

**SCHOOL DISTRICT OF
DOVER
COUNTY OF MORRIS, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

Comprehensive Annual Financial Report

of the

Town of Dover School District

Dover, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

**Town of Dover School District
Board of Education**

OUTLINE OF CAFR

	Page
INTRODUCTORY SECTION	
Letter of Transmittal.....	2
Organizational Chart.....	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report.....	10
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion and Analysis	14
BASIC FINANCIAL STATEMENTS	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position.....	24
A-2 Statement of Activities.....	25
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet.....	28
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Proprietary Funds:	
B-4 Statement of Net Position.....	32
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	33
B-6 Statement of Cash Flows	34
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position.....	36
B-8 Statement of Changes in Fiduciary Net Position.....	37
Notes to the Financial Statements.....	38
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	81
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	85

**OUTLINE OF CAFR
(Continued)**

	Page
Notes to Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	87
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS.....	90
L-2 Schedule of the District Contributions - Public Employees' Retirement System	91
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Pension and Annuity Fund	92
Notes to the Required Supplementary Information - Part III	94
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios.....	96
Notes to the Required Supplementary Information - Part III	99
Other Supplementary Information	
D. School-Based Budget Schedules: (If Applicable)	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual.....	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	103
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis.....	106
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis.....	N/A
F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	111
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position.....	112
G-3 Combining Schedule of Cash Flows	113

**OUTLINE OF CAFR
(Continued)**

	Page
G. Proprietary Funds: (Continued)	
Internal Service Fund:	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position.....	N/A
G-6 Combining Schedule of Cash Flows.....	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	116
H-2 Statement of Changes in Fiduciary Net Position	117
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	118
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements.....	119
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations under Capital Leases.....	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule.....	121

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component.....	125
J-2 Changes in Net Position	126
J-3 Fund Balances, Governmental Funds	128
J-4 Changes in Fund Balances, Governmental Funds.....	129
J-5 General Fund - Other Local Revenue by Source	130

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	132
J-7 Direct and Overlapping Property Tax Rates.....	133
J-8 Principal Property Taxpayers.....	N/A
J-9 Property Tax Levies and Collections	134

Debt Capacity

J-10 Ratios of Outstanding Debt by Type.....	136
J-11 Ratios of Net General Bonded Debt Outstanding.....	137
J-12 Ratios of Overlapping Governmental Activities Debt.....	138
J-13 Legal Debt Margin Information	139

Demographic and Economic Information

J-14 Demographic and Economic Statistics	141
J-15 Principal Employers.....	142

Operating Information

J-16 Full-Time Equivalent District Employees by Function/Program.....	144
J-17 Operating Statistics.....	145
J-18 School Building Information	146
J-19 Schedule of Required Maintenance Expenditures by School Facilities.....	147
J-20 Insurance Schedule.....	148

**OUTLINE OF CAFR
(Continued)**

		Page
SINGLE AUDIT SECTION		
K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .	151
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08	153
K-3	Schedule of Expenditures of Federal Awards, Schedule A	156
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	157
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	158
K-6	Schedule of Findings and Questioned Costs	
	▪ Section I - Summary of Auditor's Results	160
	▪ Section II - Financial Statement Findings	161
	▪ Section III - State Financial Assistance Findings and Questioned Costs	161
K-7	Summary Schedule of Prior Year Audit Findings	162

INTRODUCTORY SECTION



21 Belmont Avenue, Dover, New Jersey 07801

February 5, 2021

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Town of Dover School District (District) for the fiscal year ended June 30, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditor's report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of 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 the State Treasury Circular Letter 15-08 OMB, "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:** Town of Dover School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Town of Dover Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade level K through 12. These include regular, vocational as well as special education for handicapped students. The District completed the 2019-2020 fiscal year with an average daily enrollment of 3,219 students, which is 175 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2008-09	2,895.5	-.01%
2009-10	2,934.8	1.36%
2010-11	2,927.8	-.24%
2011-12	2,901.6	-.89%
2012-13	3,027.7	4.35%
2013-14	3,082.7	1.82%
2014-15	3,168.8	2.79%
2015-16	3,216.4	1.50%
2016-17	3,224.0	.24%
2017-18	3,311.8	2.72%
2018-19	3,394.0	.98%
2019-20	3,219.0	-5.16%

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The Town of Dover area continued to experience a decrease in ratables. The Town has been attempting to attract businesses to relocate within its boundaries through several advertised programs. It is anticipated that such programs may continue to revitalize the Town and attract more businesses, which will assist in increasing the needed ratable base.
- 3) **MAJOR INITIATIVES:** The Dover Public School District remains committed to preparing students for 21st Century Life & Careers. All initiatives are concomitant with the district goal of increasing student achievement for all students.

Dover High School was one of 447 school districts in the U.S. and Canada honored by the College Board with placement on the 8th Annual AP[®] District Honor Roll. To be included on the Honor Roll, Dover High School had to demonstrate an increase in the number of students participating in Advanced Placement (AP) courses while also increasing the percentage of students earning AP exam scores of 3 or higher. Reaching these goals shows that the Dover Public School District is successfully identifying motivated, academically prepared students who are ready for Advanced Placement courses.

All schools in the district have achieved the highest possible scores for technology readiness as measured by NJTRAX, the New Jersey Technology Readiness Tool. During the 2019-2020 school year, the district expanded its 1:1 laptop program. All students in grades 3 through 8 have their own Apple MacAir laptop to use throughout the school day.

The Dover Public School District remains committed to preparing students for 21st Century Life and Careers. All initiatives are concomitant with the district goal of increasing achievement for all students.

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

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

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

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

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

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

- 7) **DEBT ADMINISTRATION:** At June 30, 2020, the District's outstanding debt issues consisted of a 2012 Refunded Bond issue in the amount of \$3,916,576. the proceeds of which were used to fund an addition to East Dover School and a Media Center and Wellness Center at Dover High School.

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

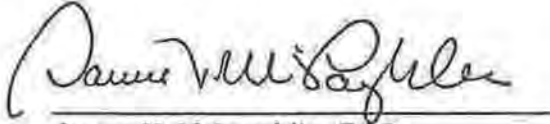
- 9) **RISK MANAGEMENT:** The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

- 10) **OTHER INFORMATION:**

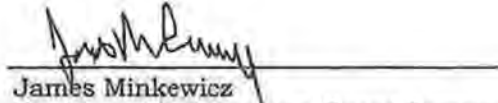
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva was selected by the Board to perform that service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

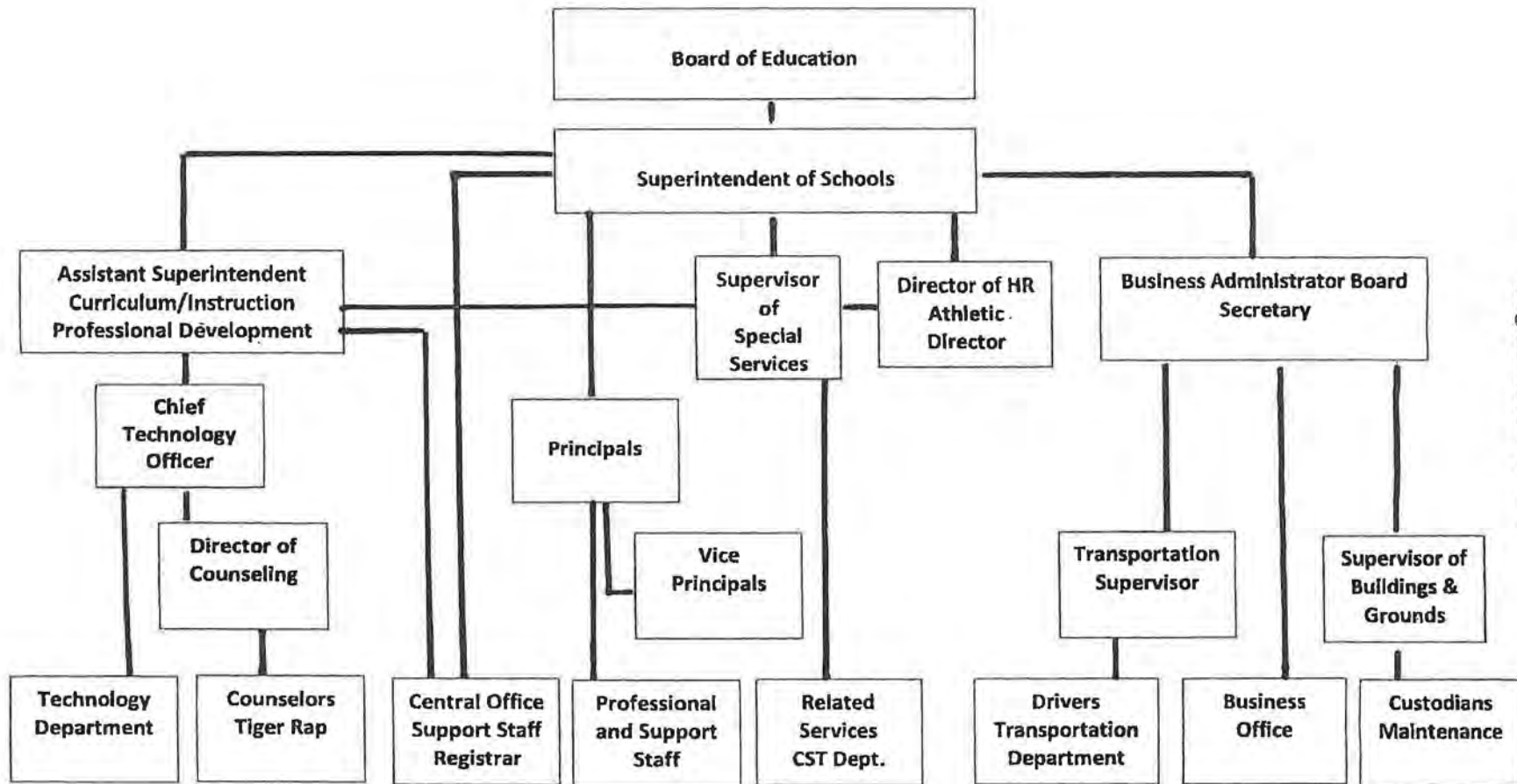


James V. McLaughlin, Ed.D.
Superintendent of Schools



James Minkewicz
Business Administrator/Board Secretary

DOVER PUBLIC SCHOOLS



DOVER BOARD OF EDUCATION
Organizational Chart

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

**ROSTER OF OFFICIALS
June 30, 2020**

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Dahiana Grisales	President	2020
Krista Seanor	Vice President	2020
Eudez Catano	Member	2022
Scott Miller	Member	2021
Linda Mullin	Member	2021
Tia Nutting	Member	2021
Benjamin Robles	Member	2020
Karol Ruiz	Member	2022
Jaclyn Viveros	Member	2022

Superintendent

Dr. James McLaughlin

Acting Business Administrator/Board Secretary

H. Ronald Smith

Treasurer

John Griffin

**Dover Board of Education
Consultants and Advisors**

Board Attorney

Derlys Gutierrez, Esq
John Croot, Esq
Adams Gutierrez & Lattiboudere
The Legal Center
1037 Raymond Boulevard, Suite 900
Newark, New Jersey 07012

Official Depository

Provident Bank
340 Route 46 East
Dover, New Jersey 07801

Valley National Bank
PO Box 558
Wayne, New Jersey 07474

Auditor

Samuel Klein and Company
550 Broad Street
Suit 1100
Newark, New Jersey 07102

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Dover School District
County of Morris
Dover, New Jersey 07420

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Dover School District, County of Morris, 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's basic financial statements, as listed in the table of contents. The financial statements of the Town of Dover School District as of June 30, 2019, were audited by other auditors whose report dated December 19, 2019, expressed an unmodified opinion on those statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board'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 Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Dover School District, 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 and Budgetary Comparison Information 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 Town of Dover School District's basic financial statements. The introductory section, combining and individual nonmajor 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 schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 nonmajor fund financial statements, 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 nonmajor 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 subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2021, on our consideration of the Board of Education of the Town of Dover School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 Town of Dover School District'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 Town of Dover School District's internal control over financial reporting and compliance.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
January 20, 2021

REQUIRED SUPPLEMENTARY INFORMATION - PART I

TOWN OF DOVER SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

The discussion and analysis of the Borough of Dover Public School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and other financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

In total, net assets totaled \$44,236,478.77 which represents an increase from 2019.

General revenue was \$49,870,665.53 or 83.0% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$13,404,578.80 or 22.3% of total revenues of \$60,093,257.11.

Total assets of governmental activities increased by \$1,608,170.45 as cash and cash equivalents increased approximately \$480,333.72, capital assets increased by approximately \$4,442,311.72 and receivables increased by \$1,996,966.49.

The District had \$60,554,658.66 in expenses; only \$44,770,251.89 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$16,626,172.99 and tuition of \$1,306,200 were adequate to provide for these programs.

Among major funds, the General Fund had \$56,018,242.89 in revenues and \$58,254,678.32 in expenditures, which does not include the operating transfer out for the Enterprise Fund. The General Fund's fund balance decreased \$2,397,995.41 from 2019. The General Fund's fund balance is \$5,555,142.58.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. Governmental fund 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 District's most significant funds with all other non-major funds presented in total in one column. In the case of the Borough of Dover Public School District, the General Fund is by far the most significant.

TOWN OF DOVER SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2020". The Statement of Net Assets and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because they report on whether the District's financial position has improved or diminished.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two types of activities:

Governmental Activities - all of the 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 Activities - these services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Community School Enterprise Funds are reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statement

The Analysis of the District's major funds begins on page 25. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

**TOWN OF DOVER SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not change with the conversion to GASB 34.

The District as a Whole

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the District's net assets for 2020 and 2019.

Table 1 - Net Assets

	<u>2020</u>	<u>2019</u>
Assets		
Current and Other Assets	\$ 8,640,762	\$ 9,943,400
Capital Assets	<u>36,733,142</u>	<u>32,304,287</u>
Total Assets	<u>\$ 45,373,903</u>	<u>\$ 42,247,687</u>
Liabilities		
Long-Term Liabilities	\$ 10,835,521	\$ 12,247,792
Other Liabilities	<u>4,874,541</u>	<u>1,622,885</u>
Total Liabilities	<u>\$ 15,710,062</u>	<u>\$ 13,870,677</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 33,003,142	\$ 27,919,287
Restricted	7,207,557	8,490,627
Unrestricted	<u>(10,546,857)</u>	<u>(9,815,298)</u>
Total Net Position	<u>\$ 29,663,841</u>	<u>\$ 26,594,616</u>

The District's combined net assets were \$29,663,841 and \$26,594,616 on June 30, 2020 and June 30, 2019, respectively.

TOWN OF DOVER SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)

Table 2 shows the comparative changes in net assets from fiscal year 2020 and 2019.

