insurance (non-bud)			-	1,059.00	(1,059.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	365,235.79	(365,235.79)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,484,642.79</u>	<u>(1,484,642.79)</u>
Total Personal Services - Employee Benefits	<u>2,499,359.33</u>	<u>-</u>	<u>2,499,359.33</u>	<u>3,846,777.40</u>	<u>(1,347,418.07)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>11,102,296.03</u>	<u>(8,972.57)</u>	<u>11,093,323.46</u>	<u>11,657,017.64</u>	<u>(563,694.18)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>16,344,181.57</u>	<u>(123,341.00)</u>	<u>16,220,840.57</u>	<u>16,526,031.91</u>	<u>(305,191.34)</u>

TOWNSHIP OF DENNIS SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Interest Deposited to Maintenance Reserve	150.00		150.00		150.00
Interest Deposited to Capital Reserve	232.00		232.00		232.00
Equipment:					
Undist. Expend. - Care and Upkeep of Grounds	26,619.00		26,619.00	26,619.00	-
School Buses - Regular	132,710.80		132,710.80	132,660.80	50.00
Total Equipment	<u>159,329.80</u>	-	<u>159,329.80</u>	<u>159,279.80</u>	<u>50.00</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	5,253.42		5,253.42	5,253.42	-
Construction Services	962,715.00		962,715.00	865,183.50	97,531.50
Assessment for Debt Service on SDA Funding	47,907.00		47,907.00	47,907.00	-
Total Facilities Acquisition and Construction Services	<u>1,015,875.42</u>	-	<u>1,015,875.42</u>	<u>918,343.92</u>	<u>97,531.50</u>
Assets Acquired Under Capital Lease (non-budget)					
Undistributed Expenditures:					
Equipment:					
2015 - Computers			-	26,199.22	(26,199.22)
2018 - Chromebooks			-	151,170.43	(151,170.43)
Total Assets Acquired Under Capital Lease (non-budget)	-	-	-	<u>177,369.65</u>	<u>(177,369.65)</u>
TOTAL CAPITAL OUTLAY	<u>1,175,437.22</u>	-	<u>1,175,437.22</u>	<u>1,254,993.37</u>	<u>(79,556.15)</u>
SPECIAL SCHOOLS					
None	-	-	-	-	-
TOTAL SPECIAL SCHOOLS	-	-	-	-	-
Transfer of Funds to Charter Schools	13,441.00		13,441.00	13,441.00	-
TOTAL EXPENDITURES	<u>17,533,209.79</u>	<u>(123,341.00)</u>	<u>17,409,868.79</u>	<u>17,794,466.28</u>	<u>(384,597.49)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>(1,800,956.79)</u>	-	<u>(1,800,956.79)</u>	<u>(587,240.86)</u>	<u>1,982,910.91</u>
Other Financing Sources:					
Assets acquired by Capital Lease					
			-	177,369.65	177,369.65
Operating Transfer Out:					
Transfer to Food Service Fund - Board Contribution	(5,000.00)		(5,000.00)		5,000.00
Total Other Financing Sources	<u>(5,000.00)</u>	-	<u>(5,000.00)</u>	<u>177,369.65</u>	<u>182,369.65</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)					
	<u>(1,805,956.79)</u>	-	<u>(1,805,956.79)</u>	<u>(409,871.21)</u>	<u>2,165,280.56</u>
Fund Balance July 1	<u>3,034,784.60</u>	-	<u>3,034,784.60</u>	<u>3,034,784.60</u>	-
Fund Balance June 30	<u>\$ 1,228,827.81</u>	-	<u>1,228,827.81</u>	<u>2,624,913.39</u>	<u>2,165,280.56</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				\$ 330,690.75	
Excess Surplus - Designated for Subsequent Year's Expenditures				314,065.00	
Committed Fund Balance:					
Capital Reserve				149,908.94	
Maintenance Reserve				375,000.00	
Emergency Reserve				100,000.00	
Assigned Fund Balance:					
Other Purposes				463,446.62	
Designated by BOE for Subsequent Expenditures				77,623.00	
Capital Reserve Designated for Subsequent Year's Expenditures				214,751.00	
Maintenance Reserve Designated for Subsequent Year's Expenditures				100,000.00	
Emergency Reserve Designated for Subsequent Year's Expenditures				125,000.00	
Unassigned Fund Balance				<u>374,428.08</u>	
				<u>2,624,913.39</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				517,294.00	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,107,619.39</u>	

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
State Sources	\$ 54,269.00	78,630.00	132,899.00	132,443.71	(455.29)
Federal Sources	303,432.00	223,126.00	526,558.00	515,404.02	(11,153.98)
Local Sources	3,205.00	16,999.78	20,204.78	20,204.78	-
Total Revenues	360,906.00	318,755.78	679,661.78	668,052.51	(11,609.27)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	120,573.00	109,088.00	229,661.00	223,291.91	6,369.09
Purchased Professional Technical Services		650.00	650.00	650.00	-
Other Purchased Services (400-500 series)	186,573.00	11,021.00	197,594.00	197,594.00	-
Supplies & Materials		24,007.00	24,007.00	24,007.00	-
Textbooks	6,369.00	1,355.00	7,724.00	7,724.00	-
Total Instruction	313,515.00	146,121.00	459,636.00	453,266.91	6,369.09
Support Services:					
Salaries of Other Professional Staff		29,043.00	29,043.00	29,042.96	0.04
Personal Services - Employee Benefits		75,128.00	75,128.00	75,128.00	-
Purchased Professional Technical Services	25,843.00	6,919.91	32,762.91	32,475.91	287.00
Other Purchased Services (400-500 series)		10,958.00	10,958.00	6,462.06	4,495.94
Supplies & Materials	11,603.00	8,250.87	19,853.87	19,783.00	70.87
Total Support Services	\$ 37,446.00	130,299.78	167,745.78	162,891.93	4,853.85

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
EXPENDITURES(cont'd):					
Health Services:					
Salaries	\$ 9,945.00	1,878.00	11,823.00	11,436.87	386.13
Personal Services - Employee Benefits		984.00	984.00	984.00	-
Supplies & Materials		15,870.00	15,870.00	15,869.80	0.20
Total Health Services	<u>9,945.00</u>	<u>18,732.00</u>	<u>28,677.00</u>	<u>28,290.67</u>	<u>386.33</u>
Student Transportation Services:					
Salaries		23,603.00	23,603.00	23,603.00	-
Total Student Transportation Services:	<u>-</u>	<u>23,603.00</u>	<u>23,603.00</u>	<u>23,603.00</u>	<u>-</u>
Other Financing Sources (Uses)					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>360,906.00</u>	<u>318,755.78</u>	<u>679,661.78</u>	<u>668,052.51</u>	<u>11,609.27</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.00)</u>

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Notes to the Required Supplementary Information

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Notes to the Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2018

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

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 18,686,304.42	[C-2]	668,052.51
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Current Year				(5,118.55)
Prior Year				536.46
Final State Aid payment was delayed until July 2017 is recorded as GAAP revenue but is not recognized as budgetary revenue.		550,385.00		
Final State Aid payment was delayed until July 2018 is recorded as budgetary revenue but is not recognized under GAAP.		(517,294.00)		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	18,719,395.42	[B-2]	663,470.42
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	19,273,545.28	[C-2]	668,052.51
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.				
Current Year				(5,118.55)
Prior Year				536.46
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 19,273,545.28	[B-2]	663,470.42

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Required Supplementary Information – Part III

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Five Fiscal Years

	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0191182318%	0.0182685287%	0.0183104777%	0.0197664788%	0.0198192499%
District's proportionate of the net pension liability (asset)	\$ 4,450,419.00	\$ 5,410,614.00	\$ 4,110,335.00	\$ 3,700,825.00	\$ 3,787,852.00
District's covered payroll	\$ 1,349,044.00	\$ 1,320,073.00	\$ 1,235,780.00	\$ 1,218,004.00	\$ 1,355,748.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	329.89%	409.87%	332.61%	303.84%	279.39%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Five Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 177,108.00	\$ 162,295.00	\$ 157,421.00	\$ 162,952.00	\$ 149,334.00
Contributions in relation to the contractually required contribution	<u>\$ 177,108.00</u>	<u>\$ 162,295.00</u>	<u>\$ 157,421.00</u>	<u>\$ 162,952.00</u>	<u>\$ 149,334.00</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,349,044.00	\$ 1,320,073.00	\$ 1,235,780.00	\$ 1,218,004.00	\$ 1,355,748.00
Contributions as a percentage of covered-employee payroll	13.13%	12.29%	12.74%	13.38%	11.01%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Five Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 30,275,568.00</u>	<u>\$ 37,304,819.00</u>	<u>\$ 30,738,273.00</u>	<u>\$ 29,841,141.00</u>	<u>\$ 27,766,875.00</u>
Total	<u>\$ 30,275,568.00</u>	<u>\$ 37,304,819.00</u>	<u>\$ 30,738,273.00</u>	<u>\$ 29,841,141.00</u>	<u>\$ 27,766,875.00</u>
District's covered payroll	\$ 5,000,649.00	\$ 4,680,625.00	\$ 4,566,930.00	\$ 4,797,445.00	\$ 4,894,418.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 31,371,823.00</u>	<u>\$ 33,848,180.00</u>
Total	<u>\$ 31,371,823.00</u>	<u>\$ 33,848,180.00</u>
District's covered payroll	\$ 6,349,693.00	\$ 6,000,698.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.
However, information is only currently available for two years.
Additional years will be presented as they become available.

