

**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, 2020**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Township of Dennis Board of Education**

**Dennis, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**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, 2020**

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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

December 23, 2020

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, 2020, 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 2019-2020 fiscal year with a June enrollment of 574 students, which is 16 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>
2019-20	574	2.87%
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 standardized tests. As one step to combat this concern, Dennis Township has hired an instructional coach. The coach will use her curriculum expertise to assist our teachers in providing an optimal educational experience for our students. Teachers will learn from her skills to differentiate in their classrooms. This will help us reach all types of learners.

Our recent OSAC evaluation confirmed our curriculum is on track. Going forward we will investigate our instructional materials. We will determine the relevance of our materials towards current modes of teaching. MAPS testing has been added to our assessment schedule. The information gained will provide our teachers with accurate evidence to plan flexible instructions for our students. We have expanded our Preschool from four to a potential of nine classes. With this new initiative, we expect to see students more prepared for Kindergarten. This strong start should play out with increased academic success for our young scholars.

#### **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, 2020.

#### **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.

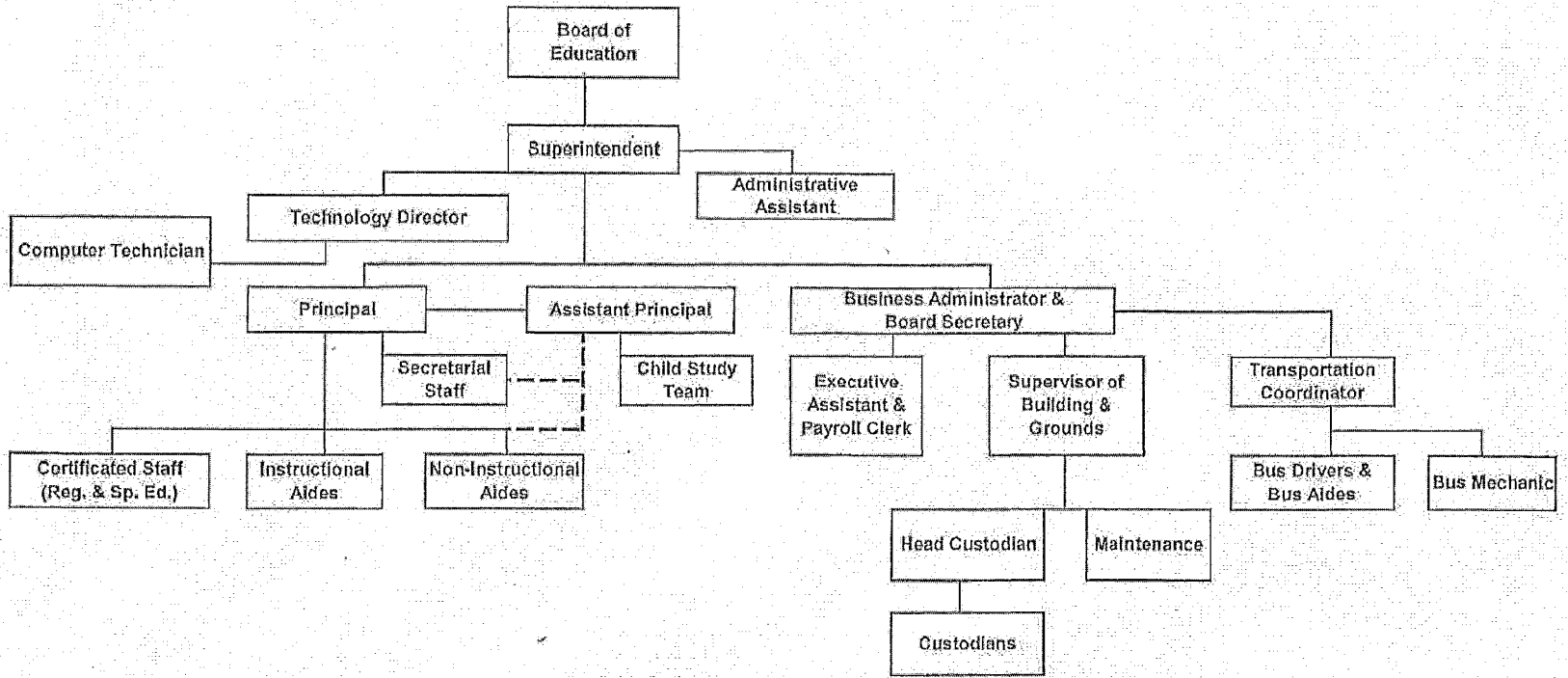
Respectfully submitted,

*Paige Sharp-Rumaker*

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, 2020**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Nichol Hoff - President	2020
Mary Kate Garry - Vice President	2022
Jennifer Hand	2021
Claudia Miller	2020
Jamie Burrows	2020
Jeffrey Trout	2021
Jason Hearon (From July 2019 to December 2019)	
Jeanne Donohue	2022
Mariam Khan	2021
Josepha Penrose (From January 2020)	2022

**Other Officials**

Susan S. Speirs, 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

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Dennis Township School District  
County of Cape May, New Jersey 08210

### **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 in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows 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 December 23, 2020 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 and compliance.

Respectfully submitted,

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



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
December 23, 2020

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
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 2020 are as follows:

- In total, net position increased \$960,086, which represents a 11.3% increase from 2019.
- General revenues accounted for \$19,107,057 in revenue or 93.5% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,326,425 or 6.5% of total revenues of \$20,433,915, which excludes the transfer to a charter school of \$13,188 and a fixed asset adjustment of \$4,862 in the enterprise fund.
- Total assets amounted to \$14,634,107, comprised \$2,523,339 in cash, capital Assets of \$10,909,485, receivables & other assets of \$497,655 and deferred outflows of resources of \$706,628. Other assets was made up of \$453,475 in receivables, net interfunds of \$30,826 and inventory of \$13,354.
- The School District had \$18,614,001 in expenses. \$1,326,425 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid of \$18,755,556) were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$17,678,630 in revenues and \$17,121,557 in expenditures.

### **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, 2020  
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 2020?" 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

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED**

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

**Notes to the Financial Statements**

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

**The School District as a Whole**

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

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

Table 1 provides a summary of the School District's Governmental Activities net position for 2020 and 2019.

<b>Table 1 Net Position</b>		2020	2019
<b>Assets</b>			
Current and Other Assets	\$	2,987,115	\$ 1,974,051
Capital Assets		10,870,336	11,135,126
Total Assets		13,857,451	13,109,177
<b>Deferred Outflows of Resources</b>			
Loss on Refunding Bonds		25,617	43,529
Deferred Outflows Related to Pensions		678,011	1,067,856
Total Deferred Outflows		703,628	1,111,385
<b>Liabilities</b>			
Long-Term Liabilities		3,777,269	5,245,467
Other Liabilities		1,013,325	255,886
Total Liabilities		4,790,594	5,501,353
<b>Deferred Outflows of Resources</b>			
Deferred Outflows Related to Pensions		1,513,024	1,365,717
<b>Net Position</b>			
Net Investment in Capital Assets		10,047,813	9,911,532
Restricted		2,220,075	1,465,402
Unrestricted		(4,010,427)	(4,023,442)
Total Net Position	\$	8,257,461	\$ 7,353,492

The District's Governmental Activities net position of \$8,257,461 on June 30, 2020, was an increase of \$903,969 or 12.3% from the prior year.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED**

Table 2 shows changes in net position for fiscal years 2020 and 2019.

<b>Table 2</b>			
<b>Changes in Net Position</b>		2020	2019
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 155,187	\$ 135,210	
Operating Grants and Contributions	1,171,238	687,743	
General Revenues:			
Property Taxes	10,610,623	10,061,730	
Grants and Entitlements	8,144,933	9,190,746	
Other	351,934	223,278	
Total Revenues	20,433,915	20,298,707	
 <b>Program Expenses</b>			
Instruction	8,917,866	9,335,108	
Support Services:			
Tuition	4,000,754	4,018,773	
Related Services - Pupils and Instructional Staff	2,123,213	2,073,366	
General Administration, School Administration	1,509,777	1,004,466	
Central Operations and Maintenance	1,534,189	2,056,565	
Pupil Transportation	1,031,753	1,252,345	
Interest on Debt	98,587	64,706	
Food Service	144,554	182,950	
Community Education Program	95,086	107,306	
Total Expenses	19,455,779	20,095,585	
Excess of Revenues over Expenditures	978,136		
Less:			
Transfer to Charter School	(13,188)		
Fixed Asset Adjustment	(4,862)		
Increase (Decrease) in Net Position	\$ 960,086	\$ 203,122	

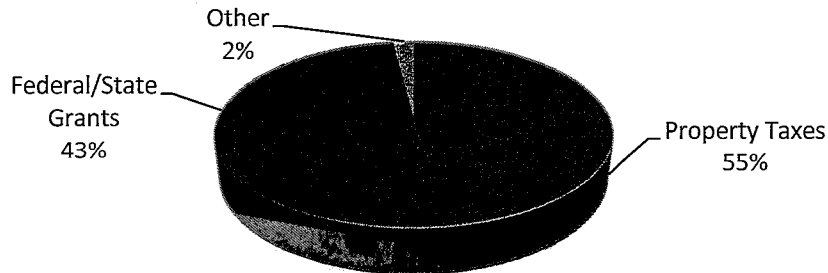
**Governmental Activities**

Property taxes made 55.5% of revenues for governmental activities for the Dennis Township School District for fiscal year 2020. The District's total revenues were \$19,107,057 for the year ended June 30, 2020. Federal, state, and local grants accounted for another 42.6% of revenue.



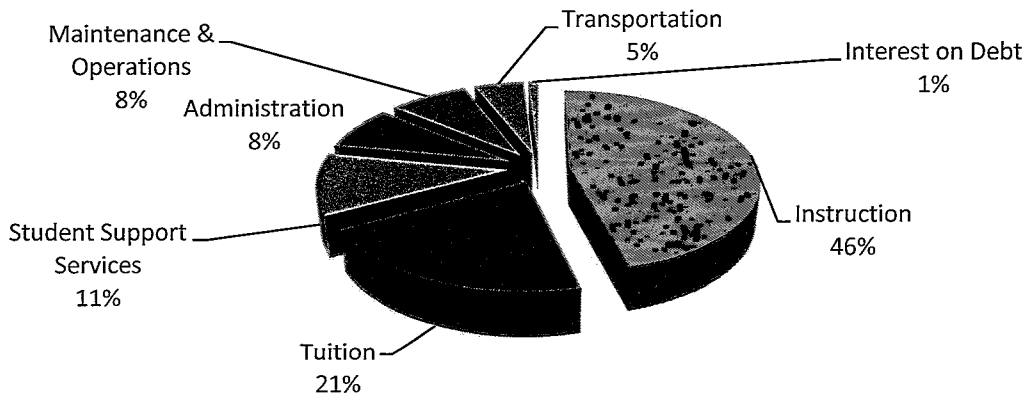
**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED**

**Revenue for Fiscal year 2020**



The total cost of all program and services was \$19,455,779, of which \$19,216,139 were for governmental activities. The distribution of governmental activity expenditures is as follows:

**Expenses for Fiscal Year 2020**



**Business-Type Activities**

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

- Food service expenses exceeded revenues by \$3,818 and Community Education revenues exceeded expenses by \$10,974.
- Charges for food services represent \$49,127 of revenue. This represents amounts paid by patrons for daily food service. Charges for Community Education represent \$106,060 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 \$91,609.

**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.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED**

Table 3

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>
Instruction	\$ 8,917,866	\$ 8,161,451	\$ 9,335,108	\$ 8,863,619
Support Services:				
Tuition	4,000,754	4,000,754	4,018,773	4,018,773
Pupils and Instructional Staff	2,123,213	1,799,999	2,073,366	1,945,827
General & School Administration	1,509,777	1,509,777	1,458,909	1,458,909
Plant Operation & Maint of Facilities	1,534,189	1,534,189	1,602,122	1,602,122
Pupil Transportation	1,031,753	1,031,753	1,252,345	1,252,345
Interest and Fiscal Charges	98,587	98,587	64,706	64,706
Total Expenses	<u>\$ 19,216,139</u>	<u>\$ 18,136,510</u>	<u>\$ 19,805,329</u>	<u>\$ 19,206,301</u>

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

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

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

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

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

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 \$19,343,043 expenditures were \$18,848,245. The increase in fund balance for the year was \$731,581.

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, 2020, and the amount and percentage of increases and decreases in relation to prior year revenues.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED**

Revenue	Amount	Percent of Total	Increase (Decrease) from 2019	Percent of Increase (Decrease)
Local Sources	\$ 11,002,526	56%	\$ 490,650	5%
State Sources	7,921,640	41%	123,385	2%
Federal Sources	518,877	3%	(63,117)	-11%
Total	\$ 19,443,043	100%	\$ 550,918	2.92%

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, 2020, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2019	Percent of Increase (Decrease)
Current Expense:				
Instruction	\$ 5,215,946	28%	\$ (120,930)	-2%
Undistributed Expenditures	12,422,570	66%	(304,582)	-2%
Capital Outlay	753,417	4%	36,162	5%
Debt Service	456,312	2%	(23,976)	-5%
Total	\$ 18,848,245	100%	\$ (413,326)	-2%

**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 2020, the School District had \$11,909,485 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2020 balances compared to 2019.

**DENNIS TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
UNAUDITED**

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

	2020	2019
Land	\$ 518,653	518,653
Work in Progress	234,505	
Building and Building Improvements	9,058,539	9,515,734
Machinery and Equipment	1,097,788	1,100,739
Total	10,909,485	11,135,126

Overall capital assets decreased by \$225,641 from fiscal year 2019 to fiscal year 2020. This increase was due depreciation of \$849,568 and a fixed asset adjustment of \$4,862, offset by additions of \$628,789 For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2020, the School District had \$4,255,180 of outstanding debt. Of this amount, \$237,863 is for compensated absences, \$197,523 for various capital leases, \$625,000 of serial bonds for school construction and \$3,194,794 of net pension liability.