Table 2 - Comparative Changes in Net Assets

	<u>2020</u>	<u>2019</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 345,994	\$ 1,736,205	-80.07%
Operating Grants and Contributions	13,404,579	5,002,013	167.98%
General Revenues:			
Property Taxes	16,626,173	16,315,350	1.91%
Grants and Entitlements	31,365,673	39,943,626	-21.48%
Tuition	1,306,200		
Other	575,266	387,925	48.29%
Transfers			
Total Revenues	<u>63,623,885</u>	<u>63,385,119</u>	<u>0.38%</u>
Program Expenses:			
Instruction	34,299,359	32,901,658	4.25%
Support Services:			
Tuition/Pupils and Instructional Staff	11,577,812	11,694,707	-1.00%
General Administration, School Administration, Business Operations and Maintenance of Facilities	8,830,932	10,218,075	-13.58%
Pupil Transportation	2,784,354	3,242,439	-14.13%
Other Support Services	49,462		
Debt Service		72,816	-100.00%
Transfer to Charter School	11,895	21,175	-43.83%
Interest on Debt	162,175	170,163	-4.69%
Food Service and Community School	1,626,202	1,788,642	-9.08%
Transfer to Special Revenue Fund		120,109	
Unallocated Depreciation	1,212,468		
Total Expenses	<u>60,554,659</u>	<u>60,229,784</u>	<u>0.54%</u>
Increase (Decrease) in Net Assets	3,069,226	3,155,336	
Beginning Net Assets	<u>26,594,615</u>	<u>23,439,280</u>	
Ending Net Assets	<u>\$ 29,663,841</u>	<u>\$ 26,594,616</u>	

**TOWN OF DOVER SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

Government Activities

Property taxes made up 26.1% of revenues for governmental activities for the fiscal year 2020. The District's total revenues were \$63,623,885 for the year ended June 30, 2020. Federal, state and local grants accounted for another 49.3%.

The total cost of all programs and services was \$60,554,659. Instruction comprises 56.6% of the District's expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services.

Food service expenses exceeded revenues by \$20,818. Charges for services represent \$345,994 of revenue. This represents the amount paid by patrons for daily food service and catering.

Governmental Activities

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

Table 3 - Comparative Statement of Activities

	<u>2019-2020</u>	<u>2018-2019</u>	<u>% Change</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>% Change</u>
Instruction	\$ 25,032,651	\$ 32,901,658	-23.92%	\$ 9,266,708	\$ (29,878,333)	-131.01%
Support Services:						
Tuition/Pupils and Instructional Staff	9,639,778	11,694,707	-17.57%	1,938,034	(9,797,490)	-119.78%
General Administration, School Administration, Business Operation and Maintenance of Facilities	7,980,750	10,218,075	-21.90%	850,182	(10,218,075)	-108.32%
Pupil Transportation	2,760,040	3,242,439	-14.88%	24,315	(3,242,439)	-100.75%
Other Support Services	25,147			24,315		
Interest on Debt	162,175	170,163	-4.69%		(170,163)	
Debt Service		72,816			(72,816)	
Transfer to Charter School	11,895	21,175	-43.83%		(21,175)	
Transfer to Special Revenue Fund		120,109.00			(120,109)	
Food Services				1,301,026		
Unallocated Depreciation	1,212,468					
	<u>\$ 46,824,904</u>	<u>\$ 58,441,141</u>	<u>-19.88%</u>	<u>\$ 13,404,579</u>	<u>\$ (53,520,600)</u>	<u>-125.05%</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

**TOWN OF DOVER SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

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

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

Operation and maintenance of facilities' activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school co-curricular, athletic activities and co-curricular field trips as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

The District's Funds

Information about the District's major funds starts on Page ___. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$60,093,257 and expenditures of \$62,603,746.

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 years ended June 30, 2020 and June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

Comparative Summary of Revenues

Revenue	<u>June 30, 2020</u>	<u>Percent of Total</u>	<u>June 30, 2019</u>	<u>Increase (Decrease) from 2019</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 18,504,992	30.79%	\$ 18,199,061	\$ 305,931	1.68%
State Sources	39,411,331	65.58%	35,784,346	3,626,985	10.14%
Federal Sources	2,175,103	3.62%	2,795,110	(620,007)	-22.18%
Private Sources	1,830	0.00%		1,830	
	<u>\$ 60,093,257</u>	<u>100.00%</u>	<u>\$ 56,778,517</u>	<u>\$ 3,314,740</u>	<u>5.84%</u>

**TOWN OF DOVER SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2020 and the amount and percentage of increases (decreases) in relation to prior year amounts.

Comparative Summary of Expenditures

Expenditures	<u>June 30, 2020</u>	<u>Percent of Total</u>	<u>June 30, 2019</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures					
Instruction	\$ 21,161,342	33.80%	\$ 20,100,162	\$ 1,061,180	5.28%
Support Services	35,062,717	56.01%	32,282,853	2,779,864	8.61%
Capital Outlay	5,654,780	9.03%	2,062,234	3,592,546	174.21%
Transfer to Charter School	11,895	0.02%	21,175	(9,280)	-43.83%
Debt Service	713,013	1.14%	714,213	(1,201)	-0.17%
	<u>\$ 62,603,746</u>	<u>100.00%</u>	<u>\$ 55,180,637</u>	<u>\$ 7,423,109</u>	<u>13.45%</u>

The increase in Current Instruction is attributed to the costs of salaries of teachers and to serve increased enrollments.

The major Increases for Undistributed Expenditures are attributable to the following increased costs:

- Pupil Transportation Increases.
- Capital Outlay Increases.

TOWN OF DOVER SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)

General Fund Budgeting Highlights

The 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.

During the course of the fiscal year 2020, the District amended its General Fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets, but provide flexibility for program management. Transfers from one program to another must be approved by the Board of Education.

At the end of the fiscal year 2020, the District had \$36,622,261 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2020 balances compared to 2019.

Table 4 - Capital Assets at June 30

	<u>2020</u>	<u>2019</u>
Land/Sites	\$ 497,100	\$ 497,100
Construction in Progress		
Site Improvements		
Buildings and Improvements	32,120,183	27,364,718
Machinery and Equipment	<u>4,004,978</u>	<u>4,342,469</u>
Totals	<u>\$ 36,622,261</u>	<u>\$ 32,204,287</u>

Overall capital assets increased \$4,417,974 from fiscal year 2020 to fiscal year 2019. The increase in capital assets was due primarily to the improvements made in the District during 2020.

For the Future

The Borough of Dover Public School District is financially sound and is able to meet all instructional programs and service requirements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact James Minkewicz., School Business Administrator/Board Secretary, Borough of Dover Public Schools, 21 Belmont Avenue, Dover, New Jersey 07801.

BASIC FINANCIAL STATEMENTS

A. DISTRICT-WIDE FINANCIAL STATEMENTS

**TOWN OF DOVER SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,012.95	\$ 826,577.34	\$ 827,590.29
Receivables, Net	3,811,195.63	44,608.18	3,855,803.81
Inventory		5,573.41	5,573.41
Restricted Assets:			
Capital Reserve Account - Cash	2,431,276.11		2,431,276.11
Capital Assets, Net (Note X)	<u>36,472,476.08</u>	<u>260,665.50</u>	<u>36,733,141.58</u>
Total Assets	<u>42,715,960.77</u>	<u>1,137,424.43</u>	<u>43,853,385.20</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>1,520,518.00</u>		<u>1,520,518.00</u>
Total Deferred Outflows of Resources	<u>1,520,518.00</u>		<u>1,520,518.00</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	391,053.13	107,629.98	498,683.11
Interfunds Payable	3,768.22	2,322.98	6,091.20
Payable to State Government	21,665.27		21,665.27
Deferred Revenue	418,565.50		418,565.50
Noncurrent Liabilities:			
Due Within One Year	570,000.00	2,592.00	572,592.00
Due Beyond One Year (Note X)	3,633,614.00		3,633,614.00
Net Pension Liability (Note X)	<u>7,201,907.00</u>		<u>7,201,907.00</u>
Total Liabilities	<u>12,240,573.12</u>	<u>112,544.96</u>	<u>12,353,118.08</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>3,356,944.00</u>		<u>3,356,944.00</u>
Total Deferred Inflows of Resources	<u>3,356,944.00</u>		<u>3,356,944.00</u>
NET ASSETS			
Investment in Capital Assets, Net of Related Debt	32,742,476.08	260,665.50	33,003,141.58
Restricted for:			
Debt Service	2.13		2.13
Other Purposes	6,825,247.48		6,825,247.48
Unrestricted	<u>(10,928,764.04)</u>	<u>764,213.97</u>	<u>(10,164,550.07)</u>
Total Net Assets	<u>\$ 28,638,961.65</u>	<u>\$ 1,024,879.47</u>	<u>\$ 29,663,841.12</u>

See accompanying notes to financial statements.

TOWN OF DOVER SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 27,402,942.92	\$ -	\$ 7,994,681.95	\$ (19,408,260.97)	\$ -	\$ (19,408,260.97)
Special Education Instruction	3,898,531.87	-	701,107.38	(3,197,424.51)	-	(3,197,424.51)
School Sponsored Activities	1,920,793.72	-	393,259.19	(1,527,534.53)	-	(1,527,534.53)
Other Instruction	1,077,090.87	-	177,659.81	(899,431.06)	-	(899,431.06)
Support Services:						
Tuition	5,150,669.84	-	-	(5,150,669.84)	-	(5,150,669.84)
Student and Instructional Related Services	6,427,142.08	-	1,938,033.88	(4,489,108.40)	-	(4,489,108.40)
General Administration	1,707,544.43	-	186,907.76	(1,520,636.67)	-	(1,520,636.67)
School Administrative Services	2,332,682.89	-	111,857.56	(2,220,825.33)	-	(2,220,825.33)
Central Services	678,621.24	-	125,581.31	(553,039.93)	-	(553,039.93)
Administration of Information Technology	134,305.30	-	27,488.88	(106,816.42)	-	(106,816.42)
Plant Operations and Maintenance	3,278,303.50	-	293,000.60	(2,985,302.90)	-	(2,985,302.90)
Care and Upkeep of Grounds	145,571.73	-	29,804.05	(115,767.68)	-	(115,767.68)
Security	553,902.78	-	75,541.69	(478,361.09)	-	(478,361.09)
Pupil Transportation	2,784,354.28	-	24,314.58	(2,760,039.70)	-	(2,760,039.70)
Other Support Services	49,461.59	-	24,314.58	(25,147.01)	-	(25,147.01)
Charter School	11,895.00	-	-	(11,895.00)	-	(11,895.00)
Capital Outlay - Non-depreciable	-	-	-	-	-	-
Interest on Long-Term Debt	162,175.00	-	-	(162,175.00)	-	(162,175.00)
Unallocated Depreciation	1,212,468.00	-	-	(1,212,468.00)	-	(1,212,468.00)
Total Governmental Activities	58,928,457.04	-	12,103,553.00	(46,824,904.04)	-	(46,824,904.04)
Business-Type Activities:						
Food Services	1,626,201.62	345,994.16	1,301,025.80	-	20,818.34	20,818.34
Total Business-Type Activities	1,626,201.62	345,994.16	1,301,025.80	-	20,818.34	20,818.34
Total Primary Government	\$ 60,554,658.66	\$ 345,994.16	\$ 13,404,578.80	\$ (46,824,904.04)	\$ 20,818.34	\$ (46,804,085.70)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net	-	-	-	\$ 16,626,172.99	-	\$ 16,626,172.99
Federal and State Aid not Restricted	-	-	-	31,365,673.09	-	31,365,673.09
Tuition Received	-	-	-	1,306,200.00	-	1,306,200.00
Investment Earnings	-	-	-	-	2,646.65	2,646.65
Miscellaneous Income	-	-	-	572,619.45	-	572,619.45
Total General Revenues, Special Items, Extraordinary Items and Transfers	-	-	-	49,870,665.53	2,646.65	49,873,312.18
Change in Net Assets	-	-	-	3,045,761.49	23,464.99	3,069,226.48
Net Assets - Beginning	-	-	-	25,593,200.16	1,001,414.48	26,594,614.64
Net Assets - Ending	-	-	-	\$ 28,638,961.65	\$ 1,024,879.47	\$ 29,663,841.12

B. FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

TOWN OF DOVER SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,010.82	\$	\$ 2.13	\$ 1,012.95
Federal		894,059.38		894,059.38
State	1,077,039.92	90,692.79		1,167,732.71
Other	420,264.17	28,382.76		448,646.93
Interfunds	644,637.21			644,637.21
Receivables from Other Governments	1,300,756.61			1,300,756.61
Restricted Cash and Cash Equivalents	3,626,406.28			3,626,406.28
Total Assets	<u>\$ 7,070,115.01</u>	<u>\$ 1,013,134.93</u>	<u>\$ 2.13</u>	<u>\$ 8,083,252.07</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash Overdraft	\$ 1,120,151.08	\$ 74,979.09	\$	\$ 1,195,130.17
Accounts Payable	391,053.13			391,053.13
Interfund Payable	3,768.22	644,637.21		648,405.43
Payable to State Government		21,665.27		21,665.27
Deferred Revenue		418,565.50		418,565.50
Total Liabilities	<u>1,514,972.43</u>	<u>1,159,847.07</u>		<u>2,674,819.50</u>
Fund Balances:				
Restricted for:				
Maintenance Reserve	575,000.00			575,000.00
Capital Reserve	4,909,577.91			4,909,577.91
Committed to:				
Year End Encumbrances	1,047,792.57			1,047,792.57
Assigned to:				
Debt Service			2.13	2.13
Designated by the BOE for subsequent year's expenditures	292,877.00			292,877.00
Unassigned Fund Balance	(1,270,104.90)	(146,712.14)		(1,416,817.04)
Total Fund Balances	<u>5,555,142.58</u>	<u>(146,712.14)</u>	<u>2.13</u>	<u>5,408,432.57</u>
Total Liabilities and Fund Balances	<u>\$ 7,070,115.01</u>	<u>\$ 1,013,134.93</u>	<u>\$ 2.13</u>	<u>\$ 8,083,252.07</u>
Total Fund Balance Above				\$ 5,408,432.57
Amounts reported for governmental activities in the statement of net position (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 \$191,990,127.62 and the accumulated depreciation is \$60,258,141.29. (See Note 5).				36,472,476.08
Deferred Outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8).				1,520,518.00
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the funds. (See Note 8).				(3,356,944.00)
Long-Term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 8).				(7,201,907.00)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 6).				(4,203,614.00)
Net Position of Governmental Activities (A-1)				<u>\$ 28,638,961.65</u>