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Title I Part A	Title I/A	Title IV	IDEA Part B	IDEA Preschool	NJSBAIG Safety Grant	Wellness Grant	Sustainability Grant	Nonpublic Transportation
REVENUES:									
State Sources	238,719.00	40,360.34	10,000.00	222,450.68	3,874.00	3,204.78	15,000.00	2,000.00	23,603.00
Federal Sources									
Local Sources									
Total Revenues	238,719.00	40,360.34	10,000.00	222,450.68	3,874.00	3,204.78	15,000.00	2,000.00	23,603.00
EXPENDITURES:									
Instruction:									
Salaries of Teachers	146,366.00	8,218.00	650.00	12,262.00					
Purchased Professional Technical Services				197,594.00					
Other Purchased Services (400-500 series)									
Supplies & Materials	24,007.00								
Textbooks									
Total Instruction	170,373.00	8,218.00	650.00	209,856.00					
Support Services:									
Salaries of Other Professional Staff			4,302.00	6,057.96	3,026.00				
Personal Services - Employee Benefits	68,225.00	612.00	314.00	5,129.00	848.00				
Purchased Professional Technical Services		25,676.00	3,999.91	800.00				2,000.00	
Other Purchased Services (400-500 series)		5,654.34		607.72					
Supplies & Materials	121.00		734.09			3,204.78			
Total Support Services	68,346.00	32,142.34	9,350.00	12,594.68	3,874.00	3,204.78		2,000.00	
Health Services:									
Salaries									
Personal Services - Employee Benefits							15,000.00		
Supplies & Materials									
Total Health Services							15,000.00		
Student Transportation Services:									
Salaries									23,603.00
Total Student Transportation Services:									23,603.00
Other Financing Sources (Uses)									
None									
Total Outflows	238,719.00	40,360.34	10,000.00	222,450.68	3,874.00	3,204.78	15,000.00	2,000.00	23,603.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2018

	Nonpublic Technology	Nonpublic Textbooks	Nonpublic Speech	Nonpublic Nursing	Nonpublic Basic Skills	Nonpublic Supplemental Instruction	Nonpublic Security	Nonpublic Examination & Classification	Totals 2018
REVENUES:									
State Sources	\$ 5,148.13	7,724.00	9,820.91	13,290.67	36,319.00	10,306.00	10,575.00	15,657.00	132,443.71
Federal Sources									515,404.02
Local Sources									20,204.78
Total Revenues	5,148.13	7,724.00	9,820.91	13,290.67	36,319.00	10,306.00	10,575.00	15,657.00	668,052.51
EXPENDITURES:									
Instruction:									
Salaries of Teachers			9,820.91		36,319.00	10,306.00			223,291.91
Purchased Professional Technical Services									650.00
Other Purchased Services (400-500 series)									197,594.00
Supplies & Materials		7,724.00							24,007.00
Textbooks									7,724.00
Total Instruction	-	7,724.00	9,820.91	-	36,319.00	10,306.00	-	-	453,266.91
Support Services:									
Salaries of Other Professional Staff								15,657.00	29,042.96
Personal Services - Employee Benefits									75,128.00
Purchased Professional Technical Services									32,475.91
Other Purchased Services (400-500 series)	5,148.13						10,575.00		6,462.06
Supplies & Materials									19,783.00
Total Support Services	5,148.13	-	-	-	-	-	10,575.00	15,657.00	162,891.93
Health Services:									
Salaries				11,436.87					11,436.87
Personal Services - Employee Benefits				984.00					984.00
Supplies & Materials				869.80					15,869.80
Total Health Services	-	-	-	13,290.67	-	-	-	-	28,290.67
Facilities Acquisitions and Construction Services:									
Instructional Equipment									23,603.00
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-	-	-	-	23,603.00
Other Financing Sources (Uses)									
None									
Total Outflows	5,148.13	7,724.00	9,820.91	13,290.67	36,319.00	10,306.00	10,575.00	15,657.00	668,052.51
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-	-	-	-

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2018

	<u>Scholarship Funds</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ 10,391.33	45,261.22	55,652.55
Total Assets	<u>10,391.33</u>	<u>45,261.22</u>	<u>55,652.55</u>
LIABILITIES			
Payable to Student Groups		41,914.38	41,914.38
Accounts Payable		392.00	392.00
Payroll Deductions & Withholding		2,947.14	2,947.14
Interfund Payable		7.70	7.70
Total Liabilities	<u>-</u>	<u>45,261.22</u>	<u>45,261.22</u>
NET POSITION			
Reserve for Scholarships	\$ <u>10,391.33</u>		<u>10,391.33</u>
Total Net Position			<u>10,391.33</u>
Total Liabilities and Net Position			<u>55,652.55</u>

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
June 30, 2018

	Scholarship Funds	Totals
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
None	\$ -	-
Total Contributions	<u>-</u>	<u>-</u>
Investments Earnings:		
Interest	13.76	13.76
Net Investment Earnings	<u>13.76</u>	<u>13.76</u>
Total Additions	<u>13.76</u>	<u>13.76</u>
Deductions		
Scholarship Awards	100.00	100.00
Total Deductions	<u>100.00</u>	<u>100.00</u>
Change in Net Position	(86.24)	(86.24)
Net Position - Beginning of the Year	<u>10,477.57</u>	<u>10,477.57</u>
Net Position - End of the Year	\$ <u>10,391.33</u>	<u>10,391.33</u>

**TOWNSHIP OF DENNIS SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 June 30, 2018**

ELEMENTARY SCHOOLS	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Eighth Grade Activities	\$ 3,351.52	46,044.33	44,212.10	5,183.75
Other	35,663.94	63,117.64	61,658.95	37,122.63
Total Assets	<u>\$ 39,015.46</u>	<u>109,161.97</u>	<u>105,871.05</u>	<u>42,306.38</u>

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
June 30, 2018

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 3,530.26	8,100,639.90	8,101,215.32	2,954.84
Total Assets	<u>3,530.26</u>	<u>8,100,639.90</u>	<u>8,101,215.32</u>	<u>2,954.84</u>
LIABILITIES:				
Payroll Deductions & Withholding	3,523.08	8,100,572.39	8,101,148.33	2,947.14
Interfund Payable	7.18	67.51	66.99	7.70
Total Liabilities	<u>\$ 3,530.26</u>	<u>8,100,639.90</u>	<u>8,101,215.32</u>	<u>2,954.84</u>

LONG-TERM DEBT SCHEDULES

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2018

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding 6/30/2018				Interest Rate	Balance June 30, 2017	Increased	Decreased	Balance June 30, 2018
			Date	Amount	Amount	Interest Rate					
2010 Refunding	4/29/2010	\$ 4,750,000.00	4/1/2019	\$ 430,000.00	3.250%	\$ 1,910,000.00		435,000.00		1,475,000.00	
			4/1/2020	420,000.00	3.375%						
			4/1/2021	415,000.00	3.500%						
			4/1/2022	210,000.00	3.625%						
						\$ 1,910,000.00		435,000.00		1,475,000.00	