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

	2020	2019
2010 Refunding Issue	\$ 625,000	1,045,000
Total	625,000	1,045,000

At June 30, 2020, the School District was within its legal debt margin of \$27,404,726 and the amount of debt available for future projects was \$26,779,726.

**For the Future**

The Dennis Township School District is in good financial condition presently. However, a major concern going forward is S2 funding which takes away a significant portion of our funding with each new year. In addition to this continued loss of funds, cost increases affect our budget in a detrimental way.

**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 Susan S. Speirs, 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, 2020**

	<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,513,522	\$ 9,817	\$ 2,523,339
Receivables, Net	442,767	10,708	453,475
Interfunds	30,826		30,826
Restricted Assets:			
Inventory		13,354	13,354
Capital Assets, Net (Note 5):	10,870,336	39,149	10,909,485
Total Assets	<u>13,857,451</u>	<u>73,028</u>	<u>13,930,479</u>
<b>DEFFERED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	678,011		678,011
Loss on Refunding Bonds	25,617		25,617
Total Deferred Outflows of Resources	<u>703,628</u>		<u>703,628</u>
<b>LIABILITIES</b>			
Accounts Payable	408,581		408,581
Due to Grantor	86,695		86,695
Accrued Interest Payable	5,534		5,534
Unearned Revenue	34,604	16,911	51,515
Non-current Liabilities (Note 6):			
Due Within One Year	477,911		477,911
Due Beyond One Year	3,777,269		3,777,269
Total Liabilities	<u>4,790,594</u>	<u>16,911</u>	<u>4,807,505</u>
<b>DEFFERED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	1,513,024		1,513,024
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	10,047,813	39,149	10,086,962
Restricted for:			
Capital Reserve	501,941		501,941
Maintenance Reserve	744,641		744,641
Excess Surplus	848,493		848,493
Other Purposes	125,000		125,000
Unrestricted (Deficit)	(4,010,427)	16,968	(3,993,459)
Total Net Position	<u>\$ 8,257,461</u>	<u>\$ 56,117</u>	<u>\$ 8,313,578</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, 2020**

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	\$ 3,563,671	\$ 2,483,831		\$ 756,415	\$ (5,291,087)		\$ (5,291,087)
Special Education	1,167,019	1,073,160			(2,240,179)		(2,240,179)
Other Special Instruction	254,915	233,660			(488,575)		(488,575)
Other Instruction	76,020	65,590			(141,610)		(141,610)
Support Services:							
Tuition	4,000,754				(4,000,754)		(4,000,754)
Student & Instruction Related Services	1,275,631	847,582		323,214	(1,799,999)		(1,799,999)
General Administrative	381,421	180,958			(562,379)		(562,379)
School Administrative	239,975	218,154			(458,129)		(458,129)
Central and Technical Services	291,299	197,970			(489,269)		(489,269)
Plant Operations and Maintenance	1,205,963	328,226			(1,534,189)		(1,534,189)
Student Transportation	726,292	305,461			(1,031,753)		(1,031,753)
Unallocated Employee Benefits	5,092,814	(5,092,814)					
Interest Expense	98,587				(98,587)		(98,587)
<b>Total Governmental Activities</b>	<b>18,374,361</b>	<b>\$ 841,778</b>		<b>1,079,629</b>	<b>(18,136,510)</b>		<b>(18,136,510)</b>
Business-type Activities:							
Food Service	144,554		\$ 49,127	91,609		\$ (3,818)	(3,818)
After School Program	95,086		106,060			10,974	10,974
<b>Total Business-type Activities</b>	<b>239,640</b>		<b>155,187</b>	<b>91,609</b>		<b>7,156</b>	<b>7,156</b>
<b>Total Primary Government</b>	<b>\$ 18,614,001</b>		<b>\$ 155,187</b>	<b>\$ 1,171,238</b>	<b>\$ (18,136,510)</b>	<b>\$ 7,156</b>	<b>\$ (18,129,354)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 10,610,623		\$ 10,610,623
Federal, State and Local Aid Not Restricted					8,144,933		8,144,933
Miscellaneous Income					124,661		124,661
Tuition Received					38,382		38,382
Transportation					185,833		185,833
Investment Earnings					2,625	\$ 433	3,058
Fixed Asset Adjustment						(4,862)	(4,862)
Transfers - To Charter School					(13,188)		(13,188)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>19,093,869</b>	<b>(4,429)</b>	<b>19,089,440</b>
<b>Change in Net Position</b>					<b>957,359</b>	<b>2,727</b>	<b>960,086</b>
<b>Net Position—Beginning</b>					<b>7,300,102</b>	<b>53,390</b>	<b>7,353,492</b>
<b>Net Position—Ending</b>					<b>\$ 8,257,461</b>	<b>\$ 56,117</b>	<b>\$ 8,313,578</b>

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, 2020**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 637,639	\$ 298,558	\$	\$ 936,197
Cash and Cash Equivalents - Capital Reserve	633,941			633,941
Cash and Cash Equivalents -Maintenance Reserve	802,659			802,659
Cash and Cash Equivalents -Emergency Reserve	125,000			125,000
State Aid Receivable	151,664	38,909		190,573
Federal Aid Receivable		189,506		189,506
Interlocal Government Accounts Receivable	34,718			34,718
Other Accounts Receivable	15,427	12,543		27,970
Interfunds Receivable	538,895			538,895
<b>Total Assets</b>	<b>\$ 2,939,943</b>	<b>\$ 539,516</b>	<b>\$</b>	<b>\$ 3,479,459</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 405,846	\$ 2,735	\$	\$ 408,581
Due to Grantor		86,695		86,695
Interfund Payable		492,344		492,344
Unearned Revenue	14,587	20,017		34,604
<b>Total Liabilities</b>	<b>420,433</b>	<b>601,791</b>	<b></b>	<b>1,022,224</b>
<b>Fund Balances:</b>				
<b>Restricted For:</b>				
Excess Surplus	474,594			474,594
Excess Surplus - Designated for				
Subsequent Year's Expenditures	373,899			373,899
Maintenance Reserve Account	744,641			744,641
Capital Reserve Account	501,941			501,941
Emergency Reserve	125,000			125,000
<b>Assigned To:</b>				
Year-End Encumbrances	69,633			69,633
Designated for Subsequent Year's Expenditures	79,619			79,619
Capital Reserve				
Designated for Subsequent Year's Expenditures	132,000			132,000
Maintenance Reserve Account				
Designated for Subsequent Year's Expenditures	58,018			58,018
<b>Unassigned, Reported In:</b>				
General Fund Balance (Deficit)	(39,835)			(39,835)
Special Revenue Fund Balance (Deficit)		(62,275)		(62,275)
<b>Total Fund Balances</b>	<b>2,519,510</b>	<b>(62,275)</b>	<b></b>	<b>2,457,235</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,939,943</b>	<b>\$ 539,516</b>	<b>\$</b>	<b>\$ 3,479,459</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 \$24,961,278 and the accumulated depreciation is \$14,090,942 (See Note 5)	10,870,336
Deferred Outflow of Resources - Deferred Pension Contribution.	678,011
Deferred Inflows of Resources - Pension Actuarial Gains.	(1,513,024)
Long Term Net Pension Liability	(3,194,794)
Deferred Outflow of Resources - Deferred Amount on Refunding of Debt	25,617
Accrued Interest is not payable within the current year and therefore, not reported in the funds.	(5,534)
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).	(1,060,386)
<b>Net Position of Governmental Activities</b>	<b>\$ 8,257,461</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, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 10,154,311		\$ 456,312	\$ 10,610,623
Tuition from Individuals	17,185			17,185
Tuition from Other Government Sources	21,197			21,197
Transportation Fees	1,784			1,784
Transportation Fees from Other LEAS	179,551			179,551
Transportation Fees from Other Governm. Sources	4,498			4,498
Homeless Tuition Reimbursement	40,402			40,402
Interest Earned on Capital Reserve Funds	750			750
Interest Earned on Maintenance Reserve Funds	1,875			1,875
Miscellaneous	91,095	33,566		124,661
Total - Local Sources	10,512,648	33,566	456,312	11,002,526
State Sources	7,150,369	671,271		7,821,640
Federal Sources	15,613	503,264		518,877
Total Revenues	17,678,630	1,208,101	456,312	19,343,043
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	2,961,577	756,415		3,717,992
Special Education Instruction	1,167,019			1,167,019
Other Special Instruction	254,915			254,915
Other Instruction	76,020			76,020
Support Services:				
Instruction - Tuition	4,000,754			4,000,754
Student & Instruction Related Services	952,417	323,214		1,275,631
General Administrative Services	381,421			381,421
School Administrative Services	239,975			239,975
Central Services	212,024			212,024
Admin Info Tech	79,275			79,275
Plant Operations and Maintenance	1,205,963			1,205,963
Student Transportation	726,293			726,293
Unallocated Employee Benefits	4,110,487	190,747		4,301,234
Capital Outlay	753,417			753,417
Debt Service:				
Principal			420,000	420,000
Interest			36,312	36,312
Total Expenditures	17,121,557	1,270,376	456,312	18,848,245
Excess (Deficiency) of Revenues Over Expenditures	557,073	(62,275)		494,798
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Capital Lease	249,971			249,971
Transfers to Charter School	(13,188)			(13,188)
Total Other Financing Sources and Uses	236,783			236,783
Net Change in Fund Balances	793,856	(62,275)		731,581
Fund Balance—July 1	1,725,654			1,725,654
Fund Balance—June 30	\$ 2,519,510	\$ (62,275)	\$	\$ 2,457,235

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, 2020**

<b>Total Net Change in Fund Balances - Governmental Funds (from B-2)</b>	<b>\$</b>	<b>731,581</b>						
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>								
<p>Capital outlays are reported in governmental funds as expenditures. However, 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.</p>								
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Depreciation Expense</td> <td style="text-align: right;">(841,778)</td> </tr> <tr> <td style="padding-right: 20px;">Capital Outlays</td> <td style="text-align: right;">628,789</td> </tr> <tr> <td style="padding-right: 20px;">Fixed Asset Adjustment</td> <td style="text-align: right; border-top: 1px solid black;">(212,989)</td> </tr> </table>	Depreciation Expense	(841,778)	Capital Outlays	628,789	Fixed Asset Adjustment	(212,989)		(212,989)
Depreciation Expense	(841,778)							
Capital Outlays	628,789							
Fixed Asset Adjustment	(212,989)							
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities</p>								
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Bonds</td> <td style="text-align: right;">420,000</td> </tr> <tr> <td style="padding-right: 20px;">Capital Lease Payments</td> <td style="text-align: right;">231,042</td> </tr> </table>	Bonds	420,000	Capital Lease Payments	231,042		420,000 231,042		
Bonds	420,000							
Capital Lease Payments	231,042							
<p>Governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items</p>								
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Amortization of Deferred Amount on Refunding (Loss)</td> <td style="text-align: right;">(17,912)</td> </tr> </table>	Amortization of Deferred Amount on Refunding (Loss)	(17,912)		(17,912)				
Amortization of Deferred Amount on Refunding (Loss)	(17,912)							
<p>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. (+)</p>								
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">(31,135)</td> <td style="text-align: right;">(31,135)</td> </tr> </table>	(31,135)	(31,135)		(31,135)				
(31,135)	(31,135)							
<p>In the Statement of Activities, interest on Long-term Debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due.</p>								
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">3,544</td> <td style="text-align: right;">3,544</td> </tr> </table>	3,544	3,544		3,544				
3,544	3,544							
<p>Capital Leases issued during the year are not a revenue on the Statement of Activities</p>								
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">(249,971)</td> <td style="text-align: right;">(249,971)</td> </tr> </table>	(249,971)	(249,971)		(249,971)				
(249,971)	(249,971)							
<p>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.</p>								
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">83,199</td> <td style="text-align: right;">83,199</td> </tr> </table>	83,199	83,199		83,199				
83,199	83,199							
<b>Governmental Activities (A-2)</b>	<b>\$</b>	<b><u>957,359</u></b>						

**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, 2020**

	Business-type Activities - Enterprise Funds		
	Major Fund Food Service	Non-major Fund Community Education	Totals
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 5,158	\$ 20,384	\$ 25,542
Accounts Receivable			
State Aid	503		503
Federal Aid	6,112		6,112
Other	2,610	1,483	4,093
Inventory	13,354		13,354
	27,737	21,867	49,604
Total Current Assets			
Non-current Assets			
Fixed Assets:			
Furniture, Machinery and Equipment	245,715		245,715
Less Accumulated Depreciation	(206,566)		(206,566)
	39,149		39,149
Total Fixed Assets			
Total Assets	66,886	21,867	88,753
<b>LIABILITIES:</b>			
Current Liabilities:			
Interfund Payable	15,725		15,725
Accounts Payable			
Unearned Revenue	11,195	5,716	16,911
	26,920	5,716	32,636
Total Current Liabilities			
<b>NET POSITION:</b>			
Invested in Capital Assets Net of net of Related Debt	39,149		39,149
Unrestricted	817	16,151	16,968
	39,966	16,151	56,117
Total Net Position	\$ 39,966	\$ 16,151	\$ 56,117

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, 2020**

	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	\$ 36,325	\$	\$ 36,325
Daily Sales - Non-Reimbursable Programs	12,802		12,802
Program Fees		106,060	106,060
Other Income			-
Total Operating Revenue:	<u>49,127</u>	<u>106,060</u>	<u>155,187</u>
<b>OPERATING EXPENSES:</b>			
Cost of Sales - Reimbursable Programs	47,162		47,162
Cost of Sales - Non Reimbursable Programs	4,704		4,704
Salaries and Benefits	58,465	78,503	136,968
Management Fees	15,443		15,443
Other Purchased Services		237	237
General Supplies	4,878	6,597	11,475
Other Costs	6,112	9,749	15,861
Depreciation	7,790		7,790
Total Operating Expenses	<u>144,554</u>	<u>95,086</u>	<u>239,640</u>
Operating Income (Loss)	<u>(95,427)</u>	<u>10,974</u>	<u>(84,453)</u>
<b>NON-OPERATING REVENUES:</b>			
State Sources:			
State School Lunch Program	1,881		1,881
Federal Sources:			
National School Lunch Program	59,551		59,551
National School Breakfast Program	20,837		20,837
Food Distribution Program	9,340		9,340
Interest Income	101	332	433
Total Non-operating Revenues (Expenses)	<u>91,710</u>	<u>332</u>	<u>92,042</u>
Income (Loss) Before Contributions & Transfers	<u>(3,717)</u>	<u>11,306</u>	<u>7,589</u>
Fixed Asset Adjustment	(4,862)		(4,862)
Change in Net Position	(8,579)	11,306	2,727
Total Net Position—Beginning	48,545	4,845	53,390
Total Net Position—Ending	<u>\$ 39,966</u>	<u>\$ 16,151</u>	<u>\$ 56,117</u>