TOWN OF DOVER 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>
Revenues				
Local Sources:				
Local Tax Levy	\$ 15,913,160.00	\$	\$ 713,012.99	\$ 16,626,172.99
Tuition Charges	1,306,200.00			1,306,200.00
Unrestricted Miscellaneous Revenues	572,619.45			572,619.45
Total Local Sources	<u>17,791,979.45</u>		<u>713,012.99</u>	<u>18,504,992.44</u>
State Sources	38,176,844.79	1,234,486.47		39,411,331.26
Federal Sources	49,418.65	2,125,684.78		2,175,103.43
Private Sources		1,829.98		1,829.98
Total Revenues	<u>56,018,242.89</u>	<u>3,362,001.23</u>	<u>713,012.99</u>	<u>60,093,257.11</u>
Expenditures				
Current:				
Regular Instruction	14,287,041.03	2,565,485.45		16,852,526.48
Special Education Instruction	2,472,314.49			2,472,314.49
School Sponsored Activities	1,120,811.96			1,120,811.96
Other Instruction	715,689.00			715,689.00
Support Services and Undistributed Costs:				
Tuition	5,150,669.84			5,150,669.84
Student and Instructional Related Services	3,376,089.02	792,581.03		4,168,670.05
General Administration	1,327,330.05			1,327,330.05
School Administrative Services	2,263,537.50			2,263,537.50
Central Services	423,159.30			423,159.30
Administration of Information Technology	78,386.46			78,386.46
Plant Operations and Maintenance	2,682,271.31			2,682,271.31
Care and Upkeep of Grounds	84,943.29			84,943.29
Security	400,233.20			400,233.20
Pupil Transportation	2,734,892.69			2,734,892.69
Employee Benefits	15,470,634.46	277,989.17		15,748,623.63
Transfer to Charter Schools	11,895.00			11,895.00
Capital Outlay	5,654,779.72			5,654,779.72
Debt Service:				
Principal			555,000.00	555,000.00
Interest and Other Charges			158,012.50	158,012.50
Total Expenditures	<u>58,254,678.32</u>	<u>3,636,055.65</u>	<u>713,012.50</u>	<u>62,603,746.47</u>
Excess (Deficiency) of Revenues Over/(Under)				
Expenditures	<u>(2,236,435.43)</u>	<u>(274,054.42)</u>	<u>0.49</u>	<u>(2,510,489.36)</u>
Other Financing Sources (Uses):				
Transfer to Special Revenue Fund - Preschool	(161,559.98)	161,559.98		
Total Other Financing Sources (Uses)	<u>(161,559.98)</u>	<u>161,559.98</u>		
Net Change in Fund Balances	(2,397,995.41)	(112,494.44)	0.49	(2,510,489.36)
Fund Balances, July 1	7,953,137.99	(34,217.70)	1.64	7,918,921.93
Fund Balances, June 30	<u>\$ 5,555,142.58</u>	<u>\$ (146,712.14)</u>	<u>\$ 2.13</u>	<u>\$ 5,408,432.57</u>

TOWN OF DOVER SCHOOL DISTRICT
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Ref.</u>		
Total Net Change in Fund Balances - Governmental Funds	B-2	\$	(2,510,489.36)
<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 are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.</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>			
Depreciation Expense		\$	(1,212,468.00)
Capital Outlays/Adjustments			<u>5,654,779.72</u>
			4,442,311.72
<p>Repayment of Bond, Loan and Lease Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>			
Bonds		\$	<u>555,000.00</u>
			555,000.00
<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 cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.</p>			
			728,627.63
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacation) 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>			
			(173,851.00)
<p>Accrued Interest Payable:</p>			
Balance June 30, 2019		\$	39,503.13
Balance June 30, 2020			<u>35,340.63</u>
			4,162.50
Change in Net Position of Governmental Activities	A-2	\$	<u><u>3,045,761.49</u></u>

PROPRIETARY FUNDS

**TOWN OF DOVER SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 826,577.34	\$ 826,577.34
Accounts Receivable:		
State	437.20	437.20
Federal	44,170.98	44,170.98
Inventories:		
Food	5,573.41	5,573.41
Total Current Assets	<u>876,758.93</u>	<u>876,758.93</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	660,278.50	660,278.50
Less Accumulated Depreciation	<u>(399,613.00)</u>	<u>(399,613.00)</u>
Total Noncurrent Assets	<u>260,665.50</u>	<u>260,665.50</u>
Total Assets	<u>\$1,137,424.43</u>	<u>\$1,137,424.43</u>
 <u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 107,629.98	\$ 107,629.98
Interfunds Payable	2,322.98	2,322.98
Compensated Absences	2,592.00	2,592.00
Total Current Liabilities	<u>112,544.96</u>	<u>112,544.96</u>
Total Liabilities	<u>\$ 112,544.96</u>	<u>\$ 112,544.96</u>
 <u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	\$ 260,665.50	\$ 260,665.50
Unrestricted	<u>764,213.97</u>	<u>764,213.97</u>
Total Net Position	<u>\$1,024,879.47</u>	<u>\$1,024,879.47</u>

TOWN OF DOVER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds	
	Food Service Programs	
	School Nutrition (A)	Totals
Operating Revenues:		
Charges for Services:		
Daily Sales - Nonreimbursable Programs	\$ 269,375.18	\$ 269,375.18
Miscellaneous	76,618.98	76,618.98
Total Operating Revenues	<u>345,994.16</u>	<u>345,994.16</u>
Operating Expenses:		
Cost of sales- Program (reimbursable program) Meals	731,864.89	731,864.89
Salaries	454,154.36	454,154.36
Employee Benefits	43,922.26	43,922.26
FICA	64,350.12	64,350.12
Purchased Services (Including Fixed Price Contract)	4,854.34	4,854.34
Other Purchased Professional Services	134,639.55	134,639.55
Cleaning, Repairs and Maintenance Services	7,554.80	7,554.80
Rentals	2,863.72	2,863.72
Insurance	87,522.56	87,522.56
General Supplies	42,949.94	42,949.94
Depreciation Expense	24,337.00	24,337.00
Miscellaneous	27,188.08	27,188.08
Total Operating Expenses	<u>1,626,201.62</u>	<u>1,626,201.62</u>
Operating Income/(Loss)	<u>(1,280,207.46)</u>	<u>(1,280,207.46)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	15,780.29	15,780.29
Federal Sources:		
School Breakfast Program	386,989.68	386,989.68
National School Lunch Program	897,631.33	897,631.33
Special Milk Program	123.00	123.00
USDA Commodities	60,530.64	60,530.64
Food Distribution Program	(60,029.14)	(60,029.14)
Interest and Investment Revenue	2,646.65	2,646.65
Total Nonoperating Revenues (Expenses)	<u>1,303,672.45</u>	<u>1,303,672.45</u>
Income (Loss) before Contributions and Transfers	23,464.99	23,464.99
Change in Net Position	<u>23,464.99</u>	<u>23,464.99</u>
Total Net Position - Beginning	<u>1,001,414.48</u>	<u>1,001,414.48</u>
Total Net Position - Ending	<u>\$ 1,024,879.47</u>	<u>\$ 1,024,879.47</u>

(A) For SFAs that are self-operated / FSMC Cost Reimbursable Contracts / SFA-SFA Vended Meal Contract

TOWN OF DOVER SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Customers and Other Funds	\$ 345,994.16	\$ 345,994.16
Payments to Employees	(454,154.36)	(454,154.36)
Payments to Suppliers	<u>(1,074,969.85)</u>	<u>(1,074,969.85)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(1,183,130.05)</u>	<u>(1,183,130.05)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
State Sources	16,982.99	16,982.99
Federal Sources	1,347,018.11	1,347,018.11
Other Sources	<u>(120,549.39)</u>	<u>(120,549.39)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,243,451.71</u>	<u>1,243,451.71</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchases of Capital Assets	<u>(110,880.00)</u>	<u>(110,880.00)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(110,880.00)</u>	<u>(110,880.00)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends	<u>2,646.65</u>	<u>2,646.65</u>
Net Cash Provided by (Used for) Investing Activities	<u>2,646.65</u>	<u>2,646.65</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(47,911.69)	(47,911.69)
Balances - Beginning of Year	<u>874,489.03</u>	<u>874,489.03</u>
Balances - End of Year	<u>\$ 826,577.34</u>	<u>\$ 826,577.34</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income/(Loss)	\$ (1,280,207.46)	\$ (1,280,207.46)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	24,337.00	24,337.00
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	72,740.41	72,740.41
Total Adjustments	<u>97,077.41</u>	<u>97,077.41</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,183,130.05)</u>	<u>\$ (1,183,130.05)</u>

FIDUCIARY FUNDS

TOWN OF DOVER SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Private Purpose Scholarship Fund</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 120,962.15
Total Assets	<u>120,962.15</u>
<u>LIABILITIES</u>	
Total Liabilities	
<u>NET POSITION</u>	
Reserve for Scholarships	<u>\$ 120,962.15</u>

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

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
<u>ADDITIONS</u>		
Contributions:		
Other		12,079.80
Total Contributions		<u>12,079.80</u>
Investment Earnings:		
Interest Earned		427.83
Net Investment Earnings		<u>427.83</u>
Total Additions		<u>12,507.63</u>
<u>DEDUCTIONS</u>		
Scholarships Awarded		<u>36,068.90</u>
Total Deductions		<u>36,068.90</u>
Change in Net Position		(23,561.27)
Total Net Position - Beginning	<u>253,788.17</u>	<u>144,523.42</u>
Total Net Position - Ending	<u>\$ 253,788.17</u>	<u>\$ 120,962.15</u>

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF DOVER SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Town of Dover School District (the "District") is a Type II District located in the County of Morris, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K - 12. The District had an approximate enrollment at June 30, 2020 of 3,083 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

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

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

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

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

Permanent Fund - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The District presently has no resources that are considered permanent funds.

2. Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, 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 Fund of the District:

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

Enterprise Fund (Continued)

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Food Service Fund:	
Machinery and Equipment	5 - 12 Years

Internal Service Funds - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The District does not currently utilize any Internal Service Funds.

3. Fiduciary Funds

Fiduciary Fund reporting focuses on net position and changes in net position. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. There are four fiduciary fund types - pension (and other employee benefit) trust funds, investment trust funds, private-purpose trusts and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

Private Purpose Scholarship Funds

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the Governmental Fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and Scholarship Funds.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Unemployment Insurance Trust - The SUI Fund is an employee benefit trust fund which accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

3. Fiduciary Funds (Continued)

Agency Funds - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. These funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

4. Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes serial bonds outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. 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. Budgets which meet the tax levy cap requirements do not require voter approval. Budgets which exceed the tax levy cap require voter approval for the excess amount at the November election. Budgets are prepared using the modified accrual basis of accounting, except for the 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.).

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued)

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

The overexpenditures related to on-behalf payments in the general fund are due to the inclusion of the nonbudgeted on-behalf payments made by the State of New Jersey as district expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures.

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund Revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Budget/Budgetary Control (Continued)

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 56,304,128.45	\$ 3,913,302.17
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(438,806.50)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	2,800,969.30	34,217.70
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(3,086,854.86)</u>	<u>(146,712.14)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 56,018,242.89</u>	<u>\$ 3,362,001.23</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 58,254,678.32	\$ 4,074,862.15
Differences - Budget-to-GAAP:		
The District budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual bases. <i>[Not applicable in this example]</i>		
Encumbrances for supplies and equipment but not received are reported in the year the order is placed for <i>budgetary purposes</i> , but in the year the supplies are received for <i>financial reporting purposes</i> .		(438,806.50)
	<u>\$ 58,254,678.32</u>	<u>\$ 3,636,055.65</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the Special Revenue Fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred inflows at fiscal year end. There were no open encumbrances recorded in the Special Revenue Fund as of June 30, 2020.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Cash, Cash Equivalents and Investments

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit 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.

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditures during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

I. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

K. Tuition Payable

Tuition charges were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

L. Short-Term Interfund Receivables/Payables

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

M. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 50 Years
Furniture and Equipment	7 - 20 Years
Vehicles	8 Years

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

O. Compensated Absences

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Compensated Absences (Continued)

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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

P. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

Q. Net Position

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

R. Deferred Inflows

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned.

S. Fund Equity

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- e. Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

U. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

W. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, worker's compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

X. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Y. Accounting and Financial Reporting for Pensions

In fiscal year 2018, the District implemented GASB 75. This Statement replaces the requirements of Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions as amended and No. 57 OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB Statement No.74 Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, establish new accounting and financial reporting requirements for OPEB plans. This statement is effective for periods beginning after June 15, 2017.

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement was effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date-an Amendment to GASB No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Y. Accounting and Financial Reporting for Pensions (Continued)

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Z. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement 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. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Z. Other Accounting Standards (Continued)

- *GASB Statement 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. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement 95 was issued in May 2020, which postponed the effective date of this GASB by eighteen months.

- *GASB Statement 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.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *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 interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *GASB Statement No. 91. Conduit Debt Obligations.* The 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.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Z. Other Accounting Standards (Continued)

- *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.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *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 interbank offered rate (IBOR).

Effective Date: The removal of London Interbank Offered Rate (IBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

- *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). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscriptions-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Z. Other Accounting Standards (Continued)

- *GASB Statement No. 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (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) as fiduciary component units in fiduciary fund financial statements; 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) that meet the definition of a pension plan and for benefits provided through those plans.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months, but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Board will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Board does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Board's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2020, cash and cash equivalents of the District consisted of the following:

Checking and Money Market Accounts	<u>\$ 7,425,419.49</u>
------------------------------------	------------------------

The carrying amount of the Board's cash and cash equivalents at June 30, 2020 was \$7,425,419.49. Of the bank balance, \$500,000.00 was covered by Federal Depository Insurance and \$6,927,289.52 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental unit's deposits in excess of the Federal deposit maximums. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40.

Of the total amount, deposits of \$3,051,406.28 have been earmarked towards the Capital Reserve Account (See Note 4).

Of the total amount, deposits of \$575,000.00 have been earmarked towards the Maintenance Reserve Account.

The District had no securities as of June 30, 2020 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

New Jersey P.L. 2017, c. 310 permits the Board of Education to purchase various investments in accordance with the Board's Cash Management Plan.

4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). 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 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 N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-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	\$ 7,045,846.00
Increased by:	
Transfer by Board of Education	<u>1,070,753.91</u>
	8,116,599.91
Decreased by:	
Budgeted Transfer to Capital Outlay	<u>3,207,022.00</u>
Ending Balance, June 30, 2020	<u>\$ 4,909,577.91</u>

4. CAPITAL RESERVE ACCOUNT (Continued)

The balance in the capital reserve account at June 30, 2020 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District's Long-Range Facilities Plan.

