

**SCHOOL DISTRICT  
OF  
TOWNSHIP OF DENNIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Township of Dennis Board of Education**

**Dennis, New Jersey**

**For the Fiscal Year Ended June 30, 2019**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Township of Dennis Board of Education**

**Dennis, New Jersey**

**For the Fiscal Year Ended June 30, 2019**

**Prepared by**

**Township of Dennis Board of Education**

**Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE TOWNSHIP OF DENNIS BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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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

November 15, 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, 2019, 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 2018-2019 fiscal year with a June enrollment of 558 students, which is 5 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<b>Fiscal Year</b>	<b>Average Daily Enrollment Student Enrollment</b>	<b>Percent Change</b>
2018-19	558	.90%
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 OE.3W 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 (GMP). 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, 2019.

#### **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 Nightlinger, Colavita & Volpa 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 Dennis Township 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,

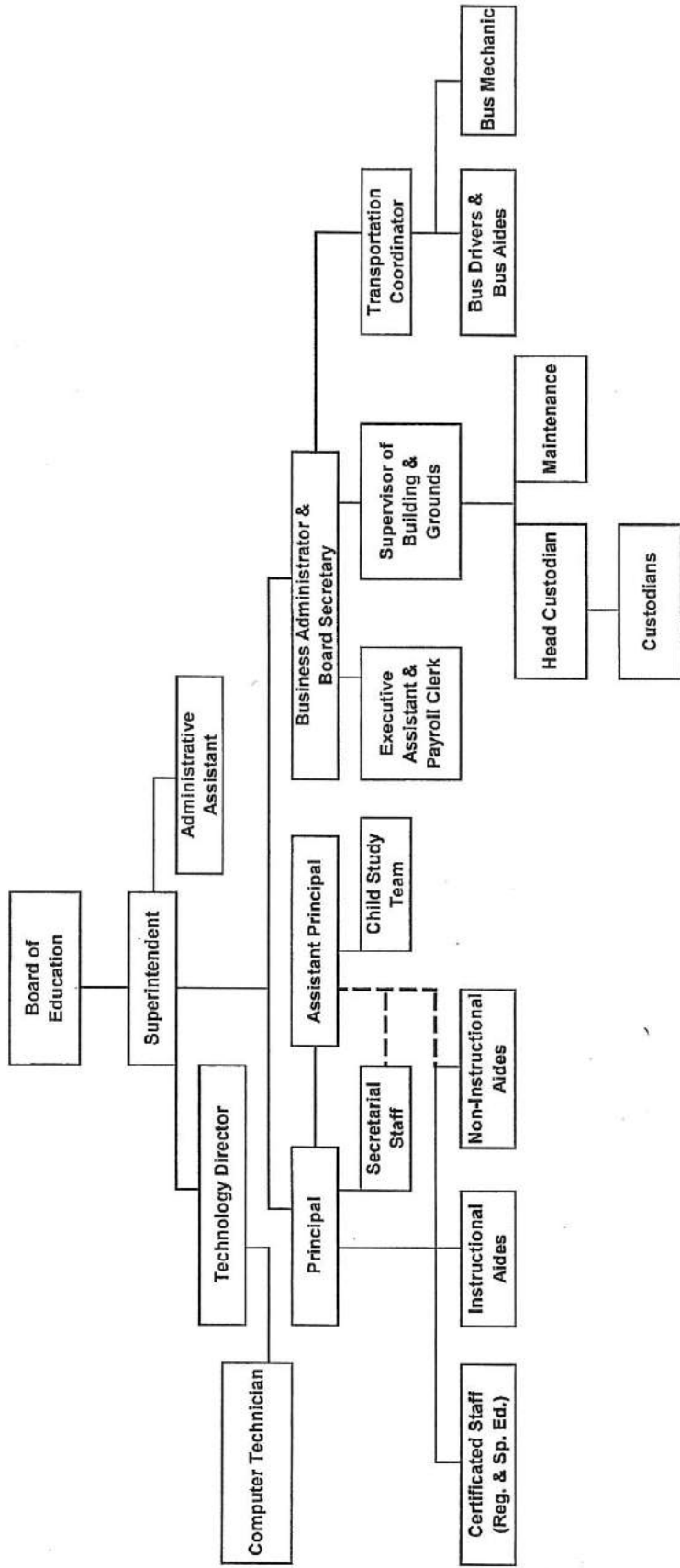


Paige Sharp-Rumaker  
Business Administrator/ Board Secretary



DENNIS TOWNSHIP BOARD OF EDUCATION  
ORGANIZATIONAL CHART

ADMINISTRATION  
Policy 1100



TOWNSHIP OF DENNIS BOARD OF EDUCATION

COUNTY OF CAPE MAY, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Nichol Hoff - President	2020
Mary Kate Garry - Vice President	2019
Jennifer Hand	2021
Claudia Miller	2020
Jamie Burrows	2020
Jeffrey Trout	2021
Jason Hearon	2019
Jeanne Donohue	2019
Mariam Khan (From January 2019)	2021
Renee Pettit (From July 2018 to December 2018)	

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**

**Nightlinger, Colavita & Volpa, P.A.**  
Certified Public Accountants  
991 S. Black Horse Pike  
Williamstown, NJ 08094

**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

## **FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Dennis Township School District (a component unit of the Dennis Township) in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Dennis Township School 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 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 Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 financial statement presentation.

We believe that 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, business-type activities, each major fund, and the aggregate remaining fund information of the Dennis Township Board of Education in the County of Cape May, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions 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 Dennis Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the 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's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were 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 and the schedule of expenditures of federal awards and state financial assistance are 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 November 15, 2019 on our consideration of the Dennis Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Dennis Township Board of Education's 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 Dennis Township School District's internal control over financial reporting over compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
November 15, 2019

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**



**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED**

The discussion and analysis of Dennis Township School District's financial performance provide an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. 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 2019 are as follows:

- In total, net position increased \$203,122, which represents a 3 percent increase from 2018.
- General revenues accounted for \$19,475,754 in revenue or 96 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$822,953 or 4 percent of total revenues of \$20,298,707.
- Cash and cash equivalents decreased by \$697,785, receivables increased by \$463,617, interfunds increased by \$10,895, inventory increased by \$2,699, capital assets decreased by \$421,797 and deferred outflows of resources decreased by \$133,205.
- The School District had \$20,095,585 in expenses; \$822,953 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$19,475,754 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$17,687,870 in revenues and \$18,053,867 in expenditures. The General Fund's fund balance decreased \$381,965 over 2018.

### **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.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED**

**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 2019?" 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 has 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.

Enterprise Funds

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

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED**

**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 2019 and 2018.

		2019	2018
<b>Table 1</b>			
<b>Net Position</b>			
		<u>2019</u>	<u>2018</u>
<b>Assets</b>			
Current and Other Assets	\$	1,974,051	\$ 2,194,632
Capital Assets		11,135,126	11,556,923
<b>Total Assets</b>		<u>13,109,177</u>	<u>13,751,555</u>
<b>Deferred Outflows of Resources</b>			
Loss on Refunding Bonds		43,529	61,441
Deferred Outflows Related to Pensions		1,067,856	1,183,149
<b>Total Deferred Outflows</b>		<u>1,111,385</u>	<u>1,244,590</u>
<b>Liabilities</b>			
Long-Term Liabilities		5,245,467	6,780,332
Other Liabilities		255,886	29,684
<b>Total Liabilities</b>		<u>5,501,353</u>	<u>6,810,016</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows Related to Pensions		1,365,717	1,035,759
<b>Net Position</b>			
Net Investment in Capital Assets		9,911,532	9,275,878
Restricted		1,465,402	1,787,039
Unrestricted		(4,023,442)	(3,912,547)
<b>Total Net Position</b>	\$	<u>7,353,492</u>	<u>\$ 7,150,370</u>

The District's combined net position was \$7,353,492 on June 30, 2019. This was an increase of 3 percent from the prior year.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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UNAUDITED**

Table 2 shows changes in net position for fiscal years 2019 and 2018.

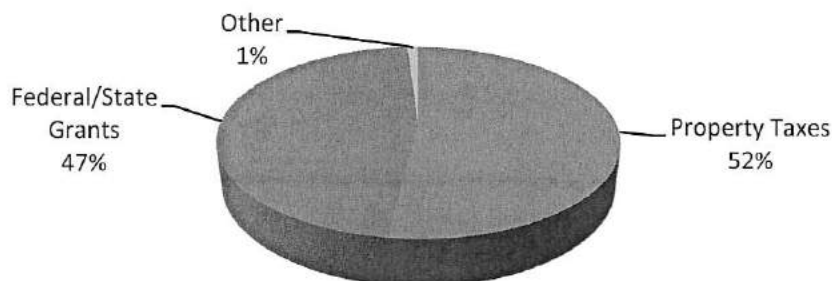
**Table 2  
Changes in Net Position**

	2019	2018
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 135,210	\$ 1,629,962
Operating Grants and Contributions	687,743	5,316,652
General Revenues:		
Property Taxes	10,061,730	9,683,533
Grants and Entitlements	9,190,746	5,066,768
Other	223,278	29,750
Special Items:		
Gain on Fixed Assets		932,976
<b>Total Revenues</b>	<b>20,298,707</b>	<b>22,659,641</b>
<b>Program Expenses</b>		
Instruction	9,335,108	10,612,550
Support Services:		
Tuition	4,018,773	3,891,986
Related Services - Pupils and Instructional Staff	2,073,366	2,330,684
General Administration, School Administration	1,004,466	1,084,555
Central Operations and Maintenance	2,056,565	1,745,668
Pupil Transportation	1,252,345	1,162,051
Interest on Debt	64,706	78,603
Food Service	182,950	176,334
Community Education Program	107,306	85,904
<b>Total Expenses</b>	<b>20,095,585</b>	<b>21,168,335</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 203,122</b>	<b>\$ 1,491,306</b>

**Governmental Activities**

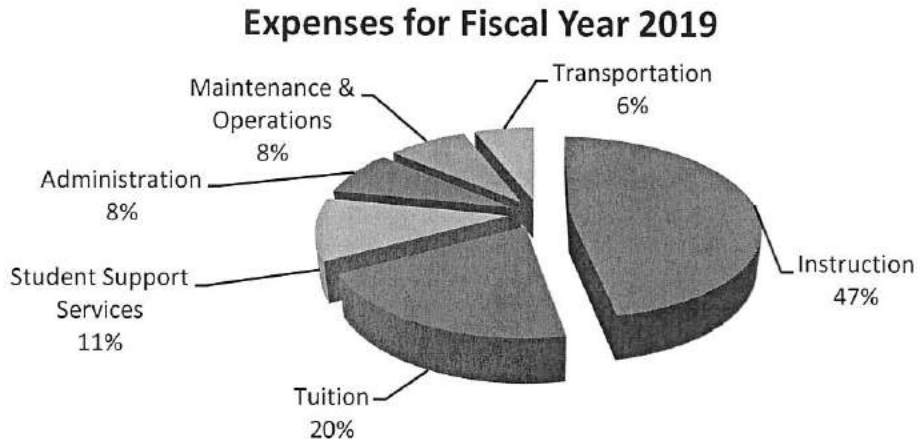
Property taxes made 52 percent of revenues for governmental activities for the Dennis Township School District for fiscal year 2019. The District's total revenues were \$19,477,074 for the year ended June 30, 2019. Federal, state, and local grants accounted for another 47 percent of revenue.

**Revenue for Fiscal year 2019**



**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The total cost of all program and services was \$19,805,329. Instruction comprises 47 percent of District expenses.



**Business-Type Activities**

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

- Food service expenses exceeded revenues by \$17,895 and Community Education expenses exceeded revenues by \$49,756.
- Charges for food services represent \$77,821 of revenue. This represents amounts paid by patrons for daily food service. Charges for Community Education represent \$57,389 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 \$90,389.

**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 2019</u>	<u>Net Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Instruction	\$ 9,335,108	\$ 8,863,619	\$ 10,612,550	\$ 6,307,504
Support Services:				
Tuition	4,018,773	4,018,773	3,891,986	3,891,986
Pupils and Instructional Staff	2,073,366	1,945,827	2,330,684	1,459,533
General & School Administration	1,458,909	1,458,909	1,084,555	921,419
Business Operation & Maint of Facilities	1,602,122	1,602,122	1,745,668	1,513,953
Pupil Transportation	1,252,345	1,252,345	1,162,051	38,270
Interest and Fiscal Charges	64,706	64,706	78,603	78,603
Total Expenses	<u>\$ 19,805,329</u>	<u>\$ 19,206,301</u>	<u>\$ 20,906,097</u>	<u>\$ 14,211,268</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED**

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.

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 \$18,892,125 expenditures were \$19,261,571. The decrease in fund balance for the year was \$385,414.

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, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

<b>Revenue</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2018</b>	<b>Percent of Increase (Decrease)</b>
Local Sources	\$ 10,511,876	56%	\$ 391,222	4%
State Sources	7,798,255	41%	51,638	1%
Federal Sources	581,994	3%	46,597	9%
Total	\$ 18,892,125	100%	\$ 489,457	2.66%



**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED**

The following schedule represents a summary of the general fund, special revenue fund, capital projects and debt service fund expenditures for the fiscal year ended June 30, 2019, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2018</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 5,336,876	28%	\$ 15,886	0%
Undistributed Expenditures	12,727,152	66%	845,199	7%
Capital Outlay	717,255	4%	(537,738)	-75%
Debt Service	480,288	2%	(18,593)	-4%
Total \$	<u>19,261,571</u>	<u>100%</u>	<u>\$ 304,754</u>	<u>2%</u>

**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 2019, the School District had \$11,135,126 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2019 balances compared to 2018.

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

	<u>2019</u>	<u>2018</u>
Land	\$ 518,653	518,653
Building and Building Improvements	9,515,734	9,404,060
Machinery and Equipment	1,100,739	1,634,210
Total	<u>11,135,126</u>	<u>11,556,923</u>

Overall capital assets decreased \$421,797 from fiscal year 2018 to fiscal year 2019. This increase was due depreciation of \$889,444 and fixed asset adjustments of \$212,779 offset by additions of \$680,426 For more detailed information, please refer to the Notes to the Financial Statements.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED**

**Debt Administration**

At June 30, 2019, the School District had \$5,245,467 of outstanding debt. Of this amount, \$206,728 is for compensated absences, \$178,594 for various capital leases, \$1,045,000 of serial bonds for school construction and \$3,815,145 of net pension liability.

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

	2019	2018
2010 Refunding Issue	\$ 1,045,000	1,475,000
Total	<u>1,045,000</u>	<u>1,475,000</u>

At June 30, 2019, the School District was within its legal debt margin of \$27,074,441 and the amount of debt available for future projects was \$26,029,441.