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2018

Description	Amount of Original Issue	Balance June 30, 2017	Issued Current Year	Retired Current Year	Balance June 30, 2018
2013 - Eight 54 Passenger Buses	698,720.00	\$ 198,645.28		98,054.56	100,590.72
2013 - Two 54 & One 50 Passenger Bus	298,437.00	103,704.36		51,455.97	52,248.39
2015 - School Buses, Security Camera System and Technology Equipment	345,185.41	139,007.29		69,023.93	69,983.36
2015 - Computers	78,670.74	-	26,199.22	26,199.22	-
2017 - Technology Equipment	400,000.00	296,772.75		96,759.32	200,013.43
2018 - Chromebooks	151,170.43	-	151,170.43		151,170.43
		<u>\$ 738,129.68</u>	<u>177,369.65</u>	<u>341,493.00</u>	<u>574,006.33</u>

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 498,881.00		498,881.00	498,881.00	-
Interest Earned		0.26	0.26		(0.26)
Total - Local Sources	<u>498,881.00</u>	<u>0.26</u>	<u>498,881.26</u>	<u>498,881.00</u>	<u>(0.26)</u>
Total Revenues	<u>498,881.00</u>	<u>0.26</u>	<u>498,881.26</u>	<u>498,881.00</u>	<u>(0.26)</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	63,881.00	0.26	63,881.26	63,881.26	-
Redemption of Principal	435,000.00		435,000.00	435,000.00	-
Total Regular Debt Service	<u>498,881.00</u>	<u>0.26</u>	<u>498,881.26</u>	<u>498,881.26</u>	<u>-</u>
Total Expenditures	<u>498,881.00</u>	<u>0.26</u>	<u>498,881.26</u>	<u>498,881.26</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.26)</u>	<u>(0.26)</u>
Fund Balance, July 1	3,449.11	-	3,449.11	3,449.11	-
Fund Balance, June 30	<u>\$ 3,449.11</u>	<u>-</u>	<u>3,449.11</u>	<u>3,448.85</u>	<u>(0.26)</u>

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Statistical Section

Dennis Township BOE
 Net Position by Component,
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

	2009	2010	2011	2012 *	2013	2014 *	2015	2016	2017	2018
Governmental activities										
Net invested in capital assets, net of related debt \$	6,791,720.83	6,857,067.15	7,577,047.87	7,329,474.90	7,300,013.50	7,303,157.69	7,363,624.47	7,588,776.65	7,241,802.49	9,221,289.56
Restricted	327,498.93	261,283.78	577,752.75	632,088.54	190,505.16	715,708.50	1,776,139.43	2,478,057.37	1,359,664.20	1,787,038.69
Unrestricted	(496,828.08)	(503,718.48)	(654,031.86)	(578,480.96)	(377,222.24)	(4,118,986.74)	(4,115,764.63)	(4,092,422.37)	(3,049,207.49)	(3,978,999.45)
Total governmental activities net position	6,622,391.68	6,614,632.45	7,590,768.76	7,383,082.48	7,113,296.42	3,899,879.45	5,023,999.27	5,974,411.65	5,552,259.20	7,029,328.80
Business-type activities										
Invested in capital assets, net of related debt	4,914.00	6,210.00	106,469.00	92,036.00	77,603.00	63,173.00	50,525.00	39,655.00	33,746.00	54,589.00
Restricted	51,595.84	54,796.62	42,073.27	88,376.67	62,989.82	52,819.36	77,421.03	78,906.50	73,058.54	66,452.29
Unrestricted	56,509.84	61,006.62	148,542.27	180,412.67	140,592.82	115,992.36	127,946.03	118,561.50	106,804.54	121,041.29
Total business-type activities net position	6,796,634.83	6,863,277.15	7,683,516.87	7,421,510.90	7,377,616.50	7,366,330.69	7,414,149.47	7,628,431.65	7,275,548.49	9,275,878.56
District-wide										
Invested in capital assets, net of related debt	327,498.93	261,283.78	577,752.75	632,088.54	190,505.16	715,708.50	1,776,139.43	2,478,057.37	1,359,664.20	1,787,038.69
Restricted	(445,232.24)	(448,921.86)	(621,958.59)	(480,104.29)	(314,232.42)	(4,066,187.38)	(4,038,343.60)	(4,013,515.87)	(2,976,148.95)	(3,912,547.16)
Unrestricted	6,678,901.52	6,675,639.07	7,739,311.03	7,563,495.15	7,253,889.24	4,015,871.81	5,151,845.30	6,092,973.15	5,659,063.74	7,150,370.09
Total district net position	6,678,901.52	6,675,639.07	7,739,311.03	7,563,495.15	7,253,889.24	4,015,871.81	5,151,845.30	6,092,973.15	5,659,063.74	7,150,370.09

* as restated

Source: CAFR Schedule A-1

Dennis Township BOE
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
Instruction:										
Regular	4,208,142.41	4,356,352.75	4,384,879.55	4,653,865.17	4,446,565.65	4,195,635.27	4,758,421.83	4,749,939.43	5,980,072.04	5,832,722.78
Special education	2,447,134.57	2,630,386.28	2,335,735.94	2,203,939.14	2,475,893.27	2,463,863.06	3,043,771.16	3,268,533.62	3,716,945.70	3,732,580.83
Other special education	292,662.24	402,367.82	361,546.52	513,744.34	483,815.07	687,737.50	682,214.67	720,637.32	840,512.25	1,047,246.46
Support Services:										
Tuition	4,440,851.05	4,282,788.94	4,317,962.24	4,314,462.20	4,417,078.42	3,803,743.62	3,516,068.06	3,560,892.78	3,874,022.00	3,878,545.08
Student & instruction related services	1,529,250.20	1,705,948.37	1,544,564.04	1,626,632.02	1,687,295.45	1,525,452.99	1,883,001.88	2,043,176.61	2,191,984.36	2,330,683.85
General and business administrative services	399,645.45	408,973.39	414,823.80	402,729.00	504,564.47	517,361.61	544,741.80	472,320.52	639,297.09	602,603.81
School administrative services	1,110,022.73	538,056.50	365,693.50	471,808.19	421,012.86	342,943.77	337,071.98	420,904.72	482,346.25	481,951.31
Plant operations and maintenance	951,943.29	1,042,299.80	1,026,266.78	1,037,693.38	1,453,346.50	1,095,341.08	1,111,792.72	1,083,932.44	1,201,517.51	1,312,325.12
Pupil transportation	349,994.30	1,060,844.00	1,114,798.82	1,233,972.93	997,205.38	1,170,368.86	1,040,595.80	986,213.18	1,186,516.55	1,162,051.26
Central and Technical Services	8,979.34	9,621.34	257,729.67	339,275.03	342,835.75	336,808.43	352,236.14	423,931.23	432,120.63	433,342.87
Charter Schools	-	-	-	32,013.00	47,907.00	-	91,783.00	52,715.00	47,402.00	13,441.00
Amortization of Debt Issue Costs	261,594.50	227,857.00	129,532.52	120,728.76	129,398.44	130,500.86	117,062.42	105,630.24	92,109.47	78,602.75
Interest on long-term debt	16,511,225.86	16,935,407.63	16,278,357.38	16,950,963.16	17,450,137.26	16,312,448.07	17,478,751.48	17,911,827.09	20,686,845.85	20,906,097.12
Total governmental activities expenses										