5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Board of Education resolution adopted on June 23, 2011 in the amount of \$1,000,000.00. The account is maintained in the general fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

The activity of the maintenance reserve account for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance July 1, 2019	<u>\$ 575,000.00</u>
Ending Balance June 30, 2020	<u>\$ 575,000.00</u>

5. CAPITAL ASSETS

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

	Beginning Balance <u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>June 30, 2020</u>
Governmental Activities				
Nondepreciable:				
Land	\$ 497,100.00	\$ -	\$	\$ 497,100.00
	<u>497,100.00</u>			<u>497,100.00</u>
Depreciable:				
Buildings and Improvements	47,863,357.76	5,654,779.72		53,518,137.48
Machinery and Equipment	6,422,192.12			6,422,192.12
Totals at Historical Costs	<u>54,285,549.88</u>	<u>5,654,779.72</u>		<u>59,940,329.60</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(20,498,640.00)	(899,314.00)		(21,397,954.00)
Machinery and Equipment	(2,253,845.52)	(313,154.00)		(2,566,999.52)
Total Accumulated Depreciation	<u>(22,752,485.52)</u>	<u>(1,212,468.00)</u>		<u>(23,964,953.52)</u>
Assets Net of Depreciation	<u>31,533,064.36</u>	<u>4,442,311.72</u>		<u>35,975,376.08</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,030,164.36</u>	<u>\$ 4,442,311.72</u>	<u>\$ -</u>	<u>\$ 36,472,476.08</u>
Business-Type Activities:				
Machinery and Equipment:	\$ 549,398.50	\$ 110,880.00		\$ 660,278.50
Less Accumulated Depreciation	<u>(375,276.00)</u>	<u>(24,337.00)</u>		<u>(399,613.00)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 174,122.50</u>	<u>\$ 86,543.00</u>	<u>\$ -</u>	<u>\$ 260,665.50</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:
Regular

6. LONG-TERM DEBT

Long-Term Liability Conversion Schedule - June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>	<u>Long-Term Portion</u>
Governmental Activities:						
Serial Bonds	\$ 4,285,000.00	\$ -	\$ 555,000.00	\$ 3,730,000.00	\$570,000.00	\$ 3,160,000.00
Net Pension Liability	7,660,437.00		458,530.00	7,201,907.00		7,201,907.00
Compensated Absences	299,763.00	173,851.00		473,614.00		473,614.00
	<u>\$12,245,200.00</u>	<u>\$173,851.00</u>	<u>\$1,013,530.00</u>	<u>\$11,405,521.00</u>	<u>\$570,000.00</u>	<u>\$10,835,521.00</u>

- (1) Paid by Debt Service Fund
- (2) Paid by General Fund
- (3) Net of days allowed and days used.

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other Capital assets.

6. LONG-TERM DEBT (Continued)

A. Bonds Payable

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 570,000.00	\$141,362.50	\$ 711,362.50
2022	580,000.00	126,400.00	706,400.00
2023	605,000.00	103,200.00	708,200.00
2024	630,000.00	79,000.00	709,000.00
2025	660,000.00	53,800.00	713,800.00
2026	685,000.00	27,400.00	712,400.00
	<u>\$3,730,000.00</u>	<u>\$531,162.50</u>	<u>\$4,261,162.50</u>

7. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P. O. Box 295, Trenton, New Jersey 08625.

Teachers' Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

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

7. PENSION PLANS (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 7.34% of employees' annual compensation, as defined.

7. PENSION PLANS (Continued)

Contribution Requirements (Continued)

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for both cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium. Under current statute, the District is a noncontributing employer of the TPAF.

Three Year Trend Information for PERS

<u>Year Ending</u>	<u>PERS</u>
June 30, 2020	\$ 391,046.00
June 30, 2019	389,304.00
June 30, 2018	402,209.00

(Paid On-Behalf of the District)

<u>Year Funding</u>	<u>Pension Contributions</u>	<u>Post- Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>LTD Liability</u>
June 30, 2020	\$ 388,364.00	\$1,465,723.00	\$ 69,569.00	\$ 3,659.00
June 30, 2019	3,610,413.00	1,671,958.00	75,575.00	4,082.00
June 30, 2018	2,695,642.00	1,783,309.00	65,417.00	4,062.00

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$3,950,933.00 to the TPAF for normal pension, \$1,465,723.00 for post-retirement medical benefits and \$3,659.00 for long-term disability insurance On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,440,275.35 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. This amount has been included in the basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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 additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

7. **PENSION PLANS (Continued)**

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is 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 district (employer) does 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 district. However, the State's portion of the net pension liability that was associated with the district was \$112,659,757 as measured on June 30, 2019 and \$116,450,840, as measured on June 30, 2018.

For the year ended June 30, 2020, the district recognized pension expense of \$2,763,610 and revenue of \$2,763,610 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2020 is based upon changes in the collective net pension liability with a measurement period of June 30, 2018 through June 30, 2019. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2018 and June 30, 2019.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective Deferred Outflows of Resources	\$10,077,460,797	\$12,473,998,870
Collective Deferred Inflows of Resources	17,525,379,167	16,180,773,643
Collective Net Pension Liability (Nonemployer - State of New Jersey)	61,370,943,870	63,617,852,031
State's Portion of the Net Pension Liability that was Associated with the District	112,659,757	116,450,840
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.1835718172%	0.1830474254%

7. PENSION PLANS (Continued)

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

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45%
	Based on Years of Service
Thereafter	2.75% - 5.65%
	Based on Years of Service
Investment Rate of Return:	7.00%

Preretirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% 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 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% 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, 2015 to June 30, 2018.

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 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:

7. PENSION PLANS (Continued)

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

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
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%

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.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf20-val.pdf>.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by 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.

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a liability of \$7,201,907 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2018. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2019 and 2018. At June 30, 2019, the District's proportion was .0399695515%, which was an increase of .0010633506% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$(304,501). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 129,265	\$ 31,815
Changes of Assumptions	719,137	2,499,759
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		113,685
Changes in Proportion	281,184	711,685
District Contributions Subsequent to the Measurement Date	<u>390,932</u>	
Total	<u>\$1,520,518</u>	<u>\$3,356,944</u>

The \$390,932 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020 the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability as of June 30, 2020. Other 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 Ended June 30</u>	<u>Amount</u>
2020	\$ (207,958.00)
2021	(674,613.00)
2022	(602,390.00)
2023	(282,853.00)
2024	<u>(29,044.00)</u>
	<u>\$ (1,796,858.00)</u>

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Additional Information:

Collective balances at June 30, 2019 and 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective Deferred Outflows of Resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Collective Net Pension Liability (Non-State - Local Group)	18,143,832,135	19,689,501,539
District's Portion of Net Pension Liability	7,201,907	7,660,437
District's Proportion Percentage	✓ 0.0399695515%	✓ 0.0389062009%

Actuarial Assumptions

The collective 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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00%
	Based on Years of Service
Thereafter	3.00% - 7.00%
	Based on Years of Service
Investment Rate of Return	7.00%

Preretirement 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.

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Long-Term 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.56%
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%

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 made 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.

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability measured as of June 30, 2019, calculated using the discount rate of 6.28%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.28%) or one percentage point higher (7.28%) than the current rate:

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate (Continued)

	At 1% Decrease (4.66%)	Current Discount Rate (5.66%)	At 1% Increase (6.66%)
District's Proportionate Share of the Collective Net Pension Liability	\$9,895,374	\$ 7,201,907	\$ 6,170,483

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

8. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan Description and Benefits Provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years: For Fiscal Year 2018, the State contributed \$1,909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the remeasured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

8. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB's No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/cafr.shtml>).

Actual assumptions and other imputes. The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

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

Inflation Rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 4.55%	2.15% - 4.15% Based on Age
Thereafter	2.00% - 5.45%	3.15% - 5.15% Based on Age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-Retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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

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

Health Care Trend Assumptions

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

8. **POST-RETIREMENT BENEFITS (Continued)**

Discount Rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the Total OPEB Liability Reported by the State of New Jersey

	<u>Increase/(Decrease)</u>
	<u>Total OPEB Liability</u>
Balance as of June 30, 2018 Measurement Date	\$ 79,082,154
Changes Recognized for the Fiscal Year:	
Service Cost	2,791,078
Interest on the Total OPEB Liability	3,127,721
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(12,521,465)
Changes of Assumptions	1,064,834
Gross Benefit Payments ¹	(2,192,290)
Contributions from the Nonemployer	N/A
Contributions from the Member ¹	64,986
Net Investment Income ¹	N/A
Administrative Expense ¹	N/A
Net Changes	<u>(7,665,136)</u>
Balance as of June 30, 2019 Measurement Date	<u>\$ 71,417,018</u>

¹Data for Measurement Periods Ending June 30, 2019 were provided by the State.

At June 30, 2020, the State's proportionate share of the OPEB liability attributable to the District is \$71,417,018. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 to the total OPEB liability of the State Health Benefit Program Fund - Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the State's share of the OPEB liability attributable to the District was .1711 percent, which was a decrease of .00036 percent from its proportionate share measured as of June 30, 2018 of .1715 percent.

There were no changes of benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 percent in 2018 to 3.50 percent in 2019.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Discount Rate

The following presents the total nonemployer OPEB liability as of June 30, 2019 and 2018, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

8. **POST-RETIREMENT BENEFITS (Continued)**

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Discount Rate (Continued)

	June 30, 2019		
	At 1% Decrease <u>(2.50%)</u>	At Discount Rate <u>(3.50%)</u>	At 1% Increase <u>(4.50%)</u>
Total OPEB Liability (School Retirees)	\$ 84,371,720	\$71,417,018	\$61,126,512
	June 30, 2018		
	At 1% Decrease <u>(2.87%)</u>	At Discount Rate <u>(3.87%)</u>	At 1% Increase <u>(4.87%)</u>
Total OPEB Liability (School Retirees)	\$93,491,204	\$79,082,154	\$67,628,447

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB liability as of June 30, 2019 and 2018, respectively, 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 one percentage point lower or one percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability (School Retirees)	\$58,844,440	\$71,417,018	\$ 88,060,530
	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability (School Retirees)	\$65,366,006	\$79,082,154	\$97,222,285

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$1,606,907 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB's No. 75 and in which there is a special funding situation. This amount has been included in the District-Wide Statement of Activities (accrual basis) as a Revenue and Expense in accordance with GASB No. 85.

In accordance with GASB's No. 75, the Dover School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

8. **POST-RETIREMENT BENEFITS (Continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
(1) Difference Between Actual and Expected Experience	\$ -	\$(10,484,965,300)
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
(3) Assumption Changes	-	(8,481,529,343)
(4) Sub-Total	<u>-</u>	<u>(18,966,494,643)</u>
(5) Contributions Made in Fiscal Year Ending 2019 After June 30, 2018 Measurement Date ¹	<u>TBD</u>	<u>N/A</u>
(6) Total	<u>\$ -</u>	<u>\$(18,966,494,643)</u>

¹Employer contributions made after June 30, 2019 are reported as a deferred outflow of resources but are not amortized in expense.

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

<u>Measurement Period Ending June 30,</u>	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Total Thereafter	<u>(6,233,858,733)</u>
	<u>\$ (18,966,494,643)</u>

9. **DEFINED CONTRIBUTION RETIREMENT PROGRAM**

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the base salary required for eligibility in the DCRP was increased to \$5,000.00.

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past three years are as follows:

<u>Year</u>	<u>School District</u>	<u>Employees</u>
2020	\$21,770.25	\$36,283.76
2019	26,374.98	35,832.98
2018	17,770.30	32,578.95

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. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

10. COMPENSATED ABSENCES (Continued)

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, 2020. No liability existed for compensated absences in the Proprietary Fund Types.

11. DEFERRED COMPENSATION

The District offers its employees a choice of various deferred compensation plans 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.

12. 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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earned and Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020			
2019	42,964.08	12,908.28	348,187.67
2018	26,152.93	31,585.36	318,131.87

13. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets at June 30, 2020:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$644,637.21	\$ -
Special Revenue Fund		644,637.21
	<u>\$644,637.21</u>	<u>\$644,637.21</u>

14. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2020 consisted of Federal Source, State Sources and transportation. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables are as follows:

	<u>Governmental Fund Financial Statements</u>
State Aid:	
General Fund:	
TPAF FICA Reimbursement	\$ 75,757.40
Extraordinary Aid	<u>785,637.00</u>
	<u>\$ 861,394.40</u>
Special Revenue Fund:	
State Source	<u>\$ 146,698.27</u>
Federal Source	<u>\$1,276,860.40</u>

15. INVENTORY

Inventory in the Enterprise Fund for regular food and supplies at June 30, 2020 was \$5,573.41, is stated at lower of cost or market.

16. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$5,555,142.58 General Fund fund balance at June 30, 2020, \$1,047,792.57 is reserved for encumbrances; \$4,909,577.91 has been reserved in the Capital Reserve Account; \$575,000. has been reserved for maintenance reserve; \$292,877.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2020; and \$(1,270,104.90) is unreserved and undesignated.

Debt Service Fund - Of the \$2.14 Debt Service Fund balance at June 30, 2020, \$2.14 is unreserved and undesignated.

17. CALCULATION OF EXCESS SURPLUS

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

There was no excess surplus as of June 30, 2020.

18. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

19. CONTINGENT LIABILITIES

A. Litigation

The Board Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Board's insurance carrier or would have a material financial impact on the Board.

B. Federal and State Awards

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provisions have been recorded in the accompanying general purpose financial statements for such contingencies.

20. RECONCILIATION OF FUND BALANCE – GENERAL FUND

The Surpluses are presented on a GAAP basis and a reconciliation from the budget basis to the GAAP basis is as follows:

	<u>Unreserved and Designated</u>
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	\$8,633,415.00
Less: Allocation of State Aid Payment of \$3,086,854.86 Not Recognized on a GAAP Basis	<u>(3,086,854.86)</u>
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	<u>\$5,546,560.14</u>

21. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

22. SUBSEQUENT EVENT

The Town of Dover School District has evaluated subsequent events that occurred after the balance sheet date, but before January 20, 2021. Based upon this evaluation, the District has determined that the following subsequent event needed to be disclosed.

sclosed:

Subsequent to the date of these financial statements, the COVID-19 Corona Virus continued to spread across the State of New Jersey and the Nation as a whole. The impact of this view on the District's operation in Fiscal Year 2021 cannot be reasonably estimated at this time, but may negatively affect revenues and expenditures.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. BUDGETARY COMPARISON SCHEDULES