**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.



## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,228,282	\$ 58,030	\$ 1,286,312
Receivables, Net	658,383	9,272	667,655
Interfunds	10,895		10,895
Restricted Assets:			
Inventory		9,189	9,189
Capital Assets, Net (Note 5):	11,083,325	51,801	11,135,126
Total Assets	<u>12,980,885</u>	<u>128,292</u>	<u>13,109,177</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	1,067,856		1,067,856
Loss on Refunding Bonds	43,529		43,529
Total Deferred Outflows of Resources	<u>1,111,385</u>		<u>1,111,385</u>
<b>LIABILITIES</b>			
Accounts Payable	153,826	230	154,056
Due to Grantor	3,069		3,069
Accrued Interest Payable	9,078		9,078
Unearned Revenue	15,011	74,672	89,683
Non-current Liabilities (Note 6):			
Due Within One Year	598,594		598,594
Due Beyond One Year	4,646,873		4,646,873
Total Liabilities	<u>5,426,451</u>	<u>74,902</u>	<u>5,501,353</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	1,365,717		1,365,717
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	9,859,731	51,801	9,911,532
Restricted for:			
Capital Reserve	217,706		217,706
Maintenance Reserve	418,106		418,106
Excess Surplus	704,590		704,590
Other Purposes	125,000		125,000
Unrestricted (Deficit)	(4,025,031)	1,589	(4,023,442)
Total Net Position	<u>\$ 7,300,102</u>	<u>\$ 53,390</u>	<u>\$ 7,353,492</u>

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

**DENNIS TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 3,210,074	\$ 2,444,927		\$ 471,489	\$ (5,183,512)		\$ (5,183,512)
Special Education	1,446,000	1,385,206			(2,831,206)		(2,831,206)
Other Special Instruction	356,554	341,616			(698,170)		(698,170)
Other Instruction	81,675	69,056			(150,731)		(150,731)
Support Services:							
Tuition	4,018,773				(4,018,773)		(4,018,773)
Student & Instruction Related Services	1,159,539	913,827		127,539	(1,945,827)		(1,945,827)
General Administrative	355,044	179,649			(534,693)		(534,693)
School Administrative	244,464	225,309			(469,773)		(469,773)
Central and Technical Services	249,511	204,932			(454,443)		(454,443)
Plant Operations and Maintenance	1,257,731	344,391			(1,602,122)		(1,602,122)
Student Transportation	872,234	380,111			(1,252,345)		(1,252,345)
Unallocated Employee Benefits	5,610,247	(5,610,247)					
Interest Expense	64,706				(64,706)		(64,706)
Total Governmental Activities	18,926,552	\$ 878,777		599,028	(19,206,301)		(19,206,301)
Business-type Activities:							
Food Service	182,950		\$ 77,821	88,715		\$ (16,414)	(16,414)
After School Program	107,306		57,389			(49,917)	(49,917)
Total Business-type Activities	290,256		135,210	88,715		(66,331)	(66,331)
Total Primary Government	\$ 19,216,808		\$ 135,210	\$ 687,743	\$ (19,206,301)	\$ (66,331)	\$ (19,272,632)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 10,061,730		\$ 10,061,730
Federal, State and Local Aid Not Restricted					9,190,746		9,190,746
Miscellaneous Income					110,912		110,912
Tuition Received					155,980		155,980
Transportation					179,094		179,094
Investment Earnings					4,160	\$ 205	4,365
Fixed Asset Adjustment					(209,580)	(3,199)	(212,779)
Transfers - To Charter School					(14,294)		(14,294)
Transfer to Cover Deficit (Enterprise Fund)					(1,674)	1,674	
Total General Revenues, Special Items, Extraordinary Items and Transfers					19,477,074	(1,320)	19,475,754
Change in Net Position					270,773	(67,651)	203,122
Net Position—Beginning					7,029,329	121,041	7,150,370
Net Position—Ending					\$ 7,300,102	\$ 53,390	\$ 7,353,492

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.

**GOVERNMENTAL FUNDS**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 143,737	\$	\$	\$ 143,737
Cash and Cash Equivalents - Capital Reserve	367,695			367,695
Cash and Cash Equivalents -Maintenance Reserve	476,125			476,125
Cash and Cash Equivalents -Emergency Reserve	225,000			225,000
State Aid Receivable	102,308			102,308
Federal Aid Receivable		467,700		467,700
Interlocal Government Accounts Receivable	76,438	7,659		84,097
Other Accounts Receivable	4,278			4,278
Interfunds Receivable	490,298			490,298
<b>Total Assets</b>	<b>\$ 1,885,879</b>	<b>\$ 475,359</b>	<b>\$</b>	<b>\$ 2,361,238</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 145,638	\$ 8,188	\$	\$ 153,826
Due to Grantor		3,069		3,069
Interfund Payable		463,678		463,678
Unearned Revenue	14,587	424		15,011
<b>Total Liabilities</b>	<b>160,225</b>	<b>475,359</b>	<b></b>	<b>635,584</b>
<b>Fund Balances:</b>				
<b>Restricted For:</b>				
Excess Surplus	373,899			373,899
Excess Surplus - Designated for Subsequent Year's Expenditures	330,691			330,691
Maintenance Reserve Account	418,106			418,106
Capital Reserve Account	217,706			217,706
Emergency Reserve	125,000			125,000
<b>Assigned To:</b>				
Year-End Encumbrances	3,885			3,885
Designated for Subsequent Year's Expenditures Capital Reserve	39,856			39,856
Designated for Subsequent Year's Expenditures Maintenance Reserve Account	149,989			149,989
Designated for Subsequent Year's Expenditures Emergency Reserve	58,019			58,019
Designated for Subsequent Year's Expenditures	100,000			100,000
<b>Unassigned, Reported In:</b>				
General Fund Balance	(91,497)			(91,497)
<b>Total Fund Balances</b>	<b>1,725,654</b>	<b></b>	<b></b>	<b>1,725,654</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,885,879</b>	<b>\$ 475,359</b>	<b>\$</b>	<b>\$</b>

Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$24,698,261 and the accumulated depreciation is \$13,614,936 (See Note 5)	11,083,325
Deferred Outflow of Resources - Deferred Pension Contribution.	1,067,856
Deferred Inflows of Resources - Pension Actuarial Gains.	(1,365,717)
Long Term Net Pension Liability	(3,815,145)
Deferred Outflow of Resources - Deferred Amount on Refunding of Debt	43,529
Accrued Interest is not payable within the current year and therefore, not reported in the funds.	(9,078)
Long-term liabilities, including capital leases payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the Governmental funds (see Note 6).	(1,430,322)
<b>Net Position of Governmental Activities</b>	<b>\$ 7,300,102</b>

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

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 9,584,891	\$	\$ 476,839	\$ 10,061,730
Tuition from Individuals	137,227			137,227
Tuition from Other Government Sources	18,753			18,753
Transportation Fees	22,815			22,815
Transportation Fees from Other LEAS	142,403			142,403
Transportation Fees from Other Governm. Sources	13,876			13,876
Interest Earned on Capital Reserve Funds	3,035			3,035
Interest Earned on Maintenance Reserve Funds	1,125			1,125
Miscellaneous	90,872	20,040		110,912
Total - Local Sources	10,014,997	20,040	476,839	10,511,876
State Sources	7,654,023	144,232		7,798,255
Federal Sources	18,850	563,144		581,994
Total Revenues	17,687,870	727,416	476,839	18,892,125
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	2,981,158	471,489		3,452,647
Special Education Instruction	1,446,000			1,446,000
Other Special Instruction	356,554			356,554
Other Instruction	81,675			81,675
Support Services:				
Instruction - Tuition	4,018,773			4,018,773
Student & Instruction Related Services	1,032,000	127,539		1,159,539
General Administrative Services	355,044			355,044
School Administrative Services	244,464			244,464
Central Services	220,401			220,401
Admin Info Tech	29,110			29,110
Plant Operations and Maintenance	1,209,824			1,209,824
Student Transportation	1,025,073			1,025,073
Unallocated Employee Benefits	4,336,536	128,388		4,464,924
Capital Outlay	717,255			717,255
Debt Service:				
Principal			430,000	430,000
Interest			50,288	50,288
Total Expenditures	18,053,867	727,416	480,288	19,261,571
Excess (Deficiency) of Revenues Over Expenditures	(365,997)		(3,449)	(369,446)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Cover Deficit (Enterprise Fund)	(1,674)			(1,674)
Transfers to Charter School	(14,294)			(14,294)
Total Other Financing Sources and Uses	(15,968)			(15,968)
Net Change in Fund Balances	(381,965)		(3,449)	(385,414)
Fund Balance—July 1	2,107,619		3,449	2,111,068
Fund Balance—June 30	\$ 1,725,654	\$	\$	\$ 1,725,654

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



**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ (385,414)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(878,777)	
Capital Outlays	669,348	
Fixed Asset Adjustment	<u>(209,580)</u>	(419,009)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities

Bonds	430,000
Capital Lease Payments	395,412

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

Amortization of Deferred Amount on Refunding (Loss)	(17,912)
---	----------

In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. (+)

74,179

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.

3,494

Pension contributions are reported in governmental funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows, related to pension, changed during the period.

190,023

**Governmental Activities (A-2)**

**\$ 270,773**

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

## **PROPRIETARY FUNDS**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	Business-type Activities - Enterprise Funds		
	Major Fund Food Service	Non-major Fund Community Education	Totals
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 2,618	\$ 71,137	\$ 73,755
Accounts Receivable			
State Aid	96		96
Federal Aid	4,229		4,229
Other	3,525	1,422	4,947
Inventory	9,189		9,189
Total Current Assets	19,657	72,559	92,216
Non-current Assets			
Fixed Assets:			
Furniture, Machinery and Equipment	250,577		250,577
Less Accumulated Depreciation	(198,776)		(198,776)
Total Fixed Assets	51,801		51,801
Total Assets	71,458	72,559	144,017
<b>LIABILITIES:</b>			
Current Liabilities:			
Interfund Payable	15,725		15,725
Accounts Payable		230	230
Unearned Revenue	7,188	67,484	74,672
Total Current Liabilities	22,913	67,714	90,627
<b>NET POSITION:</b>			
Invested in Capital Assets Net of net of Related Debt	51,801		51,801
Unrestricted	(3,256)	4,845	1,589
Total Net Position	\$ 48,545	\$ 4,845	\$ 53,390

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

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities - Enterprise Fund		
	Major Fund Food Service	Non-major Fund Community Education	Total Enterprise
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 55,102	\$	\$ 55,102
Daily Sales - Non-Reimbursable Programs	20,956		20,956
Program Fees		57,389	57,389
Other Income	1,763		1,763
	<hr/>	<hr/>	<hr/>
Total Operating Revenue:	77,821	57,389	135,210
<b>OPERATING EXPENSES:</b>			
Cost of Sales - Reimbursable Programs	58,057		58,057
Cost of Sales - Non Reimbursable Programs	8,782		8,782
Salaries and Benefits	75,679	90,325	166,004
Management Fees	15,152		15,152
Other Purchased Services		3,976	3,976
General Supplies	8,030	13,005	21,035
Other Costs	6,583		6,583
Depreciation	10,667		10,667
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	182,950	107,306	290,256
	<hr/>	<hr/>	<hr/>
Operating Income (Loss)	(105,129)	(49,917)	(155,046)
<b>NON-OPERATING REVENUES:</b>			
State Sources:			
State School Lunch Program	1,810		1,810
Federal Sources:			
National School Lunch Program	63,140		63,140
National School Breakfast Program	15,653		15,653
Food Distribution Program	8,112		8,112
Board Subsidy	1,674		1,674
Interest Income	44	161	205
	<hr/>	<hr/>	<hr/>
Total Non-operating Revenues (Expenses)	90,433	161	90,594
	<hr/>	<hr/>	<hr/>
Income (Loss) Before Contributions & Transfers	(14,696)	(49,756)	(64,452)
	<hr/>	<hr/>	<hr/>
Fixed Asset Adjustment	(3,199)		(3,199)
	<hr/>	<hr/>	<hr/>
Change in Net Position	(17,895)	(49,756)	(67,651)
Total Net Position—Beginning	66,440	54,601	121,041
	<hr/>	<hr/>	<hr/>
Total Net Position—Ending	\$ 48,545	\$ 4,845	\$ 53,390
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities Enterprise Funds		
	Major Fund Food Service	Non-Major Fund Community Education	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 77,821	\$ 57,389	\$ 135,210
Payments to Employees	(75,679)	(90,325)	(166,004)
Payments to Suppliers	(75,431)	50,764	(24,667)
Net Cash Provided by (used for) Operating Activities	(73,289)	17,828	(55,461)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	1,810		1,810
Federal Sources	78,793		78,793
Board Subsidy	1,674		1,674
Net Cash Provided by (used for) Non-capital Financing Activities	82,277		82,277
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets	(11,078)		(11,078)
Net Cash Provided by (used for) Capital and Related Financing Activities	(11,078)		(11,078)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends	44	161	205
Net Cash Provided by (used for) Investing Activities	44	161	205
Net Increase (Decrease) in Cash and Cash Equivalents	(2,046)	17,989	15,943
Balances—Beginning of Year	4,664	53,148	57,812
Balances—End of Year	\$ 2,618	\$ 71,137	\$ 73,755
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating Income (Loss)	\$ (105,129)	\$ (49,917)	\$ (155,046)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			
Depreciation and Net Amortization	10,667		10,667
Food Distribution Program	8,112		8,112
(Increase)/Decrease in Accounts Receivable, Net	(862)	31	(831)
(Increase)/Decrease in Inventory	(2,699)		(2,699)
Increase/(Decrease) in Accounts Payable		230	230
Increase/(Decrease) in Interfund Payable	11,538		11,538
Increase/(Decrease) in Deferred Revenue	5,084	67,484	72,568
Total Adjustments	31,840	67,745	99,585
Net Cash Provided by (used for) Operating Activities	\$ (73,289)	\$ 17,828	\$ (55,461)

Noncash Noncapital Financing Activities:

During the year, the District received \$12,782 of Food Commodities from the U. S. Department of Agriculture

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

**FIDUCIARY FUNDS**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Funds</u>	
		<u>Student Activity</u>	<u>Payroll</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,361	\$ 44,737	\$ 132,190
Total Assets	<u>\$ 10,361</u>	<u>\$ 44,737</u>	<u>\$ 132,190</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$	\$ 121,295
Interfund Payable			10,895
Payable to Student Groups		44,737	
Total Liabilities		<u>\$ 44,737</u>	<u>\$ 132,190</u>
<b>NET POSITION</b>			
Reserve for Scholarships	<u>\$ 10,361</u>		
Total Liabilities and Net Position	<u>\$ 10,361</u>		

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

**TOWNSHIP OF DENNIS SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Private Purpose Scholarship Fund</b>
<b>ADDITIONS</b>	
Investment Earnings - Interest	\$ 70
Total Additions	<u>70</u>
<b>DEDUCTIONS</b>	
Scholarship Awards	<u>100</u>
Total Deductions	<u>100</u>
Change in Net Position	(30)
Net Position—Beginning of the Year	<u>10,391</u>
Net Position—End of the Year	<u>\$ 10,361</u>

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, 2019  
(CONTINUED)**

**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.

The School District has adopted the following GASB statements:

- GASB No. 83 - *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The requirements of Statement will be effective for reporting periods beginning after June 15, 2018. The adoption of GASB 83 is not expected to impact the financial statements of the School District.
- GASB No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The adoption of GASB 88 is not expected to impact the financial statements of the School District.