**Dennis Township BOE
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Food service	219,238.80	215,783.50	208,328.43	212,677.07	245,693.64	233,194.40	172,503.58	176,792.05	206,749.37	176,333.67
Community Education	62,827.12	86,028.17	77,307.02	65,671.36	63,863.05	58,221.96	60,199.81	74,200.79	81,992.45	85,303.90
Total business-type activities expenses	31,1623.92	311,812.67	285,635.45	278,348.43	309,556.69	291,416.36	232,703.39	250,992.84	288,741.82	262,537.57
Total district expenses	16,822,651.76	17,307,420.60	16,353,932.63	17,223,311.59	17,799,335.39	16,603,894.43	17,711,494.37	18,164,819.93	20,375,367.67	21,166,534.69
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	10,668.00	15,680.00	7,784.00	100,881.00	63,170.60	512,015.19	509,767.25	522,797.26	573,281.52	595,772.22
Pupil transportation	1,229.33	496.61	258.40		517,446.62	702,164.00	689,763.77	706,972.20	916,614.72	878,753.56
Operating grants and contributions	674,194.89	1,126,828.49	628,014.37	2,708,048.77		1,417,629.96	2,829,588.25	3,246,712.14	4,167,517.12	5,220,303.21
Total governmental activities program revenues	666,092.22	1,143,005.10	636,056.77	2,808,929.77	560,617.22	2,631,809.15	4,029,119.27	4,476,481.60	5,657,413.36	6,694,828.99
Business-type activities:										
Charges for services:										
Food service	141,096.98	134,892.15	119,294.47	151,810.36	112,593.01	98,065.37	77,230.54	72,644.87	76,832.06	75,103.64
Community Education	85,685.91	103,840.01	60,935.09	60,741.22	60,424.14	72,131.64	80,934.81	66,943.66	84,831.38	80,332.12
Operating grants and contributions	74,335.16	77,379.52	78,177.14	97,632.15	96,617.21	96,707.32	86,474.32	89,070.65	95,096.84	96,348.80
Total business-type activities program revenue	301,118.05	316,111.68	258,406.70	310,183.73	269,624.36	266,904.33	244,639.67	228,659.18	256,760.28	251,784.56
Total district program revenue	987,210.27	1,459,116.78	894,463.47	3,119,113.50	850,241.58	2,898,713.48	4,273,758.94	4,705,140.78	5,914,173.64	6,946,613.55
Net (Expense)/Revenue										
Governmental activities	(15,825,133.64)	(15,852,402.53)	(15,642,300.61)	(14,142,033.39)	(16,889,520.04)	(13,680,638.92)	(13,449,632.21)	(13,435,345.49)	(15,029,432.49)	(14,211,268.13)
Business-type activities	(10,507.87)	4,298.71	(27,228.75)	31,535.30	(39,632.33)	(24,612.03)	11,936.28	(24,333.66)	(31,981.54)	(10,453.01)
Total district-wide net expense	(15,835,641.51)	(15,848,103.82)	(15,669,529.36)	(14,110,498.09)	(16,929,152.37)	(13,705,250.95)	(13,437,695.93)	(13,459,679.15)	(15,061,414.03)	(14,221,721.14)

**Dennis Township BOE
Changes in Net Position,
Last Ten Fiscal Years**
(accrual basis of accounting)
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	7,558,993.00	7,761,341.00	8,071,794.00	8,071,794.00	8,365,273.00	8,532,578.00	8,703,230.00	8,703,854.00	8,877,931.00	9,184,652.00
Taxes levied for debt service	543,445.00	532,141.00	533,971.00	618,619.00	579,303.00	579,619.00	555,669.00	535,432.00	520,523.00	486,881.00
Unrestricted grants and contributions	7,369,536.20	7,445,674.89	7,100,097.53	5,434,504.86	7,404,301.56	5,099,346.64	5,164,980.62	5,157,206.47	5,193,461.98	5,066,766.04
Fixed Asset Adjustment	(4,929.00)	-	816,841.00	-	-	(82,149.00)	-	(586.00)	-	908,308.88
Miscellaneous income	68,171.02	105,486.41	95,733.39	14,729.25	60,346.24	12,100.08	150,272.21	16,785.43	33,364.55	29,727.81
Transfers	-	-	-	-	-	-	-	(6,934.03)	(18,006.49)	-
Total governmental activities	15,555,006.22	15,844,643.30	16,618,436.92	14,139,947.11	16,409,228.82	14,141,496.72	14,573,752.03	14,385,757.87	14,607,280.04	15,688,337.73
Business-type activities:										
Miscellaneous income	610.24	198.07	75.40	35.10	12.48	11.57	17.39	8,015.10	2,218.09	22.26
Transfers	-	-	-	-	-	-	-	6,934.03	18,006.49	-
Fixed Asset Adjustment	-	-	114,689.00	-	-	-	-	-	-	24,667.50
Reduction of Receivable	610.24	198.07	114,764.40	35.10	12.48	11.57	17.39	14,949.13	20,224.58	24,689.76
Total business-type activities	15,555,616.46	15,844,841.37	16,733,201.32	14,139,882.21	16,409,241.30	14,141,508.29	14,573,769.42	14,400,707.00	14,627,504.62	15,713,027.49
Changes in Net Position	(270,127.42)	(7,759.23)	976,136.31	(2,186.28)	(460,291.22)	460,657.80	1,124,119.82	950,412.38	(422,152.45)	1,477,069.60
Governmental activities	(9,897.63)	4,496.78	87,535.65	31,870.40	(39,819.85)	(24,600.46)	11,953.67	(9,384.53)	(11,756.96)	14,236.75
Business-type activities	(260,025.09)	(3,262.45)	1,063,671.96	(29,864.12)	(500,111.07)	436,257.34	1,136,073.49	941,027.65	(433,909.41)	1,491,306.35
Total district										

Source: CAFR Schedule A-2

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Restricted			210,648.45	194,517.12	20,243.71	329,323.19	1,089,735.87	1,091,573.29	645,225.16	644,755.75
Committed			125,467.54	125,622.43	38,693.34	386,385.31	686,403.56	855,234.08	514,439.04	624,908.94
Assigned			177,349.49	311,948.99	131,568.11			531,250.00	200,000.00	517,374.00
Unassigned			(229,369.15)	(261,199.23)	(262,386.89)	(204,044.93)	(120,909.30)	103,075.57	1,124,735.40	320,580.70
Reserved	322,499.57	235,731.42								
Unreserved	(191,271.26)	(171,839.46)								
Total general fund	131,228.31	63,891.96	284,076.33	370,889.31	(71,881.73)	511,663.57	1,655,230.13	2,561,132.94	2,484,399.60	2,107,619.39
All Other Governmental Funds										
Restricted										
Reported in Capital projects fund	67,704.36	67,704.36	13,237.24	19,810.91	0.15	0.39	0.63	1.37	3,449.11	3,448.85
Debt service fund			19,810.67							
Committed			67,704.36							
Assigned										
Unassigned										
Unreserved, reported in:										
Special revenue fund	13,204.77	13,204.77								
Capital projects fund	0.19	0.19								
Debt service fund	80,909.32	80,909.32	100,752.27	19,810.91	0.15	0.39	0.63	1.37	3,449.11	3,448.85
Total all other governmental funds	\$ 80,909.32	\$ 80,909.32	\$ 100,752.27	\$ 19,810.91	\$ 0.15	\$ 0.39	\$ 0.63	\$ 1.37	\$ 3,449.11	\$ 3,448.85