TOWN OF DOVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 15,913,160.00	\$	\$ 15,913,160.00	\$ 15,913,160.00	\$
Tuition					
Tuition From Other LEAs Within the State	1,306,200.00		1,306,200.00	1,306,200.00	
Total Tuition	1,306,200.00		1,306,200.00	1,306,200.00	
Unrestricted Miscellaneous Revenues	175,000.00		175,000.00	572,619.45	397,619.45
Total Local Sources	17,394,360.00		17,394,360.00	17,791,979.45	397,619.45
Revenues from Intermediate Sources:					
Total Revenues from Intermediate Sources					
State Sources:					
Equalization Aid	26,204,578.00		26,204,578.00	26,204,578.00	
Extraordinary Aid				785,637.00	785,637.00
Security Categorical Aid	1,433,096.00		1,433,096.00	1,433,096.00	
Special Education Categorical Aid	2,765,706.00		2,765,706.00	2,765,706.00	
Transportation Categorical Aid	413,123.00		413,123.00	413,123.00	
Nonbudgeted:					
On-Behalf Contributions:					
TPAF - Pension Contribution				3,950,933.00	3,950,933.00
TPAF - Long-Term Disability Contribution				3,659.00	3,659.00
TPAF - Post-Retirement Medical Contribution				1,465,723.00	1,465,723.00
Reimbursed TPAF Social Security Contributions				1,440,275.35	1,440,275.35
Total State Sources	30,816,503.00		30,816,503.00	38,462,730.35	7,646,227.35
Federal Sources:					
Medicaid Reimbursement	77,838.00		77,838.00	49,418.65	(28,419.35)
Total Federal Sources	77,838.00		77,838.00	49,418.65	(28,419.35)
Total Revenues	\$ 48,288,701.00		\$ 48,288,701.00	\$ 56,304,128.45	\$ 8,015,427.45
EXPENDITURES					
<u>Current Expense</u>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers		535.92	535.92	532.79	3.13
Kindergarten - Salaries of Teachers	865,929.00		865,929.00	859,412.61	6,516.39
Grades 1-5 - Salaries of Teachers	4,831,116.00	173,179.19	5,004,295.19	4,929,966.99	74,328.20
Grades 6-6 - Salaries of Teachers	2,957,340.00	(342,229.15)	2,615,110.85	2,614,526.67	584.18
Grades 9-12 - Salaries of Teachers	4,709,344.00	(198,994.74)	4,510,349.26	4,509,885.55	463.71
Regular Programs - Home Instruction:					
Salaries of Teachers	43,000.00	3,000.00	46,000.00	45,892.22	107.78
Purchased Professional-Educational Services	41,000.00	(22,191.00)	18,809.00	18,808.66	0.34
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	312,045.00	(69,794.70)	242,250.30	242,168.33	81.97
Purchased Technical Services	8,000.00	4,149.72	12,149.72	12,149.07	0.65
Other Purchased Services (400-500 Series)	263,673.00	(13,790.00)	249,883.00	231,442.61	18,440.39
General Supplies	1,255,654.00	(498,079.16)	757,574.84	748,508.43	9,066.41
Textbooks	370,985.00	(294,770.00)	76,215.00	73,747.10	2,467.90
TOTAL REGULAR PROGRAMS - INSTRUCTION	15,658,086.00	(1,258,983.62)	14,399,102.08	14,287,041.03	112,061.05
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	654,733.00	117,357.58	772,090.58	771,988.58	102.00
Other Salaries for Instruction	711,900.00	155,956.25	867,856.25	867,793.86	72.39
Purchased Professional-Educational Services	673,000.00	(194,217.06)	478,782.94	455,058.67	23,714.27
General Supplies	19,000.00		19,000.00	15,582.59	3,417.41
Total Learning and/or Language Disabilities	2,058,633.00	79,096.77	2,137,729.77	2,110,423.70	27,306.07
Resource Room/Resource Center:					
Salaries of Teachers	412,335.00	(53,000.00)	359,335.00	358,425.00	910.00
General Supplies	5,067.00		5,067.00	3,465.79	1,601.21
Total Resource Room/Resource Center	417,402.00	(53,000.00)	364,402.00	361,890.79	2,511.21
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,476,035.00	26,096.77	2,502,131.77	2,472,314.49	29,817.28
Bilingual Education - Instruction:					
Salaries of Teachers	1,063,700.00	57,190.00	1,120,890.00	1,120,811.96	78.04
Total Bilingual Education - Instruction	1,063,700.00	57,190.00	1,120,890.00	1,120,811.96	78.04
School-Spon, Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	175,000.00	(79,795.19)	95,204.81	94,785.04	419.77
Other Objects	23,000.00	20,442.29	43,442.29	43,239.26	203.03
Total School-Spon, Cocurricular & Extracurricular Actvts. - Inst.	198,000.00	(59,352.90)	138,647.10	138,024.30	622.80
School-Sponsored Athletics - Instruction:					
Salaries	611,775.00	(222,591.00)	389,184.00	386,718.80	465.20
Supplies and Materials	134,306.00	25,165.50	159,471.50	126,108.76	33,362.74
Transfers to Cover Deficit (Agency Funds)	80,000.00	(40,000.00)	40,000.00	40,000.00	

TOWN OF DOVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Total School-Sponsored Athletics - Instruction	\$ 826,081.00	\$ (237,425.50)	\$ 588,655.50	\$ 554,827.56	\$ 33,827.94
Summer School - Instruction:					
Salaries of Teachers	37,403.00	(7,098.00)	30,305.00	22,837.14	7,467.86
Total Summer School - Instruction	37,403.00	(7,098.00)	30,305.00	22,837.14	7,467.86
Total Summer School	37,403.00	(7,098.00)	30,305.00	22,837.14	7,467.86
Total Instruction	20,259,305.00	(1,479,573.55)	18,779,731.45	18,595,856.48	183,874.97
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	33,000.00	19,862.70	52,862.70	49,365.50	3,497.20
Tuition to Other LEA's Within the State - Special	1,785,041.00	(837,982.21)	947,058.79	940,943.05	6,115.74
Tuition to County Vocational School - Regular	245,700.00	(4,359.00)	241,341.00	241,340.50	0.50
Tuition to County Vocational School - Special	44,000.00	(26,031.54)	17,968.46	14,580.00	3,388.46
Tuition to CSSD and Regional Day Schools	402,833.00	41,783.00	444,616.00	444,613.25	2.75
Tuition to Private Schools for the Handicapped - Within State	3,227,187.00	241,254.40	3,468,441.40	3,403,116.32	65,325.08
Tuition - Other	115,000.00	(58,219.00)	56,781.00	56,711.22	69.78
Total Undistributed Expenditures - Instruction	5,852,761.00	(623,691.65)	5,229,069.35	5,150,669.84	78,399.51
Undistributed Expenditures - Attendance and Social Work:					
Salaries	354,414.00	(70,579.04)	283,834.96	281,327.85	2,507.11
Total Undistributed Expenditures - Attendance and Social Work	354,414.00	(70,579.04)	283,834.96	281,327.85	2,507.11
Undistributed Expenditures - Health Services:					
Salaries	327,572.00	(11,327.73)	316,244.27	315,962.40	281.87
Other Purchased Services (400-500 Series)	46,000.00	(8,500.00)	37,500.00	34,637.40	2,862.60
Supplies and Materials	19,850.00		19,850.00	10,563.44	8,286.56
Total Undistributed Expenditures - Health Services	392,422.00	(19,827.73)	372,594.27	361,163.24	11,431.03
Undist. Expend. - Speech, OT, PT, Related Svcs.:					
Salaries	212,896.00	(49,000.00)	163,896.00	162,824.34	871.66
Purchased Professional - Educational Services	200,000.00	(46,095.85)	153,904.15	153,903.69	0.46
Supplies and Materials	2,200.00		2,200.00	285.46	1,914.54
Total Undist. Expend. - Speech, OT, PT, Related Svcs.	414,896.00	(95,095.85)	319,800.15	317,013.49	2,786.66
Undistributed Expenditures - Guidance Service:					
Salaries of Other Professional Staff	824,889.00	1,230.75	826,119.75	824,602.91	1,516.84
Salaries of Secretarial and Clerical Assistants	85,904.00	7,326.24	93,230.24	85,794.55	7,435.69
Other Purchased Services (400-500 series)	2,900.00		2,900.00	2,900.00	
Supplies and Materials	28,200.00	(3,972.04)	24,227.96	19,560.27	4,667.69
Total Undistributed Expenditures - Guidance Service	941,693.00	4,584.95	946,277.95	929,957.73	16,320.22
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	139,395.00	632,940.42	772,335.42	772,244.29	91.13
Salaries of Secretarial and Clerical Assistants	66,254.00	6,730.37	72,984.37	72,887.86	96.51
Other Purchased Services (400-500 series)	2,500.00	(930.27)	1,569.73	490.00	1,079.73
Supplies and Materials	8,567.00		8,567.00	6,521.16	2,045.84
Total Undistributed Expenditures - Child Study Team	216,716.00	638,740.52	855,456.52	852,143.31	3,313.21
Undistributed Expenditures - Educational Media Services/School Library:					
Salaries	474,626.00	(90,232.92)	384,393.08	384,301.11	91.97
Salaries of Technology Coordinators		97,637.83	97,637.83	97,596.10	41.73
Supplies and Materials	26,062.00	1,677.92	27,739.92	23,369.74	4,370.18
Total Undistributed Expenditures - Educational Media Services/School Library	500,688.00	9,082.83	509,770.83	505,266.95	4,503.88
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	1,000.00	(1,000.00)			
Other Purchased Services (400-500 series)	200,000.00	(70,575.61)	129,424.39	129,196.45	227.94
Total Undistributed Expenditures - Instructional Staff Training Services	201,000.00	(71,575.61)	129,424.39	129,196.45	227.94
Undistributed Expenditures - Support Services - General Administration:					
Salaries	519,891.00	22,788.88	542,679.88	532,699.16	9,980.72
Legal Services	45,000.00	68,060.00	113,060.00	113,042.23	17.77
Audit Fees	50,000.00	15,619.00	65,619.00	64,969.00	650.00
Other Purchased Professional Services	9,950.00	118,132.75	128,082.75	119,719.26	8,363.49
Purchased Technical Services	7,700.00	(7,700.00)			
Communications / Telephone	150,000.00	(22,232.91)	127,767.09	176,139.59	(48,372.50)
BOE Other Purchased Services		7,437.00	7,437.00	7,278.64	158.36
Other Purch. Serv. (400-500 series other than 530 & 585)	171,653.00	17,616.54	189,269.54	186,853.55	2,415.99
General Supplies	65,000.00	(20,883.01)	44,116.99	62,727.96	1,389.03
Judgments Against The School District		10,000.00	10,000.00	10,000.00	
Miscellaneous Expenditures	36,500.00	523.59	37,023.59	36,198.91	824.68
BOE Membership Dues and Fees	20,000.00	(1,664.85)	18,335.15	17,702.75	632.40
Total Undistributed Expenditures - Support Services - General Administration	1,095,694.00	207,696.99	1,303,390.99	1,327,330.05	(23,939.06)
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,752,225.00	182,849.39	1,935,074.39	1,944,736.84	337.55
Salaries of Secretarial and Clerical Assistants	309,845.00	9,015.66	318,860.66	318,800.66	60.00
Total Undistributed Expenditures - Support Services - School Administration	2,062,070.00	201,865.05	2,263,935.05	2,263,537.50	397.55
Undistributed Expenditures - Central Services:					
Salaries	345,566.00	12,361.22	357,927.22	357,914.15	13.07
Purchased Technical Services	45,000.00	(22,299.00)	22,701.00	12,123.00	10,578.00
Miscellaneous Purchased Services (400-500 series other than 594)		51,895.70	51,895.70	44,945.70	6,950.00
Supplies and Materials	5,000.00	3,799.93	8,799.93	8,276.45	523.48
Other Objects				(100.00)	100.00

TOWN OF DOVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Total Undistributed Expenditures - Central Services	\$ 395,566.00	\$ 45,757.85	\$ 441,323.85	\$ 423,159.30	\$ 18,164.55
Undistributed Expenditures - Administrative Information Technology:					
Salaries	78,345.00		78,345.00	78,344.82	0.08
Other Purchased Services (400-500 series)		407.35	407.35	41.54	365.81
Total Undistributed Expenditures - Administrative Information Technology	78,345.00	407.35	78,752.35	78,386.46	365.89
Undistributed Expenditures - Operations and Maintenance of Plant Services:					
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	361,611.00	12,477.08	374,088.08	367,946.48	6,141.60
Cleaning, Repair, and Maintenance Services	279,000.00	8,260.02	287,260.02	283,839.89	3,420.13
General Supplies		67,094.72	67,094.72	67,094.71	0.01
Total Undist. Expend. - Required Maintenance for School Facilities	640,611.00	87,831.82	728,442.82	718,881.08	9,561.74
Undistributed Expenditures - Custodial Services:					
Salaries	897,453.00	(42,502.08)	854,950.92	835,069.05	19,881.87
Salaries of Non-Instructional Aides		4,300.00	4,300.00	4,210.50	89.50
Other Purchased Property Services	50,000.00		50,000.00	42,392.51	7,607.49
Insurance	103,824.00	(1,695.25)	102,128.75	23,154.84	78,973.91
Miscellaneous Purchased Services	6,000.00		6,000.00	664.22	5,335.78
General Supplies	260,000.00	(40,928.41)	219,071.59	203,566.36	15,505.23
Energy (Natural Gas)	225,000.00	48,352.96	273,352.96	272,691.90	661.06
Energy (Electricity)	675,000.00	(92,711.68)	582,288.32	581,640.85	647.47
Total Undistributed Expenditures - Custodial Services	2,217,277.00	(125,184.46)	2,092,092.54	1,983,380.23	128,702.31
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	110,474.00	(8,322.55)	102,151.45	84,943.29	17,208.16
Total Undistributed Expenditures - Care and Upkeep of Grounds	110,474.00	(8,322.55)	102,151.45	84,943.29	17,208.16
Undistributed Expenditures - Security:					
Salaries	209,901.00	5,422.55	215,323.55	215,298.29	25.26
Cleaning, Repair, and Maintenance Services	175,000.00	9,935.00	184,935.00	184,934.91	0.09
Total Undistributed Expenditures - Security	384,901.00	15,357.55	400,258.55	400,233.20	25.35
Total Undistributed Expenditures - Operations and Maintenance of Plant Services	3,353,263.00	(30,317.84)	3,322,945.36	3,167,447.80	155,497.56
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	32,159.00	37,232.50	69,391.50	69,298.00	93.50
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	340,096.00	(37,000.00)	303,096.00	303,061.25	34.75
Other Purchased Professional and Technical Services	2,500.00	(2,500.00)			
Cleaning, Repair, and Maint. Services	39,900.00	318.58	40,218.58	40,184.42	34.16
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts.	70,000.00	(5,940.91)	64,059.09	63,710.76	348.33
Contract. Serv (Bet. Home & Sch.)-Joint Agrmnts.	278,224.00	424,582.39	700,806.39	700,711.09	95.30
Contract. Serv (Spl. Ed. Students)-Joint Agrmnts	1,600,000.00	(99,884.92)	1,500,115.08	1,497,345.95	2,769.13
Misc. Purchased Serv. - Transportation	22,999.00	1,985.00	24,984.00	23,362.02	1,621.98
Transportation Supplies	82,172.00	(42,808.49)	39,363.51	37,219.20	2,144.31
Total Undistributed Expenditures - Student Transportation Services	2,466,050.00	275,984.15	2,742,034.15	2,734,892.69	7,141.46
UNALLOCATED BENEFITS:					
Social Security Contributions	391,000.00	134,950.18	525,950.18	518,722.29	7,227.89
Other Retirement Contributions - PERS	477,700.00	(50,372.00)	427,328.00	427,301.00	27.00
Unemployment Compensation	150,000.00	(150,000.00)			
Workers' Compensation	306,735.00		306,735.00	305,759.00	976.00
Health Benefits	6,005,236.00	1,202,212.84	7,207,448.84	7,060,630.12	146,818.72
Tuition Reimbursement	73,000.00	31,036.00	104,036.00	49,350.27	54,685.73
Other Employee Benefits	267,110.00	(17,800.00)	249,310.00	248,281.43	1,028.57
TOTAL UNALLOCATED BENEFITS	7,670,781.00	1,150,027.02	8,820,808.02	8,510,044.11	210,763.91
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	7,670,781.00	1,150,027.02	8,820,808.02	8,510,044.11	210,763.91
ON-BEHALF CONTRIBUTIONS:					
On-Behalf TPAF Pension Contributions (Nonbudgeted)				3,950,933.00	(3,950,933.00)
On-Behalf TPAF Post-Retirement Medical Benefits (Nonbudgeted)				1,465,723.00	(1,465,723.00)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,440,275.35	(1,440,275.35)
On-Behalf TPAF Long-Term Disability Insurance (Nonbudgeted)				3,659.00	(3,659.00)
TOTAL TPAF PENSION/SOCIAL SECURITY				6,860,590.35	(6,860,590.35)
TOTAL UNDISTRIBUTED EXPENDITURES	25,996,359.00	1,623,059.19	27,619,418.19	33,992,147.12	(6,372,728.93)
TOTAL GENERAL CURRENT EXPENSE	46,255,684.00	143,485.64	46,399,149.64	52,588,003.60	(6,188,853.96)
CAPITAL OUTLAY					
Equipment					
Undistributed:					
Undistributed Expenditures - Instruction	189,000.00	(83,366.41)	105,633.59	105,633.59	
Undistributed Expenditures - Admin. Info. Tech	160,000.00	(160,000.00)			
Undist. Expend. - Required Maint for School Fac.	175,000.00	(56,673.30)	118,326.70	118,326.70	
School Buses - Regular	101,000.00	59,435.67	160,435.67	124,318.44	36,117.23
Total Equipment	625,000.00	(240,604.04)	384,395.96	348,278.73	36,117.23
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	114,800.00	28,237.51	143,037.51	133,047.56	9,989.95
Other Purchased Prof. and Tech. Services	12,000.00	(5,105.00)	6,895.00		6,895.00
Construction Services	1,945,000.00	2,705,539.21	4,650,539.21	3,714,461.69	936,077.52
Land and Improvements		12,737.29	12,737.29	12,737.29	
Bldgs. Other than Lease Purchase Agreements		1,374,984.50	1,374,984.50	1,373,438.45	1,546.05
Assessment for Debt Service on SDA Funding	72,816.00		72,816.00	72,816.00	