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.

**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, 2019, of 558 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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.

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. Non-major funds by category are summarized into a single column. GASB 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 non-major 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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.

**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 is available, and the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.



**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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.

**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 is 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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 1BA: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.

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, 2018, 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, 2019, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food & Supplies	\$ 4,519
Commodities	<u>4,670</u>
	<u>\$ 9,189</u>

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 non-operating revenue in the financial statements.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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 measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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 a transfer. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**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	
Preschool	52,478
Grades 6-8 Salaries - Teachers	64,802
Undistributed Instruction - General Supplies	60,995
Spec. Ed.	
Resource Room- Salaries of Teachers	(49,000)
Basic Skills/Remedial-Instruction	(50,452)
Undistributed-Instruction	
Tuition-CSSD & Regional Day Schools	(151,595)
Tuition to Private Schools for the Disabled Within State	53,000
Required Maintenance for School Facilities	
Cleaning, Repair and Maintenance	60,434
Other Operation and Maintenance of Plant-Cust. Serv.	(66,931)
Undistributed-Security	67,439
Undistributed-Student Transportation Serv.	
Salaries for Pupil Transport. Btw. Home & School-Reg.	41,939
Salaries for Pupil Transport.(Other than Btw. Home & School)	(35,066)
Contracted Serv. (Sp. Ed. Stds.) - ESC & CTSA's	54,336
Unallocated Employee Benefits	
Other Retirement Contributions-PERS	39,898
Health Benefits	(31,125)



**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**9. Budgets/Budgetary Control (Cont'd)**

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

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

**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 2018/19 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**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, 2019, \$1,450,537.63 of the government's bank balance of \$1,700,537.63 was exposed to custodial credit risk.

**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2019, 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	Governmental Wide Financial Statements
State Aid	\$ 102,308	\$ 102,404
Federal Aid	467,700	471,929
Other	88,375	93,322
Interfunds	490,298	10,895
Gross Receivables	1,148,681	678,550
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 1,148,681	\$ 678,550

**NOTE 4 - INTERFUND TRANSFERS AND BALANCES**

The following interfund balances remained on the fund financial statements at June 30, 2019:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 490,298	\$
Special Revenue Fund		463,678
Food Service Fund		15,725
Agency Fund		10,895
Total \$	\$ 490,298	\$ 490,298

The general fund receivable is comprised of three interfunds. The first interfund is due from the Special Revenue Fund for \$463,678 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 \$10,895 which is a 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 \$15,725 which is a result of the purchase of food service equipment and other costs by the General Fund.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 5 - CAPITAL ASSETS**

Capital Asset activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustment</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 518,653			518,653
Total capital assets not being depreciated	<u>518,653</u>			<u>518,653</u>
Capital assets being depreciated:				
Buildings and building improvements	17,768,167	655,150	(34,515)	18,388,802
Equipment	5,919,253	14,198	(142,645)	5,790,806
Total capital assets being depreciated at historical cost	<u>23,687,420</u>	<u>669,348</u>	<u>(177,160)</u>	<u>24,179,608</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,364,107)	(465,026)	(43,935)	(8,873,068)
Equipment	(4,339,632)	(413,751)	11,515	(4,741,868)
Total capital assets being depreciated, net of accumulated depreciation	<u>10,983,681</u>	<u>(209,429)</u>	<u>(209,580)</u>	<u>10,564,672</u>
Governmental activity capital assets, net \$	<u>11,502,334</u>	<u>(209,429)</u>	<u>(209,580)</u>	<u>11,083,325</u>
<b>Business-Type Activities:</b>				
Capital assets being depreciated:				
Equipment	250,440	11,078	(10,941)	250,577
Less accumulated depreciation	(195,851)	(10,667)	7,742	(198,776)
Enterprise Fund capital assets, net	<u>\$ 54,589</u>	<u>411</u>	<u>(3,199)</u>	<u>51,801</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 413,376
Special Instruction	172,876
Other Special Instruction	42,628
Other Instruction	9,765
Student & Instruction Related Services	138,628
Gen Administration Services	42,447
School Administrative Services	29,227
Business and Other Support Services	29,830
	<u>\$ 878,777</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 6 - LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended June 30, 2019, was as follows:

	<u>Balance June 30, 2018</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>
Compensated Absences \$	280,907	\$	\$ 74,179	\$ 206,728	\$
Capital Leases	574,006		395,412	178,594	178,594
Bonds Payable	1,475,000		430,000	1,045,000	420,000
Net Pension Liability	4,450,419		635,274	3,815,145	
	<u>\$ 6,780,332</u>	<u>\$ -</u>	<u>\$ 1,534,865</u>	<u>\$ 5,245,467</u>	<u>\$ 598,594</u>

**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, 2019, 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, 2019, is \$1,045,000.

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, including a premium on the bonds of \$10,124 and net of payments of \$18,905.00 in underwriting fees and \$67,358 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, 2019 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 420,000	\$ 36,313	\$ 456,313
2021	415,000	22,138	437,138
2022	210,000	7,613	217,613
	<u>\$ 1,045,000</u>	<u>\$ 66,063</u>	<u>\$ 1,111,063</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 7 - PENSION PLANS**

**Description of Plans** - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

The following represents the membership tiers for PERS:

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

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2018 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2019 were 98,512. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2019 is 13.37% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2019, and 2018, were \$200,873 and \$187,795 respectively.

The total payroll for the year ended June 30, 2019 was \$7,334,299. Payroll covered by PERS was \$1,313,486 for fiscal year 2019.



**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 7 - PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Components of Net Pension Liability** - At June 30, 2019, the District's proportionate share of the PERS net pension liability was \$3,815,145. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The District's proportion measured as of June 30, 2018 was 0.019377% which was an increase of 0.00026% from its proportion measured as of June 30, 2017.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2019 PERS pension expense, with respect to GASB 68, was \$203,585. The District's 2019 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 72,755	\$ 19,672
Changes of assumptions	628,673	1,219,880
Net difference between projected and actual earnings on pension plan investments		35,786
Changes in proportion	165,555	90,379
Contributions subsequent to the measurement date	200,873	
<b>Total</b>	<b>\$ 1,067,856</b>	<b>\$ 1,365,717</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year		PERS
2020	\$	(57,839)
2021		(63,058)
2022		(239,580)
2023		(143,603)
2024		5,345
Thereafter		
<b>Total</b>	<b>\$</b>	<b>(498,735)</b>

**Additional Information** - Collective Balances at June 30, 2019 and 2018 are as follows:

Year		2019		2018
Collective deferred outflows of resources	\$	1,067,856	\$	1,370,944
Collective deferred inflows of resources	\$	1,365,717	\$	1,035,759
Collective Net Pension Liability	\$	3,815,145	\$	4,450,419
District's Proportion		0.019377%		0.019118%

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 7 - PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Actuarial Assumptions** - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Inflation	2.25%

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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 7 - PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	PERS Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Client 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 Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
Total	100.00%	

**Discount Rate** - The discount rate, as of June 30, 2018, used to measure the total pension liability was 5.66% for PERS. 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 3.87% as of June 30, 2018 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 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 7 - PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount (5.66%)	1% Increase (6.66%)
District's Proportionate Share of the Net Pension Liability	\$ <u>4,797,104</u>	\$ <u>3,815,145</u>	\$ <u>2,991,342</u>

**Teachers' Pension and Annuity Fund**

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. 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.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are 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.

The following represents the membership tiers for TPAF:

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

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

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 7 - PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$959,737 to the TPAF for pension contributions, \$434,335 for post-retirement benefits on behalf of the School, and \$1,217 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$352,776 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Components of Net Pension Liability** - At June 30, 2019, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

**Pension Expense** - For the year ended June 30, 2019, the District recognized pension expense of \$1,670,663 and revenue of \$1,670,663 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Inflation	2.25%

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 7 - PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US 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%
Client 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 markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2018. 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, 2018 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 7 - PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (3.86%)	Current Discount (4.86%)	1% Increase (5.86%)
State's Share of the Net Pension Liability associated with the District	\$ 33,973,615	\$ 28,658,032	\$ 24,406,847
State's Share of the Net Pension Liability	\$ 75,417,894,537	\$ 63,806,350,446	\$ 54,180,663,328

**Defined Contribution Retirement Program (DCRP)**

**The Defined Contribution Retirement Program (DCRP)** is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility
1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2019, employee contributions totaled \$17,795 and the District's employer contribution, recognized in pension expense, was \$9,706. There were no forfeitures during the fiscal year.

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.



**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

As of June 30, 2017, the Local Education Retired Plan had 99,686 Inactive employees or beneficiaries currently receiving benefit payments and 224,418 Active employees.

**Special Funding Situation**

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2018, was \$46,110,832,982. Of this amount, the total OPEB liability attributable to the School District was \$26,419,628. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.05730%. The total OPEB liability for the School District measured as of June 30, 2018 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2018 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Years of Service	Age	Age
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of all active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Discount rate**

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
State of New Jersey	
<b>Balance as of June 30, 2017 Measurement Date</b>	<b>\$ 53,639,841,858</b>
Changes for the year:	
Service Cost	1,984,642,729
Interest	1,970,236,232
Changes of Benefit Terms	
Differences between Expected and Actual experience	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Benefit Payments	(1,232,987,247)
Contributions from Members	42,614,005
<b>Net Changes</b>	<b>(7,529,008,876)</b>
<b>Balance as of June 30, 2018 Measurement Date</b>	<b>\$ 46,110,832,982</b>

**Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>June 30, 2018</u>		
At 1.00% Decrease	At Discount Rate	At 1.00% Increase
2.87%	3.87%	4.87%
\$ 54,512,391,175	46,110,832,982	39,432,461,816

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

<u>June 30, 2018</u>		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 38,113,289,045	46,110,832,982	56,687,891,003

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

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

For the year ended June 30, 2019, the School District recognized OPEB expense of \$1,133,934. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$	\$ 2,564,615
Changes of Assumptions		5,922,095
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion		656,013
Contributions Subsequent to the Measurement Date		
Total	\$	\$ 9,142,723

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,		OPEB
2019	\$	(1,123,611)
2020		(1,123,611)
2021		(1,123,611)
2022		(1,123,611)
2023		(1,123,611)
Thereafter		(3,524,668)
Total	\$	(9,142,723)

**NOTE 9 - 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



**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 10 - 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.

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, 2019, there was no liability for compensated absences in the Food Service Enterprise Fund.

**NOTE 11 - 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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018		\$ 475,000
Deposits:		
Interest	1,125	
Total deposits	<u>1,125</u>	<u>1,125</u>
Withdrawals:		
None	<u>          </u>	
Total withdrawals		
Ending balance, June 30, 2019		<u><u>\$ 476,125</u></u>

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 12 - 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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance July 1, 2018	\$	225,000
Deposits:		
None		
Withdrawals:		
None		
Total withdrawals		
Ending balance June 30, 2019	\$	<u>225,000</u>

**NOTE 13 - 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 one 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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance July 1, 2018	\$	364,660
Deposits:		
Interest earnings	\$	<u>3,035</u>
		3,035
Withdrawals:		
None		
Total withdrawals		
Ending balance June 30, 2019	\$	<u>367,695</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 14 - 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.

**NOTE 15 - CAPITAL LEASE PAYABLE**

The District is leasing buses and technology equipment totaling \$1,972,184. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2019:

Fiscal Year Ending		Total
June 30,		
2020	\$	184,845
Total minimum lease payments		184,845
Less amount representing interest		6,251
Present value of lease payments		\$ 178,594

**NOTE 16 - COMMITMENTS**

The District does not have any significant commitments as of June 30, 2019

**NOTE 17-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 granters 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 18 - FUND BALANCE APPROPRIATED**

General Fund - Of the \$1,725,654 General Fund fund balance, at June 30, 2019, \$3,885 is reserved for encumbrances, but not reflected as committed on the balance sheet since the unassigned balance would be negative; \$704,590 is reserved as excess surplus in accordance with NJSA 18A:7F- 7 (\$330,691 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020), \$367,695 has been reserved in the Capital Reserve Account (\$149,989 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$225,000 has been reserved in the Emergency Reserve Account (\$100,000 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$476,125 has been reserved in the Maintenance Reserve Account (\$58,019 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$39,856 has been appropriated and included as anticipated revenue for the year ending June 30, 2020); and (\$91,497) is classified as a deficit in Unassigned Fund Balance.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 19 – ECONOMIC DEPENDENCY**

The District receives support from the federal government and state government. A significant reduction in the level of support would result, if these revenue sources were to be reduced, which would impact on the District's ability to maintain certain programs.

**NOTE 20 – 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, 2019, is \$704,590, of which \$330,691 was budgeted in the 2019-20 budget and \$373,899 is to be anticipated in the 2020-21 budget.

**NOTE 21 – LITIGATION**

From time to time, the District is a defendant in legal proceeding 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 22 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that Occurred from June 30, 2019 through November 15, 2019, the date that all 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.