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



## **FIDUCIARY FUNDS**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	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	\$ 49,127	\$ 106,060	\$ 155,187
Payments to Employees	(58,465)	(78,503)	(136,968)
Payments to Suppliers	(70,492)	(78,642)	(149,134)
Net Cash Provided by (used for) Operating Activities	<u>(79,830)</u>	<u>(51,085)</u>	<u>(130,915)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	1,881		1,881
Federal Sources	80,388		80,388
Board Subsidy			
Net Cash Provided by (used for) Non-capital Financing Activities	<u>82,269</u>		<u>82,269</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets			
Net Cash Provided by (used for) Capital and Related Financing Activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends	101	332	433
Net Cash Provided by (used for) Investing Activities	<u>101</u>	<u>332</u>	<u>433</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,540	(50,753)	(48,213)
Balances—Beginning of Year	2,618	71,137	73,755
Balances—End of Year	<u>\$ 5,158</u>	<u>\$ 20,384</u>	<u>\$ 25,542</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating Income (Loss)	\$ (95,427)	\$ 10,974	\$ (84,453)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			
Depreciation and Net Amortization	7,790		7,790
Food Distribution Program	9,340		9,340
(Increase)/Decrease in Accounts Receivable, Net	(1,375)	(61)	(1,436)
(Increase)/Decrease in Inventory	(4,165)		(4,165)
Increase/(Decrease) in Accounts Payable		(230)	(230)
Increase/(Decrease) in Deferred Revenue	4,007	(61,768)	(57,761)
Total Adjustments	<u>15,597</u>	<u>(62,059)</u>	<u>(46,462)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (79,830)</u>	<u>\$ (51,085)</u>	<u>\$ (130,915)</u>

**Noncash Noncapital Financing Activities:**

During the year, the District received \$13,781 of Food Commodities from the U. S. Department of Agriculture

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

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<b>Private Purpose Scholarship Fund</b>	<b>Agency Funds</b>	
		<b>Student Activity</b>	<b>Payroll</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,466	\$ 67,750	\$ 78,705
Accounts Receivable		4,061	
Total Assets	<u>\$ 10,466</u>	<u>\$ 71,811</u>	<u>\$ 78,705</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$	\$ 47,879
Interfund Payable			30,826
Payable to Student Groups		71,811	
Total Liabilities		<u>\$ 71,811</u>	<u>\$ 78,705</u>
<b>NET POSITION</b>			
Reserve for Scholarships	<u>\$ 10,466</u>		
Total Liabilities and Net Position	<u>\$ 10,466</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, 2020**

	<b>Private Purpose Scholarship Fund</b>
<b>ADDITIONS</b>	
Investment Earnings - Interest	\$ 105
Total Additions	<u>105</u>
<b>DEDUCTIONS</b>	
Scholarship Awards	-
Total Deductions	<u>-</u>
Change in Net Position	105
Net Position—Beginning of the Year	<u>10,361</u>
Net Position—End of the Year	<u>\$ 10,466</u>

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

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 Statement - No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance:* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. Management is evaluating the potential impact of the adoption of GASB 95 on the School District's financial statements.

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, 2019. 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 June 15, 2021. 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, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- *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, 2019. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

- 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, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.
- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District's financial statements.
- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District's financial statements.
- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District's financial statements.
- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District's financial statements.
- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District's financial statements.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**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, 2020, of 589 students.

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

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

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

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS:**

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

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

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.



**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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.

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.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**Fund Balances - Governmental Funds (CONT'D)**

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.

**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.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**E. BASIS OF ACCOUNTING (CONT'D)**

**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.

**F. 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**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	\$10,806
Supplies	<u>2,548</u>
	<u>\$13,354</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. The amount of Commodity Inventory at 6/30/20 was \$6,707.

**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.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**7. Compensated absences:**

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**8. Interfund Activity:**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provide, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as 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.

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.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**9 Budgets/Budgetary Control (CONT'D)**

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

Reg Prg-Instruction	
Preschool	(140,836)
Grades 1-5 Salaries - Teachers	113,091
Undistributed Instruction - General Supplies	20,316
Undistributed-Instruction	
Tuition-CSSD & Regional Day Schools	(257,669)
Tuition - State Facilities	78,836
Required Maintenance for School Facilities	
Cleaning, Repair and Maintenance	38,846
Undistributed-Security	(19,615)
Undistributed-Student Transportation Serv.	
Salaries for Pupil Transport. Btw. Home & School-Special Ed	17,342
Cleaning, Repair and Maintenance Services	25,064
Contracted Serv. (Bet Home/Schoo) - Joint Agreements	30,300
Unallocated Employee Benefits	
Unused Sick Payments to Terminated/Retired Staff - Severance	47,500
Health Benefits	(20,000)
Facilities Acquisition - Construction Services	
Construction Services	84,516

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.

**9. Tuition Receivable**

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

**10. Tuition Payable**

Tuition charges for the fiscal year 2019/20 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**11. 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.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**12. 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.

**13. 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.

**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, 2020, \$2,764,142.49 of the government's bank balance of \$3,014,142.49 was exposed to custodial credit risk.

**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2020, 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 Statements	Governmental Wide Statements
State Aid	\$ 190,573	\$ 191,076
Federal Aid	189,506	195,618
Other	62,688	66,781
Interfunds	538,895	30,826
Total Receivables, Net	\$ 981,662	\$ 484,301

**NOTE 4 - INTERFUND TRANSFERS AND BALANCES**

The following interfund balances remained on the fund financial statements at June 30, 2020:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 538,895	
Special Revenue Fund		492,344
Food Service Fund		15,725
Agency Fund		30,826
Total	\$ 538,895	\$ 538,895

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 - CAPITAL ASSETS**

Capital Asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance 7/1/2019	Additions	Deletions/ Adjustment	Ending Balance 6/30/2020
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 518,653			518,653
Work In Progress		234,505		234,505
Total capital assets not being depreciated	518,653	234,505		753,158
Capital assets being depreciated:				
Buildings and building improvements	18,388,802			18,388,802
Equipment	5,790,806	394,284	(365,772)	5,819,318
Total capital assets being depreciated at historical cost	24,179,608	394,284	(365,772)	24,208,120
Less accumulated depreciation for:				
Buildings and improvements	(8,873,068)	(457,195)		(9,330,263)
Equipment	(4,741,868)	(384,583)	365,772	(4,760,679)
Total Accumulated Depreciation	(13,614,936)	(841,778)	365,772	(14,090,942)
Total capital assets being depreciated, net of accumulated depreciation	10,564,672	(447,494)	-	10,117,178
Governmental activity capital assets, net \$	11,083,325	(212,989)	-	10,870,336
<b>Business-Type Activities:</b>				
Capital assets being depreciated:				
Equipment	250,577		(11,795)	238,782
Less accumulated depreciation	(198,776)	(7,790)	6,933	(199,633)
Enterprise Fund capital assets, net \$	51,801	(7,790)	(4,862)	39,149

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 413,771
Special Instruction	135,500
Other Special Instruction	29,598
Other Instruction	8,827
Student & Instruction Related Services	148,111
Gen Administration Services	44,286
School Administrative Services	27,863
Business and Other Support Services	33,822
	<u>\$ 841,778</u>



**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 6 - LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences \$	206,728	\$ 31,135	\$	\$ 237,863	\$ 15,351
Capital Leases	178,594	249,971	231,042	197,523	47,560
Bonds Payable	1,045,000		420,000	625,000	415,000
Net Pension Liability	3,815,145		620,351	3,194,794	
	<u>\$ 5,245,467</u>	<u>\$ 281,106</u>	<u>\$ 1,271,393</u>	<u>\$ 4,255,180</u>	<u>\$ 477,911</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, 2020, 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, 2020, is \$625,000.

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, 2020 are as follows:

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 415,000	\$ 22,138	\$ 437,138
2022	210,000	7,613	217,613
	<u>\$ 625,000</u>	<u>\$ 29,750</u>	<u>\$ 654,750</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2020 were 95,959. 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 2020 is 13.69% 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, 2020, and 2019, were \$180,255 and \$200,873 respectively.

The total payroll for the year ended June 30, 2020 was \$7,207,102. Payroll covered by PERS was \$1,279,443 for fiscal year 2020.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

**Components of Net Pension Liability** - At June 30, 2020, the District's proportionate share of the PERS net pension liability was \$3,194,794. The net pension liability was measured as of June 30, 2019. 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, 2019. The District's proportion measured as of June 30, 2019 was 0.017731% which was a decrease of 0.00165% from its proportion measured as of June 30, 2018.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2020 PERS pension expense, with respect to GASB 68, was \$68,651. The District's 2020 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	\$ 57,342	\$ 14,113
Changes of assumptions	319,012	1,108,903
Net difference between projected and actual earnings on pension plan investments	-	50,431
Changes in proportion	121,402	339,577
Contributions subsequent to the measurement date	180,255	
<b>Total</b>	<b>\$ 678,011</b>	<b>\$ 1,513,024</b>

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

<u>Year</u>		<u>PERS</u>
2021	\$	(199,458)
2022		(375,981)
2023		(279,999)
2024		(131,046)
2025		(28,784)
Thereafter		
<b>Total</b>	<b>\$</b>	<b>(1,015,268)</b>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

**Additional Information** - Collective Balances at June 30, 2020 and 2019 are as follows:

Year	2020		2019	
Collective deferred outflows of resources	\$	678,011	\$	1,067,856
Collective deferred inflows of resources	\$	1,513,024	\$	1,365,717
Collective Net Pension Liability	\$	3,194,794	\$	3,815,145
District's Proportion		0.017731%		0.019377%

**Actuarial Assumptions** - The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>PERS</u></b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

**Long-Term Expected Rate of Return** – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	PERS Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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 FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

**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 or 1-percentage-point higher than the current rate:

	1% Decrease (5.28%)	Current Discount (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	\$ <u>4,063,618</u>	\$ <u>3,194,794</u>	\$ <u>2,503,640</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. 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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

**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, 2019. 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 2019, 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, 2020 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$1,056,761 to the TPAF for pension contributions, \$392,039 for post-retirement benefits on behalf of the School, and \$1,177 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$336,587 during the year ended June 30, 2020 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, 2020, 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, 2020, the District recognized pension expense of \$1,730,179 and revenue of \$1,730,179 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>TPAF</u></b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

**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, 2019 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 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 FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 7. PENSION PLANS (CONTINUED)**

**Teachers' Pension and Annuity Fund (Continued)**

**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, 2020, 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 or 1-percentage-point higher than the current rate:

	1% Decrease (4.60%)	Current Discount (5.60%)	1% Increase (6.60%)
State's Share of the Net Pension Liability associated with the District	\$ 34,674,427	\$ 29,333,690	\$ 25,032,145
State's Share of the Net Pension Liability	\$ 72,544,649,801	\$ 61,519,112,443	\$ 52,371,397,951

**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, 2020, employee contributions totaled \$31,114 and the District's employer contribution, recognized in pension expense, was \$16,972. 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 FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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.

**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.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2019, was \$41,729,081,045. Of this amount, the total OPEB liability attributable to the School District was \$23,839,100. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.05713%. The total OPEB liability for the School District measured as of June 30, 2019 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, 2019 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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:	Service Years	Age	Age
Through 2026	1.55% - 3.05%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 3.05%	3.00% - 7.00%	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Discount rate**

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

State of New Jersey	<u>Total OPEB Liability</u>
<b>Balance as of June 30, 2018 Measurement Date</b>	\$ <u>46,110,832,982</u>
Changes for the year:	
Service Cost	1,734,404,850
Interest	1,827,787,206
Changes of Benefit Terms	
Differences between Expected and Actual	(7,323,140,818)
Changes of Assumptions	622,184,027
Benefit Payments	(1,280,958,373)
Contributions from Members	<u>37,971,171</u>
<b>Net Changes</b>	<u>(4,381,751,937)</u>
<b>Balance as of June 30, 2019 Measurement Date</b>	\$ <u><u>41,729,081,045</u></u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2019, 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, 2019</u>		
	At 1.00% Decrease 2.50%	At Discount Rate 3.50%	At 1.00% Increase 4.50%
\$	49,298,534,898	41,729,081,045	35,716,321,820

**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, 2019, 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, 2019</u>		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	34,832,902,820	41,729,081,045	51,453,912,586

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

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

For the year ended June 30, 2020, the School District recognized OPEB expense of \$562,264. 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	\$	\$ 5,989,879
Changes of Assumptions		4,845,351
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion		669,814
Contributions Subsequent to the Measurement Date		
Total	\$ 0	\$ 11,505,044

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
2020	\$	(1,544,109)
2021		(1,544,109)
2022		(1,544,109)
2023		(1,544,109)
2024		(1,544,109)
Thereafter		(3,784,499)
Total	\$	(11,505,044)

**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 FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019		\$ 476,125
Deposits:		
Per Board Resolution	\$ 419,524	
Interest	<u>1,875</u>	
Total deposits		<u>421,399</u>
		897,524
Withdrawals:		
In 2019-20 Budget	58,019	
Per Board Resolution	<u>36,846</u>	
Total withdrawals		<u>94,865</u>
Ending balance, June 30, 2020		<u><u>\$ 802,659</u></u>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance July 1, 2019	\$	225,000
Deposits:		
None		
Withdrawals:		
Per Budget		(100,000)
Ending balance June 30, 2020	\$	<u>125,000</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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance July 1, 2019	\$	367,695
Deposits:		
Interest earnings	\$	750
Per Board Resolution		<u>500,000</u>
		500,750
		868,445
Withdrawals:		
Per Budget	149,989	
Per Board Resolution	<u>84,515</u>	
Total withdrawals		<u>234,504</u>
Ending balance June 30, 2020	\$	<u>633,941</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020:

Fiscal Year Ending		Total
June 30,		
2020	\$	52,518
2021		52,518
2022		52,517
2023		52,518
Total minimum lease payments		210,071
Less amount representing interest		12,548
Present value of lease payments		\$ 197,523

**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 \$2,519,510 General Fund balance, at June 30, 2020, \$69,633 is assigned for encumbrances; \$848,493 is reserved as excess surplus in accordance with NJSA 18A:7F- 7 (\$373,899 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021), \$633,941 has been reserved in the Capital Reserve Account (\$132,000 of the total reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$125,000 has been reserved in the Emergency Reserve Account (none of the total reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$802,659 has been reserved in the Maintenance Reserve Account (\$58,018 of the total reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$79,619 has also been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2021) and \$(39,835) is classified as a deficit in Unassigned Fund Balance.