TOWN OF DOVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Total Facilities Acquisition and Construction Services	\$ 2,144,616.00	\$ 4,116,393.51	\$ 6,261,009.51	\$ 5,306,500.99	\$ 954,608.52
TOTAL CAPITAL OUTLAY	2,769,616.00	3,875,769.47	6,645,405.47	5,854,779.72	990,625.75
SPECIAL SCHOOLS					
TOTAL SPECIAL SCHOOLS					
Transfer of Funds to Charter Schools	11,895.00		11,895.00	11,895.00	
TOTAL EXPENDITURES	49,037,175.00	4,019,275.11	53,056,450.11	58,254,678.32	(5,198,228.21)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(748,474.00)	(4,019,275.11)	(4,767,749.11)	(1,950,549.87)	2,817,199.24
Other Financing Sources (Uses):					
Operating Transfer Out:					
Local Contrib. - Trans to Special Rev- Regular	(197,525.00)	35,435.92	(162,089.08)	(161,559.98)	(529.10)
Total Other Financing Sources (Uses)	(197,525.00)	35,435.92	(162,089.08)	(161,559.98)	(529.10)
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources (Uses)	(945,999.00)	(3,983,839.19)	(4,929,838.19)	(2,112,109.85)	2,816,670.14
Fund Balance, July 1	10,754,107.29		10,754,107.29	10,754,107.29	
Fund Balance, June 30	\$ 9,808,108.29	\$ (3,983,839.19)	\$ 5,824,269.10	\$ 8,641,997.44	\$ 2,816,670.14
Recapitulation:					
Fund Balances:					
Restricted for:					
Capital Reserve				\$ 4,909,577.91	
Maintenance Reserve				575,000.00	
Committed to:					
Year-End Encumbrances				1,047,792.57	
Assigned for:					
Designated for Subsequent Year's Expenditures				292,877.00	
Unassigned:					
General Fund				1,816,749.96	
Total Fund Balances				8,641,997.44	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(3,086,854.86)	
Fund Balance per Governmental Funds (GAAP)				\$ 5,555,142.58	

TOWN OF DOVER SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 2,145,803.00	\$ (540,191.49)	\$ 1,605,611.51	\$ 2,562,737.40	\$ (957,125.89)
State Sources	284,013.00	1,177,174.00	1,461,187.00	1,348,734.79	112,452.21
Local Sources		4,000.00	4,000.00	1,829.98	2,170.02
Total Revenues	<u>2,429,816.00</u>	<u>640,982.51</u>	<u>3,070,798.51</u>	<u>3,913,302.17</u>	<u>(842,503.66)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	240,266.00	(94,226.00)	146,040.00	403,458.45	(257,418.45)
Other Salaries for Instruction	63,997.00	(21,806.00)	42,181.00	1,337,344.55	(1,295,163.55)
Other Purchased Services (400-500 series)	1,312,324.00	(513,360.00)	798,964.00	763,641.12	35,322.88
General Supplies	92,350.00	149,727.59	242,077.59	220,454.79	21,622.80
Other Objects		200.00	200.00		200.00
Total Instruction	<u>1,708,927.00</u>	<u>(479,464.41)</u>	<u>1,229,462.59</u>	<u>2,724,898.91</u>	<u>(1,495,436.32)</u>
Support Services:					
Salaries-Support		37,073.00	37,073.00	2,701.79	34,371.21
Salaries of Program Directors	53,039.00	14,362.00	67,401.00	67,335.00	66.00
Salaries of Other Professional Staff	657,023.00	(429,465.00)	227,558.00	182,441.58	45,116.42
Salaries of Community Parent Involvement Specialists		29,230.00	29,230.00		29,230.00
Salaries of Master Teachers		25,780.00	25,780.00		25,780.00
Personal Services - Employee Benefits	114,514.00	418,023.00	532,537.00	277,969.17	254,547.83
Purchased Professional - Technical Services	93,838.00	951,320.00	1,045,158.00	792,987.03	252,270.97
Supplies and Materials		4,782.00	4,782.00	2,229.98	2,552.02
Other Object		33,906.00	33,906.00	24,378.69	9,527.31
Total Support Services	<u>918,414.00</u>	<u>1,085,011.00</u>	<u>2,003,425.00</u>	<u>1,349,963.24</u>	<u>653,461.76</u>
Total Expenditures	<u>2,627,341.00</u>	<u>605,546.59</u>	<u>3,232,887.59</u>	<u>4,074,862.15</u>	<u>(841,974.56)</u>
Other Financing Sources (Uses):					
Transfer in from (To) General Fund - Contribution to SBB	197,525.00	(35,435.92)	162,089.08	161,559.98	529.10
Total Other Financing Sources (Uses)	<u>197,525.00</u>	<u>(35,435.92)</u>	<u>162,089.08</u>	<u>161,559.98</u>	<u>529.10</u>
Total Outflows	<u>2,429,816.00</u>	<u>640,982.51</u>	<u>3,070,798.51</u>	<u>3,913,302.17</u>	<u>(842,503.66)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

TOWN OF DOVER SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET-TO-GAAP RECONCILIATION
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 56,304,128.45	[C-2]	\$ 3,913,302.17
Difference - Budget-to-GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(438,806.50)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.		2,800,969.30		34,217.70
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		<u>(3,086,854.86)</u>		<u>(146,712.14)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 56,018,242.89</u>	[B-2]	<u>\$ 3,362,001.23</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1]	\$ 58,254,678.32	[C-2]	\$ 4,074,862.15
Differences - Budget-to-GAAP:				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary purposes</i> , but in the year the supplies are received for <i>financial reporting purposes</i> .				(438,806.50)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 58,254,678.32</u>	[B-2]	<u>\$ 3,636,055.65</u>

The general fund budget basis is GAAP, therefore no reconciliation is required.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

Note: GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

TOWN OF DOVER SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST SEVEN FISCAL YEARS
 (Unaudited)

	Fiscal Year Ending June 30,						
	2013	2014	2015	2016	2017	2018	2019
District's proportion of the net pension liability (asset)		0.0465%	0.0415%	0.0430%	0.0427%	0.0389%	
District's proportionate share of the net pension liability (asset)	\$	\$ 8,708,745	\$ 9,305,665	\$ 12,735,438	\$ 9,946,489	\$ 7,660,437	
State's proportionate share of the net pension liability (asset) associated with the District							
Total	<u>\$</u>	<u>\$ 8,708,745</u>	<u>\$ 9,305,665</u>	<u>\$ 12,735,438</u>	<u>\$ 9,946,489</u>	<u>\$ 7,660,437</u>	
District's covered-employee payroll	\$	\$ 2,961,272	\$ 2,867,239	\$ 2,795,630	\$ 2,754,039	\$ 2,848,244	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	*	34.00%	30.81%	21.95%	27.69%	37.18%	*
Plan fiduciary net position as a percentage of the total pension liability		52.08%	47.93%	59.86%	48.10%	53.60%	

*Data was not provided by School District.

**TOWN OF DOVER SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST EIGHT FISCAL YEARS
 (Unaudited)**

	Fiscal Year Ending June 30,							
	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$	\$	\$ 383,457	\$ 356,396	\$ 384,149	\$ 395,833	\$ 386,991	
Contributions in relation to the contractually required contribution			(383,457)	(356,396)	(384,149)	(395,833)	(386,991)	
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered-employee payroll	*	*	\$ 2,961,272	\$ 2,867,239	\$ 2,795,630	\$ 2,754,039	\$ 2,848,244	
Contributions as a percentage of covered-employee payroll	*	*	12.95%	12.43%	13.74%	14.37%	13.59%	*

*Data was not provided by School District.

**TOWN OF DOVER SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 TEACHERS' PENSION AND ANNUITY FUND
 LAST SEVEN FISCAL YEARS
 (Unaudited)**

	Fiscal Year Ending June 30,						
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net pension liability (asset)	*	0.1963%	0.1921%	0.1991%	0.1834%	0.1830%	
District's proportionate share of the net pension liability (asset)	*	\$	\$	\$	\$	\$	
State's proportionate share of the net pension liability (asset) associated with the District	*	<u>104,892,290</u>	<u>121,399,865</u>	<u>150,248,789</u>	<u>123,641,020</u>	<u>116,450,840</u>	
Total	\$	<u>\$ 104,892,290</u>	<u>\$ 121,399,865</u>	<u>\$ 150,248,789</u>	<u>\$ 123,641,020</u>	<u>\$ 116,450,840</u>	
District's covered-employee payroll	*	\$ 19,019,821	\$ 18,683,886	\$ 18,755,594	\$ 18,748,017	\$ 18,713,200	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	*						-
Plan fiduciary net position as a percentage of the total pension liability	*	33.64%	28.71%	28.75%	25.41%	26.49%	

*Data was not provided by School District.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

TOWN OF DOVER SCHOOL DISTRICT
COUNTY OF MORRIS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2020

Changes of Benefit Terms and Changes of Assumptions

Refer to Notes 7 on the Notes to Financial Statements for benefits and assumptions.

**M. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Note: GASB 75 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

TOWN OF DOVER SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND
LAST FOUR FISCAL YEARS
(Unaudited)

	Measurement Date			
	2016	Fiscal Year Ending June 30,		2019
		2017	2018	
Total OPEB Liability				
Service Cost	*	\$ 3,663,631	\$ 3,031,483	
Interest Cost	*	2,886,408	3,330,569	
Difference Between Expected and Actual Experiences	*		(7,176,247)	
Change in Assumptions	*	(12,128,571)	(9,075,073)	
Contributions: Members**	*	77,624	73,085	
Gross Benefit Payments**	*	<u>(2,108,053)</u>	<u>(2,114,629)</u>	
Net Change in Total OPEB Liability		\$ (7,608,961)	\$ (11,930,812)	
Total OPEB Liability (Beginning)	*	\$ 98,621,927	\$ 91,012,966	\$ 79,082,154
Total OPEB Liability (Ending)		\$ 91,012,966	\$ 79,082,154	\$ 79,082,154
Plan Fiduciary Net Position:				
Net OPEB Liability (Ending)		\$ 91,012,966	\$ 79,082,154	
Net Position as a Percentage of OPEB Liability				
Covered Employee Payroll	*	\$ 21,502,056	\$ 21,561,444	
Net OPEB Liability as a Percentage of Payroll		423%	367%	
The District's Proportionate Share of the Total OPEB Liability	*	Zero	Zero	

*Data was not provided by School District.

**Data for Measurement Periods Ending June 30, 2016, June 30, 2017, June 30, 2018 and June 30, 2019 were provided by the State.

Notes to Schedule:

TOWN OF DOVER SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND
LAST FOUR FISCAL YEARS
(Unaudited)

	Measurement Date			
	Fiscal Year Ending June 30,			
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	

Benefit Changes: None

Changes in Assumptions: Assumptions used in calculating the OPEB liability are presented in Note 10.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

TOWN OF DOVER SCHOOL DISTRICT
COUNTY OF MORRIS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2010

Changes of Benefit Terms and Changes of Assumptions

Refer to Notes 7 and 8 on the Notes to Financial Statements for benefits and assumptions.

OTHER SUPPLEMENTARY INFORMATION

D. SCHOOL-BASED BUDGET SCHEDULES (IF APPLICABLE)

E. SPECIAL REVENUE FUND

TOWN OF DOVER SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total Brought Forward E-1B1	Title I	Title III	Title III (Immigrant)	I.D.E.A. Basic	I.D.E.A. Preschool	Title II A	Totals 2020
REVENUE								
Federal Sources	\$ 1,348,734.79	\$ 1,650,484.00	\$ 17,909.19	\$ 9,000.03	\$ 763,641.12	\$ 16,706.00	\$ 104,997.06	\$ 2,562,737.40
State Sources	1,829.98							1,348,734.79
Local Sources								1,829.98
Total Revenue	\$ 1,350,564.77	\$ 1,650,484.00	\$ 17,909.19	\$ 9,000.03	\$ 763,641.12	\$ 16,706.00	\$ 104,997.06	\$ 3,913,302.17
EXPENDITURES								
Instruction:								
Salaries of Teachers	\$ 403,458.45	\$ 1,285,996.57	\$ 8,455.20	\$ 3,211.40	\$	\$	\$	\$ 403,458.45
Other Salaries for Instruction	39,681.38							1,337,344.55
Other Purchased Services (400-500 series)					763,641.12			763,641.12
General Supplies	28,322.64	87,320.30					104,811.85	220,454.79
Total Instruction	471,462.47	1,373,316.87	8,455.20	3,211.40	763,641.12		104,811.85	2,724,696.91
Salaries-Support		2,516.58					185.21	2,701.79
Salaries of Program Directors	67,335.00							67,335.00
Salaries of Other Professional Staff	182,441.58							182,441.58
Personal Services - Employee Benefits		263,146.55	9,053.98	5,788.63				277,989.17
Purchased Professional and Technical Services		11,504.00				16,706.00		28,210.00
Purchased Professional and Technical Services - Contracted Pre-K	435,127.03							435,127.03
Purchased Educational Services - Head Start	321,500.00							321,500.00
Other Purchased Professional Services	8,050.00							8,050.00
Supplies and Materials	1,829.98		400.00					2,229.98
Other Object	24,378.69							24,378.69
Total Expenditures	\$ 1,512,124.75	\$ 1,650,484.00	\$ 17,909.19	\$ 9,000.03	\$ 763,641.12	\$ 16,706.00	\$ 104,997.06	\$ 4,074,862.16
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(161,559.98)							(161,559.98)
Other Financing Sources (Uses):								
Transfer In from (To) General Fund	161,559.98							161,559.98
Total Other Financing Sources (Uses)	161,559.98							161,559.98
Total Outflows	\$ 1,350,564.77	\$ 1,650,484.00	\$ 17,909.19	\$ 9,000.03	\$ 763,641.12	\$ 16,706.00	\$ 104,997.06	\$ 3,913,302.17
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	\$	\$	\$	\$	\$	\$	\$	\$