End of Notes to Financial Statements

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 9,584,891	\$	\$ 9,584,891	\$ 9,584,891	\$
Tuition from Individuals	160,213		160,213	137,227	(22,986)
Tuition from Other Governmental Sources Within the State	65,163		65,163	18,753	(46,410)
Transportation Fees From Individuals	7,366		7,366	22,815	15,449
Transportation Fees From Other LEAs	206,785		206,785	142,403	(64,382)
Transportation Fees from Othe Governmental Sources Within the State				13,876	13,876
Interest Earned on Investments				1,409	1,409
Interest Earned on Capital Reserve	80		80	3,035	2,955
Interest Earned on Maintenance Reserve	30		30	1,125	1,095
Miscellaneous	45,130		45,130	89,463	44,333
<b>Total - Local Sources</b>	<b>10,069,658</b>		<b>10,069,658</b>	<b>10,014,997</b>	<b>(54,661)</b>
State Sources:					
Transportation Aid	653,808		653,808	653,808	
Special Education Aid	504,067		504,067	504,067	
Equalization Aid	1,063,893		1,063,893	1,063,893	
Security Aid	102,940		102,940	102,940	
Adjustment Aid	3,719,006	(238,457)	3,480,549	3,480,549	
State Reimbursement for Lead Testing of Drinking Water	3,000		3,000		(3,000)
Extraordinary Aid				81,714	81,714
Non-Public Transportation				3,190	3,190
On-behalf Pension Contribution				959,737	959,737
On-behalf TPAF Post Retirement Medical Contribution				435,335	435,335
On-behalf TPAF Long-Term Disability Contribution				1,217	1,217
Reimbursement TPAF Social Security				352,776	352,776
<b>Total - State Sources</b>	<b>6,046,714</b>	<b>(238,457)</b>	<b>5,808,257</b>	<b>7,639,226</b>	<b>1,830,969</b>
Federal Sources:					
Medicaid Reimbursement	20,939		20,939	18,850	(2,089)
<b>Total - Federal Sources</b>	<b>20,939</b>		<b>20,939</b>	<b>18,850</b>	<b>(2,089)</b>
<b>TOTAL REVENUES</b>	<b>\$ 16,137,311</b>	<b>\$ (238,457)</b>	<b>\$ 15,898,854</b>	<b>\$ 17,673,073</b>	<b>\$ 1,774,219</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$ 102,503	\$ 52,478	\$ 154,981	\$ 154,981	\$
Kindergarten	243,500	(478)	243,022	240,062	2,960
Grades 1-5	1,365,178	(30,709)	1,334,469	1,292,174	42,295
Grades 6-8	703,205	64,802	768,007	708,031	59,976
Home instruction:					
Salaries of Teachers	5,300	7,058	12,358	11,376	982
Purchased Technical Services		360	360	360	
Other Purchased Services		327	327	327	
Regular Programs - Undistributed - Instruction:					
Other Salaries for Instructions	24,921	815	25,736	25,736	
Purchased Technical Services	11,800	612	12,412	12,412	
Other Purchased Services	1,075	5,354	6,429	6,307	122
General Supplies	409,622	60,995	470,617	460,149	10,468
Textbooks	50,250	19,300	69,550	69,056	494
Other Objects	5,000	(4,800)	200	187	13
<b>Total Regular Programs</b>	<b>\$ 2,922,354</b>	<b>\$ 176,114</b>	<b>\$ 3,098,468</b>	<b>\$ 2,981,158</b>	<b>\$ 117,310</b>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actua Favorable/ (Unfavorable)
<b>CURRENT EXPENSES: (Continued)</b>					
<b>Special Education</b>					
Multiple Disabilities:					
Salaries of Teachers	\$ 137,836	\$	\$ 137,836	\$ 136,168	\$ 1,668
General Supplies	3,000		3,000	2,706	294
Total Multiple Disabilities	140,836		140,836	138,874	1,962
Resource Room:					
Salaries of Teachers	944,000	(49,000)	895,000	844,856	50,144
Other Salaries for Instruction	337,544	18,274	355,818	327,927	27,891
Purchased Professional - Educational Services	2,500		2,500	1,350	1,150
General Supplies	7,000		7,000	1,502	5,498
Total Resource Room	1,291,044	(30,726)	1,260,318	1,175,635	84,683
Preschool Disabilities - Full Time					
Salaries of Teachers	86,460	3,774	90,234	90,234	
Other Salaries for Instruction	34,396	(74)	34,322	33,674	648
Other Purchased Services		4,410	4,410	4,410	
General Supplies	5,830	(2,190)	3,640	3,173	467
Total Preschool Disabilities - Full Time	126,686	5,920	132,606	131,491	1,115
<b>TOTAL SPECIAL EDUCATION</b>	<b>1,558,566</b>	<b>(24,806)</b>	<b>1,533,760</b>	<b>1,446,000</b>	<b>87,760</b>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	542,520	(50,452)	492,068	353,376	138,692
Other Purchased Services		2,000	2,000	439	1,561
General Supplies	5,000	(1,992)	3,008	1,239	1,769
Total Basic Skills/Remedial-Instruction	547,520	(50,444)	497,076	355,054	142,022
School Sponsored Co-curricular Activities:					
Salaries	55,838		55,838	45,290	10,548
Purchased Services (300-500 Series)	1,000		1,000	262	738
Supplies and Materials	1,500		1,500	819	681
Total School Sponsored Co-curricular Activities	58,338		58,338	46,371	11,967
School Sponsored Athletics:					
Salaries	25,894	(1,161)	24,733	24,733	
Purchased Services (300-500 Series)	3,500	559	4,059	3,684	375
Supplies and Materials	1,500	4,604	6,104	5,875	229
Other Objects	2,600	(809)	1,791	1,012	779
Total School Sponsored Athletics	33,494	3,193	36,687	35,304	1,383
Community Services Program:					
Purchased Services (300-500 Series)	1,500		1,500	1,500	
Total Community Services Program	1,500		1,500	1,500	
Total Instruction	5,121,772	104,057	5,225,829	4,865,387	360,442
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	1,523,784	4,275	1,528,059	1,528,059	
Tuition - Other LEAs Within the State - Special	33,842		33,842	33,842	
Tuition - Co Voc. School Dist. - Regular	1,090,299		1,090,299	1,090,299	
Tuition - Co Voc. School Dist. - Special	277,564	(8,315)	269,249	243,722	25,527
Tuition - CSSD & Regional Day Schools	1,061,804	(151,595)	910,209	871,609	38,600
Tuition to Private Schools for the Disabled Within State	127,978	53,000	180,978	178,748	2,230
Tuition - State Facilities	72,494		72,494	72,494	
Total Undistributed Expenditures - Instruction	\$ 4,187,765	\$ (102,635)	\$ 4,085,130	\$ 4,018,773	\$ 66,357



**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Budget Amendments/ Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>CURRENT EXPENDITURES: (Continued)</b>					
Undistributed Expenditures - Attendance and Social Work:					
Other Purchased Services	\$ 65	\$ 325	\$ 390	\$ 390	\$
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>65</b>	<b>325</b>	<b>390</b>	<b>390</b>	
Health Services:					
Salaries	153,160	7,010	160,170	153,635	6,535
Purch Prof/ Tech Services	5,900	(500)	5,400	5,263	137
Supplies and Materials	9,800	(4,138)	5,662	5,662	
<b>Total Health Services</b>	<b>168,860</b>	<b>2,372</b>	<b>171,232</b>	<b>164,560</b>	<b>6,672</b>
Speech, OT, PT & Related Services					
Salaries	120,086	9,780	129,866	109,805	20,061
Purchased Professional - Educational Services	5,878	(2,375)	3,503		3,503
Supplies and Materials	6,100		6,100	444	5,656
<b>Total Related Services</b>	<b>132,064</b>	<b>7,405</b>	<b>139,469</b>	<b>110,249</b>	<b>29,220</b>
Other Support Services - Students - Extra Services:					
Salaries					
Purchased Prof Ed Services					
<b>Total Extra Services</b>					
Guidance:					
Salaries Other Professional Staff	136,470	53	136,523	136,523	
Other Purchased Professional Educational Services	1,297	(53)	1,244	950	294
Supplies and Materials	1,500		1,500	1,023	477
<b>Total Guidance</b>	<b>139,267</b>		<b>139,267</b>	<b>138,496</b>	<b>771</b>
Child Study Team					
Salaries of Other Professional Staff	306,228	(28,206)	278,022	258,022	20,000
Salaries Secr. & Clerical Asst.	96,829		96,829	95,003	1,826
Purchased Professional - Educational Services	88,665	(23,798)	64,867	62,745	2,122
Other Purchased Professional and Technical Services	11,220	10,732	21,952	21,952	
Other Purchased Services		6,667	6,667	6,667	
Miscellaneous Purchased Services	1,100	8,494	9,594	6,151	3,443
Supplies and Materials	6,300	(3,417)	2,883	2,883	
Other Objects	1,300	(77)	1,223	349	874
<b>Total Child Study Teams</b>	<b>511,642</b>	<b>(29,605)</b>	<b>482,037</b>	<b>453,772</b>	<b>28,265</b>
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	20,498		20,498	20,497	1
Salaries of Secretary and Clerical Assistant	12,933		12,933	12,394	539
<b>Total Improvement of Instruction Services/Other Support</b>	<b>33,431</b>		<b>33,431</b>	<b>32,891</b>	<b>540</b>
Educational Media Services/School Library:					
Salaries	59,730	(240)	59,490	58,053	1,437
Salaries of Technology Coordinators	70,382	735	71,117	71,117	
Purchased Professional and Technical Services		520	520	520	
Supplies and Materials	6,200	(520)	5,680	1,911	3,769
<b>Total Educational Media Services/School Library</b>	<b>\$ 136,312</b>	<b>\$ 495</b>	<b>\$ 136,807</b>	<b>\$ 131,601</b>	<b>\$ 5,206</b>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENSES: (Continued)</b>					
Undistributed Expenditures:					
Instructional Staff Training Services					
Unused Vacation Payment to Terminated /Retired Staff	\$ 60	\$	\$ 60	\$	\$ 60
Other Purchased Services (400-500 Series)	5,000		5,000	41	4,959
<b>Total Inst. Staff Training Services</b>	<b>5,060</b>		<b>5,060</b>	<b>41</b>	<b>5,019</b>
Support Services General Administration:					
Salaries	163,057	13,205	176,262	161,212	15,050
Legal Services	54,920	(16,252)	38,668	38,668	
Audit Fees	20,000		20,000	20,000	
Other Purchased Professional Services	7,500	6,500	14,000	10,500	3,500
Purchased Technical Services	3,900	1,800	5,700	4,595	1,105
Communication/Telephone	85,400	11,500	96,900	88,491	8,409
BOE Other Purchased Services	1,500	100	1,600	1,600	
Miscellaneous Purchased Services	27,238	(3,110)	24,128	12,206	11,922
General Supplies	6,000	(1,437)	4,563	4,563	
BOE In-House Training/Meeting Supplies	2,000	(1,053)	947	798	149
Miscellaneous Expenditures	9,800		9,800	4,700	5,100
BOE Membership Dues and Fees	10,000		10,000	7,711	2,289
<b>Total Support Services General Administration</b>	<b>391,315</b>	<b>11,253</b>	<b>402,568</b>	<b>355,044</b>	<b>47,524</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	109,494	8,000	117,494	108,988	8,506
Salaries of Secretarial and Clerical Assistants	126,279		126,279	122,711	3,568
Purchased Professional and Technical Services	1,250	1,000	2,250	2,250	
Other Purchased Services	12,700	(500)	12,200	4,802	7,398
Supplies and Materials	9,500		9,500	5,439	4,061
Other Objects	9,000		9,000	274	8,726
<b>Total Support Services School Administration</b>	<b>268,223</b>	<b>8,500</b>	<b>276,723</b>	<b>244,464</b>	<b>32,259</b>
Central Services:					
Salaries	183,081	10,607	193,688	182,085	11,603
Purchased Professional Services	23,289		23,289	20,677	2,612
Miscellaneous Purchased Services	7,816	2,778	10,594	6,074	4,520
Supplies and Materials	12,435	(529)	11,906	8,324	3,582
Interest on Current Loans	100	(12)	88		88
Miscellaneous Expenditures	3,025	216	3,241	3,241	
<b>Total Central Services</b>	<b>229,746</b>	<b>13,060</b>	<b>242,806</b>	<b>220,401</b>	<b>22,405</b>
Admin. Info. Technology:					
Salaries	24,497	200	24,697	24,667	30
Purchased Professional Services	5,000	(1,079)	3,921	3,383	538
Other Purchased Services	385	184	569	365	204
Miscellaneous Expenditures		695	695	695	
<b>Total Admin. Info. Technology</b>	<b>29,882</b>		<b>29,882</b>	<b>29,110</b>	<b>772</b>
Required Maintenance for School Facilities:					
Salaries	137,075	6,790	143,865	138,863	5,002
Cleaning, Repair and Maintenance Services	167,200	60,434	227,634	197,477	30,157
Lead Testing of Drinking Water	3,000	(3,000)			
General Supplies	35,000	(1,325)	33,675	33,675	
Other Objects	4,330	2,217	6,547	5,595	952
<b>Total Required Maintenance for School Facilities</b>	<b>\$ 346,605</b>	<b>\$ 65,116</b>	<b>\$ 411,721</b>	<b>\$ 375,610</b>	<b>\$ 36,111</b>