**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 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 at June 30, 2020, is \$848,493, of which \$373,899 was budgeted in the 2020-21 budget and \$474,594 is to be anticipated in the 2021-22 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, 2020 through December 23, 2020, 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, other than a settlement with a contractor in the amount of \$19,470.

End of Notes to Financial Statements

**BUDGETARY COMPARISON SCHEDULES**

**DENNIS TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 10,154,311	\$	\$ 10,154,311	\$ 10,154,311	\$
Tuition from Individuals	165,400		165,400	17,185	(148,215)
Tuition from Other Governmental Sources Within the State	65,163		65,163	21,197	(43,966)
Transportation Fees From Individuals	6,332		6,332	1,784	(4,548)
Transportation Fees From Other LEAs	212,335		212,335	179,551	(32,784)
Transportation Fees from Other Governmental Sources Within the State				4,498	4,498
Homeless Tuition Reimbursement				40,402	40,402
Interest Earned on Investments				17,030	17,030
Interest Earned on Capital Reserve				750	750
Interest Earned on Maintenance Reserve				1,875	1,875
Miscellaneous	53,259		53,259	74,065	20,806
<b>Total - Local Sources</b>	<b>10,656,800</b>		<b>10,656,800</b>	<b>10,512,648</b>	<b>(144,152)</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	2,883,135		2,883,135	2,883,135	
State Reimbursement for Lead Testing of Drinking Water Extraordinary Aid	3,000		3,000	94,573	(3,000) 94,573
On-behalf Pension Contribution				1,056,761	1,056,761
On-behalf TPAF Post Retirement Medical Contribution				392,039	392,039
On-behalf TPAF Long-Term Disability Contribution				1,177	1,177
Reimbursement TPAF Social Security				336,587	336,587
<b>Total - State Sources</b>	<b>5,210,843</b>		<b>5,210,843</b>	<b>7,088,980</b>	<b>1,878,137</b>
Federal Sources:					
Medicaid Reimbursement	21,276		21,276	15,613	(5,663)
<b>Total - Federal Sources</b>	<b>21,276</b>		<b>21,276</b>	<b>15,613</b>	<b>(5,663)</b>
<b>TOTAL REVENUES</b>	<b>\$ 15,888,919</b>	<b>\$</b>	<b>\$ 15,888,919</b>	<b>\$ 17,617,241</b>	<b>\$ 1,728,322</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$ 246,632	\$ (140,836)	\$ 105,796	\$ 96,076	\$ 9,720
Kindergarten	251,708	(4,692)	247,016	240,825	6,191
Grades 1-5	1,338,524	113,091	1,451,615	1,441,363	10,252
Grades 6-8	748,015	14,390	762,405	745,072	17,333
Home instruction:					
Salaries of Teachers	4,700	(1,152)	3,548	1,629	1,919
Purchased Technical Services		1,152	1,152	1,152	
Other Purchased Services	600		600		600
Regular Programs - Undistributed - Instruction:					
Other Salaries for Instructions	62,310		62,310	41,279	21,031
Purchased Technical Services	13,200	5,500	18,700	15,986	2,714
Other Purchased Services	190,750	2,684	193,434	188,960	4,474
General Supplies	174,490	20,316	194,806	154,128	40,678
Textbooks	35,000	4,000	39,000	35,047	3,953
Other Objects	5,000	(4,000)	1,000	60	940
<b>Total Regular Programs</b>	<b>\$ 3,070,929</b>	<b>\$ 10,453</b>	<b>\$ 3,081,382</b>	<b>\$ 2,961,577</b>	<b>\$ 119,805</b>

**DENNIS TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENSES: (Continued)</b>					
<b>Special Education</b>					
Multiple Disabilities:					
Salaries of Teachers	\$ 140,481		\$ 140,481	\$ 59,005	\$ 81,476
General Supplies	3,000		3,000	2,562	438
Total Multiple Disabilities	143,481		143,481	61,567	81,914
Resource Room:					
Salaries of Teachers	872,063		872,063	832,539	39,524
Other Salaries for Instruction	333,597		333,597	270,868	62,729
Purchased Professional - Educational Services	2,500		2,500	684	1,816
General Supplies	7,000		7,000	1,361	5,639
Total Resource Room	1,215,160		1,215,160	1,105,452	109,708
Preschool Disabilities - Full Time					
Salaries of Teachers					
Other Salaries for Instruction					
Other Purchased Services					
General Supplies					
Total Preschool Disabilities - Full Time					
<b>TOTAL SPECIAL EDUCATION</b>	<b>1,358,641</b>		<b>1,358,641</b>	<b>1,167,019</b>	<b>191,622</b>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	554,638		554,638	252,975	301,663
Other Purchased Services	2,000		2,000		2,000
General Supplies	3,000	(500)	2,500	440	2,060
Total Basic Skills/Remedial-Instruction	559,638	(500)	559,138	253,415	305,723
School Sponsored Co-curricular Activities:					
Salaries	60,678	1,000	61,678	45,975	15,703
Purchased Services (300-500 Series)	1,000	(615)	385	385	
Supplies and Materials	1,500	(385)	1,115	1,005	110
Total School Sponsored Co-curricular Activities	63,178		63,178	47,365	15,813
School Sponsored Athletics:					
Salaries	28,084		28,084	24,394	3,690
Purchased Services (300-500 Series)	3,500		3,500	2,654	846
Supplies and Materials	1,500		1,500	1,246	254
Other Objects	2,600		2,600	349	2,251
Total School Sponsored Athletics	35,684		35,684	28,643	7,041
Other Supplemental/at Risk Programs					
General Supplies		500	500	12	488
Total Other Supplemental/aat Risk Programs		500	500	12	488
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	5,089,570	10,453	5,100,023	4,459,531	640,492
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	1,628,548	24,183	1,652,731	1,648,065	4,666
Tuition - Other LEAs Within the State - Special	120,752	37,482	158,234	158,234	
Tuition - Co Voc. School Dist. - Regular	797,347		797,347	797,347	
Tuition - Co Voc. School Dist. - Special	328,615		328,615	328,615	
Tuition - CSSD & Regional Day Schools	1,274,943	(257,669)	1,017,274	791,379	225,895
Tuition to Private Schools for the Disabled Within State	151,693	5,657	157,350	157,350	
Tuition - State Facilities	79,744	78,836	158,580	119,764	38,816
Total Undistributed Expenditures - Instruction	\$ 4,381,642	\$ (111,511)	\$ 4,270,131	\$ 4,000,754	\$ 269,377

**DENNIS TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENDITURES: (Continued)</b>					
Undistributed Expenditures - Attendance and Social Work:					
Other Purchased Services	\$ 500	\$	\$ 500	\$ 100	\$ 400
Total Undistributed Expenditures - Attendance and Social Work	500		500	100	400
Health Services:					
Salaries	159,085	(2,000)	157,085	147,926	9,159
Purch Prof/ Tech Services	5,900		5,900	5,014	886
Supplies and Materials	4,000	2,000	6,000	4,574	1,426
Total Health Services	168,985		168,985	157,514	11,471
Speech, OT, PT & Related Services					
Salaries	126,566	413	126,979	126,061	918
Purchased Professional - Educational Services	5,800		5,800		5,800
Supplies and Materials	5,000	(413)	4,587	545	4,042
Total Related Services	137,366		137,366	126,606	10,760
Other Support Services - Students - Extra Services:					
Salaries					
Purchased Prof Ed Services					
Total Extra Services					
Guidance:					
Salaries Other Professional Staff	144,670	(25,428)	119,242	65,185	54,057
Other Purchased Professional Educational Services	1,297		1,297	500	797
Supplies and Materials	1,200		1,200	253	947
Total Guidance	147,167	(25,428)	121,739	65,938	55,801
Child Study Team					
Salaries of Other Professional Staff	293,116	(1,025)	292,091	264,352	27,739
Salaries Secr. & Clerical Asst.	99,488	1,000	100,488	97,662	2,826
Purchased Professional - Educational Services	78,500		78,500	67,194	11,306
Other Purchased Professional and Technical Services	4,554	(2,000)	2,554	1,963	591
Other Purchased Services	6,500	1,131	7,631	845	6,786
Miscellaneous Purchased Services		2,025	2,025	732	1,293
Supplies and Materials	5,000	(1,131)	3,869	1,663	2,206
Other Objects	1,200		1,200	54	1,146
Total Child Study Teams	488,358		488,358	434,465	53,893
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	23,018		23,018	21,513	1,505
Salaries of Secretary and Clerical Assistant	13,705		13,705	11,992	1,713
Total Improvement of Instruction Services/Other Support	36,723		36,723	33,505	3,218
Educational Media Services/School Library:					
Salaries	62,885		62,885	58,211	4,674
Salaries of Technology Coordinators	75,641		75,641	74,228	1,413
Purchased Professional and Technical Services	520		520		520
Supplies and Materials	2,200		2,200	1,850	350
Total Educational Media Services/School Library	\$ 141,246	\$	\$ 141,246	\$ 134,289	\$ 6,957

**DENNIS TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	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					
Other Purchased Services (400-500 Series)	\$ 2,500		\$ 2,500		\$ 2,500
Total Inst. Staff Training Services	2,500		2,500		2,500
Support Services General Administration:					
Salaries	181,033	3,000	184,033	169,432	14,601
Legal Services	54,000	8,000	62,000	56,956	5,044
Audit Fees	17,500	1,400	18,900	17,900	1,000
Other Purchased Professional Services	10,500	(5,400)	5,100	4,400	700
Purchased Technical Services	4,900	(42)	4,858	4,551	307
Communication/Telephone	92,400	42	92,442	91,150	1,292
BOE Other Purchased Services	1,600	100	1,700		1,700
Miscellaneous Purchased Services	25,138	(5,100)	20,038	18,965	1,073
General Supplies	6,000		6,000	2,225	3,775
BOE In-House Training/Meeting Supplies	2,000		2,000	1,110	890
Miscellaneous Expenditures	9,800	631	10,431	5,363	5,068
BOE Membership Dues and Fees	8,000	1,369	9,369	9,369	
Total Support Services General Administration	412,871	4,000	416,871	381,421	35,450
Support Services School Administration:					
Salaries of Principals/Assistant Principals	117,074	(3,472)	113,602	104,714	8,888
Salaries of Secretarial and Clerical Assistants	130,306	4,172	134,478	131,189	3,289
Purchased Professional and Technical Services	1,250	2,000	3,250		3,250
Other Purchased Services	12,700		12,700	1,632	11,068
Supplies and Materials	6,500	2,000	8,500	1,848	6,652
Other Objects	9,000		9,000	592	8,408
Total Support Services School Administration	276,830	4,700	281,530	239,975	41,555
Central Services:					
Salaries	182,538	3,000	185,538	177,864	7,674
Purchased Professional Services	23,289	6,916	30,205	27,385	2,820
Miscellaneous Purchased Services	7,816	(7,224)	592	592	
Supplies and Materials	12,000	(8,000)	4,000	3,544	456
Interest on Current Loans					
Miscellaneous Expenditures	2,700		2,700	2,639	61
Total Central Services	228,343	(5,308)	223,035	212,024	11,011
Admin. Info. Technology:					
Salaries	26,629	(69)	26,560	25,629	931
Purchased Professional Services	25,100	28,377	53,477	53,477	
Other Purchased Services	375		375	169	206
Total Admin. Info. Technology	52,104	28,308	80,412	79,275	1,137
Required Maintenance for School Facilities:					
Salaries	142,318	2,000	144,318	135,841	8,477
Cleaning, Repair and Maintenance Services	130,000	38,846	168,846	168,208	638
Lead Testing of Drinking Water	3,000	(2,000)	1,000		1,000
General Supplies	24,500	10,100	34,600	34,259	341
Other Objects	4,300		4,300	2,584	1,716
Total Required Maintenance for School Facilities	\$ 304,118	\$ 48,946	\$ 353,064	\$ 340,892	\$ 12,172