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

Source: CAFR Schedule B-1

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

Exhibit J-4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	8,102,428.00	8,293,482.00	8,605,765.00	8,690,613.00	8,944,581.00	9,112,197.00	9,258,899.00	9,239,286.00	9,398,460.00	9,683,533.00
Tuition charges	10,668.00	15,680.00	7,784.00	19,600.00	39,142.20	70,371.19	68,123.25	81,153.26	131,637.52	154,128.22
Interest earnings	1,229.33	496.61	258.40	154.89	44.64	18.26	18.25	80.52	204.96	220.90
Transportation Fees	31,457.00	37,557.62	34,558.92	12,875.59	24,028.40	53,169.00	42,453.77	61,419.20	270,793.72	232,723.56
Miscellaneous	38,867.31	72,673.79	66,246.47	116,562.36	66,029.67	12,081.82	155,125.96	16,704.91	45,555.39	50,048.15
State sources	7,652,774.00	7,669,668.80	7,272,806.94	7,494,443.34	7,479,754.99	7,237,860.40	7,305,049.05	7,444,413.99	7,620,892.42	7,746,617.15
Federal sources	409,603.80	898,089.58	450,232.96	595,905.34	436,265.14	369,757.20	430,337.02	411,221.62	389,882.88	535,396.86
Total revenue	16,246,027.44	16,987,648.40	16,437,652.69	16,930,744.52	16,989,846.04	16,855,454.87	17,260,066.30	17,254,279.50	17,857,426.89	18,402,667.84
Expenditures										
Instruction:										
Regular instruction	3,153,513.95	3,141,441.18	3,027,508.03	3,139,042.93	3,047,297.81	2,749,670.99	2,666,257.56	2,714,200.48	2,992,137.24	2,873,016.12
Special education instruction	1,793,846.51	1,988,406.76	1,724,126.41	1,567,362.93	1,696,940.58	1,664,545.83	1,752,401.85	1,846,618.39	1,926,435.58	1,942,373.20
Other special education instruction	273,666.00	283,986.55	253,950.33	351,233.15	331,154.71	453,924.51	362,265.87	396,796.75	423,618.00	505,600.66
Support Services:										
Tuition	4,440,851.05	4,282,788.94	4,292,826.24	4,339,598.20	4,417,078.42	3,803,743.62	3,516,058.06	3,560,892.78	3,874,022.00	3,878,545.08
Student & Instruction Related Serv.	1,153,555.38	1,256,980.63	1,122,518.56	1,146,098.48	1,159,627.40	1,055,485.40	1,096,623.75	1,184,110.79	1,167,824.00	1,236,535.77
General Administrative Services	323,884.50	329,069.48	328,742.64	388,157.77	345,785.56	412,916.07	402,555.47	302,380.56	384,689.37	391,782.02
School Administrative Services	372,538.68	384,457.25	259,013.36	279,269.23	288,526.40	235,146.98	231,920.58	234,051.82	252,627.12	251,845.35
Central and Technical Services	259,824.46	240,801.55	196,120.79	242,849.20	234,950.46	230,897.66	237,324.65	238,898.41	230,589.32	232,247.66
Plant operations and maintenance	974,004.37	895,946.84	904,969.19	906,718.41	996,000.05	971,191.80	970,799.65	918,030.19	1,012,530.99	1,045,629.63
Pupil transportation	889,410.53	972,769.74	1,043,206.70	1,116,764.86	1,160,310.66	1,070,484.21	986,871.92	949,968.99	1,079,252.34	985,149.44
Unallocated employee benefits	2,299,064.80	2,565,691.29	2,365,833.60	2,707,436.37	3,079,194.03	2,913,530.95	3,136,964.35	3,186,111.12	3,819,888.44	3,846,777.40
Charter Schools	8,979.34	9,621.34	24,825.00	32,013.00	43,309.00	42,491.00	91,783.00	52,715.00	47,402.00	13,441.00
Capital outlay	5,000.00	94,613.20	67,665.00	89,509.74	53,134.00	366,698.55	444,189.44	181,235.38	604,608.34	1,254,993.37
Debt service:										
Principal	365,000.00	370,000.00	451,000.00	485,000.00	475,000.00	465,000.00	455,000.00	445,000.00	440,000.00	435,000.00
Interest and other charges	266,827.50	248,410.00	135,219.52	133,818.76	124,118.76	114,618.76	100,688.76	90,431.26	77,081.26	63,881.26
Total Expenditures	16,579,667.07	17,054,984.75	16,197,625.37	16,924,873.03	17,452,427.84	16,570,346.33	16,461,684.91	16,321,441.92	18,332,706.00	18,956,817.96
Excess (Deficiency) of revenues over (under) expenditures	(333,639.63)	(67,336.35)	240,027.32	5,871.49	(462,581.80)	285,108.54	798,381.39	932,837.58	(475,279.11)	(554,150.12)
Other Financing Sources (Uses)										
Transfer in										
Transfer out				31,159.08						
Capital Leases (non-budgeted)				(31,159.08)						
Total other financing sources (uses)						298,437.00	345,185.41	(6,934.03)	(18,006.49)	177,369.65
Extraordinary Item										
Loss on Sale of Securities						298,437.00	345,185.41	(6,934.03)	381,993.51	177,369.65
Net change in fund balances	(333,639.63)	(67,336.35)	240,027.32	5,871.49	(462,581.80)	583,545.54	1,143,566.80	925,903.55	(93,285.60)	(376,780.47)
Debt service as a percentage of noncapital expenditures	3.81%	3.65%	3.63%	3.68%	3.44%	3.58%	3.47%	3.32%	2.92%	2.82%

Source: CAFR Schedule B-2

Exhibit J-5

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

Fiscal Year Ended June 30,	Interest on		Rentals	Miscellaneous	Totals
	Investments				
2009	13,156.59			56,243.76	69,400.35
2010	4,645.12		9,790.00	91,547.90	105,983.02
2011	2,638.14			63,866.73	66,504.87
2012	154.89		10,800.00	105,752.36	116,707.25
2013	589.33		11,340.00	54,100.34	66,029.67
2014	460.55		945.00	10,676.27	12,081.82
2015	850.33			154,275.63	155,125.96
2016	1,305.74			15,479.69	16,785.43
2017	1,423.51			35,447.52	36,871.03
2018	220.90			29,506.91	29,727.81

Source: District Records

Exhibit J-6

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-Exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	County Equalized Value
2009	63,040,300	813,938,500	15,189,200	1,468,000	154,133,700			1,047,769,700	-	2,803,517	1,050,573,217	0.790	1,066,025,588
2010	60,025,300	812,078,200	20,209,700	1,467,400	156,771,400			1,050,542,000	-	2,811,828	1,053,353,828	0.817	1,020,714,204
2011	57,469,100	811,964,200	20,873,800	1,524,500	158,669,000			1,050,700,600	-	2,382,494	1,053,083,094	0.826	970,217,465
2012	55,807,100	815,407,400	20,263,900	1,557,900	160,861,300			1,053,897,600	-	2,435,833	1,056,333,433	0.847	927,425,591
2013	52,651,800	813,867,200	19,701,800	1,615,700	160,572,700			1,048,409,200	-	2,273,886	1,050,683,086	0.868	876,367,053
2014	51,240,800	807,499,800	19,448,900	1,631,800	162,130,500			1,041,951,800	-	1,813,977	1,043,765,777	0.888	845,813,506
2015	30,156,600	641,121,000	16,023,600	1,704,300	187,451,500			876,457,000	-	1,807,521	878,264,521	1.052	876,640,878
2016	30,241,400	642,097,400	14,797,200	1,574,400	188,511,100			877,221,500	-	1,795,285	879,016,785	1.070	879,251,318
2017	29,852,400	645,392,900	13,729,600	1,557,200	188,466,400			878,998,500	-	-	878,998,500	1.102	888,435,385
2018	29,157,100	649,181,900	14,003,500	1,558,000	188,413,400			882,313,900	-	-	882,313,900	1.141	899,743,003

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

Exhibit J-7

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

Fiscal Year Ended June 30,	Dennis Township BOE			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	Obligation Debt Service	General	County General	County Open Space	County Other	Other	Municipal Local Purpose	
2009	0.738	0.052	0.790	0.165	0.011	0.030		0.139	1.135
2010	0.766	0.051	0.817	0.168	0.010	0.029		0.140	1.164
2011	0.775	0.051	0.826	0.168	0.010	0.027		0.141	1.172
2012	0.788	0.059	0.847	0.169	0.009	0.026		0.166	1.217
2013	0.813	0.055	0.868	0.171	0.009	0.025		0.171	1.244
2014	0.833	0.055	0.888	0.170	0.009	0.024		0.171	1.262
2015	0.999	0.053	1.052	0.214	0.010	0.029		0.214	1.519
2016	1.009	0.061	1.070	0.218	0.011	0.030		0.214	1.543
2017	1.043	0.059	1.102	0.221	0.011	0.034		0.224	1.592
2018	1.084	0.057	1.141	0.229	0.011	0.034		0.230	1.645

Source: District Records and Municipal Tax Collector

Exhibit J-8

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

Taxpayer	2018			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Turner Partners, L.P.	\$ 24,794,100	1	2.81%	\$ 9,728,700	1	0.93%
Sun Driftwood RV, LLC	20,389,700	2	2.31%	8,357,600	3	0.80%
Pine Haven, LLC	16,276,900	3	1.84%	7,119,700	5	0.68%
Catanoso Family Limited Partnership	9,696,100	4	1.10%	3,503,300	8	0.34%
MHC Lake & Shore	9,413,400	5	1.07%			
Robertson RV, LLC	4,867,800	6	0.55%			
Tamerlane Campground, Inc	4,341,200	7	0.49%			
Taxpayer #1	3,873,400	8	0.44%	4,400,000	6	0.42%
Resorts Campground Corp	3,353,700	9	0.38%	2,972,200	10	0.28%
Minmar Management, LLC	3,298,800	10	0.37%	3,151,400	9	0.30%
O.W. Acquisition Corp				8,803,500	2	0.84%
Sea Quest Enterprises, LLC				7,004,500	4	0.67%
The Stafford Family				3,633,000	7	0.35%
Totals	\$ 100,305,100		11.37%	\$ 58,673,900		5.62%
	District Assessed Value		\$ 882,313,900			\$ 1,043,777,371