**DENNIS TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 262,483	\$ (4,696)	\$ 257,787	\$ 238,685	\$ 19,102
Salaries of Non-instructional Aides	28,402	3,120	31,522	31,522	
Purchased Professional and Technical Services	38,567	(294)	38,273	36,415	1,858
Cleaning, Repair and Maintenance Services	96,675	(66,931)	29,744	21,295	8,449
Insurance	77,715	1,526	79,241	79,241	
Miscellaneous Purchased Services	3,100		3,100	232	2,868
General Supplies	84,920	(31,142)	53,778	53,143	635
Energy (Natural Gas)	33,000	3,689	36,689	36,689	
Energy (Electricity)	220,000	(27,883)	192,117	190,599	1,518
Energy (Oil)	41,000	12,000	53,000	46,050	6,950
Other Objects	550		550	120	430
<b>Total Other Operation and Maintenance of Plant - Custodial</b>	<b>886,412</b>	<b>(110,611)</b>	<b>775,801</b>	<b>733,991</b>	<b>41,810</b>
Undistributed Expenditures - Care & Upkeep of Grounds:					
General Supplies	6,200		6,200	5,647	553
<b>Total Care &amp; Upkeep of Grounds</b>	<b>6,200</b>		<b>6,200</b>	<b>5,647</b>	<b>553</b>
Undistributed Expenditures - Security:					
Cleaning, Repair and Maintenance Services	15,000	17,816	32,816	32,816	
General Supplies	1,000	(312)	688		688
Other Purchased Services		67,439	67,439	61,760	5,679
<b>Total Security</b>	<b>16,000</b>	<b>84,943</b>	<b>100,943</b>	<b>94,576</b>	<b>6,367</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>1,255,217</b>	<b>39,448</b>	<b>1,294,665</b>	<b>1,209,824</b>	<b>84,841</b>
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	88,142	(2,181)	85,961	85,961	
Salaries for Pupil Transport. Between Home & School - Regular	344,341	41,939	386,280	332,823	53,457
Salaries for Pupil Trans. Between Home & Schl - Special Ed.	89,307	9,429	98,736	87,291	11,445
Salaries for Pupil Trans.(Other than Bet. Home & School	46,250	(35,066)	11,184	11,184	
Salaries for Pupil Trans. Bet Home & Schl - Non-Public Schl.	29,861	1,300	31,161	20,201	10,960
Other Purchased Professional and Technical Services	13,811	5,223	19,034	19,034	
Cleaning, Repair and Maintenance Services	24,550	(17,134)	7,416	6,914	502
Rental Payments - School Buses	1,500		1,500		1,500
Lease Purchase Payments - School Buses	174,363		174,363	174,363	
Contracted Services - Aid in Lieu of Payments - Nonpublic	12,000	2,000	14,000	11,683	2,317
Contracted Services - Aid in Lieu of Payments - Charter School	2,000		2,000	1,000	1,000
Contracted Services - Aid in Lieu of Payments - Choice School	2,000		2,000	1,000	1,000
Contracted Services (Bet Home/School) - Vendors	3,420	(2,030)	1,390		1,390
Contracted Services (Bet Home/School) - Joint Agreements	6,998	2,030	9,028	9,026	2
Contracted Services (Spoc Ed. Stud.) - Joint Agreements	3,000		3,000	3,000	
Contracted Services (Sp. Ed. Stds.) - ESC & CTSA's	39,780	54,336	94,116	94,116	
Miscellaneous Purchased Services - Transportation	19,500	(17,000)	2,500	1,926	574
General Supplies	154,130	14,928	169,058	163,163	5,895
Other Objects	3,050		3,050	2,388	662
<b>Total Student Transportation Services</b>	<b>1,058,003</b>	<b>57,774</b>	<b>1,115,777</b>	<b>1,025,073</b>	<b>90,704</b>
Unallocated Employee Benefits:					
Social Security Contributions	179,049		179,049	173,845	5,204
Other Retirement Contributions - PERS	198,750	39,898	238,648	219,865	18,783
Unemployment Compensation	18,000	18,239	36,239	35,359	880
Workers Compensation	120,537		120,537	120,537	
Health Benefits	2,046,971	(31,125)	2,015,846	1,983,513	32,333
Tuition Reimbursement	15,000	(11,892)	3,108		3,108
Other Employee Benefits		2,500	2,500	2,500	
Unused Sick Payments to Terminated/Retired Staff - Severance		3,635	3,635	3,635	
Unused Sick Payments to Terminated/Retired Staff	32,500	28,978	61,478	48,217	13,261
<b>Total Unallocated Employee Benefits</b>	<b>\$ 2,610,807</b>	<b>\$ 50,233</b>	<b>\$ 2,661,040</b>	<b>\$ 2,587,471</b>	<b>\$ 73,569</b>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
On-behalf TPAF Pension Contribution	\$	\$	\$	\$ 959,737	\$ (959,737)
On-behalf TPAF Post Retirement Medical Contribution				435,335	(435,335)
On-behalf TPAF Long-Term Dissability Contribution				1,217	(1,217)
Reimbursement TPAF Social Security				352,776	(352,776)
Total Personal Services - Employee Benefits	2,610,807	50,233	2,661,040	4,336,536	(1,675,496)
Total Undistributed Expenditures	11,157,659	58,625	11,216,284	12,471,225	(1,254,941)
Interest Earned on Maintenance Reserve	30		30		30
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>16,279,461</b>	<b>162,682</b>	<b>16,442,143</b>	<b>17,336,612</b>	<b>(894,469)</b>
<b>CAPITAL OUTLAY:</b>					
Interest Earned on Capital Reserve	80		80		80
Undistributed Expenditures:					
Instructional:					
Custodial Services	9,440		9,440	9,200	240
Undistributed Expenditures - Non-Instructional		11,538	11,538	4,998	6,540
Total Equipment	9,440	11,538	20,978	14,198	6,780
Facilities Acquisition - Construction Services:					
Architectural/Engineering Services	56,000	23,990	79,990	70,152	9,838
Construction Services	540,569	73,542	614,111	584,998	29,113
Assessment for Debt Service on SDA Funding	47,907		47,907	47,907	
Total Facilities Acquisition and Construction Services	644,476	97,532	742,008	703,057	38,951
<b>TOTAL CAPITAL OUTLAY</b>	<b>653,996</b>	<b>109,070</b>	<b>763,066</b>	<b>717,255</b>	<b>45,811</b>
<b>TOTAL EXPENDITURES</b>	<b>16,933,457</b>	<b>271,752</b>	<b>17,205,209</b>	<b>18,053,867</b>	<b>(848,658)</b>
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(796,146)	(510,209)	(1,306,355)	(380,794)	925,561
Other Financing Sources (Uses):					
Transfer to Cover Deficit (Enterprise Fund)	(10,000)	8,326	(1,674)	(1,674)	
Transfer to Charter School	(25,293)	(540)	(25,833)	(14,294)	11,539
Total Other Financing Sources	(35,293)	7,786	(27,507)	(15,968)	11,539
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(831,439)	(502,423)	(1,333,862)	(396,762)	937,100
Fund Balances, July 1	2,624,913		2,624,913	2,624,913	
Fund Balances, June 30	\$ 1,793,474	\$ (502,423)	\$ 1,291,051	\$ 2,228,151	\$ 937,100
<b>RECAPITULATION:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Current Year				\$ 373,899	
Excess Surplus - Designated for Subsequent Year's Expenditures				330,691	
Maintenance Reserve				418,106	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				58,019	
Capital Reserve				217,706	
Capital Reserve - Designated for Subsequent Year's Expenditures				149,989	
Emergency Reserve				125,000	
Emergency Reserve - Designated for Subsequent Year's Expenditures				100,000	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				3,885	
Designated for Subsequent Year's Expenditures				39,856	
<b>Unassigned Fund Balance</b>					
				411,000	
				2,228,151	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(502,497)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,725,654	

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources	\$ 20,040	\$	\$ 20,040	\$ 20,040	\$
Federal Sources					
Title I	273,860	15,394	289,254	280,840	8,414
Title II	44,641	7,641	52,282	42,158	10,124
Title IV	14,654		14,653	13,260	1,393
I.D.E.A., Part B	222,987		222,987	222,987	
I.D.E.A., Part B Preschool Initiative	4,013	(114)	3,899	3,899	
	<u>560,155</u>	<u>22,920</u>	<u>583,075</u>	<u>563,144</u>	<u>19,931</u>
State Sources					
Non-public Programs	134,749	7,423	142,172	139,114	3,058
<b>Total Revenues</b>	<u>714,944</u>	<u>30,343</u>	<u>745,287</u>	<u>722,298</u>	<u>22,989</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	252,853	277	253,130	244,696	8,434
Other Purchased Services (400-500 Series)	205,499		205,499	205,499	
General Supplies	2,000	19,430	21,430	13,871	7,559
Textbooks	10,425	(3,002)	7,423	7,423	
<b>Total Instruction</b>	<u>470,777</u>	<u>16,705</u>	<u>487,482</u>	<u>471,489</u>	<u>15,993</u>
<b>Support Services</b>					
Salaries	955	(809)	146	146	
Salaries of Other Professional Staff	27,311	459	27,770	25,829	1,941
Personal Services - Employee Benefits	121,523	(2,790)	118,733	117,866	867
Purchased Professional & Technical Services	19,620	5,775	25,395	23,040	2,355
Other Purchased Services	10,184	461	10,645	9,069	1,576
Contracted Field Trip Transportation	24,925		24,925	24,925	
Supplies and Materials	39,649	10,542	50,191	49,934	257
<b>Total Support Services</b>	<u>244,167</u>	<u>13,638</u>	<u>257,805</u>	<u>250,809</u>	<u>6,996</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment					
Non-Instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
Total Expenditures	<u>714,944</u>	<u>30,343</u>	<u>745,287</u>	<u>722,298</u>	<u>22,989</u>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<u>714,944</u>	<u>30,343</u>	<u>745,287</u>	<u>722,298</u>	<u>22,989</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET-TO-GAAP RECONCILIATION**  
**NOTE TO RSI**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 17,673,073	[C-2] \$ 722,298
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	Prior Year	5,118
	Current Year	
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	517,294	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(502,497)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 17,687,870	[B-2] \$ 727,416
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 18,053,867	[C-2] \$ 722,298
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		5,118
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 18,053,867	[B-2] \$ 727,416



**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART III**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.019377%	0.019118%	0.018269%	0.018310%	0.019766%	0.019819%
District's Proportionate Share of the Net Pension Liability	\$ 3,815,145	\$ 4,450,419	\$ 5,410,614	\$ 4,110,335	\$ 3,700,825	\$ 3,787,852
District's Covered-Employee Payroll	\$ 1,313,486	\$ 1,349,044	\$ 1,320,073	\$ 1,235,780	\$ 1,218,004	\$ 1,355,748
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	290.46%	329.89%	409.87%	332.61%	303.84%	279.39%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 200,873	\$ 177,108	\$ 162,295	\$ 157,421	\$ 162,952	\$ 149,334
Contributions in relation to the Contractually Required Contribution	(200,873)	(177,108)	(162,295)	(157,421)	(162,952)	(149,334)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 1,313,486	\$ 1,349,044	\$ 1,320,073	\$ 1,235,780	\$ 1,218,004	\$ 1,355,748
Contributions as a Percentage of Covered-Employee Payroll	15.29%	13.13%	12.29%	12.74%	13.38%	11.01%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**

	<u>Last Ten Fiscal Years*</u>					
	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.045047%	0.044904%	0.047422%	0.048633%	0.055833%	0.054941%
District's Proportionate Share of the Net Pension Liability	\$ 28,658,032	\$ 30,275,568	\$ 37,304,819	\$ 30,738,273	\$ 29,841,141	\$ 27,766,875
District's Covered-Employee Payroll	\$ 4,906,700	\$ 5,000,649	\$ 4,680,625	\$ 4,566,930	\$ 4,797,445	\$ 4,894,418
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	584.06%	605.43%	797.01%	673.06%	622.02%	567.32%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years**

	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 1,128,192	\$ 1,360,740
Interest Cost	1,151,399	993,551
Changes of Benefit Terms		
Differences Between Expected and Actual Experiences	(3,517,966)	
Changes of Assumptions	(3,031,785)	(4,130,767)
Member Contributions	24,416	26,757
Gross Benefit Payments	(706,451)	(726,638)
<b>Net Change in Total OPEB Liability</b>	<u>(4,952,195)</u>	<u>(2,476,357)</u>
<b>Total OPEB Liability - Beginning</b>	<u>31,371,823</u>	<u>33,848,180</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 26,419,628</u>	<u>\$ 31,371,823</u>
<b>Covered-Employee Payroll</b>	<u>\$ 6,220,186</u>	<u>\$ 6,349,693</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	424.74%	494.07%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: There is no change in the Total OPEB Liability from June 30, 2016 to June 30, 2017 due to differences in expected and actual experiences. The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is 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.



DENNIS TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	NCLB						I.D.E.A. - Part B		Totals	
	Title I Part A 2018-19	Title I SIA 2018-19	Title II A 2018-19	Title IV 2018-19	Basic 2018-19	Preschool 2018-19	Safety Grant	Wellness Grant	Sub-Total Per E-1(2)	2019
<b>REVENUES:</b>										
Federal Sources	\$ 276,036	\$ 4,804	\$ 42,158	\$ 13,260	\$ 222,987	\$ 3,899		\$ -	\$ 139,114	\$ 563,144
State Sources										139,114
Other							\$ 3,940	\$ 16,100		20,040
<b>Total Revenues</b>	<b>276,036</b>	<b>4,804</b>	<b>42,158</b>	<b>13,260</b>	<b>222,987</b>	<b>3,899</b>	<b>3,940</b>	<b>16,100</b>	<b>139,114</b>	<b>722,298</b>
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of Teachers	153,604	1,700	7,057	10,733	13,350	3,436			54,816	244,696
Other Purchased Services					205,499					205,499
General Supplies	10,884	2,987							7,423	13,871
Textbooks										7,423
<b>Total Instruction</b>	<b>164,488</b>	<b>4,687</b>	<b>7,057</b>	<b>10,733</b>	<b>218,849</b>	<b>3,436</b>			<b>62,239</b>	<b>471,489</b>
Support Services:										
Salaries						146				146
Salaries of Other Professional Staff									15,307	15,307
Personal Services - Employee Benefits	111,548	117	842	904	4,138	317				117,866
Purchased Prof/Tech Services			23,040							23,040
Other Purchased Services (400-500 Series)			8,719						350	9,069
Supplies and Materials			2,500	1,623			3,940	16,100	25,771	49,934
<b>Total Support Services</b>	<b>111,548</b>	<b>117</b>	<b>35,101</b>	<b>2,527</b>	<b>4,138</b>	<b>463</b>	<b>3,940</b>	<b>16,100</b>	<b>41,428</b>	<b>215,362</b>
Health Services:										
Salaries									10,522	10,522
Health Services									10,522	10,522
Student Transportation Services										
Salaries									24,925	24,925
Student Transportation Services									24,925	24,925
Facilities Acquisition/Construction:										
Instructional Equipment										
Non-Instructional Equipment										
<b>Total Facilities Acquisition/Construction</b>										
<b>Total Expenditures</b>	<b>\$ 276,036</b>	<b>\$ 4,804</b>	<b>\$ 42,158</b>	<b>\$ 13,260</b>	<b>\$ 222,987</b>	<b>\$ 3,899</b>	<b>\$ 3,940</b>	<b>\$ 16,100</b>	<b>\$ 139,114</b>	<b>\$ 722,298</b>

DENNIS TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Nonpublic Transportation	Nonpublic Technology	Nonpublic Textbooks	Nonpublic Speech	Nonpublic Nursing	Nonpublic Basic Skills	Nonpublic Supplemental Instruction	Nonpublic Security	Nonpublic Examination & Classification	Totals 2019
<b>REVENUES:</b>										
Federal Sources	\$ 24,925	\$ 4,989	\$ 7,423	\$ 9,821	\$ 10,522	\$ 34,687	\$ 10,308	\$ 20,782	\$ 15,657	\$ 139,114
State Sources										
Other										
Total Revenues	24,925	4,989	7,423	9,821	10,522	34,687	10,308	20,782	15,657	139,114
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of Teachers				9,821		34,687	10,308			54,816
Other Purchased Services										
Other Purchased Services (400-500 Series)										
General Supplies			7,423							7,423
Textbooks										
Total Instruction			7,423	9,821		34,687	10,308			62,239
Support Services:										
Salaries									15,307	15,307
Salaries of Other Professional Staff										
Personal Services - Employee Benefits										
Purchased Prof/Tech Services		4,989						20,782	350	350
Other Purchased Services (400-500 Series)										
Supplies and Materials		4,989								25,771
Total Support Services		4,989						20,782	15,657	41,428
Health Services:					10,522					10,522
Salaries										
Total Health Services					10,522					10,522
Student Transportation Services	24,925									24,925
Salaries										
Total Student Transportation Services	24,925									24,925
Facilities Acquisition/Construction:										
Instructional Equipment										
Non-Instructional Equipment										
Total Facilities Acquisition/Construction										
Total Expenditures	\$ 24,925	\$ 4,989	\$ 7,423	\$ 9,821	\$ 10,522	\$ 34,687	\$ 10,308	\$ 20,782	\$ 15,657	\$ 139,114

## FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments an/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.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

	Scholarship Fund	Agency		Total	
		Student Activity	Payroll	June 30, 2019	June 30, 2018
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 10,361	\$ 44,737	\$ 132,190	\$ 187,288	\$ 55,652
Interfund Receivable					
Total Assets	<u>\$ 10,361</u>	<u>\$ 44,737</u>	<u>\$ 132,190</u>	<u>\$ 187,288</u>	<u>\$ 55,652</u>
<b>LIABILITIES AND NET POSITION:</b>					
Liabilities:					
Due to Student Groups	\$	\$ 44,737	\$	\$ 44,737	\$ 41,914
Accounts Payable					392
Payroll Deductions and Withholdings			121,295	121,295	2,947
Interfund Payable			10,895	10,895	8
Total Liabilities	<u>\$</u>	<u>\$ 44,737</u>	<u>\$ 132,190</u>	<u>\$ 176,927</u>	<u>\$ 45,261</u>
<b>Net Position</b>					
Reserve for Scholarships	\$ 10,361	\$	\$	\$ 10,361	\$ 10,391
Total Liabilities and Net Position	<u>\$ 10,361</u>	<u>\$ 44,737</u>	<u>\$ 132,190</u>	<u>\$ 187,288</u>	<u>\$ 55,652</u>