**DENNIS TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	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	\$ 270,947	\$ (1)	270,946	\$ 250,898	\$ 20,048
Salaries of Non-instructional Aides	33,830	(12,693)	21,137	20,161	976
Purchased Professional and Technical Services	38,000	7,693	45,693	45,693	
Cleaning, Repair and Maintenance Services	34,500	3,000	37,500	28,840	8,660
Insurance	84,857		84,857	79,393	5,464
Miscellaneous Purchased Services	3,100	(2,280)	820	168	652
General Supplies	44,000	6,181	50,181	44,421	5,760
Energy (Natural Gas)	40,000		40,000	36,393	3,607
Energy (Electricity)	220,000		220,000	196,503	23,497
Energy (Oil)	45,000		45,000	29,064	15,936
Other Objects	550		550	240	310
<b>Total Other Operation and Maintenance of Plant - Custodial</b>	<b>814,784</b>	<b>1,900</b>	<b>816,684</b>	<b>731,774</b>	<b>84,910</b>
Undistributed Expenditures - Care & Upkeep of Grounds:					
General Supplies	6,500		6,500	3,472	3,028
<b>Total Care &amp; Upkeep of Grounds</b>	<b>6,500</b>		<b>6,500</b>	<b>3,472</b>	<b>3,028</b>
Undistributed Expenditures - Security:					
Purchased Professional and Technical Services	111,700	(59,700)	52,000	37,564	14,436
Cleaning, Repair and Maintenance Services	52,000	(52,000)			
General Supplies	1,000	3,885	4,885	4,151	734
Other Purchased Services		88,200	88,200	88,110	90
<b>Total Security</b>	<b>164,700</b>	<b>(19,615)</b>	<b>145,085</b>	<b>129,825</b>	<b>15,260</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>1,290,102</b>	<b>31,231</b>	<b>1,321,333</b>	<b>1,205,963</b>	<b>115,370</b>
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	90,239	1,723	91,962	88,653	3,309
Salaries for Pupil Transport. Between Home & School - Regular	346,898	3,329	350,227	283,136	67,091
Salaries for Pupil Trans. Between Home & School - Special Ed.	64,552	17,342	81,894	80,545	1,349
Salaries for Pupil Trans.(Other than Bet. Home & School)	46,498	(5,153)	41,345	14,996	26,349
Salaries for Pupil Trans. Bet. Home & Schl. - Non-Public Schl.	30,229	251	30,480		30,480
Other Purchased Professional and Technical Services	13,811	11,000	24,811	24,805	6
Cleaning, Repair and Maintenance Services	22,500	25,064	47,564	44,656	2,908
Rental Payments - School Buses	1,500		1,500		1,500
Contracted Services - Aid in Lieu of Payments - Nonpublic	11,000	3,000	14,000	8,395	5,605
Contracted Services - Aid in Lieu of Payments - Charter School	2,000		2,000	673	1,327
Contracted Services - Aid in Lieu of Payments - Choice School	2,000		2,000	678	1,322
Contracted Services (Bet Home/School) - Vendors		1,000	1,000	562	438
Contracted Services (Bet Home/School) - Joint Agreements	6,998	30,300	37,298	19,325	17,973
Contracted Services (Sp. Ed. Stud.) - Joint Agreements	3,000	1,750	4,750	4,750	
Contracted Services (Sp. Ed. Stud.) - ESC & CTSA's	41,250	(10,921)	30,329	12,501	17,828
Miscellaneous Purchased Services - Transportation	20,648		20,648	20,428	220
General Supplies	154,130	2,723	156,853	118,741	38,112
Other Objects	3,000	449	3,449	3,449	
<b>Total Student Transportation Services</b>	<b>860,253</b>	<b>81,857</b>	<b>942,110</b>	<b>726,293</b>	<b>215,817</b>
Unallocated Employee Benefits:					
Social Security Contributions	179,589		179,589	178,782	807
Other Retirement Contributions - PERS	205,873		205,873	182,582	23,291
Unemployment Compensation	34,201		34,201	28,399	5,802
Workers Compensation	97,388	(10,000)	87,388	86,108	1,280
Health Benefits	1,877,910	(20,000)	1,857,910	1,798,955	58,955
Tuition Reimbursement	15,000	(5,000)	10,000		10,000
Other Employee Benefits		2,500	2,500	2,500	
Unused Sick Payments to Terminated/Retired Staff - Severance		47,500	47,500	46,597	903
Unused Sick Payments to Terminated/Retired Staff	15,000	(15,000)			
<b>Total Unallocated Employee Benefits</b>	<b>\$ 2,424,961</b>	<b>\$</b>	<b>\$ 2,424,961</b>	<b>\$ 2,323,923</b>	<b>\$ 101,038</b>

**DENNIS TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
On-behalf Pension Contribution				1,056,761	(1,056,761)
On-behalf TPAF Post Retirement Medical Contribution				392,039	(392,039)
On-behalf TPAF Long-Term Disability Contribution				1,177	(1,177)
Reimbursement TPAF Social Security				336,587	(336,587)
Total Personal Services - Employee Benefits	2,424,961		2,424,961	4,110,487	(1,685,526)
Total Undistributed Expenditures	11,049,951	7,849	11,057,800	11,908,609	(850,809)
Interest Earned on Maintenance Reserve					
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>16,139,521</b>	<b>18,302</b>	<b>16,157,823</b>	<b>16,368,140</b>	<b>(210,317)</b>
<b>CAPITAL OUTLAY:</b>					
Interest Earned on Capital Reserve					
Undistributed Expenditures:					
Instructional:					
School Buses-Regular	192,652	22,428	215,080	215,080	
Undistributed Expenditures - Non-Instructional	7,120		7,120	5,954	1,166
Total Equipment	199,772	22,428	222,200	221,034	1,166
Facilities Acquisition - Construction Services:					
Architectural/Engineering Services					
Construction Services	149,989	84,516	234,505	234,505	
Assessment for Debt Service on SDA Funding	47,907		47,907	47,907	
Total Facilities Acquisition and Construction Services	197,896	84,516	282,412	282,412	
Assets Acquired Under Capital Leases (Non-budgeted)				249,971	(249,971)
<b>TOTAL CAPITAL OUTLAY</b>	<b>397,668</b>	<b>106,944</b>	<b>504,612</b>	<b>753,417</b>	<b>(248,805)</b>
<b>TOTAL EXPENDITURES</b>	<b>16,537,189</b>	<b>125,246</b>	<b>16,662,435</b>	<b>17,121,557</b>	<b>(459,122)</b>
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(648,270)	(125,246)	(773,516)	495,684	1,269,200
Other Financing Sources (Uses):					
Transfer to Cover Deficit (Enterprise Fund)	(5,000)		(5,000)		5,000
Proceeds from Capital Leases				249,971	249,971
Transfer to Charter School	(25,285)		(25,285)	(13,188)	12,097
Total Other Financing Sources	(30,285)		(30,285)	236,783	267,068
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(678,555)	(125,246)	(803,801)	732,467	1,536,268
Fund Balances, July 1	2,228,151		2,228,151	2,228,151	
Fund Balances, June 30	\$ 1,549,596	\$ (125,246)	\$ 1,424,350	\$ 2,960,618	\$ 1,536,268
<b>RECAPITULATION:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Current Year				\$ 474,594	
Excess Surplus - Designated for Subsequent Year's Expenditures				373,899	
Maintenance Reserve				744,641	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				58,018	
Capital Reserve				501,941	
Capital Reserve - Designated for Subsequent Year's Expenditures				132,000	
Emergency Reserve				125,000	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				69,633	
Designated for Subsequent Year's Expenditures				79,619	
<b>Unassigned Fund Balance</b>					
				401,273	
				2,960,618	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(441,108)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,519,510	



**DENNIS TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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	\$ 34,516	\$	\$ 34,516	\$ 33,566	\$ 950
Federal Sources					
Title I	239,830	(3,192)	236,638	235,998	640
Title I - SIA	11,089	3,058	14,147	3,373	10,774
Title II	41,966	7,514	49,480	33,543	15,937
Title IV	14,201	1,398	15,599	11,841	3,758
I.D.E.A., Part B	226,214	31	226,245	214,796	11,449
I.D.E.A., Part B Preschool Initiative	4,130	191	4,321	3,713	608
Cares Act	167,532	(167,532)			
	<u>704,962</u>	<u>(158,532)</u>	<u>546,430</u>	<u>503,264</u>	<u>43,166</u>
State Sources					
Preschool	622,750		622,750	610,173	12,577
Non-public Programs	117,890		117,890	123,373	(5,483)
<b>Total Revenues</b>	<u>1,480,118</u>	<u>(158,532)</u>	<u>1,321,586</u>	<u>1,270,376</u>	<u>51,210</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	415,615	(34,894)	380,721	372,251	8,470
Other Salaries	88,935	(959)	87,976	87,976	
Purchased Professional Educational Services	10,000	(10,000)			
Other Purchased Services (400-500 Series)	208,239	(161)	208,078	208,078	
General Supplies	178,998	(92,660)	86,338	80,737	5,601
Textbooks	7,432		7,432	7,373	59
Other Objects	373	22	395		395
<b>Total Instruction</b>	<u>909,592</u>	<u>(138,652)</u>	<u>770,940</u>	<u>756,415</u>	<u>14,525</u>
<b>Support Services</b>					
Salaries - Supervisor	10,999		10,999	10,999	
Salaries of Other Professional Staff	39,336		33,336	33,336	
Salaries - Secretarial and Clerical	4,759		4,759	4,759	
Salaries - Other	3,000	50,009	53,009	53,009	
Salaries - Family/Parent Liaison	3,000		3,000	3,000	
Salaries - Faciliattor Coach	5,400		5,400	5,400	
Personal Services - Employee Benefits	198,283	(5,973)	192,310	190,747	1,563
Purchased Professional & Technical Services	10,500	5,608	16,108	11,757	4,351
Other Purchased Services	120,733	20,875	141,608	83,474	58,134
Cleaningh Repair and Maintenance	32,324	(1,876)	30,448	30,448	
Travel	5,500	(4,432)	1,068	1,068	
Contracted Field Trip Transportation	52,000	(52,000)			
Supplies and Materials	84,692	(26,091)	58,601	57,299	1,302
Student Trans. Personal Services				28,665	(28,665)
<b>Total Support Services</b>	<u>570,526</u>	<u>(19,880)</u>	<u>550,646</u>	<u>513,961</u>	<u>36,685</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment					
Non-Instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Total Expenditures</b>	<u>1,480,118</u>	<u>(158,532)</u>	<u>1,321,586</u>	<u>1,270,376</u>	<u>51,210</u>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<u>1,480,118</u>	<u>(158,532)</u>	<u>1,321,586</u>	<u>1,270,376</u>	<u>51,210</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	\$	\$	\$	\$	\$

**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, 2020**

**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] \$ 17,617,241	[C-2] \$ 1,270,376				
Difference - budget to GAAP:						
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 10px;">Prior Year</td> <td></td> </tr> <tr> <td>Current Year</td> <td style="text-align: right;">502,497</td> </tr> </table>	Prior Year		Current Year	502,497	
Prior Year						
Current Year	502,497					
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	502,497					
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(441,108)	(62,275)				
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 17,678,630	[B-2] \$ 1,208,101				
<b>Uses/outflows of resources</b>						
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 17,121,557	[C-2] \$ 1,270,376				
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.						
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] \$ 17,121,557	[B-2] \$ 1,270,376				

**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\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.017731%	0.019377%	0.019118%	0.018269%	0.018310%	0.019766%	0.019819%
District's Proportionate Share of the Net Pension Liability	\$ 3,194,794	\$ 3,815,145	\$ 4,450,419	\$ 5,410,614	\$ 4,110,335	\$ 3,700,825	\$ 3,787,852
District's Covered-Employee Payroll	\$ 1,279,443	\$ 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	249.70%	290.46%	329.89%	409.87%	332.61%	303.84%	279.39%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	56.27%	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\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 180,255	\$ 200,873	\$ 177,108	\$ 162,295	\$ 157,421	\$ 162,952	\$ 149,334
Contributions in relation to the Contractually Required Contribution	(180,255)	(200,873)	(177,108)	(162,295)	(157,421)	(162,952)	(149,334)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 1,279,443	\$ 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	14.09%	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)**  
**Last Ten Fiscal Years\***

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>
District's Proportion of the Net Pension Liability	0.047797%		0.045047%		0.044904%		0.047422%		0.048633%		0.055833%		0.054941%
District's Proportionate Share of the Net Pension Liability	\$ 29,333,690	\$	28,658,032	\$	30,275,568	\$	37,304,819	\$	30,738,273	\$	29,841,141	\$	27,766,875
District's Covered-Employee Payroll	\$ 4,393,857	\$	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	667.61%		584.06%		605.43%		797.01%		673.06%		622.02%		567.32%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.95%		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.

**NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION PART III**



**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>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 1,061,210	\$ 1,128,192	\$ 1,360,740
Interest Cost	1,049,898	1,151,399	993,551
Changes of Benefit Terms			
Differences Between Expected and Actual Experiences	(4,336,982)	(3,517,966)	
Changes of Assumptions	355,443	(3,031,785)	(4,130,767)
Member Contributions	21,692	24,416	26,757
Gross Benefit Payments	(731,789)	(706,451)	(726,638)
<b>Net Change in Total OPEB Liability</b>	<u>(2,580,528)</u>	<u>(4,952,195)</u>	<u>(2,476,357)</u>
<b>Total OPEB Liability - Beginning</b>	<u>26,419,628</u>	<u>31,371,823</u>	<u>33,848,180</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 23,839,100</u>	<u>\$ 26,419,628</u>	<u>\$ 31,371,823</u>
<b>Covered-Employee Payroll</b>	<u>\$ 5,673,300</u>	<u>\$ 6,220,186</u>	<u>\$ 6,349,693</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	420.20%	424.74%	494.07%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between 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. The decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: 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. The decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality 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, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	ESEA				I.D.E.A. - Part B			Education			Totals	
	Title I Part A 2019-20	Title I SIA 2019-20	Title II A 2019-20	Title IV 2019-20	Basic 2019-20	Preschool 2019-20	Safety Grant	Foundation Grant	Pre School	Wellness Grant	Sub-Total Per E-1(2)	2020
<b>REVENUES:</b>												
Federal Sources	\$ 235,998	\$ 3,373	\$ 33,543	\$ 11,841	\$ 214,796	\$ 3,713					\$	\$ 503,264
State Sources									\$ 610,173		123,373	733,546
Other							\$ 9,378	\$ 5,043		\$ 19,145		33,566
<b>Total Revenues</b>	<b>235,998</b>	<b>3,373</b>	<b>33,543</b>	<b>11,841</b>	<b>214,796</b>	<b>3,713</b>	<b>9,378</b>	<b>5,043</b>	<b>610,173</b>	<b>19,145</b>	<b>123,373</b>	<b>1,270,376</b>
<b>EXPENDITURES:</b>												
Instruction:												
Salaries of Teachers	147,320		10,598	11,000		3,713			199,620			372,251
Other Salaries									87,976			87,976
Other Purchased Services					206,739				1,339			208,078
General Supplies	3,364	173						5,043	72,157			80,737
Textbooks											7,373	7,373
<b>Total Instruction</b>	<b>150,684</b>	<b>173</b>	<b>10,598</b>	<b>11,000</b>	<b>206,739</b>	<b>3,713</b>		<b>5,043</b>	<b>361,092</b>		<b>7,373</b>	<b>756,415</b>
Support Services:												
Salaries - Supervisors									10,999			10,999
Salaries of Other Professional Staff									33,336			33,336
Salaries - Secretarial and Clerical									4,759			4,759
Salaries - Other									53,009			53,009
Salaries - Family/Parent Liaison									3,000			3,000
Salaries - Faciliattor Coach									5,400			5,400
Personal Services - Employee Benefits	85,314			841					104,592			190,747
Other Professional/ Tech. Services		3,200	8,557									11,757
Other Purchased Services (400-500 Series)			12,752		8,057				1,556		61,109	83,474
Cleaning, Repair & Maintenance Services									30,448			30,448
Travel			1,056						12			1,068
Supplies and Materials			580				9,378		1,970	19,145	26,226	57,299
Student Trans. Personal Services											28,665	28,665
<b>Total Support Services</b>	<b>85,314</b>	<b>3,200</b>	<b>22,945</b>	<b>841</b>	<b>8,057</b>		<b>9,378</b>		<b>249,081</b>	<b>19,145</b>	<b>116,000</b>	<b>513,961</b>
Facilities Acquisition/Construction:												
Instructional Equipment												
Non-Instructional Equipment												
<b>Total Facilities Acquisition/Construction</b>												
<b>Total Expenditures</b>	<b>\$ 235,998</b>	<b>\$ 3,373</b>	<b>\$ 33,543</b>	<b>\$ 11,841</b>	<b>\$ 214,796</b>	<b>\$ 3,713</b>	<b>\$ 9,378</b>	<b>\$ 5,043</b>	<b>\$ 610,173</b>	<b>\$ 19,145</b>	<b>\$ 123,373</b>	<b>1,270,376</b>