Source: District CAFR & Municipal Tax Assessor

**Dennis Township BOE
Property Tax Levies and Collections,
Last Ten Fiscal Years
(Unaudited)**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	8,102,428.00	8,102,428.00	100%	-
2010	8,293,482.00	8,293,482.00	100%	-
2011	8,605,765.00	8,605,765.00	100%	-
2012	8,690,613.00	8,690,613.00	100%	-
2013	8,944,581.00	8,944,581.00	100%	-
2014	9,112,197.00	9,112,197.00	100%	-
2015	9,258,899.00	9,258,899.00	100%	-
2016	9,239,286.00	9,239,286.00	100%	-
2017	9,398,460.00	9,398,460.00	100%	-
2018	9,683,533.00	9,683,533.00	100%	-

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

Exhibit J-10

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

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)	Business-Type Activities		Total District	Percentage of Personal Income	Debt Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases			Capital Leases				
2009	5,222,000		230,880		5,452,880		5,452,880	0.80%	43,392	
2010	5,126,000		168,049		5,294,049		5,294,049	0.84%	44,398	
2011	4,675,000		157,277		4,832,277		4,832,277	0.97%	46,728	
2012	4,190,000		165,485		4,355,485		4,355,485	1.11%	48,457	
2013	3,715,000		649,460		4,364,460		4,364,460	1.13%	49,250	
2014	3,250,000		866,069		4,116,069		4,116,069	1.23%	50,710	
2015	2,795,000		946,020		3,741,020		3,741,020	1.42%	53,209	
2016	2,350,000		671,555		3,021,555		3,021,555	1.82%	54,865	
2017	1,910,000		738,130		2,648,130		2,648,130	2.07%	54,865	
2018	1,475,000		574,006		2,049,006		2,049,006	2.68%	54,865	

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

Exhibit J-11

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

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Bonded Debt Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	5,222,000	-	5,222,000	0.50%	43,392
2010	5,126,000	-	5,126,000	0.49%	44,398
2011	4,675,000	-	4,675,000	0.44%	46,728
2012	4,190,000	-	4,190,000	0.40%	48,457
2013	3,715,000	-	3,715,000	0.35%	49,250
2014	3,250,000	-	3,250,000	0.31%	50,710
2015	2,795,000	-	2,795,000	0.32%	53,209
2016	2,350,000	-	2,350,000	0.27%	54,865
2017	1,910,000	-	1,910,000	0.22%	54,865
2018	1,475,000	-	1,475,000	0.17%	54,865

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

Exhibit J-12

**Dennis Township BOE
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2017
(Unaudited)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Local Municipality - December 31, 2017	\$ 2,212,500	100.00%	\$ 2,212,500
Other Debt			
County of Cape May	\$ 226,578,595	1.81%	\$ 4,106,725
Subtotal, Overlapping Debt			<u>6,319,225</u>
Dennis Township School District Direct Debt			<u>1,475,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 7,794,225</u></u>

Sources:
 Dennis Township BOE - 2018 Audit Report
 County of Cape May - 2017 Annual Debt Statement
 Dennis Township 2017 Debt Statement
 District Records

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

Exhibit J-13

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 30,017,886	\$ 30,948,780	\$ 30,349,338	\$ 29,008,507	\$ 27,645,853	\$ 26,463,934	\$ 25,962,943	\$ 25,944,320	\$ 26,318,874	\$ 26,564,199
Total net debt applicable to limit	5,587,000	5,126,000	4,675,000	4,190,000	3,715,000	3,250,000	2,795,000	2,350,000	1,910,000	1,475,000
Legal debt margin	\$ 24,430,886	\$ 25,822,780	\$ 25,674,338	\$ 24,818,507	\$ 23,930,853	\$ 23,213,934	\$ 23,167,943	\$ 23,594,320	\$ 24,408,874	\$ 25,089,199
Total net debt applicable to the limit as a percentage of debt limit	18.61%	16.56%	15.40%	14.44%	13.44%	12.28%	10.77%	9.06%	7.26%	5.55%

	2017	2016	2015
Equalized valuation basis:	\$ 895,292,829	\$ 885,545,629	\$ 875,581,419
	\$ 2,656,419,877	\$ 2,656,419,877	\$ 2,656,419,877

	2017	2018
Average equalized valuation of taxable property	\$ 885,473,292	\$ 885,473,292
Debt limit (3% of average)	26,564,199	26,564,199
Net bonded school debt	1,475,000	1,475,000
Legal debt margin	\$ 25,089,199	\$ 25,089,199

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

**Dennis Township BOE
Demographic and Economic Statistics,
Last Ten Fiscal Years
(Unaudited)**

Exhibit J-14

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	** Per Capita Personal Income	Unemployment Rate
2009	5,758	249,851,136	43,392	7.2%
2010	6,468	287,166,264	44,398	7.6%
2011	6,430	300,461,040	46,728	8.0%
2012	6,423	311,239,311	48,457	8.2%
2013	6,364	313,427,000	49,250	9.9%
2014	6,337	321,349,270	50,710	9.9%
2015	6,297	335,057,073	53,209	8.3%
2016	6,271	344,058,415	54,865	7.0%
2017	6,253	343,070,845	54,865	6.4%
2018	6,253	343,070,845	54,865	6.4%

** County wide information

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

Exhibit J-15

**Dennis Township BOE
Principal Employers,
Current Year and Nine Years Ago
(Unaudited)**

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
Totals	-		0.00%	-		0.00%

This Information is not available for this district.

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular	39	50	45	46	42	41	40	38	37	40
Special Ed	19	21	18	18	17	16	19	18	19	18
Other Spec. Ed	14	14	8	10	7	7	4	4	3	3
Other Instruction	12	0	7	5	7	7	7	6	8	9
Support Services										
Student & Instruction Related Services	12	19	15	17	19	19	17	21	24	19
General Administration	2	2	2	2	2	2	2	2	2	2
School Administration Services	4	5	4	4	4	4	4	4	4	4
Other Administration services										
Central Services		3	3	3	3	3	3	3	3	3
Administrative Information Technology			1	1	1	1	2	2	2	2
Plant Operations and Maintenance	11	11	9	13	9	9	8	8	8	8
Pupil Transportation	20	19	18	18	24	24	27	25	30	23
Other Support Services	9	3	4							
	<u>142</u>	<u>147</u>	<u>134</u>	<u>137</u>	<u>135</u>	<u>133</u>	<u>133</u>	<u>131</u>	<u>140</u>	<u>131</u>

Source: District Personnel Records

Dennis Township BOE
 Operating Statistics,
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year Ended June 30,	a.		b.		c.		Pupil/Teacher Ratio		d.		d.		Student Attendance Percentage
	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	All Schools	Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment		
2009	651	15,943,140	24,490	6.73%	70	1:9.3	658	621	-4.50%	621	-4.50%	94.38%	
2010	639	16,341,962	25,574	4.43%	71	1:9.0	632	596	-3.95%	596	-3.95%	94.22%	
2011	620	15,543,741	25,071	-1.97%	70	1:8.8	620	585	-1.90%	585	-1.90%	94.35%	
2012	616	16,234,577	26,355	5.12%	72	1:8.5	617	582	-0.48%	582	-0.48%	94.33%	
2013	593	16,800,175	28,331	7.50%	73	1:8.1	594	561	-3.73%	561	-3.73%	94.44%	
2014	582	15,624,029	26,845	-5.24%	71	1:8.2	583	555	-1.85%	555	-1.85%	95.20%	
2015	530	15,461,827	29,173	8.67%	70	1:7.6	530	500	-9.09%	500	-9.09%	94.34%	
2016	544	15,604,775	28,685	-1.67%	67	1:7.7	533	503	0.57%	503	0.57%	94.37%	
2017	543	17,211,016	31,696	10.50%	67	1:7.8	544	514	2.06%	514	2.06%	94.49%	
2018	553	18,682,022	33,783	6.58%	70	1:7.9	551	534	1.29%	534	1.29%	96.91%	

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

- a Enrollment based on annual October district count.
- b Operating expenditures equal total expenditures less debt service and capital outlay.
- c Teaching staff includes only full-time equivalents of certificated staff.
- d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Dennis Township BOE
 School Building Information,
 Last Ten Fiscal Years
 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
District Buildings										
Elementary										
Dennis Township Elementary/ Middle School (1950)										
Square Feet	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220
Capacity	608	608	608	608	608	608	608	608	608	608
Students	450	432	424	421	421	416	290	245	284	282
Dennis Township Primary School (2004)										
Square Feet	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105
Capacity	329	329	329	329	329	329	329	329	329	329
Students	201	197	196	195	195	166	240	299	259	271
Other										
Administration Building (1996)										
Square Feet	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960
Bus Maintenance Garage (1970)										
Square Feet	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980