TOWNSHIP OF DENNIS SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>	
Contributions	\$
Investment Earnings - Interest	70
Total Additions	<u>70</u>
<b>DEDUCTIONS</b>	
Scholarship Awards	<u>100</u>
Total Deductions	<u>100</u>
Change in Net Position	(30)
Net Position—Beginning of the Year	<u>10,391</u>
Net Position—End of the Year	<u>\$ 10,361</u>

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

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable 6/30/2019</u>	<u>Balance June 30, 2019</u>
<b>ELEMENTARY SCHOOLS</b>					
8th Grade Activities	\$ 5,184	\$ 42,077	\$ 39,021	\$	\$ 8,240
Other	37,122	80,511	81,136		36,497
Total Assets	<u>\$ 42,306</u>	<u>\$ 122,588</u>	<u>\$ 120,157</u>	<u>\$</u>	<u>\$ 44,737</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,955	\$ 8,228,665	\$ 8,099,430	\$ 132,190
Total Assets	<u>\$ 2,955</u>	<u>\$ 8,228,665</u>	<u>\$ 8,099,430</u>	<u>\$ 132,190</u>
<b>LIABILITIES:</b>				
Net Payroll	\$	\$ 4,602,647	\$ 4,602,647	\$
Payroll Deductions & Withholdings	2,947	3,593,734	3,475,386	121,295
Interfund Payable	8	10,887		10,895
Flexible Spending Reserve		21,397	21,397	
Total Liabilities	<u>\$ 2,955</u>	<u>\$ 8,228,665</u>	<u>\$ 8,099,430</u>	<u>\$ 132,190</u>



## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF GENERAL SERIAL BONDS  
AS OF JUNE 30, 2019**

Improvement Description	Date of Issue	Amount of Original Issue	Interest Rate	Maturity of Bonds		Amount Outstanding June 30, 2018	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2019
				Date	Amount				
2010 Refunding Issue	4/29/10	\$4,750,000	3.375%	4/1/20	\$ 420,000	\$ 1,475,000		\$ 430,000	\$ 1,045,000
			3.500%	4/1/21	415,000				
			3.625%	4/1/22	210,000				
						\$ 1,475,000		\$ 430,000	\$ 1,045,000

EXHIBIT I-2

**TOWNSHIP OF DENNIS SCHOOL DISTRICT**  
**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**  
**JUNE 30, 2019**

<b>Description</b>	<b>Amount of Original Issue</b>	<b>Interest Rate Payable</b>	<b>Amount</b>		<b>Retired Current Year</b>	<b>Outstanding June 30, 2019</b>
			<b>Outstanding June 30, 2018</b>	<b>Issued Current Year</b>		
2013 - Eight 54 Passenger Buses	\$ 698,720.00		\$ 100,591		\$ 100,591	\$
2013 - Two 54 & One 50 Passenger Bus	298,437.00		52,248		52,248	
2015 - School Buses, Security Camera System and Technology Equipment	345,185.41		69,983		69,983	
2017 - Technology Equipment	400,000.00		200,013		98,908	101,105
2018 - Chromebooks	151,170.43		151,171		73,682	77,489
			<u>\$ 574,006</u>		<u>\$ 395,412</u>	<u>\$ 178,594</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 476,839		\$ 476,839	\$ 476,839	
Total Revenues	476,839		476,839	476,839	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	50,288		50,288	50,288	
Redemption of Principal	430,000		430,000	430,000	
Total Expenditures	480,288		480,288	480,288	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,449)		(3,449)	(3,449)	
Other Financing Sources (Uses):					
Operating Transfers In:					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,449)		(3,449)	(3,449)	
Fund Balance, July 1	3,449		3,449	3,449	
Fund Balance, June 30	\$		\$	\$	
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:</b>					
Restricted Fund Balance				\$	

## **STATISTICAL SECTION**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
 (Accrual Basis of Accounting)  
 (UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 6,857,067	7,577,048	7,329,475	7,300,013	7,303,158	7,363,624	7,588,777	7,241,802	9,221,289	9,859,731
Restricted	261,284	577,753	632,088	190,505	715,709	1,776,139	2,478,057	1,359,664	1,787,039	1,465,402
Unrestricted	(503,719)	(564,032)	(578,481)	(377,222)	(4,118,987)	(4,115,764)	(4,092,422)	(3,049,207)	(3,978,999)	(4,025,031)
<b>Total Governmental Activities Net Position</b>	<b>6,614,632</b>	<b>7,590,769</b>	<b>7,383,082</b>	<b>7,113,296</b>	<b>3,899,880</b>	<b>5,023,999</b>	<b>5,974,412</b>	<b>5,552,259</b>	<b>7,029,329</b>	<b>7,300,102</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	6,210	106,469	92,036	77,603	63,173	50,525	39,655	33,746	54,589	51,801
Unrestricted	54,797	42,073	88,377	62,990	52,819	77,421	78,906	73,059	66,452	1,589
<b>Total Business-Type Activities Net Position</b>	<b>61,007</b>	<b>148,542</b>	<b>180,413</b>	<b>140,593</b>	<b>115,992</b>	<b>127,946</b>	<b>118,561</b>	<b>106,805</b>	<b>121,041</b>	<b>53,390</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	6,863,277	7,683,517	7,421,511	7,377,616	7,366,331	7,414,149	7,628,432	7,275,548	9,275,878	9,911,532
Restricted	261,284	577,753	632,088	190,505	715,709	1,776,139	2,478,057	1,359,664	1,787,039	1,465,402
Unrestricted	(448,922)	(521,959)	(490,104)	(314,232)	(4,066,168)	(4,038,343)	(4,013,516)	(2,976,148)	(3,912,547)	(4,023,442)
<b>Total District-Wide Net Position</b>	<b>\$ 6,675,639</b>	<b>7,739,311</b>	<b>7,563,495</b>	<b>7,253,889</b>	<b>4,015,872</b>	<b>5,151,945</b>	<b>6,092,973</b>	<b>5,659,064</b>	<b>7,150,370</b>	<b>7,353,492</b>

Source: CAFR Schedule A-1

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(UNAUDITED)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses:</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 4,356,353	4,384,880	4,653,965	4,446,566	4,195,835	4,758,422	4,749,939	5,980,072	5,832,723	5,655,001
Special Education	2,630,386	2,335,736	2,203,939	2,475,803	2,463,863	3,043,771	3,269,534	3,718,946	3,732,581	2,831,206
Other Special Education	402,368	361,545	513,744	483,815	687,737	682,214	720,637	840,512	1,047,246	698,170
Other Instruction										150,731
<b>Support Services</b>										
Tuition	4,282,789	4,317,962	4,314,462	4,417,078	3,803,744	3,516,058	3,580,893	3,874,022	3,878,545	4,018,773
Student and Instruction Related Services	1,705,948	1,544,564	1,626,632	1,687,296	1,525,453	1,883,002	2,043,177	2,191,984	2,330,684	2,073,366
General and Business Admin. Services	408,973	414,824	402,729	504,564	517,362	544,742	472,321	639,297	602,604	534,693
School Administrative Services	538,057	365,593	471,808	421,013	342,944	337,072	420,905	482,346	481,951	469,773
Central and Technical Services	329,912	257,730	339,275	342,836	336,808	352,236	423,931	432,121	433,343	454,443
Plant Operations and Maintenance	1,042,300	1,026,267	1,037,694	1,453,347	1,095,341	1,111,793	1,083,932	1,201,518	1,312,325	1,602,122
Pupil Transportation	1,060,844	1,114,799	1,233,973	997,205	1,170,369	1,040,596	988,213	1,186,517	1,162,051	1,252,345
Capital Outlay				47,907						
Charter Schools	9,621	24,925	32,013	43,309	42,491	91,783	52,715	47,402	13,441	
Amortization of Debt Issue Costs										
Interest on Long-Term Debt	227,857	129,532	120,729	129,398	130,501	117,062	105,630	92,109	78,603	64,706
<b>Total Governmental Activities Expenses</b>	<b>16,995,408</b>	<b>16,278,357</b>	<b>16,950,963</b>	<b>17,450,137</b>	<b>16,312,448</b>	<b>17,478,751</b>	<b>17,911,827</b>	<b>20,686,846</b>	<b>20,906,097</b>	<b>19,805,329</b>
<b>Business-Type Activities</b>										
After School Programs	215,784	208,329	212,677	245,594	223,194	172,504	178,792	206,749	176,334	107,306
Food Service	96,029	77,307	65,672	63,863	58,322	60,200	74,201	81,993	85,904	182,950
<b>Total Business-Type Activities Expense</b>	<b>311,813</b>	<b>285,636</b>	<b>278,349</b>	<b>309,457</b>	<b>281,516</b>	<b>232,704</b>	<b>252,993</b>	<b>288,742</b>	<b>262,238</b>	<b>290,256</b>
<b>Total District Expenses</b>	<b>17,307,221</b>	<b>16,563,993</b>	<b>17,229,312</b>	<b>17,759,594</b>	<b>16,593,964</b>	<b>17,711,455</b>	<b>18,164,820</b>	<b>20,975,588</b>	<b>21,168,335</b>	<b>20,095,585</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charge for Services</b>										
Instruction (Tuition)	15,680	7,785	100,881	63,171	512,015	509,767	522,797	573,282	595,772	
Pupil Transportation	497	259			702,164	689,764	706,972	916,615	878,754	
Operating Grants and Contributions	1,126,828	628,014	2,708,049	517,447	1,471,630	2,829,588	3,246,712	4,167,517	5,220,303	599,028
<b>Total Gov't Activities Program Rev.</b>	<b>1,143,005</b>	<b>636,058</b>	<b>2,808,930</b>	<b>580,618</b>	<b>2,685,809</b>	<b>4,029,119</b>	<b>4,476,481</b>	<b>5,657,414</b>	<b>6,694,829</b>	<b>599,028</b>
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Food Service	134,892	119,294	151,811	112,563	98,065	77,231	72,645	76,832	75,104	57,389
Community Education	103,840	60,935	60,741	60,424	72,132	80,935	66,944	84,831	80,332	77,821
Operating Grants and Contributions	77,380	78,177	97,832	96,617	96,707	86,474	89,071	95,097	96,349	88,715
<b>Total Bus.-Type Activities Prog. Rev.</b>	<b>316,112</b>	<b>258,406</b>	<b>310,184</b>	<b>269,624</b>	<b>266,904</b>	<b>244,640</b>	<b>228,660</b>	<b>256,760</b>	<b>251,785</b>	<b>223,925</b>
<b>Total District Program Revenues</b>	<b>\$ 1,459,117</b>	<b>894,464</b>	<b>3,119,114</b>	<b>850,242</b>	<b>2,952,713</b>	<b>4,273,759</b>	<b>4,705,141</b>	<b>5,914,174</b>	<b>6,946,614</b>	<b>822,953</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (15,852,403)	(15,842,299)	(14,142,033)	(16,869,519)	(13,626,639)	(13,449,632)	(13,435,346)	(15,029,432)	(14,211,288)	(19,206,301)
Business-Type Activities	4,299	(27,230)	31,835	(39,833)	(14,612)	11,936	(24,333)	(31,982)	(10,453)	(66,331)
<b>Total District-Wide Net Expense</b>	<b>\$ (15,848,104)</b>	<b>(15,869,529)</b>	<b>(14,110,198)</b>	<b>(16,909,352)</b>	<b>(13,641,251)</b>	<b>(13,437,696)</b>	<b>(13,459,679)</b>	<b>(15,061,414)</b>	<b>(14,221,721)</b>	<b>(19,272,632)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied - General Purp.	\$ 7,761,341	8,071,794	8,071,794	8,365,273	8,532,578	8,703,230	8,703,854	8,877,931	9,184,652	10,061,730
Taxes Levied for Debt Service	532,141	533,971	618,819	579,308	579,619	555,669	535,432	520,529	498,881	9,190,746
Unrestricted Grants and Contributions	7,445,675	7,100,098	5,434,505	7,404,302	5,099,349	5,184,581	5,137,207	5,193,462	5,066,768	110,912
Fixed Asset Adjustment		816,841			(82,149)		(586)		908,309	(209,580)
Miscellaneous Income	105,486	95,733	14,729	60,346	12,100	150,272	16,785	33,365	29,728	339,234
Transfers							(6,934)	(18,006)		(15,968)
<b>Total Governmental Activities</b>	<b>15,844,643</b>	<b>16,618,437</b>	<b>14,139,847</b>	<b>16,409,229</b>	<b>14,141,497</b>	<b>14,573,752</b>	<b>14,385,758</b>	<b>14,607,281</b>	<b>15,688,338</b>	<b>19,477,074</b>
<b>Business-Type Activities</b>										
Miscellaneous Income	198	75	35	12	11	17	8,015	2,218	22	205
Transfers							6,934	18,006		1,674
Fixed Asset Adjustment		114,689							24,667	(3,199)
<b>Total Business-Type Activities</b>	<b>198</b>	<b>114,764</b>	<b>35</b>	<b>12</b>	<b>11</b>	<b>17</b>	<b>14,949</b>	<b>20,224</b>	<b>24,689</b>	<b>(1,320)</b>
<b>Total District-Wide</b>	<b>\$ 15,844,841</b>	<b>16,733,201</b>	<b>14,139,882</b>	<b>16,409,241</b>	<b>14,141,508</b>	<b>14,573,769</b>	<b>14,400,707</b>	<b>14,627,505</b>	<b>15,713,027</b>	<b>19,475,754</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (7,760)	976,138	(2,186)	(460,290)	514,858	1,124,120	950,412	(422,151)	1,477,070	270,773
Business-Type Activities	4,497	87,534	31,870	(39,821)	(14,601)	11,953	(9,384)	(11,758)	14,236	(67,651)
<b>Total District-Wide</b>	<b>\$ (3,263)</b>	<b>1,063,672</b>	<b>29,684</b>	<b>(500,111)</b>	<b>500,257</b>	<b>1,136,073</b>	<b>941,028</b>	<b>(433,909)</b>	<b>1,491,306</b>	<b>203,122</b>

Source: CAFR Schedule A-2



**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(UNAUDITED)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	\$ 210,648	194,517	194,517	20,244	329,323	1,089,736	1,091,573	645,225	644,756	1,465,402
Committed	125,468	125,622	125,622	38,693	386,386	686,403	855,234	514,439	624,909	
Assigned	177,349	311,949	311,949	131,568			531,250	200,000	517,374	351,749
Unassigned	(229,389)	(261,199)	(261,199)	(262,387)	(204,045)	(120,909)	103,076	1,124,736	320,580	(91,497)
Reserved	235,731									
Unreserved	(171,839)									
<b>Total General Fund</b>	<b>63,892</b>	<b>284,076</b>	<b>370,889</b>	<b>(71,882)</b>	<b>511,664</b>	<b>1,655,230</b>	<b>2,581,133</b>	<b>2,484,400</b>	<b>2,107,619</b>	<b>1,725,654</b>
All Other Governmental Funds										
Restricted										
Reported in Capital Projects Fund	67,704									
Debt Service Fund	19,811	19,811	19,811			1	1	3,449	3,449	
Committed										
Assigned		67,704								
Unassigned										
Unreserved, reported in:										
Special Revenue Fund	13,205									
Capital Projects Fund										
<b>Total All Other Governmental Funds</b>	<b>\$ 80,909</b>	<b>100,752</b>	<b>19,811</b>			<b>1</b>	<b>1</b>	<b>3,449</b>	<b>3,449</b>	