DENNIS TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	Chapter 192		Chapter 193					Totals 2020		
	Nonpublic Comp Education	Nonpublic Transportation	Nonpublic Examination & Classification	Nonpublic Speech	Nonpublic Supplemental Instruction	Nonpublic Technology	Nonpublic Textbooks		Nonpublic Nursing	Nonpublic Security
<b>REVENUES:</b>										
Federal Sources										
State Sources	\$ 28,960	\$ 28,665	\$ 8,550	\$ 6,927	\$ 2,995	\$ 5,076	\$ 7,373	\$ 13,677	\$ 21,150	\$ 123,373
Other										
<b>Total Revenues</b>	<b>28,960</b>	<b>28,665</b>	<b>8,550</b>	<b>6,927</b>	<b>2,995</b>	<b>5,076</b>	<b>7,373</b>	<b>13,677</b>	<b>21,150</b>	<b>123,373</b>
<b>EXPENDITURES:</b>										
Instruction:										
Textbooks							7,373			7,373
<b>Total Instruction</b>							<b>7,373</b>			<b>7,373</b>
Support Services:										
Other Purchased Services (400-500 Series)	28,960		8,550	6,927	2,995			13,677		61,109
Supplies and Materials						5,076			21,150	26,226
Student Trans. Personal Services		28,665								28,665
<b>Total Support Services</b>	<b>28,960</b>	<b>28,665</b>	<b>8,550</b>	<b>6,927</b>	<b>2,995</b>	<b>5,076</b>		<b>13,677</b>	<b>21,150</b>	<b>116,000</b>
Facilities Acquisition/Construction:										
Instructional Equipment										
Non-Instructional Equipment										
<b>Total Facilities Acquisition/Construction</b>										
<b>Total Expenditures</b>	<b>\$ 28,960</b>	<b>\$ 28,665</b>	<b>\$ 8,550</b>	<b>\$ 6,927</b>	<b>\$ 2,995</b>	<b>\$ 5,076</b>	<b>\$ 7,373</b>	<b>\$ 13,677</b>	<b>\$ 21,150</b>	<b>\$ 123,373</b>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Statement of Preschool Education Aid**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 199,864	\$ 199,620	\$ 244
Other Salaries for Instruction	87,976	87,976	
Other Purchased Services	1,339	1,339	
Supplies and Materials	72,452	72,157	295
<b>Total instruction</b>	<u>361,631</u>	<u>361,092</u>	<u>539</u>
<b>Support services:</b>			
Salaries of Supervisors	10,999	10,999	
Salaries of Other Professional Staff	33,336	33,336	
Salaries of Secraterial & Clerical Staff	4,759	4,759	
Other Salaries	53,009	53,009	
Family/Parent Liason	3,000	3,000	
Facilitator/Coach	5,400	5,400	
Personal Services - Employee Benefits	104,592	104,592	
Purchased Other Educational Services	13,594	1,556	12,038
Cleaning, Repair and Maintenance Services	30,448	30,448	
Travel	12	12	
Supplies and materials	1,970	1,970	
<b>Total support services</b>	<u>261,119</u>	<u>249,081</u>	<u>12,038</u>
<b>Total expenditures</b>	<u>\$ 622,750</u>	<u>\$ 610,173</u>	<u>\$ 12,577</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2019-20 Preschool Education Aid Allocation	\$ 622,750
Add: Actual ECPA/PEA Carryover (June 30, 2020)	
Add: Budgeted Transfer from the General Fund 2019-2020	
<b>Total Preschool Education Aid Funds Available for 2019-20 Budget</b>	<u>622,750</u>
Less: 2019-20 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(622,750)</u>
<b>Available &amp; Unbudgeted Preschool Education Aid Funds as of June 30, 2020</b>	
Add: June 30, 2020 Unexpended Preschool Education Aid	<u>12,577</u>
<b>2019-20 Carryover - Preschool Education Aid Programs</b>	<u>\$ 12,577</u>
<b>2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2020-21</b>	<u>\$</u>

Note: Since the 2019-20 Actual Carryover is more than the amount budgeted in 2020-21, the District should consider revising the 2019-20 Budget or appropriating this amount in the 2020-21 School Year Preschool Education Program Budget by amendment. \$ 12,577

## 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, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Scholarship Fund	Agency		Total	
		Student Activity	Payroll	June 30, 2020	June 30, 2019
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 10,466	\$ 67,750	\$ 78,705	\$ 156,921	\$ 187,288
Accounts Receivable		4,061		4,061	
<b>Total Assets</b>	<b>\$ 10,466</b>	<b>\$ 71,811</b>	<b>\$ 78,705</b>	<b>\$ 160,982</b>	<b>\$ 187,288</b>
<b>LIABILITIES AND NET POSITION:</b>					
Liabilities:					
Due to Student Groups	\$	\$ 71,811	\$	\$ 71,811	\$ 44,737
Accounts Payable					
Payroll Deductions and Withholdings			47,879	47,879	121,295
Interfund Payable			30,826	30,826	10,895
<b>Total Liabilities</b>	<b>\$</b>	<b>\$ 71,811</b>	<b>\$ 78,705</b>	<b>\$ 150,516</b>	<b>\$ 176,927</b>
<b>Net Position</b>					
Reserve for Scholarships	\$ 10,466	\$	\$	\$ 10,466	\$ 10,391
<b>Total Liabilities and Net Position</b>	<b>\$ 10,466</b>	<b>\$ 71,811</b>	<b>\$ 78,705</b>	<b>\$ 160,982</b>	<b>\$ 187,318</b>



TOWNSHIP OF DENNIS SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>	
Investment Earnings - Interest	\$ 105
Total Additions	<u>105</u>
<b>DEDUCTIONS</b>	
Scholarship Awards	<u>                    </u>
Total Deductions	<u>                    </u>
Change in Net Position	105
Net Position—Beginning of the Year	10,361
Net Position—End of the Year	<u>\$ 10,466</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, 2020**

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Receivable 6/30/2020</u>	<u>Balance June 30, 2020</u>
<b>ELEMENTARY SCHOOLS</b>					
8th Grade Activities	\$ 8,240	\$ 29,418	\$ 24,786	\$	\$ 12,872
Other	36,497	66,078	47,697	4,061	58,939
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 44,737</u>	<u>\$ 95,496</u>	<u>\$ 72,483</u>	<u>\$ 4,061</u>	<u>\$ 71,811</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2020</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 132,190	\$ 7,994,534	\$ 8,048,019	\$ 78,705
Total Assets	<u>\$ 132,190</u>	<u>\$ 7,994,534</u>	<u>\$ 8,048,019</u>	<u>\$ 78,705</u>
<b>LIABILITIES:</b>				
Net Payroll	\$	\$ 4,473,634	\$ 4,473,634	\$
Payroll Deductions & Withholdings	121,295	3,475,937	3,549,353	47,879
Interfund Payable	10,895	19,931		30,826
Flexible Spending Reserve		25,032	25,032	
Total Liabilities	<u>\$ 132,190</u>	<u>\$ 7,994,534</u>	<u>\$ 8,048,019</u>	<u>\$ 78,705</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, 2020**

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Maturity of Bonds Outstanding June 30, 2019</u>		<u>Amount Outstanding June 30, 2019</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2020</u>
				<u>Date</u>	<u>Amount</u>				
2010 Refunding Issue	4/29/10	\$4,750,000	3.500% 3.625%	4/1/21 4/1/22	\$ 415,000 210,000	\$ 1,045,000		\$ 420,000	\$ 625,000
						<u>\$ 1,045,000</u>	<u></u>	<u>\$ 420,000</u>	<u>\$ 625,000</u>

**TOWNSHIP OF DENNIS SCHOOL DISTRICT**  
**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**  
**JUNE 30, 2020**

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2019</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2020</u>
2017 - Technology Equipment	\$ 400,000		\$ 101,105		\$ 101,105	\$ -
2018 - Chromebooks	151,170		77,489		77,489	
2020 - Technology Equipment	249,971	2.51%		\$249,971	52,448	197,523
			<u>\$ 178,594</u>	<u>\$249,971</u>	<u>\$ 231,042</u>	<u>\$ 197,523</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Fiscal Year Ended June 30, 2020**

	<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	\$ 456,312		\$ 456,312	\$ 456,312	
Total Revenues	456,312		456,312	456,312	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	36,312		36,312	36,312	
Redemption of Principal	420,000		420,000	420,000	
Total Expenditures	456,312		456,312	456,312	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
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					
Fund Balance, July 1					
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)**

	<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>	<u>2020</u>
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt \$	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	10,047,813
Restricted	577,753	632,088	190,505	715,709	1,776,139	2,478,057	1,359,664	1,787,039	1,465,402	2,220,075
Unrestricted (Deficit)	(564,032)	(578,481)	(377,222)	(4,118,987)	(4,115,764)	(4,092,422)	(3,049,207)	(3,978,999)	(4,025,031)	(4,010,427)
<b>Total Governmental Activities Net Position</b>	<b><u>7,590,769</u></b>	<b><u>7,383,082</u></b>	<b><u>7,113,296</u></b>	<b><u>3,899,880</u></b>	<b><u>5,023,999</u></b>	<b><u>5,974,412</u></b>	<b><u>5,552,259</u></b>	<b><u>7,029,329</u></b>	<b><u>7,300,102</u></b>	<b><u>8,257,461</u></b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	106,469	92,036	77,603	63,173	50,525	39,655	33,746	54,589	51,801	39,149
Unrestricted	42,073	88,377	62,990	52,819	77,421	78,906	73,059	66,452	1,589	16,968
<b>Total Business-Type Activities Net Position</b>	<b><u>148,542</u></b>	<b><u>180,413</u></b>	<b><u>140,593</u></b>	<b><u>115,992</u></b>	<b><u>127,946</u></b>	<b><u>118,561</u></b>	<b><u>106,805</u></b>	<b><u>121,041</u></b>	<b><u>53,390</u></b>	<b><u>56,117</u></b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	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	10,086,962
Restricted	577,753	632,088	190,505	715,709	1,776,139	2,478,057	1,359,664	1,787,039	1,465,402	2,220,075
Unrestricted (Deficit)	(521,959)	(490,104)	(314,232)	(4,066,168)	(4,038,343)	(4,013,516)	(2,976,148)	(3,912,547)	(4,023,442)	(3,993,459)
<b>Total District-Wide Net Position</b>	<b><u>\$ 7,739,311</u></b>	<b><u>7,563,495</u></b>	<b><u>7,253,889</u></b>	<b><u>4,015,872</u></b>	<b><u>5,151,945</u></b>	<b><u>6,092,973</u></b>	<b><u>5,659,064</u></b>	<b><u>7,150,370</u></b>	<b><u>7,353,492</u></b>	<b><u>8,313,578</u></b>