TOWN OF DOVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total Brought Forward E-1C1	Preschool Aid	School Based Youth Services	Advance Computer Science	Totals Carried Forward 2020
REVENUE					
State Sources	\$	\$ 1,133,069.52	\$ 214,870.27	\$ 795.00	\$ 1,348,734.79
Local Sources	1,829.98				1,829.98
Total Revenue	<u>\$ 1,829.98</u>	<u>\$ 1,133,069.52</u>	<u>\$ 214,870.27</u>	<u>\$ 795.00</u>	<u>\$ 1,350,564.77</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	\$	\$ 403,458.45	\$	\$	\$ 403,458.45
Other Salaries for Instruction		39,681.38			39,681.38
General Supplies		27,527.64		795.00	28,322.64
Total Instruction		<u>470,667.47</u>		<u>795.00</u>	<u>471,462.47</u>
Salaries of Program Directors		67,335.00			67,335.00
Salaries of Other Professional Staff			182,441.58		182,441.58
Purchased Professional and Technical Services - Contracted Pre-K		435,127.03			435,127.03
Purchased Educational Services - Head Start		321,500.00			321,500.00
Other Purchased Professional Services			8,050.00		8,050.00
Supplies and Materials	1,829.98				1,829.98
Other Object			24,378.69		24,378.69
Total Expenditures	<u>\$ 1,829.98</u>	<u>\$ 1,294,629.50</u>	<u>\$ 214,870.27</u>	<u>\$ 795.00</u>	<u>\$ 1,512,124.75</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures		<u>(161,559.98)</u>			<u>(161,559.98)</u>
Other Financing Sources (Uses):					
Transfer In from (To) General Fund		161,559.98			161,559.98
Total Other Financing Sources (Uses)		<u>161,559.98</u>			<u>161,559.98</u>
Total Outflows	<u>\$ 1,829.98</u>	<u>\$ 1,133,069.52</u>	<u>\$ 214,870.27</u>	<u>\$ 795.00</u>	<u>\$ 1,350,564.77</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

TOWN OF DOVER SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Robotics	Totals Carried Forward 2020
REVENUE		
Local Sources	\$ 1,829.98	\$ 1,829.98
Total Revenue	\$ 1,829.98	\$ 1,829.98
EXPENDITURES		
Instruction:		
Total Instruction		
Supplies and Materials	1,829.98	1,829.98
Total Expenditures	\$ 1,829.98	\$ 1,829.98
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	\$	\$

TOWN OF DOVER SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 STATEMENT OF PRESCHOOL EDUCATION AID
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>District-Wide Total</u>				
	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	\$ 240,266.00	\$ (94,226.00)	\$ 146,040.00	\$ 403,458.45	\$ (257,418.45)
Other Salaries for Instruction	63,987.00	(21,806.00)	42,181.00	39,681.38	2,499.62
General Supplies	9,732.00	33,062.00	42,794.00	27,527.64	15,266.36
Other Objects		200.00	200.00		200.00
Total Instruction	<u>313,985.00</u>	<u>(82,770.00)</u>	<u>231,215.00</u>	<u>470,667.47</u>	<u>(239,452.47)</u>
Support Services:					
Salaries of Program Directors	53,039.00	14,362.00	67,401.00	67,335.00	66.00
Salaries of Community Parent Involvement Specialists		29,230.00	29,230.00		29,230.00
Salaries of Master Teachers		25,780.00	25,780.00		25,780.00
Personal Services - Employee Benefits	114,514.00	(4,123.00)	110,391.00		110,391.00
Purchased Education Services - Contracted Pre-K		637,170.00	637,170.00	435,127.03	202,042.97
Purchased Education Services - Head Start		360,000.00	360,000.00	321,500.00	38,500.00
Total Support Services	<u>167,553.00</u>	<u>1,082,419.00</u>	<u>1,229,972.00</u>	<u>823,962.03</u>	<u>406,009.97</u>
Contribution to Charter Schools					
Contribution to Renaissance Schools					
Transfer to General Fund					
TOTAL PRESCHOOL EDUCATION AID EXPENDITURES	<u>\$ 481,538.00</u>	<u>\$ 979,649.00</u>	<u>\$ 1,461,187.00</u>	<u>\$ 1,294,629.50</u>	<u>\$ 166,557.50</u>
CALCULATION OF BUDGET AND CARRYOVER					
Total 2019-20 Pre-K/ECPA Aid Allocation					\$ 1,461,187.00
Add: Budgeted Transfer from General Fund					161,559.98
Total Funds Available for 2019-20 Budget					<u>1,622,746.98</u>
Less: 2019-2020 Budgeted Pre-K Aid (Including Prior Year Budgeted Carryover)					<u>(1,461,187.00)</u>
Available and Unbudgeted Pre-K Aid Funds as of June 30, 2020					<u>161,559.98</u>
Add: June 30, 2020 Unexpended Pre-K Aid					<u>166,557.50</u>
2019-2020 Carryover - Pre-K Aid					<u>\$ 328,117.48</u>

TOWN OF DOVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Program: Preschool

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	\$ 240,266.00	\$ (94,226.00)	\$ 146,040.00	\$ 403,458.45	\$ (257,418.45)
Other Salaries for Instruction	63,987.00	(21,806.00)	42,181.00	39,681.38	2,499.62
General Supplies	9,732.00	33,062.00	42,794.00	27,527.64	15,266.36
Other Objects	200.00	200.00	200.00	200.00	200.00
Total Instruction	<u>313,985.00</u>	<u>(82,770.00)</u>	<u>231,215.00</u>	<u>470,667.47</u>	<u>(239,452.47)</u>
Support Services:					
Salaries of Program Directors	53,039.00	14,362.00	67,401.00	67,335.00	66.00
Salaries of Community Parent Involvement Specialists		29,230.00	29,230.00		29,230.00
Salaries of Master Teachers		25,780.00	25,780.00		25,780.00
Personal Services - Employee Benefits	114,514.00	(4,123.00)	110,391.00		110,391.00
Purchased Education Services - Contracted Pre-K		637,170.00	637,170.00	435,127.03	202,042.97
Purchased Education Services - Head Start		360,000.00	360,000.00	321,500.00	38,500.00
Total Support Services	<u>167,553.00</u>	<u>1,062,419.00</u>	<u>1,229,972.00</u>	<u>823,962.03</u>	<u>406,009.97</u>
TOTAL PRESCHOOL EDUCATION AID EXPENDITURES	<u>481,538.00</u>	<u>979,649.00</u>	<u>1,461,187.00</u>	<u>1,294,629.50</u>	<u>166,557.50</u>

F. CAPITAL PROJECTS FUND

G. PROPRIETARY FUNDS

ENTERPRISE FUND

**TOWN OF DOVER SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	Business-Type Activities Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 826,577.34	\$ 826,577.34
Accounts Receivable:		
State	437.20	437.20
Federal	44,170.98	44,170.98
Inventories:		
Food	5,573.41	5,573.41
Total Current Assets	<u>876,758.93</u>	<u>876,758.93</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	660,278.50	660,278.50
Less Accumulated Depreciation	<u>(399,613.00)</u>	<u>(399,613.00)</u>
Total Noncurrent Assets	<u>260,665.50</u>	<u>260,665.50</u>
Total Assets	<u>\$1,137,424.43</u>	<u>\$1,137,424.43</u>
 <u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 107,629.98	\$ 107,629.98
Interfunds Payable	2,322.98	2,322.98
Compensated Absences	<u>2,592.00</u>	<u>2,592.00</u>
Total Current Liabilities	<u>112,544.96</u>	<u>112,544.96</u>
Total Liabilities	<u>112,544.96</u>	<u>112,544.96</u>
 <u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	260,665.50	260,665.50
Unrestricted	<u>764,213.97</u>	<u>764,213.97</u>
Total Net Position	<u>\$1,024,879.47</u>	<u>\$1,024,879.47</u>

TOWN OF DOVER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
Operating Revenues:		
Charges for Services:		
Daily Sales - Nonreimbursable Programs	\$ 269,375.18	\$ 269,375.18
Miscellaneous	76,618.98	76,618.98
Total Operating Revenues	<u>345,994.16</u>	<u>345,994.16</u>
Operating Expenses:		
Cost of sales- Program (reimbursable program) Meals	731,864.89	731,864.89
Salaries	454,154.36	454,154.36
Employee Benefits	43,922.26	43,922.26
FICA	64,350.12	64,350.12
Purchased Services (Including Fixed Price Contract)	4,854.34	4,854.34
Other Purchased Professional Services	134,639.55	134,639.55
Cleaning, Repairs and Maintenance Services	7,554.80	7,554.80
Rentals	2,863.72	2,863.72
Insurance	87,522.56	87,522.56
General Supplies	42,949.94	42,949.94
Depreciation Expense	24,337.00	24,337.00
Miscellaneous	27,188.08	27,188.08
Total Operating Expenses	<u>1,626,201.62</u>	<u>1,626,201.62</u>
Operating Income/(Loss)	<u>(1,280,207.46)</u>	<u>(1,280,207.46)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	15,780.29	15,780.29
Federal Sources:		
School Breakfast Program	386,989.68	386,989.68
National School Lunch Program	897,631.33	897,631.33
Special Milk Program	123.00	123.00
USDA Commodities	60,530.64	60,530.64
Food Distribution Program	(60,029.14)	(60,029.14)
Interest and Investment Revenue	2,646.65	2,646.65
Total Nonoperating Revenues (Expenses)	<u>1,303,672.45</u>	<u>1,303,672.45</u>
Income (Loss) before Contributions and Transfers	23,464.99	23,464.99
Change in Net Position	<u>23,464.99</u>	<u>23,464.99</u>
Total Net Position - Beginning	<u>1,001,414.48</u>	<u>1,001,414.48</u>
Total Net Position - Ending	<u>\$ 1,024,879.47</u>	<u>\$ 1,024,879.47</u>

TOWN OF DOVER SCHOOL DISTRICT
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Customers and Other Funds	\$ 345,994.16	\$ 345,994.16
Payments to Employees	(454,154.36)	(454,154.36)
Payments to Suppliers	(1,074,969.85)	(1,074,969.85)
Net Cash Provided by (Used for) Operating Activities	<u>(1,183,130.05)</u>	<u>(1,183,130.05)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
State Sources	16,982.99	16,982.99
Federal Sources	1,347,018.11	1,347,018.11
Other Sources	(120,549.39)	(120,549.39)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,243,451.71</u>	<u>1,243,451.71</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchases of Capital Assets	(110,880.00)	(110,880.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(110,880.00)</u>	<u>(110,880.00)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends	2,646.65	2,646.65
Net Cash Provided by (Used for) Investing Activities	<u>2,646.65</u>	<u>2,646.65</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(47,911.69)	(47,911.69)
Balances - Beginning of Year	874,489.03	874,489.03
Balances - End of Year	<u>\$ 826,577.34</u>	<u>\$ 826,577.34</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>		
Operating Income/(Loss)	\$ (1,280,207.46)	\$ (1,280,207.46)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	24,337.00	24,337.00
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	72,740.41	72,740.41
Total Adjustments	<u>97,077.41</u>	<u>97,077.41</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,183,130.05)</u>	<u>\$ (1,183,130.05)</u>

INTERNAL SERVICE FUND

H. FIDUCIARY FUNDS

TOWN OF DOVER SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 TRSUT AND AGENCY FUNDS
 JUNE 30, 2020

	Trust			Agency	
	Unemployment Compensation	Private Purpose	Total Trust Fund	Payroll	Total Agency Fund
<u>ASSETS</u>					
Cash and Cash Equivalents		\$ 120,962.15	\$ 120,962.15		\$
Total Assets		<u>\$ 120,962.15</u>	<u>\$ 120,962.15</u>		
<u>LIABILITIES</u>					
Total Liabilities					
<u>NET POSITION</u>					
Reserved		<u>120,962.15</u>	<u>120,962.15</u>		
Total Net Position		<u><u>\$ 120,962.15</u></u>	<u><u>\$ 120,962.15</u></u>		

TOWN OF DOVER SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 TRUST [FIDUCIARY] FUNDS
 JUNE 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Total Trust
ADDITIONS			
Contributions:			
Other		\$ 12,079.80	\$ 12,079.80
Total Contributions		<u>12,079.80</u>	<u>12,079.80</u>
Investment earnings:			
Interest Earned		427.83	427.83
Net Investment Earnings		<u>427.83</u>	<u>427.83</u>
Total Additions		<u>12,507.63</u>	<u>12,507.63</u>
DEDUCTIONS			
Scholarships Awarded		36,068.90	36,068.90
Total Deductions		<u>36,068.90</u>	<u>36,068.90</u>
Change in Net Position		(23,561.27)	(23,561.27)
Total Net Position - Beginning	<u>253,788.17</u>	<u>144,523.42</u>	<u>398,311.59</u>
Total Net Position - Ending	<u>\$ 253,788.17</u>	<u>\$ 120,962.15</u>	<u>\$ 374,750.32</u>

**TOWN OF DOVER SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance June 30, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
Elementary School(s):				
North Dover	\$ 18,984.45	\$ 11,770.30	\$ 17,196.75	\$ 13,558.00
East Dover	15,912.38	1,775.72	602.55	17,085.55
Academy Street	22,104.43	9,780.00	6,756.57	25,127.86
Total Elementary School(s)	<u>57,001.26</u>	<u>23,326.02</u>	<u>24,555.87</u>	<u>55,771.41</u>
Middle School(s):				
Dover Middle School	18,159.82	22,085.94	24,875.00	15,370.76
Total Middle School(s)	<u>18,159.82</u>	<u>22,085.94</u>	<u>24,875.00</u>	<u>15,370.76</u>
High School(s):				
High School	63,055.13	45,871.75	49,237.02	59,689.86
Total High School(s)	<u>63,055.13</u>	<u>45,871.75</u>	<u>49,237.02</u>	<u>59,689.86</u>
Athletics:				
Athletic Fund	6,373.40	47,125.98	52,310.12	1,189.26
Total Athletics	<u>6,373.40</u>	<u>47,125.98</u>	<u>52,310.12</u>	<u>1,189.26</u>
Total All Schools	<u>\$ 144,589.61</u>	<u>\$ 138,409.69</u>	<u>\$ 150,978.01</u>	<u>\$ 132,021.29</u>

TOWN OF DOVER SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 865,580.11			\$ 865,580.11
Total Assets	<u>\$ 865,580.11</u>			<u>\$ 865,580.11</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 208,954.13			\$ 208,954.13
Interfunds Payable	<u>656,625.98</u>			<u>656,625.98</u>
Total Liabilities	<u>\$ 865,580.11</u>			<u>\$ 865,580.11</u>