Source: CAFR Schedule B-1

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 8,293,482	8,605,765	8,690,613	8,944,581	9,112,197	9,258,899	9,239,286	9,398,460	9,683,533	10,061,730
Tuition Charges	15,680	7,784	19,600	39,142	70,371	68,123	81,153	131,638	154,128	155,980
Interest Earnings	496	258	155	45	18	18	81	205	221	4,160
Transportation Fees	37,558	34,559	12,876	24,028	53,169	42,454	61,419	270,794	232,724	179,094
Miscellaneous	72,674	66,247	116,553	66,030	12,082	155,126	16,705	45,555	50,048	110,912
State Sources	7,669,669	7,272,807	7,494,443	7,479,755	7,237,861	7,305,049	7,444,414	7,620,892	7,746,617	7,798,255
Federal Sources	898,089	450,233	596,505	436,265	369,757	430,397	411,222	389,883	535,397	581,994
<b>Total Revenues</b>	<b>16,987,648</b>	<b>16,437,653</b>	<b>16,930,745</b>	<b>16,989,846</b>	<b>16,855,455</b>	<b>17,260,066</b>	<b>17,254,280</b>	<b>17,857,427</b>	<b>18,402,668</b>	<b>18,892,125</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	3,141,441	3,027,508	3,139,043	3,047,298	2,749,671	2,666,257	2,714,200	2,992,137	2,873,016	3,452,647
Special Education Instruction	1,988,407	1,724,126	1,567,363	1,696,941	1,684,546	1,752,402	1,846,618	1,926,436	1,942,373	1,446,000
Other Special Instruction	283,987	253,950	351,233	331,155	453,924	362,266	396,797	423,618	505,601	356,554
Other Instruction										81,675
<b>Support Services</b>										
Instruction	4,282,789	4,292,826	4,339,598	4,417,078	3,803,744	3,516,058	3,580,893	3,874,022	3,878,545	4,018,773
Student and Instruction Related Services	1,256,981	1,122,519	1,146,098	1,159,627	1,055,485	1,096,624	1,184,111	1,167,824	1,236,536	1,159,539
General Administrative Services	329,069	328,743	388,158	345,786	412,916	402,555	302,381	384,689	391,782	355,044
School Administrative Services	384,457	259,013	279,270	288,526	235,147	231,920	234,052	252,627	251,845	244,464
Central and Technical Services	240,801	196,121	242,801	234,950	230,898	237,325	238,898	230,590	232,248	249,511
Plant Operations and Maintenance	895,947	904,969	906,718	996,000	971,192	970,800	918,030	1,012,531	1,045,630	1,209,824
Pupil Transportation	972,770	1,043,207	1,116,765	1,160,311	1,070,484	996,872	949,969	1,079,252	985,150	1,025,073
Unallocated Employee Benefits	2,555,691	2,365,834	2,707,436	3,079,194	2,913,531	3,136,964	3,186,111	3,819,889	3,846,777	4,484,924
Charter Schools	9,621	24,925	32,013	43,309	42,491	91,783	52,715	47,402	13,441	
Capital Outlay	94,613	67,665	89,510	53,134	366,698	444,189	181,236	604,608	1,254,993	717,255
Debt Service										
Principal	370,000	451,000	485,000	475,000	465,000	455,000	445,000	440,000	435,000	430,000
Interest and Other Charges	248,410	135,220	133,819	124,119	114,619	100,669	90,431	77,081	63,881	50,288
<b>Total Expenditures</b>	<b>17,054,984</b>	<b>16,197,626</b>	<b>16,924,873</b>	<b>17,452,428</b>	<b>16,570,346</b>	<b>16,461,684</b>	<b>16,321,442</b>	<b>18,332,706</b>	<b>18,956,818</b>	<b>19,261,571</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(67,336)</b>	<b>240,027</b>	<b>5,872</b>	<b>(462,582)</b>	<b>285,109</b>	<b>798,382</b>	<b>932,838</b>	<b>(475,279)</b>	<b>(554,150)</b>	<b>(369,446)</b>
<b>Other Financing Sources (Uses)</b>										
Transfer In			31,159							
Transfer Out			(31,159)							
Capital Leases (Non-budgeted)			-		298,437	345,185	(6,934)	400,000	177,370	(15,968)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>298,437</b>	<b>345,185</b>	<b>(6,934)</b>	<b>400,000</b>	<b>177,370</b>	<b>(15,968)</b>
<b>Net Change in Fund Balances</b>	<b>(67,336)</b>	<b>240,027</b>	<b>5,872</b>	<b>(462,582)</b>	<b>583,546</b>	<b>1,143,567</b>	<b>925,904</b>	<b>(93,285)</b>	<b>(376,780)</b>	<b>(385,414)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.65%</b>	<b>3.63%</b>	<b>3.68%</b>	<b>3.44%</b>	<b>3.58%</b>	<b>3.47%</b>	<b>3.32%</b>	<b>2.92%</b>	<b>2.82%</b>	<b>2.59%</b>

Source: CAFR Schedule B-2

EXHIBIT J-5

DENNIS TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
 (UNAUDITED)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2019	\$ 5,569	\$	89,463	\$ 95,032
2018	221		29,507	29,728
2017	1,424		35,447	36,871
2016	1,306		15,480	16,786
2015	850		154,276	155,126
2014	461	945	10,676	12,082
2013	589	11,340	54,100	66,029
2012	155	10,800	105,752	116,707
2011	2,638		63,867	66,505
2010	4,645	9,790	91,548	105,983

Source: District Records

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**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	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual County Equalized Value
2019	\$ 28,441,300	\$ 651,055,600	\$ 14,299,800	\$ 1,560,600	\$ 188,494,700	\$ 883,852,000	\$	\$ 883,852,000	1.201	\$ 928,220,962
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
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
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
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
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
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
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
2011	57,469,100	811,964,200	20,873,800	1,524,500	158,869,000	1,050,700,600	2,382,494	1,053,083,094	0.826	970,217,465
2010	60,025,300	812,078,200	20,209,700	1,457,400	156,771,400	1,050,542,000	2,811,828	1,053,353,828	0.817	1,020,714,204

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**c** Estimate

**DENNIS TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate Per \$100 of Assessed Value)  
(UNAUDITED)**

Year Ended June 30,	Dennis Township BOE			Overlapping Rates				Municipal Local Purpose	Total
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>	Total Direct	County General	County Open Space	County Other			
2019	\$ 1.201	\$ 0.000	\$ 1.201	\$ 0.239	\$ 0.011	\$ 0.035	\$ 0.230	\$ 1.716	
2018	1.084	0.057	1.141	0.229	0.011	0.034	0.230	1.645	
2017	1.043	0.059	1.102	0.221	0.011	0.034	0.224	1.592	
2016	1.009	0.061	1.070	0.218	0.011	0.030	0.214	1.543	
2015	0.999	0.053	1.052	0.214	0.010	0.029	0.214	1.519	
2014	0.833	0.055	0.888	0.170	0.009	0.024	0.171	1.262	
2013	0.813	0.055	0.868	0.171	0.009	0.025	0.171	1.244	
2012	0.788	0.059	0.847	0.169	0.009	0.026	0.166	1.217	
2011	0.775	0.051	0.826	0.168	0.010	0.027	0.141	1.172	
2010	0.766	0.051	0.817	0.168	0.010	0.029	0.140	1.164	

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

**a** The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

**b** Rates for debt service are based on each year's requirements.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Turner Partners, L.P.	\$ 25,007,000	2.83%	\$ 16,484,400	1.56%
Sun Driftwood RV, LLC	20,389,700	2.31%	9,509,900	0.90%
Pine Haven, LLC	16,298,600	1.84%	7,119,700	0.68%
Catanoso Family Limited Partnership	9,763,300	1.10%	3,767,300	0.36%
MHC Lake & Shore	9,413,400	1.07%	9,273,200	0.88%
Robertson RV, LLC	4,867,800	0.55%		
Taxpayer #1	4,386,100	0.50%		
Tamerlane Campground Inc	4,341,200	0.49%		
Taxpayer #2	3,873,400	0.44%	4,400,000	0.42%
Ocean View Petroleum	3,841,100	0.43%		
Resorts Campground Corp			3,909,600	0.37%
Minmar Management, LLC			3,151,400	0.30%
O.W. Acquisition Corp				
Sea Quest Enterprises, LLC			8,160,100	0.77%
The Stafford Family			4,151,300	0.39%
<b>Total</b>	<b>\$ 102,181,600</b>	<b>11.56%</b>	<b>\$ 69,926,900</b>	<b>6.64%</b>

Source: District CAFR & Municipal Tax Assessor

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2019	\$ 9,584,891	\$ 9,584,891	100.00%	\$
2018	9,683,533	9,683,533	100.00%	
2017	9,398,460	9,398,460	100.00%	
2016	9,239,286	9,239,286	100.00%	
2015	9,258,899	9,258,899	100.00%	
2014	9,112,197	9,112,197	100.00%	
2013	8,944,581	8,944,581	100.00%	
2012	8,690,613	8,690,613	100.00%	
2011	8,605,765	8,605,765	100.00%	
2010	8,293,482	8,293,482	100.00%	

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

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, the amount voted upon or certified prior to the end of the school year.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Debt Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2019	\$ 1,045,000	178,594	\$	\$	\$	1,223,594	0.34%	\$ 198
2018	1,475,000	574,006				2,049,006	0.57%	331
2017	1,910,000	738,130				2,648,130	0.73%	426
2016	2,350,000	671,555				3,021,555	0.87%	484
2015	2,795,000	946,020				3,741,020	1.11%	597
2014	3,250,000	866,069				4,116,069	1.27%	653
2013	3,715,000	649,460				4,364,460	1.39%	689
2012	4,190,000	165,485				4,355,485	1.40%	681
2011	4,675,000	157,277				4,832,277	1.61%	754
2010	5,126,000	168,049				5,294,049	1.84%	821

Source: District CAFR Schedules I-2

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding



**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Bonded Debt Per Capita <sup>b</sup> Personal Income
	General Obligation Bonds	Deductions			
2019	\$ 1,045,000	\$	\$ 1,045,000	0.11%	\$ 169
2018	1,475,000		1,475,000	0.16%	239
2017	1,910,000		1,910,000	0.21%	308
2016	2,350,000		2,350,000	0.27%	377
2015	2,795,000		2,795,000	0.32%	446
2014	3,250,000		3,250,000	0.38%	515
2013	3,715,000		3,715,000	0.42%	587
2012	4,190,000		4,190,000	0.45%	655
2011	4,675,000		4,675,000	0.48%	730
2010	5,126,000		5,126,000	0.50%	795

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

If a District has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2019**  
*(UNAUDITED)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Township of Dennis	\$ 5,543,973	100.00%	\$ 5,543,973
<b>Other Debt</b>			
Cape May County as of December 31, 2018	336,536,298	1.78%	5,997,714
Subtotal, Overlapping Debt			<u>11,541,687</u>
<b>Dennis Township School District Direct Debt</b>			b 1,045,000
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 12,586,687</u></u>

**Sources:** Dennis Township Debt Statement  
 Cape May County Debt Statement  
 District Records

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Commercial. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

**b** Type I School District Debt

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

**Legal Debt Margin Calculation for Fiscal Year 2019**

	Equalized Valuation Basis
2018	\$ 926,605,650
2017	895,292,829
2016	885,545,629
	<u>[A] \$ 2,707,444,108</u>
	Average Equalized Valuation of Taxable Property
	<u>[A/3] \$ 902,481,369</u>
	Debt Limit (3% of Average Equalization Value)
	<u>[B] \$ 27,074,441 <sup>a</sup></u>
	Net Bonded School Debt
	<u>[C] 1,045,000</u>
	Legal Debt Margin
	<u>[B-C] \$ 26,029,441</u>

	Fiscal Year,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 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	\$ 27,074,441
Total Net Debt Applicable to Limit	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	1,045,000
Legal Debt Margin	<u>\$ 25,822,780</u>	<u>\$ 16,503,752</u>	<u>\$ 24,818,507</u>	<u>\$ 23,930,853</u>	<u>\$ 23,213,934</u>	<u>\$ 23,167,943</u>	<u>\$ 23,594,320</u>	<u>\$ 24,408,874</u>	<u>\$ 25,089,199</u>	<u>\$ 26,029,441</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.56%	15.40%	4.32%	13.44%	12.28%	10.77%	9.06%	7.26%	5.55%	3.86%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 District; other % limits would be applicable for other Districts

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2019 *	6,180	\$ 364,055,754	\$ 58,909	5.5%
2018	6,182	362,361,763	58,616	5.7%
2017	6,210	362,192,040	58,324	6.4%
2016	6,237	348,492,375	55,875	7.0%
2015	6,262	338,029,022	53,981	8.3%
2014	6,305	323,585,210	51,322	9.9%
2013	6,333	313,122,519	49,443	9.9%
2012	6,395	311,378,945	48,691	8.2%
2011	6,408	300,477,528	46,891	8.0%
2010	6,451	288,166,170	44,670	7.6%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\* Estimate

DENNIS TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
*(UNAUDITED)*

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Morey Organization				
Woodbine Developmental Center				
U.S. Coast Guard				
Cape Regional Medical Center		<b>Not Available</b>		<b>Not Available</b>
Acme Markets				
Wawa				
Shoprite				
Super Fresh				
Lobster House				
Windrift				
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Information for Cape May County. The number of employees per company was not given.