Source: CAFR Schedule A-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses:</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 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	6,047,502
Special Education	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	2,240,179
Other Special Education	361,545	513,744	483,815	687,737	682,214	720,637	840,512	1,047,246	698,170	488,575
Other Instruction									150,731	141,610
<b>Support Services</b>										
Tuition	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	4,000,754
Student and Instruction Related Services	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	2,123,213
General and Business Admin. Services	414,824	402,729	504,564	517,362	544,742	472,321	639,297	602,604	534,693	562,379
School Administrative Services	365,593	471,808	421,013	342,944	337,072	420,905	482,346	481,951	469,773	458,129
Central and Technical Services	257,730	339,275	342,836	336,808	352,236	423,931	432,121	433,343	454,773	489,269
Plant Operations and Maintenance	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	1,534,189
Pupil Transportation	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	1,031,753
Capital Outlay			47,907							
Charter Schools	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	129,532	120,729	129,398	130,501	117,062	105,630	92,109	78,603	64,706	98,587
<b>Total Governmental Activities Expenses</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>40,711,756</b>	<b>19,805,659</b>	<b>19,216,139</b>
<b>Business-Type Activities</b>										
After School Programs	208,329	212,677	245,594	223,194	172,504	178,792	206,749	176,334	107,306	95,086
Food Service	77,307	65,672	63,863	58,322	60,200	74,201	81,993	85,904	182,950	144,554
<b>Total Business-Type Activities Expense</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>239,640</b>
<b>Total District Expenses</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>40,973,994</b>	<b>20,095,915</b>	<b>19,455,779</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charge for Services										
Instruction (Tuition)	7,785	100,881	63,171	512,015	509,767	522,797	573,282	595,772		
Pupil Transportation	259			702,164	689,764	706,972	916,615	878,754		
Operating Grants and Contributions	628,014	2,708,049	517,447	1,471,630	2,829,588	3,246,712	4,167,517	5,220,303	599,028	1,079,629
<b>Total Gov'n't Activities Program Rev.</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>1,079,629</b>
<b>Business-Type Activities</b>										
Charges for Services										
Food Service	119,294	151,811	112,583	98,065	77,231	72,645	76,832	75,104	57,389	106,060
Community Education	60,935	60,741	60,424	72,132	80,935	66,944	84,831	80,332	77,821	49,127
Operating Grants and Contributions	78,177	97,632	96,617	96,707	86,474	89,071	95,097	96,349	88,715	91,609
<b>Total Bus.-Type Activities Prog. Rev.</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>246,796</b>
<b>Total District Program Revenues</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>1,326,425</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	<b>\$ (15,642,299)</b>	<b>(14,142,033)</b>	<b>(16,869,519)</b>	<b>(13,626,639)</b>	<b>(13,449,632)</b>	<b>(13,435,346)</b>	<b>(15,029,432)</b>	<b>(34,016,927)</b>	<b>(19,206,301)</b>	<b>(18,136,510)</b>
<b>Business-Type Activities</b>	<b>(27,230)</b>	<b>31,835</b>	<b>(39,833)</b>	<b>(14,612)</b>	<b>11,936</b>	<b>(24,333)</b>	<b>(31,982)</b>	<b>(10,453)</b>	<b>(66,331)</b>	<b>7,156</b>
<b>Total District-Wide Net Expense</b>	<b>\$ (15,669,529)</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>(34,027,380)</b>	<b>(19,272,632)</b>	<b>(18,129,354)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied - General Purp.	\$ 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	10,610,623
Taxes Levied for Debt Service	533,971	618,819	579,308	579,619	555,669	535,432	520,529	498,881	9,160,746	8,144,933
Unrestricted Grants and Contributions	7,100,098	5,434,505	7,404,302	5,099,349	5,164,581	5,137,207	5,193,462	5,066,768	110,912	124,661
Fixed Asset Adjustment	816,841			(82,149)		(586)		908,309	(209,580)	
Miscellaneous Income	95,733	14,729	60,346	12,100	150,272	16,785	33,365	29,728	339,234	226,840
Transfers						(6,934)	(18,006)		(15,968)	(13,188)
<b>Total Governmental Activities</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>19,447,074</b>	<b>19,093,869</b>
<b>Business-Type Activities</b>										
Miscellaneous Income	75	35	12	11	17	8,015	2,218	22	205	433
Transfers						6,934	18,006		1,674	
Fixed Asset Adjustment	114,689							24,667	(3,199)	(4,862)
<b>Total Business-Type Activities</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>(4,429)</b>
<b>Total District-Wide</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>19,445,754</b>	<b>19,089,440</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>	<b>\$ 976,138</b>	<b>(2,186)</b>	<b>(460,290)</b>	<b>514,858</b>	<b>1,124,120</b>	<b>950,412</b>	<b>(422,151)</b>	<b>(18,328,589)</b>	<b>270,773</b>	<b>957,359</b>
<b>Business-Type Activities</b>	<b>87,534</b>	<b>31,870</b>	<b>(39,821)</b>	<b>(14,601)</b>	<b>11,953</b>	<b>(9,384)</b>	<b>(11,758)</b>	<b>14,236</b>	<b>(67,651)</b>	<b>2,727</b>
<b>Total District-Wide</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>(18,314,353)</b>	<b>203,122</b>	<b>960,086</b>

Source: CAFR Schedule A-2

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

	<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>	<u>2020</u>
General Fund										
Restricted	210,648	194,517	20,244	329,323	1,089,736	1,091,573	645,225	644,756	1,465,402	2,220,075
Committed	125,468	125,622	38,693	386,386	686,403	855,234	514,439	624,909		
Assigned	177,349	311,949	131,568			531,250	200,000	517,374	351,749	339,270
Unassigned (Deficit)	(229,389)	(261,199)	(262,387)	(204,045)	(120,909)	103,076	1,124,736	320,580	(91,497)	(39,835)
Reserved										
Unreserved										
<b>Total General Fund</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>	<b>2,519,510</b>
All Other Governmental Funds										
Restricted										
Reported in Capital Projects Fund	13,237									
Debt Service Fund	19,811	19,811			1	1	3,449	3,449		
Committed										
Assigned	67,704									
Unassigned										
Unreserved, reported in:										
Special Revenue Fund (Deficit)										(62,275)
Capital Projects Fund										-
<b>Total All Other Governmental Funds</b>	<b>100,752</b>	<b>19,811</b>			<b>1</b>	<b>1</b>	<b>3,449</b>	<b>3,449</b>		<b>(62,275)</b>

Source: CAFR Schedule B-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 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	10,610,623
Tuition Charges	7,784	19,600	39,142	70,371	68,123	81,153	131,638	154,128	155,980	38,382
Interest Earnings	258	155	45	18	18	81	205	221	4,160	2,625
Transportation Fees	34,559	12,876	24,028	53,169	42,454	61,419	270,794	232,724	179,094	185,833
Miscellaneous	66,247	116,553	66,030	12,082	155,126	16,705	45,555	50,048	110,912	124,661
State Sources	7,272,807	7,494,443	7,479,755	7,237,861	7,305,049	7,444,414	7,620,892	7,746,817	7,798,255	7,862,042
Federal Sources	450,233	596,505	436,265	369,757	430,397	411,222	389,883	535,397	581,994	518,877
<b>Total Revenues</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>19,343,043</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	3,717,992
Special Education Instruction	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	1,167,019
Other Special Instruction	253,950	351,233	331,155	453,924	362,266	396,797	423,618	505,601	356,554	254,915
Other Instruction									81,675	76,020
<b>Support Services</b>										
Instruction	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	4,000,754
Student and Instruction Related Services	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	1,275,631
General Administrative Services	328,743	388,158	345,786	412,916	402,555	302,381	384,689	391,782	355,044	381,421
School Administrative Services	259,013	279,270	288,526	235,147	231,920	234,052	252,627	251,845	244,464	239,975
Central and Technical Services	196,121	242,849	234,950	230,898	237,325	238,898	230,590	232,248	249,511	291,299
Plant Operations and Maintenance	904,969	906,718	996,000	971,192	970,800	918,030	1,012,531	1,045,630	1,209,824	1,205,963
Pupil Transportation	1,043,207	1,116,765	1,160,311	1,070,484	996,872	949,969	1,079,252	985,150	1,025,073	726,293
Unallocated Employee Benefits	2,365,834	2,707,436	3,079,194	2,913,531	3,136,964	3,186,111	3,819,889	3,846,777	4,464,924	4,301,234
Charter Schools	24,925	32,013	43,309	42,491	91,783	52,715	47,402	13,441		
Capital Outlay	67,665	89,510	53,134	366,698	444,189	181,236	604,608	1,254,993	717,255	753,417
<b>Debt Service</b>										
Principal	451,000	485,000	475,000	465,000	455,000	445,000	440,000	435,000	430,000	420,000
Interest and Other Charges	135,220	133,819	124,119	114,619	100,669	90,431	77,081	63,881	50,288	36,312
<b>Total Expenditures</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>18,848,245</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</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>494,798</b>
<b>Other Financing Sources (Uses)</b>										
Transfer In		31,159								
Transfer Out		(31,159)				(6,934)	(18,006)		(15,968)	236,783
Capital Leases (Non-budgeted)				298,437	345,185		400,000	177,370		
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>298,437</b>	<b>345,185</b>	<b>(6,934)</b>	<b>381,994</b>	<b>177,370</b>	<b>(15,968)</b>	<b>236,783</b>
<b>Net Change in Fund Balances</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>731,581</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</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>	<b>2.59%</b>

Source: CAFR Schedule B-2

**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>
2020	\$ 19,655	\$	\$ 74,065	\$ 93,720
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

Source: District Records

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm Regular</b>	<b>Q Farm</b>	<b>Commercial</b>	<b>Total Assessed Value</b>	<b>Public Utilities <sup>a</sup></b>	<b>Net Valuation Taxable</b>	<b>Total Direct School Tax Rate <sup>b</sup></b>	<b>Estimated Actual County Equalized Value</b>
2020	\$ 28,273,100	\$ 653,145,500	\$ 13,973,900	\$ 1,523,700	\$ 187,737,900	\$ 884,654,100	\$	\$ 884,654,100	\$ 1.229	\$ 919,407,711
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

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				
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	County General	County Open Space	County Other	Municipal Local Purpose	Total
2020	\$ 1.229	\$ 0.000	\$ 1.229	\$ 0.238	\$ 0.011	\$ 0.036	\$ 0.231	\$ 1.745
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

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	2020		2011	
	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	1.57%
Sun Driftwood RV, LLC	20,389,700	2.30%	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	1.06%	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>11.55%</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	
2020	\$ 10,154,311	\$ 10,154,311	100.00%	\$
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%	

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> Personal Income
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2020	\$ 625,000	197,523	\$	\$	\$ 822,523	0.23%	\$ 135	
2019	1,045,000	178,594			1,223,594	0.34%	201	
2018	1,475,000	574,006			2,049,006	0.57%	332	
2017	1,910,000	738,130			2,648,130	0.73%	427	
2016	2,350,000	671,555			3,021,555	0.87%	485	
2015	2,795,000	946,020			3,741,020	1.11%	598	
2014	3,250,000	866,069			4,116,069	1.27%	654	
2013	3,715,000	649,460			4,364,460	1.40%	690	
2012	4,190,000	165,485			4,355,485	1.40%	682	
2011	4,675,000	157,277			4,832,277	1.61%	755	

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			
2020	\$ 625,000	\$	\$ 625,000	0.07%	\$ 103
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%	447
2014	3,250,000		3,250,000	0.38%	516
2013	3,715,000		3,715,000	0.42%	587
2012	4,190,000		4,190,000	0.45%	656
2011	4,675,000		4,675,000	0.48%	730

**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, 2020**  
*(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	\$ 5,265,858	100.00%	\$ 5,265,858
<b>Other Debt</b>			
Cape May County as of December 31, 2019	299,971,257	1.68%	5,041,517
Subtotal, Overlapping Debt			<u>10,307,375</u>
<b>Dennis Township School District Direct Debt</b>			b <u>625,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 10,932,375</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 2020**

	Equalized Valuation Basis
	2019    \$ 918,574,101
	2018        926,605,650
	2017        895,292,829
	[A] \$ 2,740,472,580
Average Equalized Valuation of Taxable Property	[A/3] \$ 913,490,860
Debt Limit (3% of Average Equalization Value)	[B] \$ 27,404,726 <sup>a</sup>
Net Bonded School Debt	[C] 625,000
Legal Debt Margin	[B-C] \$ 26,779,726

**Fiscal Year,**

	<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>	<u>2020</u>
Debt Limit	\$ 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	\$ 27,404,726
Total Net Debt Applicable to Limit	<u>4,675,000</u>	<u>4,190,000</u>	<u>3,715,000</u>	<u>3,250,000</u>	<u>2,795,000</u>	<u>2,350,000</u>	<u>1,910,000</u>	<u>1,475,000</u>	<u>1,045,000</u>	<u>625,000</u>
Legal Debt Margin	<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>	<u>\$ 26,779,726</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.40%	4.32%	13.44%	12.28%	10.77%	9.06%	7.26%	5.55%	3.86%	2.28%

Source: Abstract of Ratables 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</u> <sup>a</sup>	<u>Personal Income (thousands of dollars)</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>
2020 *	6,083	\$ 357,246,448	\$ 58,733	4.4%
2019	6,144	360,494,504	58,674	4.9%
2018	6,168	361,541,144	58,616	5.7%
2017	6,199	361,550,476	58,324	6.4%
2016	6,228	347,989,500	55,875	7.0%
2015	6,253	337,543,193	53,981	8.3%
2014	6,296	323,123,312	51,322	9.9%
2013	6,325	312,726,975	49,443	9.9%
2012	6,387	310,989,417	48,691	8.2%
2011	6,400	300,102,400	46,891	8.0%

**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>2020</u>		<u>2011</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)*

<b><u>Function/Program</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
Instruction										
Regular	45	46	42	41	40	38	37	40	41	32
Special Education	18	18	17	16	19	18	19	18	17	15
Other Special Education	8	10	7	7	4	4	3	3	3	5
Other Instruction	7	5	7	7	7	6	8	9	12	20
Support Services:										
Student & Instruction Related Services	15	17	19	19	17	21	24	19	22	19
General Administrative Services	2	2	2	2	2	2	2	2	2	2
School Administrative Services	4	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	2
Plant Operations and Maintenance	9	13	9	9	8	8	8	8	9	9
Pupil Transportation	18	18	24	24	27	25	30	23	24	24
Other Support Services	4									9
<b>Total</b>	<b><u>134</u></b>	<b><u>137</u></b>	<b><u>135</u></b>	<b><u>133</u></b>	<b><u>133</u></b>	<b><u>131</u></b>	<b><u>140</u></b>	<b><u>131</u></b>	<b><u>139</u></b>	<b><u>144</u></b>

**Source:** District Personnel Records



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

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>	<b>Pupil/Teacher Ratio All Schools</b>	<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2020	589	\$ 18,094,828	\$ 30,721	-9.06%	72	7.8:1	574	554	3.80%	96.52%
2019	558	18,544,316	33,234	-1.63%	73	7.6:1	553	524	-16.84%	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%

**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>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>	<u>2020</u>
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
Dennis Township Elementary/Middle School (1950)										
Square Feet	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220
Capacity	608	608	608	608	608	608	608	608	608	608
Students	424	421	421	416	290	245	284	282	255	284
Dennis Township Primary School (2004)										
Square Feet	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105
Capacity	329	329	329	329	329	329	329	329	329	329
Students	196	195	195	166	240	299	259	271	303	305
<b><u>Other</u></b>										
Administration Building (1996)										
Square Feet	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960
Bus Maintenance Garage (1970)										
Square Feet	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980

Number of Schools at June 30, 2020  
 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**

<u>School Facilities</u>	<u>Project #(s)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Dennis Elementary	N/A	\$ 281,106	306,610	271,245	190,494	194,305	191,531	127,084	307,706	180,859	200,609
Dennis Primary	N/A	59,786	69,000	75,860	61,154	59,551	55,213	72,793	43,148	71,613	28,971
Total School Facilities		340,892	375,610	347,105	251,648	253,856	246,744	199,877	350,854	252,472	229,580
Other Facilities											
Grand Total		\$ 340,892	375,610	347,105	251,648	253,856	246,744	199,877	350,854	252,472	229,580

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
 (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, 2020, 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 December 23, 2020.