Source: District Records, ASSA

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

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Dennis Elementary	N/A	\$ 160,962	185,086	200,609	180,859	307,706	127,084	191,531	194,305	190,494	271,245
Dennis Primary	N/A	50,872	22,580	28,971	71,613	43,148	72,793	55,213	59,551	61,154	75,860
Total School Facilities		211,834	207,666	229,580	252,472	350,854	199,877	246,744	253,856	251,648	347,105
Other Facilities											
Grand Total		\$ 211,834	207,666	229,580	252,472	350,854	199,877	246,744	253,856	251,648	347,105

Source: District Records

**Dennis Township BOE
Insurance Schedule
For the Fiscal Year Ended June 30, 2018
(Unaudited)**

Exhibit J-20

<u>Company</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
<u>School Alliance Insurance Fund</u>		
School (Commerical) Package Policy		
Property - Blanket Buildings & Contents	\$ 33,634,484	\$ 2,500
General Liability		
General Aggregate	50,000,000	
Boiler and Machinery	100,000,000	2,500
Cyber Liability	2,000,000	10,000
Crime	500,000	1,000
Business Auto Section	5,000,000	1,000
Commercial Excess Liability	5,000,000	
<u>SAIF</u>		
School Leaders E&O Liability	5,000,000	
Pollution Liability	25,000,000	
<u>ACE American Insurance Company</u>		
Storage Tank Liability		
Per Storage Tank Incident of Liability	500,000	5,000
Aggregate Limit of Liability	1,000,000	
<u>New Jersey School Insurance Group</u>		
Workers Compensation Policy		
Per Occurrence/Aggregate	2,000,000	
<u>Berkley Insurance Company/Bob McCloskey Insurance</u>		
Student Accident Policies	1,000,000	
<u>United States Fire Ins. Co/ McCloskey Insurance Company</u>		
Catastrophic Student Accident Coverage		
Accident Medical Expense Benefit	2,500,000	
Catastrophic Cash Benefit	500,000	25,000
<u>Ohio Casualty</u>		
Surety Bonds		
Treasurer	210,000	
Business Administrator	10,000	

Source: District Records

Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-1 INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Dennis School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Township of Dennis School District's basic financial statements, and have issued our report thereon dated January 28, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

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

January 28, 2019



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-2 INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE;
AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE

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

Report on Compliance for Each Major State Program

We have audited the Dennis Township School District, County of Cape May, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major programs for the year ended June 30, 2018. The Dennis Township School District's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Dennis Township School District's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB 15-08. Those standards, the Uniform Guidance and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the Dennis Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Program

In our opinion, the Dennis Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

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

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

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

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

Report on Schedules of Expenditures of Federal Awards Required by the Uniform Guidance and Expenditures of State Financial Assistance Required by NJ OMB 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund of the Dennis Township School District as of and for the year ended June 30, 2018, and have issued our report thereon dated January 28, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

January 28, 2019

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Statement of Expenditures
for the Fiscal Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2017	Cayover/ Amount	Cash Received	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018	
									Pass Through	Source	Direct				Unencumbered Revenue	Due to Grantor
U.S. Department of Education																
General Fund																
Medical Assistance Program	93.778	1705NJ5MAP	N/A	7/1/2017	6/30/2018	\$ 23,694.04	\$ -	23,694.04	(23,694.04)	-	-	-	-	-	-	-
Total General Fund								23,694.04	(23,694.04)	-	-	-	-	-	-	-
U.S. Department of Education Passed-Through State Department Education:																
Special Revenue Fund:																
Special Education Cluster (IDEA):																
IDEA-1080-18	84.027A	H027A170100	IDEA-1080-18	7/1/2017	6/30/2018	222,476.00	-	221,601.00	(222,460.68)	-	-	(860.00)	-	-	-	-
IDEA-A, Part B, Basic	84.027A	H027A180100	IDEA-1080-17	7/1/2016	6/30/2017	219,089.00	(1,287.00)	1,287.00	-	-	-	-	-	-	-	-
IDEA-A, Part B, Preschool	84.173A	H173A170114	IDEA-1080-18	7/1/2017	6/30/2018	4,296.00	-	3,026.00	(3,874.00)	-	-	(848.00)	-	-	-	-
IDEA-A, Part B, Preschool	84.173A	H173A160114	IDEA-1080-17	7/1/2016	6/30/2017	3,795.00	(354.00)	354.00	-	-	-	-	-	-	-	-
Total Special Education Cluster (IDEA)							(1,621.00)	226,248.00	(226,324.68)	-	-	(1,698.00)	-	-	-	-
Title I, Part A Cluster:																
Title I	84.010A	S010A170030	ESEA-1080-18	7/1/2017	6/30/2018	242,945.00	-	174,936.00	(238,719.00)	-	-	(63,783.00)	-	-	-	-
Total Title I, Part A Cluster	84.010A	S010A160030	NCLB-1080-17	7/1/2016	6/30/2017	108,549.00	(6,274.00)	6,274.00	-	-	-	(63,783.00)	-	-	-	-
Elementary and Secondary Education Act (ESEA):																
Title IA	84.367A	S367A170029	ESEA-1080-18	7/1/2017	6/30/2018	47,263.00	-	36,905.00	(40,360.34)	-	-	(4,455.00)	-	-	-	-
Title IV	84.424A	S442A170031	ESEA-1080-18	7/1/2017	6/30/2018	10,000.00	-	2,153.00	(10,000.00)	-	-	(7,847.00)	-	-	-	-
Total Elementary and Secondary Education Act (ESEA)							-	39,058.00	(50,360.34)	-	-	(12,302.00)	-	-	-	-
No Child Left Behind (NCLB):																
Title IIA	84.367A	S367A160029	NCLB-1080-17	7/1/2016	6/30/2017	30,676.00	(2,976.00)	2,976.00	-	-	-	-	-	-	-	-
Total No Child Left Behind (NCLB)							(10,971.00)	448,492.00	(515,404.02)	-	-	(77,783.00)	-	-	-	-
Total Special Revenue Fund																
U.S. Department of Education Passed-Through State Department of Education:																
Enterprise Fund:																
Child Nutrition Cluster:																
National School Lunch Program	10.555	171NJ304N1099	N/A	7/1/2017	6/30/2018	61,604.08	-	57,231.88	(61,604.08)	-	-	(4,372.20)	-	-	-	-
National School Lunch Program	10.555	1616NJ304N1099	N/A	7/1/2016	6/30/2017	59,632.14	(4,137.60)	4,137.60	-	-	-	-	-	-	-	-
National School Breakfast Program	10.553	171NJ304N1099	N/A	7/1/2017	6/30/2018	17,864.85	-	16,568.83	(17,864.85)	-	-	(1,296.02)	-	-	-	-
National School Breakfast Program	10.553	1616NJ304N1099	N/A	7/1/2016	6/30/2017	11,675.42	(1,229.72)	1,229.72	-	-	-	-	-	-	-	-
Total Child Nutrition Cluster							(5,367.32)	79,168.03	(79,468.93)	-	-	(6,668.22)	-	-	-	-
Food Distribution Program																
Total Enterprise Fund	10.555	171NJ304N1099	N/A	7/1/2017	6/30/2018	15,077.76	-	15,077.76	(15,077.76)	-	-	-	-	-	-	-
Total Federal Financial Aids							(6,367.32)	94,245.79	(94,546.69)	-	-	(6,668.22)	-	-	-	-
(A) Transfer to General Fund							(16,298.32)	566,431.03	(633,644.75)	-	-	(63,451.22)	-	-	-	-