DENNIS TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
 (UNAUDITED)

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	50	45	46	42	41	40	38	37	40	41
Special Education	21	18	18	17	16	19	18	19	18	17
Other Special Education	14	8	10	7	7	4	4	3	3	3
Other Instruction		7	5	7	7	7	6	8	9	12
Support Services:										
Student & Instruction Related Services	19	15	17	19	19	17	21	24	19	22
General Administrative Services	2	2	2	2	2	2	2	2	2	2
School Administrative Services	5	4	4	4	4	4	4	4	4	4
Central Services	3	3	3	3	3	3	3	3	3	3
Administrative Information Technology		1	1	1	1	2	2	2	2	2
Plant Operations and Maintenance	11	9	13	9	9	8	8	8	8	9
Pupil Transportation	19	18	18	24	24	27	25	30	23	24
Other Support Services	3	4								
<b>Total</b>	<b>147</b>	<b>134</b>	<b>137</b>	<b>135</b>	<b>133</b>	<b>133</b>	<b>131</b>	<b>140</b>	<b>131</b>	<b>139</b>

**Source:** District Personnel Records

DENNIS TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
*(UNAUDITED)*

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio	Average Daily		% Change in Average Daily Enrollment	Student Attendance Percentage
							Enrollment (ADE) <sup>c</sup>	Attendance (ADA) <sup>c</sup>		
2019	558	\$ 18,544,316	\$ 33,234	-1.63%	73	7.6:1	553	524	-20.43%	94.76%
2018	553	18,682,022	33,783	6.58%	70	7.9:1	665	628	-10.50%	94.44%
2017	543	17,211,016	31,696	10.50%	67	7.8:1	695	661	-6.46%	95.11%
2016	544	15,604,775	28,685	-1.67%	67	7.7:1	743	708	-3.63%	95.29%
2015	530	15,461,827	29,173	8.67%	70	7.6:1	771	731	-4.70%	94.81%
2014	582	15,624,029	26,845	-5.24%	71	8.2:1	809	771	-5.60%	95.30%
2013	593	16,800,175	28,331	7.50%	73	8.1:1	857	808	-4.03%	94.28%
2012	616	16,234,577	26,355	5.12%	72	8.5:1	893	851	-5.90%	95.30%
2011	620	15,543,741	25,071	-1.97%	70	8.8:1	949	896	-2.06%	94.42%
2010	639	16,341,962	25,574	4.43%	71	9.0:1	969	909	-1.62%	93.81%

**Sources:** District records, ASSA

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
Dennis Township Elementary/Middle School (1950)	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220
Square Feet	608	608	608	608	608	608	608	608	608	608
Capacity	432	424	421	421	416	290	245	284	282	255
Students										
Dennis Township Primary School (2004)	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105
Square Feet	329	329	329	329	329	329	329	329	329	329
Capacity	197	196	195	195	166	240	299	259	271	303
Students										
<b><u>Other</u></b>										
Administration Building (1996)	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960
Square Feet										
Bus Maintenance Garage (1970)	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980
Square Feet										

Number of Schools at June 30, 2019  
 Elementary/Middle School - 1

**Source:** District records, ASSA

Note: Year of original construction is shown in parentheses.  
 Enrollment is based on the annual October District count.



DENNIS TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
*(UNAUDITED)*

**UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**11-000-261-XXX**

School Facilities	Project #(s)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Dennis Elementary	N/A	\$ 306,610	271,245	190,494	194,305	191,531	127,084	307,706	180,859	200,609	185,086
Dennis Primary	N/A	69,000	75,860	61,154	59,551	55,213	72,793	43,148	71,613	28,971	22,580
Total School Facilities		375,610	347,105	251,648	253,856	246,744	199,877	350,854	252,472	229,580	207,666
Other Facilities											
Grand Total		\$ 375,610	347,105	251,648	253,856	246,744	199,877	350,854	252,472	229,580	207,666

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
 (UNAUDITED)

<u>Company</u> <u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
<u>School Alliance Insurance Fund</u>		
School (Commercial) Package Policy		
Property - Blanket Buildings & Contents	\$ 34,458,899	\$ 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	20,000,000	
Pollution Liability	25,000,000	
<u>ACE American Insurance Company</u>		
Storage Tank Liability		
Per Storage Tank Incident of Liability	1,000,000	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	5,000
<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**

# NIGHTLINGER, COLAVITA & VOLPA

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board of Education of the Township of Dennis School District's basic financial statements, and have issued our report thereon dated November 15, 2019.

#### Internal Control Over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 over financial reporting 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 Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Dennis Board of Education'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.

This report is intended solely for the information and use of management, the Township of Dennis Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
November 15, 2019

# NIGHTLINGER, COLAVITA & VOLPA

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## REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Township of Dennis School District  
County of Cape May, New Jersey 08406

#### Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Township of Dennis School District, in the 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 the Township of Dennis School District's major federal and state programs for the year ended June 30, 2019. The Township of Dennis Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Dennis Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey Treasury Circular OMB 15-08*. Those standards, *Uniform Guidance and New Jersey OMB 15-08*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred.

An audit includes examining, on a test basis, evidence about the Township of Dennis Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Township of Dennis Board of Education's compliance.



### Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2019.

### Report on Internal Control Over Compliance

Management of the Township of Dennis School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Township of Dennis Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 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 Township of Dennis Board of Education's internal control over compliance.


*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal 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 or state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled ***Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance*** dated November 15, 2019. 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 Uniform Guidance and New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, the Township of Dennis Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,  
**NIGHTLINGER, COLAVITA & VOLPA, PA**

  
Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
November 15, 2019

**DENNIS TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program Award Amount	Grant Period From To	Balance at July 1, 2018	Cash Received	Budgetary Expenditures Pass Through Funds Direct	Total Budgetary Expenditures of Prior Year (A)	Adjustment / Repayment Balance	Balance at June 30, 2019 (Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>														
General Fund														
Medicaid Assistance Program	93.778	1905NUJMAP	N/A	\$ 18,850	7/1/18 6/30/19		\$ 18,850	\$ (18,850)	\$ (18,850)		\$ (18,850)			
Total General Fund														
<b>U.S. Department of Agriculture</b>														
<b>Passed-through State Department of Education:</b>														
Enterprise Fund:														
Child Nutrition Cluster:														
Cash Assistance:														
National School Lunch Program	10.555	191NJ304N1099	N/A	63,140	7/1/18 6/30/19		59,786	\$ (63,140)	\$ (63,140)	\$	\$ (3,354)			
National School Lunch Program	10.555	181NJ304N1099	N/A	61,604	7/1/17 6/30/18	\$ (4,372)	4,372							
School Breakfast Program	10.553	191NJ304N1099	N/A	15,653	7/1/18 6/30/19		14,778	(15,653)	(15,653)		(875)			
School Breakfast Program	10.553	181NJ304N1099	N/A	17,864	7/1/17 6/30/18	(1,296)	1,296							
Non-Cash Assistance:														
Food Distribution Program	10.565	191NJ304N1099	N/A	12,782	7/1/18 6/30/19		12,782	(8,112)	(8,112)		\$ 4,670			
Total Enterprise Fund														
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education:</b>														
Special Revenue Fund:														
E.S.E.A.														
Title I, Part A	84.010A	S010A180030	ESEA0950-19	273,860	7/1/18 6/30/19		70,175	(276,036)	(276,036)	\$207	(205,861)			
Title I, Part A	84.010A	S010A170030	ESEA0950-18	242,945	7/1/17 6/30/18	(63,783)	63,576				(4,804)			
Title I, SIA Part A	84.010A	S010A170030	ESEA0950-19	10,851	7/1/18 6/30/19		20,778	(4,804)	(4,804)		(21,380)			
Title II, Part A Teachers and Principals	84.367A	S367A180029	ESEA0950-19	45,035	7/1/18 6/30/19		4,110	(42,156)	(42,156)	345	(8,769)			
Title II, Part A Teachers and Principals	84.367A	S367A170029	ESEA0950-18	47,263	7/1/17 6/30/18	(4,455)	4,491							
Title IV	84.424	S424A180031	ESEA0950-19	14,653	7/1/18 6/30/19		7,847	(13,260)	(13,260)					
Title IV	84.424	S424A170031	ESEA0950-18	17,865	7/1/17 6/30/18	(7,847)								
IDEA Cluster:														
I.D.E.A. Part B Basic	84.027	H027A180100	IDEA0950-19	222,988	7/1/18 6/30/19			(222,987)	(222,987)		(222,987)			
I.D.E.A. Part B Basic	84.027	H027A170100	IDEA0950-18	222,476	7/1/17 6/30/18	(850)	850							
I.D.E.A. Part B, Pre-school	84.173	H173A180114	IDEAPS0950-19	4,013	7/1/18 6/30/19			(3,899)	(3,899)		(3,899)			
I.D.E.A. Part B, Pre-school	84.173	H173A170114	IDEAPS0950-18	4,296	7/1/17 6/30/18	(848)	848							
Total Special Revenue Fund														
Total Federal Financial Awards														
							\$ (63,451)	\$ (284,539)	\$ (563,144)	\$ (668,899)	\$ 552	\$ (471,929)	\$ 4,670	

(A) There were no awards passed through to subrecipients. The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule. These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.



**DENNIS TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2018		Cash Received	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2019		MEMO Cumulative Total Expenditures	
				(Accounts Receivable)	Due To Grantor				(Accounts Receivable)	Unearned Revenue		
<b>State Department of Education:</b>												
General Fund:												
Special Education Aid	19-495-034-5120-089	504,067	7/1/18	6/30/19	\$	460,435	\$ (504,067)	\$	(43,632)	\$	(43,632)	\$ 504,067
Equalization Aid	19-495-034-5120-078	1,063,893	7/1/18	6/30/19		971,804	(1,063,893)		(92,089)		(92,089)	1,063,893
Security Aid	19-495-034-5120-084	102,940	7/1/18	6/30/19		94,030	(102,940)		(8,910)		(8,910)	102,940
Adjustment Aid	19-495-034-5120-085	3,480,549	7/1/18	6/30/19		3,179,276	(3,480,549)		(301,273)		(301,273)	3,480,549
Transportation Aid	19-495-034-5120-014	653,808	7/1/18	6/30/19		597,215	(653,808)		(56,593)		(56,593)	653,808
Extraordinary Aid	19-100-034-5120-044	81,714	7/1/18	6/30/19		47,719	(81,714)		(81,714)		(81,714)	81,714
Extraordinary Aid	18-100-034-5120-473	47,719	7/1/17	6/30/18					(3,190)		(3,190)	3,190
Non-public Transportation Aid	19-495-034-5120-014	3,190	7/1/18	6/30/19		4,060	(3,190)		(17,404)		(17,404)	352,776
Non-public Transportation Aid	18-495-034-5120-014	4,060	7/1/17	6/30/18		335,372	(352,776)					352,776
Reimbursed TPAF Social Security Contrib	19-495-034-5094-003	352,776	7/1/18	6/30/19		18,011						959,737
Reimbursed TPAF Social Security Contrib	18-495-034-5094-003	479,885	7/1/17	6/30/18		959,737	(959,737)					435,335
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	959,737	7/1/18	6/30/19		435,335	(435,335)					1,217
On-Behalf TPAF Post Retirement Medical	19-495-034-5094-001	435,335	7/1/18	6/30/19		1,217	(1,217)					(502,497)
On-Behalf Long-term Disability	19-495-034-5094-004	1,217	7/1/18	6/30/19								7,639,226
<b>Total General Fund</b>						7,104,211	(7,639,226)		(604,805)		(502,497)	7,639,226
<b>Special Revenue Fund:</b>												
NJ Non-Public Aid												
Textbooks	19-100-034-5120-064	7,423	7/1/18	6/30/19		7,423	(7,423)					7,423
Technology	19-100-034-5120-373	5,044	7/1/18	6/30/19		5,004	(4,989)			\$ 15	*	4,989
Technology	18-100-034-5120-373	5,217	7/1/17	6/30/18				\$ (69)				10,522
Nursing	19-100-034-5120-070	13,483	7/1/18	6/30/19		13,483	(10,522)			2,961	*	25
Nursing	18-100-034-5120-070	13,677	7/1/17	6/30/18				(361)				68
Security	19-100-034-5120-509	20,850	7/1/18	6/30/19		20,850	(20,782)					20,782
Auxiliary Services:												
Compensatory Education	19-100-034-5120-067	34,687	7/1/18	6/30/19		34,687	(34,687)					34,687
Transportation	19-100-034-5120-068	24,925	7/1/18	6/30/19		24,925	(24,925)					24,925
Handicapped Services:												
Examination and Classification	19-100-034-5120-066	15,657	7/1/18	6/30/19		15,657	(15,657)					15,657
Corrective Speech	19-100-034-5120-066	9,821	7/1/18	6/30/19		9,821	(9,821)					9,821
Supplemental Instruction	19-100-034-5120-066	10,308	7/1/18	6/30/19		10,308	(10,308)					10,308
Supplemental Instruction	18-100-034-5120-066	10,308	7/1/17	6/30/18				(2)				139,114
<b>Total Special Revenue Fund</b>						142,158	(139,114)		(432)		3,069	139,114
<b>State Department of Agriculture:</b>												
Enterprise Fund:												
School Lunch Prog.	18-100-010-3350-023	3,223	7/1/17	6/30/18		127						1,810
School Lunch Prog.	19-100-010-3350-023	1,810	7/1/18	6/30/19		1,714	(1,810)		(96)		*	1,810
<b>Total Enterprise Fund</b>						1,841	(1,810)		(96)			1,810
<b>Total State Financial Assistance Subject</b>						\$7,248,210	\$ (7,780,150)		\$ (432)		\$ (502,497)	\$ 7,780,150
<b>Less: On-Behalf TPAF Pension System Contributions</b>												
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	959,737	7/1/18	6/30/19		\$ 959,737	\$ (959,737)					
On-Behalf TPAF Pension Contribution	19-495-034-5094-001	435,335	7/1/18	6/30/19		435,335	(435,335)					
On-Behalf Long-term Disability	19-495-034-5094-004	1,217	7/1/18	6/30/19		1,217	(1,217)					
<b>Total For State Financial Assistance - Major Program Determination</b>						\$ 5,851,921	\$ (6,383,861)					

The accompanying Notes to Schedules of Expenditures of Awards and 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, 2019**

**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*.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
K-5 NOTES TO THE SCHEDULES OF EXPENDITURES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2019  
(CONTINUED)**

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$14,797 for the general fund and (\$5,118) 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	\$ 18,850	\$ 7,654,023	\$ (1,749,065)	\$ 5,923,808
Special Revenue Fund	563,144	144,232		707,376
Food Service Fund	86,905	1,810		88,715
	<u>\$ 668,899</u>	<u>\$ 7,800,065</u>	<u>\$ (1,749,065)</u>	<u>\$ 6,719,899</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.

**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, 2019. 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, 2019.

**NOTE 6 - ADJUSTMENTS**

Both favorable and unfavorable differences incurred as a result of final grant payments being reported to the granter and are included in the Schedule A (Schedule of Federal Awards) and Schedule B (Schedule of State Financial Assistance) in the column entitled "Adjustments."

**TOWNSHIP OF DENNIS SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

**Federal Awards**      **N/A**

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: **N/A**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a)? \_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

<b>CFDA Number(s)</b>	<b><u>FAIN Number(s)</u></b>	<b>Name of Federal Program or Cluster</b>
	<b>N/A</b>	

Dollar threshold used to distinguish between type A and type B programs (section .518): **N/A**

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
**(continued)**

**Section I - Summary of Auditor's Results (continued)**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:    \$750,000

Auditee qualified as low-risk auditee?                        X     yes                        no

Internal control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses?                        yes       X     none reported

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

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

Identification of major programs:

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
19-495-034-5120-078	Equalization Aid
19-495-034-5120-089	Special Education Categorical Aid
19-495-034-5120-084	Security Aid
19-495-034-5120-085	Adjustment Aid

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
**(continued)**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding:**                      N/A

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**  
(Continued)

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS**                      N/A

**STATE AWARDS**                      N/A

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**                      N/A