#### 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 (internal control) as a basis for designing 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. Accordingly, we do not express an opinion on the effectiveness of the Township of Dennis Board of Education's internal control.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Dennis 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 financial statements. 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  
December 23, 2020

# 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, 2020. 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 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, 2020.



## 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 as a basis for designing 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. However, we did identify a significant deficiency in internal control over compliance, labeled 2020-1 as defined above, 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 December 23, 2020. However, material weaknesses may exist that have not been identified.

Dennis Township Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Dennis Township Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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  
December 23, 2020

**DENNIS TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at July 1, 2019	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2020		
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>															
General Fund															
Medicaid Assistance Program	93.778	2005NJ5MAP	N/A	\$ 15,613	7/1/19	6/30/20		\$ 15,613	\$ (15,613)		\$ (15,613)				
Total General Fund								15,613	(15,613)		(15,613)				
<b>U.S. Department of Agriculture</b>															
Passed-through State Department of Education:															
Enterprise Fund:															
Child Nutrition Cluster:															
Cash Assistance:															
National School Lunch Program	10.555	201NJ304N1099	N/A	\$59,551	7/1/19	6/30/20		55,806	(59,551)		(59,551)		\$ (3,745)		
National School Lunch Program	10.555	191NJ304N1099	N/A	63,140	7/1/18	6/30/19	\$ (3,354)	3,354							
School Breakfast Program	10.553	201NJ304N1098	N/A	20,837	7/1/19	6/30/20		18,470	(20,837)		(20,837)		(2,367)		
School Breakfast Program	10.553	191NJ304N1099	N/A	15,653	7/1/18	6/30/19	(875)	875							
Non-Cash Assistance:															
Food Distribution Program	10.565	201NJ304N1098	N/A	13,781	7/1/19	6/30/20		13,781	(7,074)		(7,074)			\$ 6,707	
Food Distribution Program	10.565	191NJ304N1099	N/A	12,782	7/1/18	6/30/19	4,670		(4,670)		(4,670)				
Total Enterprise Fund								441	92,286	(92,132)	(92,132)		(6,112)	6,707	
<b>U.S. Department of Education</b>															
Passed-through State Department of Education:															
Special Revenue Fund:															
E.S.E.A.															
Title I, Part A	84.010A	S010A190030	ESEA0950-20	235,679	7/1/19	9/30/20		97,313	(235,998)		(235,998)		(138,685)		
Title I, Part A	84.010A	S010A180030	ESEA0950-19	273,860	7/1/18	6/30/19	(205,861)	207,159						1,298	
Title I, SIA Part A	84.010A	S010A190030	ESEA0950-20	14,147	7/1/19	9/30/20		3,373	(3,373)		(3,373)				
Title I, SIA Part A	84.010A	S010A180030	ESEA0950-19	10,851	7/1/18	6/30/19	(4,804)	4,804							
Title II, Part A Teachers and Principals	84.367A	S367A190029	ESEA0950-20	41,966	7/1/19	9/30/20			(33,543)		(33,543)		(33,543)		
Title II, Part A Teachers and Principals	84.367A	S367A180029	ESEA0950-19	45,035	7/1/18	6/30/19	(21,380)	23,991						2,611	
Title IV	84.424	S424A190031	ESEA0950-20	15,599	7/1/19	9/30/20			(11,841)		(11,841)		(11,841)		
Title IV	84.424	S424A180031	ESEA0950-19	14,653	7/1/18	6/30/19	(8,769)	8,769							
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES 0950-20	213,036	3/13/20	9/30/22									
IDEA Cluster:															
I.D.E.A. Part B Basic	84.027	H027A190100	IDEA0950-20	226,258	7/1/19	9/30/20		209,385	(214,796)		(214,796)		(5,411)		
I.D.E.A. Part B Basic	84.027	H027A180100	IDEA0950-19	222,988	7/1/18	6/30/19	(222,987)	222,961					(26)		
I.D.E.A. Part B, Pre-school	84.173	H173A190114	IDEAPS0950-20	4,130	7/1/19	9/30/20		3,713	(3,713)		(3,713)				
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							
Total Special Revenue Fund								(467,700)	785,367	(503,264)	(503,264)		(189,506)	3,909	
Total Federal Financial Awards								\$ (467,259)	\$893,266	\$ (611,009)	\$ (611,009)		\$ (195,618)	\$ 10,616	

(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, 2020**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Adjustment of Prior Year Balance	Balance at June 30, 2020			MEMO			
			From	To	(Accounts Receivable)	Due To Grantor				(Accounts Receivable)	Unearned Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures		
<b>State Department of Education:</b>																
General Fund:																
Special Education Aid	20-495-034-5120-089	504,067	7/1/19	6/30/20			\$ 461,372	\$ (504,067)			\$ (42,695)		* \$ (42,695)	\$ 504,067		
Special Education Aid	19-495-034-5120-089	504,067	7/1/18	6/30/19	\$ (43,632)		43,632									
Equalization Aid	20-495-034-5120-078	1,063,893	7/1/19	6/30/20			973,781	(1,063,893)		(90,112)			* (90,112)	1,063,893		
Equalization Aid	19-495-034-5120-078	1,063,893	7/1/18	6/30/19	(92,089)		92,089									
Security Aid	20-495-034-5120-084	102,940	7/1/19	6/30/20			94,221	(102,940)		(8,719)			* (8,719)	102,940		
Security Aid	19-495-034-5120-084	102,940	7/1/18	6/30/19	(8,910)		8,910									
Adjustment Aid	20-495-034-5120-085	2,883,135	7/1/19	6/30/20			2,638,931	(2,883,135)		(244,204)			* (244,204)	2,883,135		
Adjustment Aid	19-495-034-5120-085	3,480,549	7/1/18	6/30/19	(301,273)		301,273									
Transportation Aid	20-495-034-5120-014	653,808	7/1/19	6/30/20			598,430	(653,808)		(55,378)			* (55,378)	653,808		
Transportation Aid	19-495-034-5120-014	653,808	7/1/18	6/30/19	(56,593)		56,593									
Extraordinary Aid	20-495-034-5120-044	94,573	7/1/19	6/30/20				(94,573)		(94,573)			*	94,573		
Extraordinary Aid	19-495-034-5120-044	81,714	7/1/18	6/30/19	(81,714)		81,714									
Non-public Transportation Aid	19-495-034-5120-014	3,190	7/1/18	6/30/19	(3,190)		3,190									
Homeless Tuition Reimbursement	N/A	40,402	7/1/19	6/30/20				(40,402)		(40,402)			*	40,402		
Reimbursed TPAF Social Security Contrib	20-495-034-5094-003	336,587	7/1/19	6/30/20			319,898	(336,587)		(16,689)			*	336,587		
Reimbursed TPAF Social Security Contrib	20-495-034-5094-003	352,776	7/1/18	6/30/19	(17,404)		17,404									
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	1,056,761	7/1/19	6/30/20			1,056,761	(1,056,761)					*	1,056,761		
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	392,039	7/1/19	6/30/20			392,039	(392,039)					*	392,039		
On-Behalf Long-term Disability	20-495-034-5094-004	1,177	7/1/19	6/30/20			1,177	(1,177)					*	1,177		
<b>Total General Fund</b>							<b>(604,805)</b>	<b>1,141,415</b>	<b>(1,129,382)</b>		<b>(592,172)</b>			<b>(441,108)</b>	<b>1,129,382</b>	
<b>Special Revenue Fund:</b>																
Preschool Education Aid	20-495-134-5120-086	622,750	7/1/19	6/30/20			560,475	(610,173)		(62,275)	\$12,577		* (62,275)	610,173		
NJ Non-Public Aid																
Textbooks	20-100-034-5120-064	7,432	7/1/19	6/30/20			7,432	(7,373)				\$ 59	*	7,373		
Technology	20-100-034-5120-373	5,076	7/1/19	6/30/20			5,076	(5,076)					*	5,076		
Technology	19-100-034-5120-373	5,044	7/1/18	6/30/19		15			\$ (15)							
Nursing	20-100-034-5120-070	13,677	7/1/19	6/30/20			13,677	(13,677)					*	13,677		
Nursing	19-100-034-5120-070	13,483	7/1/18	6/30/19		2,961			(2,961)							
Nursing	18-100-034-5120-070	13,677	7/1/17	6/30/18		25			(25)							
Security	20-100-034-5120-509	21,150	7/1/19	6/30/20			21,150	(21,150)					*	21,150		
Security	19-100-034-5120-509	20,850	7/1/18	6/30/19		68			(68)							
Auxiliary Services:																
Compensatory Education	20-100-034-5120-067	58,406	7/1/19	6/30/20			43,805	(28,960)		(14,601)		29,446	*	28,960		
Transportation	20-100-034-5120-068	28,665	7/1/19	6/30/20			25,799	(28,665)		(2,866)			*	28,665		
Handicapped Services:																
Examination and Classification	20-100-034-5120-066	31,777	7/1/19	6/30/20			22,536	(8,550)		(9,241)		23,227	*	8,550		
Corrective Speech	20-100-034-5120-066	28,343	7/1/19	6/30/20			20,028	(6,927)		(8,315)		21,416	*	6,927		
Supplemental Instruction	20-100-034-5120-066	15,542	7/1/19	6/30/20			11,656	(2,995)		(3,886)		12,547	*	2,995		
<b>Total Special Revenue Fund</b>							<b>3,069</b>	<b>731,634</b>	<b>(733,546)</b>	<b>(3,069)</b>	<b>(101,184)</b>	<b>12,577</b>	<b>86,695</b>	<b>(62,275)</b>	<b>733,546</b>	
<b>State Department of Agriculture:</b>																
Enterprise Fund:																
School Lunch Prog.	20-100-010-3350-023	1,881	7/1/19	6/30/20			1,378	(1,881)		(503)			*	1,881		
School Lunch Prog.	19-100-010-3350-023	1,810	7/1/18	6/30/19	(96)		96									
<b>Total Enterprise Fund</b>							<b>(96)</b>	<b>1,474</b>	<b>(1,881)</b>		<b>(503)</b>			<b>1,881</b>		
<b>Total State Financial Assistance</b>							<b>\$ (604,901)</b>	<b>\$ 3,069</b>	<b>\$ 7,874,523</b>	<b>\$ (7,864,809)</b>	<b>\$ (3,069)</b>	<b>\$ (694,459)</b>	<b>\$12,577</b>	<b>86,695</b>	<b>\$ (503,383)</b>	<b>\$ 7,864,809</b>
Less: On-Behalf TPAF Pension System Contributions																
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	1,056,761	7/1/19	6/30/20			\$1,056,761	\$(1,056,761)								
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	392,039	7/1/19	6/30/20			392,039	(392,039)								
On-Behalf Long-term Disability	20-495-034-5094-004	1,177	7/1/19	6/30/20			1,177	(1,177)								
<b>Total For State Financial Assistance - Major Program Determination</b>							<b>\$ 6,424,546</b>	<b>\$ (6,414,832)</b>								

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

**DENNIS TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2020**

**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  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2020  
(CONTINUED)**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$61,389 for the general fund and (\$62,275) 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	\$ 15,613	\$ 7,150,369	\$ (1,786,564)	\$ 5,379,418
Special Revenue Fund	503,264	671,271		1,174,535
Food Service Fund	89,728	1,881		91,609
	<u>\$ 608,605</u>	<u>\$ 7,823,521</u>	<u>\$ (1,786,564)</u>	<u>\$ 6,645,562</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, 2020. 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, 2020.

**NOTE 6 - ADJUSTMENTS**

Both favorable and unfavorable differences incurred as a result of final grant payments being reported to the granter, of which none were included in the Schedule A (Schedule of Federal Awards) and \$3,069 was included on 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, 2020**

**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, 2020**  
(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, 2020**  
**(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**

**Finding 2020-1:**

**Information on the state program:**

20-495-034-5120-078	Equalization Aid
20-495-034-5120-089	Special Education Categorical Aid
20-495-034-5120-084	Security Aid
20-495-034-5120-085	Adjustment Aid

**Criteria or specific requirement:**

The Board Secretary, and Treasurer of School Moneys (where the BOE has elected to maintain the position of Treasurer of School Moneys (*N.J.S.A. 18A:8-33*) of a school district, charter school, or renaissance school project must prepare and submit financial reports in accordance with *N.J.S.A. 18A:17-9* and *N.J.S.A. 18A:17-36*, respectively. Within 60 days of the December month-end, or later upon approval of the executive county superintendent, every school district board of education and charter school or renaissance school project board of trustees shall provide a copy of the school business administrator/board secretary's and treasurer's (where the BOE/BOT has elected to maintain the position) monthly financial reports to the executive county superintendent pursuant to *N.J.A.C. 6A:23A-16.10(c)(4)(iv)*.

**Condition:**

The December 2019 Board Secretary and Treasurer reports were not prepared within 60 days.

**Questioned Costs:** None

**Context:** The Board Secretary and Treasurer reports were not prepared and approved until May 2020.

**Effect:** The Board Secretary and Treasurer reports were prepared subsequent to the statutory deadline.

**Cause:**

The conversion and closing out a new accounting system at the end of the 2018-19 fiscal year, caused a delay in filing the monthly required reports.

**Recommendation:**

Procedures to file monthly Board Secretary and Treasurer Reports should be reviewed, in order to assure timely filing in the future.

**Management's response:** Management is aware of the finding and agrees with the recommendation.

**DENNIS TOWNSHIP SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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