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

TOWNSHIP OF DENNIS SCHOOL DISTRICT
Financial Assistance
for the Fiscal Year ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Unearned Revenue (Accts. Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2018		MEMO
			From	To								(Accounts Receivable)	Unearned Revenue	
State Department of Education														
General Fund:														
State Aid Public Cluster:														
Equalization Aid	18-465-034-5120-078	1,063,893.00	7/1/2017	6/30/2018	-	-	1,063,893.00	(1,063,893.00)	-	-	-	-	(91,080.81)	1,063,893.00
Special Education Aid	18-465-034-5120-089	441,644.00	7/1/2017	6/30/2018	-	-	441,644.00	(441,644.00)	-	-	-	-	(37,801.22)	441,644.00
Library Aid	18-465-034-5120-085	3,695,325.00	7/1/2017	6/30/2018	-	-	3,695,325.00	(3,695,325.00)	-	-	-	-	(316,348.18)	3,695,325.00
Adult Adjustment Aid	18-465-034-5120-085	89,244.00	7/1/2017	6/30/2018	-	-	89,244.00	(89,244.00)	-	-	-	-	(9,694.50)	89,244.00
Pre Pupil Growth Aid	18-465-034-5120-097	6,880.00	7/1/2017	6/30/2018	-	-	6,880.00	(6,880.00)	-	-	-	-	(888.87)	6,880.00
PARCC Readiness	18-465-034-5120-098	6,880.00	7/1/2017	6/30/2018	-	-	6,880.00	(6,880.00)	-	-	-	-	(888.87)	6,880.00
Professional Learning Community Aid	18-465-034-5120-101	6,050.00	7/1/2017	6/30/2018	-	-	6,050.00	(6,050.00)	-	-	-	-	(517.83)	6,050.00
Total State Aid Public Cluster		641,970.00			-	-	641,970.00	(641,970.00)	-	-	-	-	(462,246.85)	641,970.00
Transportation Aid	18-465-034-5120-014	4,080.00	7/1/2017	6/30/2018	-	-	4,080.00	(4,080.00)	-	-	-	-	(47,719.00)	4,080.00
Additional Transportation Aid	17-465-034-5120-014	3,851.00	7/1/2016	6/30/2017	(8,851.00)	-	3,851.00	(4,771.90)	-	-	-	-	-	47,719.00
Extracurricular Aid	18-465-034-5120-472	83,705.00	7/1/2016	6/30/2017	(83,095.00)	-	83,095.00	(2,164.00)	-	-	-	-	-	2,164.00
Lead Water Testing for Schools Aid	18-465-034-5120-104	2,164.00	7/1/2017	6/30/2018	-	-	2,164.00	(2,164.00)	-	-	-	-	-	2,164.00
On-Behalf TPAF Payments - Pension Contribution	18-465-034-5094-002	679,484.00	7/1/2017	6/30/2018	-	-	679,484.00	(679,484.00)	-	-	-	-	-	679,484.00
Post-Retirement Medical	18-465-034-5094-001	439,864.00	7/1/2017	6/30/2018	-	-	439,864.00	(439,864.00)	-	-	-	-	-	439,864.00
Reimbursed TPAF Social Security Contributions	18-465-034-5094-003	365,238.00	7/1/2017	6/30/2018	(17,943.78)	-	347,294.22	(365,238.00)	(18,010.84)	-	-	-	-	365,238.00
Reimbursed TPAF Social Security Contributions	17-465-034-5094-003	364,040.00	7/1/2016	6/30/2017	(104,739.78)	-	7,617,393.73	(7,582,239.79)	(69,789.94)	-	-	-	(517,294.00)	7,582,239.79
Total General Fund					(104,739.78)	-	7,617,393.73	(7,582,239.79)	(69,789.94)	-	-	-	(517,294.00)	7,582,239.79
Special Revenue Fund:														
NJ Nonpublic Aid:														
Textbooks	18-100-034-5120-064	7,724.00	7/1/2017	6/30/2018	-	-	7,724.00	(7,724.00)	-	-	-	-	-	7,724.00
Technology	17-100-034-5120-327	3,380.00	7/1/2016	6/30/2017	-	1,680.00	5,217.00	(5,146.15)	0.13	(1,680.00)	-	68.00	-	5,146.13
Nursing	18-100-034-5120-070	13,677.00	7/1/2017	6/30/2018	-	-	13,677.00	(13,230.67)	(0.33)	-	-	386.00	-	13,230.67
Security	17-100-034-5120-070	11,700.00	7/1/2016	6/30/2017	-	1,543.00	10,575.00	(10,575.00)	-	(1,543.00)	-	-	-	10,575.00
Security	18-100-034-5120-509	6,500.00	7/1/2017	6/30/2018	-	25.00	36,319.00	(36,319.00)	-	(25.00)	-	-	-	36,319.00
Alternative Services:	18-100-034-5120-067	38,319.00	7/1/2017	6/30/2018	-	-	15,657.00	(15,657.00)	-	-	-	-	-	15,657.00
Handicapped Services:	18-100-034-5120-066	15,657.00	7/1/2017	6/30/2018	-	-	9,820.91	(9,820.91)	(0.09)	-	-	0.00	-	9,820.91
Examining and Classification	18-100-034-5120-066	9,821.00	7/1/2017	6/30/2018	-	-	10,386.00	(10,386.00)	-	-	-	2.00	-	10,386.00
Compensatory	18-100-034-5120-066	10,386.00	7/1/2017	6/30/2018	-	-	132,301.00	(132,301.00)	-	-	-	-	-	132,301.00
Supplemental Instruction	18-100-034-5120-066	10,386.00	7/1/2017	6/30/2018	-	-	132,301.00	(132,301.00)	-	-	-	-	-	132,301.00
Total Special Revenue Fund					-	3,248.00	7,759,993.98	(7,716,545.61)	(1,119,407.00)	(69,917.30)	-	457.00	-	7,716,545.61
Child Nutrition Cluster:														
National School Lunch Program (State Share)	18-100-010-3350-023	1,802.00	7/1/2017	6/30/2018	-	-	1,674.65	(1,802.11)	-	-	-	-	-	1,802.11
National School Lunch Program (State Share)	17-100-010-3350-023	1,750.00	7/1/2016	6/30/2017	(108.60)	-	1,095.60	(1,802.11)	-	-	-	-	-	1,802.11
Total Child Nutrition Cluster					(108.60)	-	2,769,989.63	(3,604.22)	-	-	-	-	-	1,802.11
Total Enterprise Fund					(108.60)	-	2,769,989.63	(3,604.22)	-	-	-	-	-	1,802.11
Total State Financial Assistance					(104,739.78)	3,248.00	7,759,993.98	(7,716,545.61)	(1,119,407.00)	(69,917.30)	-	457.00	-	7,716,545.61
(A) Transfer to General Fund														
							\$	\$	(6,597,138.61)					

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
K-5 NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2018**

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$33,091.00 for the general fund and (\$4,582.09) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	On-Behalf Payments	Total
General Fund	\$ 23,694.04	7,582,299.79	(1,119,407.00)	6,486,586.83
Special Revenue Fund	515,404.02	132,443.71		647,847.73
Food Service Fund	94,546.69	1,802.11		96,348.80
	<u>\$ 633,644.75</u>	<u>7,716,545.61</u>	<u>(1,119,407.00)</u>	<u>7,230,783.36</u>

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
K-5 NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2018
(CONTINUED)**

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, 2018. 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, 2018.

NOTE 6 - ADJUSTMENTS

Both favorable and unfavorable differences incurred as a result of final grant payments being rounded by the grantor and are included in the schedule(s) of financial assistance in a column entitled "Adjustments."

**DENNIS TOWNSHIP SCHOOL DISTRICT
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:		Unmodified		
<hr/>				
Internal control over financial reporting:				
1) Material weakness(es) identified?	_____	yes	_____ X _____	no
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____	yes	_____ X _____	none reported
Noncompliance material to basic financial statements noted?	_____	yes	_____ X _____	no

Federal Awards Section

Not Applicable

Internal Control over major programs:				
1) Material weakness(es) identified?	_____	yes	_____	no
2) Significant deficiencies identified	_____	yes	_____	none reported
Type of auditor's report on compliance for major programs	_____			
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____	yes	_____	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to determine Type A programs:	_____			
Auditee qualified as low-risk auditee?	_____	yes	_____	no

**DENNIS TOWNSHIP SCHOOL DISTRICT
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Significant deficiencies identified _____ yes X none reported

Type of auditor's report on compliance for major programs

_____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance NJOMB Circular Letter 15-08?

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	State Aid Public Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-085	Adjustment Aid
495-034-5120-085	Addl Adjustment Aid
495-034-5120-098	PARCC Readiness
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-084	Security Aid
495-034-5120-101	Professional Learning Community Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

N) Dollar threshold used to determine Type A programs: \$750,000

O) Auditee qualified as low-risk auditee? X yes _____ no

**DENNIS TOWNSHIP SCHOOL DISTRICT
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part II -- Financial Statement Findings

In accordance with *Government Auditing Standards*, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

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

STATE AWARDS

Our audit disclosed no matters to be reported.

STATUS OR PRIOR YEAR FINDINGS

There were no prior year findings.