I. LONG-TERM DEBT

TOWN OF DOVER SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE 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</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 713,013.00	\$	\$ 713,013.00	\$ 713,013.00	\$
Total Revenues	<u>713,013.00</u>		<u>713,013.00</u>	<u>713,013.00</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	158,013.00		158,013.00	158,012.50	0.50
Redemption of Principal	<u>555,000.00</u>		<u>555,000.00</u>	<u>555,000.00</u>	
Total Expenditures	<u>713,013.00</u>		<u>713,013.00</u>	<u>713,012.50</u>	<u>0.50</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures				0.50	0.50
Fund Balance, July 1	<u>1.64</u>		<u>1.64</u>	<u>1.64</u>	
Fund Balance, June 30	<u>\$ 1.64</u>		<u>\$ 1.64</u>	<u>\$ 2.14</u>	<u>\$ 0.50</u>

STATISTICAL SECTION (UNAUDITED)

INTRODUCTION TO THE STATISTICAL SECTION

FINANCIAL TRENDS

TOWN OF DOVER SCHOOL DISTRICT
 NET ASSETS BY COMPONENT
 LAST TEN FISCAL YEARS
 Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 16,564,860	\$ 20,485,774	\$ 16,374,174	\$ 17,885,060	\$ 19,379,517	\$ 22,854,493	\$ 25,170,173	\$ 26,411,165	\$ 27,745,164	\$ 32,742,476
Restricted	9,532,457	8,565,206	8,375,174	9,980,821	9,762,641	9,378,478	8,279,010	7,898,901	8,490,627	6,825,250
Unrestricted	(1,776,834)	(1,730,628)	(1,867,742)	(10,602,958)	(10,547,530)	(11,014,823)	(11,557,616)	(11,834,691)	(10,642,592)	(10,928,764)
Total Governmental Activities Net Position	\$ 24,320,283	\$ 27,320,352	\$ 22,881,606	\$ 17,362,923	\$ 18,594,628	\$ 21,218,048	\$ 21,891,567	\$ 22,475,375	\$ 25,593,199	\$ 28,638,962
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 30,541	\$ 126,482	\$ 112,604	\$ 101,101	\$ 85,347	\$ 82,450	\$ 162,998	\$ 191,068	\$ 174,123	\$ 260,666
Unrestricted	273,539	375,643	437,807	547,104	649,345	714,630	790,402	772,837	827,292	764,214
Total Business-Type Activities Net Position	\$ 304,080	\$ 502,125	\$ 550,411	\$ 648,205	\$ 734,692	\$ 797,080	\$ 953,400	\$ 963,905	\$ 1,001,415	\$ 1,024,880
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 16,595,201	\$ 20,612,256	\$ 16,486,778	\$ 17,986,161	\$ 19,464,864	\$ 22,936,943	\$ 25,333,171	\$ 26,602,233	\$ 27,919,287	\$ 33,003,142
Restricted	9,532,457	8,565,206	8,375,174	9,980,821	9,762,641	9,378,478	8,279,010	7,898,901	8,490,627	6,825,250
Unrestricted	(1,503,295)	(1,354,985)	(1,429,935)	(9,955,854)	(9,898,185)	(10,300,293)	(10,767,214)	(11,061,854)	(9,815,300)	(10,164,550)
Total District-Wide Net Position	\$ 24,624,363	\$ 27,822,477	\$ 23,432,017	\$ 18,011,128	\$ 19,329,320	\$ 22,015,128	\$ 22,844,967	\$ 23,439,280	\$ 26,594,614	\$ 29,663,842

Source: CAFR Exhibit A-1

TOWN OF DOVER SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 19,793,755	\$ 20,620,741	\$ 20,935,273	\$ 20,735,417	\$ 24,512,706	\$ 27,371,930	\$ 29,593,414	\$ 26,553,039	\$ 24,852,876	\$ 27,402,943
Special Education										3,998,532
Other Special Instruction	3,012,419	3,022,565	3,549,381	3,419,290	3,561,629	3,459,093	3,867,804	7,641,399	7,226,061	
Vocational										1,920,794
Other Instruction	2,150,740	2,190,945	2,451,939	2,420,813	2,532,491	2,867,843	2,961,443	775,211	822,721	1,077,091
Support Services:										
Tuition	2,674,383	3,194,156	3,053,506	3,382,631	3,345,620	3,600,982	3,990,060	4,465,842	5,265,961	5,150,670
Student and Instruction Related Services	4,968,688	4,819,831	4,863,072	4,717,295	4,629,839	5,442,880	5,598,811	6,439,642	6,408,745	6,427,142
General Administrative Services	1,618,223	1,831,947	1,781,131	1,718,172	1,915,911	2,188,841	2,343,116	1,375,537	1,347,531	1,707,544
School Administrative Services	2,884,729	3,016,423	3,037,548	3,088,860	3,485,746	3,439,352	3,573,861	3,687,051	3,420,567	2,332,683
Central Services								921,693	842,478	678,621
Administration of Information Technology										134,305
Plant Operations and Maintenance	3,925,799	3,615,016	3,719,829	3,716,723	3,847,428	3,949,709	3,818,921	4,549,045	4,607,499	3,278,304
Care and Upkeep of Grounds										145,572
Security										553,903
Pupil Transportation	1,354,721	1,564,948	1,568,546	1,561,011	1,717,387	1,942,125	2,020,345	3,138,060	3,242,439	2,784,354
Other Support Services										49,462
Charter School	55,829	41,616	7,130	14,296	43,832	66,535	66,000	42,997	21,175	11,895
Assessment for Debt Service on SDA Funding	49,622	28,857	39,604	72,816	72,816	72,816	72,816	72,816	72,816	
Interest on Long-Term Debt	427,678	366,629	240,776	238,342	222,025	208,113	197,838	186,025	170,163	162,175
Unallocated Depreciation										1,212,468
Total Governmental Activities	42,916,566	44,315,674	45,246,734	45,085,667	49,867,230	54,610,018	58,094,429	59,848,358	58,321,032	58,928,458
Business-Type Activities:										
Food Service	1,278,809	1,363,104	1,540,340	1,510,309	1,670,727	1,843,803	1,876,235	1,909,960	1,788,642	
Total Business-Type Activities	1,278,809	1,363,104	1,540,340	1,510,309	1,670,727	1,843,803	1,876,235	1,909,960	1,788,642	
Total District Expenses	\$ 44,195,395	\$ 45,678,778	\$ 46,787,074	\$ 46,595,976	\$ 51,537,957	\$ 56,453,821	\$ 59,970,664	\$ 61,758,318	\$ 60,109,675	\$ 58,928,458
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition):										
Regular	2,515,691	2,684,226	2,276,971	2,118,825	2,195,061	2,069,694	1,706,144	1,518,023	1,386,115	
Support Service:										
Operating Grants and Contributions	9,252,534	9,017,167	8,890,733	9,167,316	12,807,144	18,024,860	20,283,781	3,269,549	3,534,427	12,103,553
Total Governmental Activities Program Revenues	11,768,225	11,701,393	11,167,704	11,286,141	15,002,204	20,094,574	21,989,925	4,787,572	4,920,542	12,103,553

TOWN OF DOVER SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-Type Activities:										
Charges for Services:										
Food Service	295,140	307,933	297,973	315,526	317,497	336,979	322,335	334,529	350,090	345,994
Operating Grants and Contributions	1,100,103	1,139,883	1,289,329	1,290,925	1,437,868	1,562,605	1,623,500	1,583,242	1,467,587	
Total Business-Type Activities Program Revenues	1,395,243	1,447,816	1,587,302	1,606,451	1,755,365	1,899,584	1,945,835	1,917,771	1,817,677	345,994
TOTAL DISTRICT PROGRAM REVENUES	\$ 13,163,468	\$ 13,149,208	\$ 12,755,007	\$ 12,892,592	\$ 16,757,569	\$ 21,994,158	\$ 23,935,761	\$ 6,705,344	\$ 6,738,219	\$ 12,449,547
Net (Expense)/Revenue:										
Governmental Activities	\$ (31,148,361)	\$ (32,614,281)	\$ (34,079,030)	\$ (33,799,526)	\$ (34,865,025)	\$ (34,515,445)	\$ (36,104,504)	\$ (55,060,786)	\$ (53,400,491)	\$ (46,824,905)
Business-Type Activities	116,434	84,711	46,963	96,142	84,638	55,781	69,601	7,811	29,035	345,994
Total District-Wide Net Expense	\$ (31,031,927)	\$ (32,529,570)	\$ (34,032,067)	\$ (33,703,384)	\$ (34,780,388)	\$ (34,459,663)	\$ (36,034,903)	\$ (55,052,975)	\$ (53,371,456)	\$ (46,478,911)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 12,709,480	\$ 12,709,480	\$ 13,070,480	\$ 13,070,480	\$ 13,106,480	\$ 13,106,480	\$ 13,574,519	\$ 14,246,172	\$ 15,601,137	\$ 16,626,173
Taxes Levied for Debt Service	739,014	773,541	498,047	446,508	508,788	512,551	725,463		714,213	
Grants and Contributions	20,615,709	21,893,924	23,061,030	22,711,170	22,783,398	22,266,016	22,318,614	41,238,852	39,943,626	31,365,673
Payments in Lieu of Taxes - State Aid Restricted										
State Aid - Capital Outlay									1,961	
Tuition Received										1,306,200
Investment Earnings			25,496	34,493	35,130	36,812	31,791	32,309	118,612	
Miscellaneous Income	95,797	239,135	288,552	236,148	162,623	405,857	191,305	221,419	258,875	572,619
Proceeds of Long-Term Debt (Refunding Bonds)		1,354,000								
Special Item - Prior Year Receivable Canceled	(171,088)	(525,508)								
Adjustment to Capital Assets			(7,303,322)	382,207	(499,688)	811,149	(63,668)			
Transfers		(830,222)						(94,159)	(120,109)	
Total Governmental Activities	33,988,933	35,614,350	29,640,283	36,881,007	36,096,731	37,138,865	36,778,023	55,644,593	56,518,315	49,870,665
Business-Type Activities:										
Investment Earnings			1,324	1,852	1,849	2,129	2,263	2,694	8,476	2,647
Adjustment to Capital Assets		113,333				4,477				
Transfers										
Total Business-Type Activities		113,333	1,324	1,852	1,849	6,606	2,263	2,694	8,476	2,647
Total District-Wide	\$ 33,988,933	\$ 35,727,683	\$ 29,641,607	\$ 36,882,859	\$ 36,098,580	\$ 37,145,471	\$ 36,780,286	\$ 55,647,288	\$ 56,526,792	\$ 49,873,312
Change in Net Position:										
Governmental Activities	2,840,572	3,000,069	(4,438,747)	3,081,480	1,231,706	2,623,420	673,520	583,808	3,117,825	3,045,760
Business-Type Activities	116,434	198,045	48,286	97,784	86,487	62,368	71,863	10,505	37,511	348,641
Total District	\$ 2,957,006	\$ 3,198,114	\$ (4,390,461)	\$ 3,179,275	\$ 1,318,193	\$ 2,685,808	\$ 745,383	\$ 594,313	\$ 3,155,336	\$ 3,394,401

Source: CAFR Schedule A-1

**TOWN OF DOVER SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Reserved	\$ 7,196,679	\$ 8,606,227	\$ 8,378,260	\$ 10,029,830	\$ 9,796,349	\$ 9,417,293	\$ 8,307,624	\$ 7,899,899	\$ 9,436,625	\$ 6,825,247
Unreserved	<u>(1,294,548)</u>	<u>(1,287,404)</u>	<u>(1,375,080)</u>	<u>(1,388,953)</u>	<u>(1,416,677)</u>	<u>(1,448,468)</u>	<u>(1,323,618)</u>	<u>(1,432,212)</u>	<u>(1,483,487)</u>	<u>(1,270,105)</u>
Total General Fund	<u>\$ 5,902,131</u>	<u>\$ 7,318,823</u>	<u>\$ 7,003,180</u>	<u>\$ 8,639,877</u>	<u>\$ 8,379,672</u>	<u>\$ 7,968,825</u>	<u>\$ 6,984,006</u>	<u>\$ 6,466,687</u>	<u>\$ 7,953,138</u>	<u>\$ 5,555,142</u>
All Other Governmental Funds:										
Reserved	\$ 2,325,228	\$	\$ 47,669	\$	\$	\$	\$	\$	\$	\$ 2
Unreserved, Reported In:										
Special Revenue Fund	(39,072)	(41,022)	(50,756)	(48,011)	(33,710)	(38,817)	(28,816)	(25,538)	(34,218)	(146,712)
Debt Service Fund	<u>49,623</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>2</u>	
Total All Other Governmental Funds	<u>\$ 2,335,779</u>	<u>\$ (41,021)</u>	<u>\$ (3,086)</u>	<u>\$ (48,010)</u>	<u>\$ (33,708)</u>	<u>\$ (38,815)</u>	<u>\$ (28,613)</u>	<u>\$ (25,537)</u>	<u>\$ (34,216)</u>	<u>\$ (146,710)</u>

Source: CAFR Schedule B-1

**TOWN OF DOVER SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Tax Levy	\$ 13,876,172	\$ 13,723,430	\$ 13,808,722	\$ 13,755,330	\$ 13,837,293	\$ 13,827,143	\$ 14,299,982	\$ 14,246,172	\$ 16,315,350	\$ 16,626,173
Tuition Charges	2,515,691	2,684,226	2,276,971	2,118,825	2,195,061	2,069,694	1,706,144	1,518,023	1,386,115	1,306,200
Interest Earnings			25,496	34,493	35,130	36,812	31,791		118,612	
Unrestricted Miscellaneous Revenues	95,797	239,135	288,552	236,148	162,623	405,857	191,305	253,728	258,875	572,619
State Sources	25,780,760	27,058,369	28,928,335	29,080,141	29,515,432	30,025,425	30,677,883	32,476,119	35,784,346	39,411,331
Federal Sources	3,659,806	3,612,313	2,783,232	2,580,003	2,627,346	2,644,804	2,698,064	2,671,453	2,795,110	2,175,103
Private Sources							99,142		120,109	1,830
Total Revenues	45,928,226	47,317,473	48,111,308	47,784,940	48,372,885	49,009,735	49,605,169	51,264,837	56,778,517	60,093,256
Expenditures:										
Instruction:										
Regular Instruction	14,367,851	14,403,141	14,488,393	14,767,950	16,229,096	15,662,456	16,047,693	15,814,653	15,929,576	16,852,526
Special Education Instruction	2,031,538	1,860,469	2,057,580	1,756,532	1,764,372	1,638,742	1,786,375	3,083,036	3,395,383	2,472,314
Other Special Instruction	1,585,198	1,552,667	1,623,422	1,581,922	1,544,251	1,540,042	1,525,204	729,913	775,203	1,120,812
Other Instruction										715,689
Support Services:										
Tuition	2,674,383	3,194,156	3,053,506	3,382,631	3,345,620	3,600,982	3,990,060	4,465,842	5,285,961	5,150,670
Student and Instruction Related Services	3,976,849	3,695,704	3,533,340	3,536,842	3,302,928	3,368,253	3,321,665	4,143,836	4,487,749	4,168,670
General Administration	1,260,268	1,374,984	1,346,550	1,269,680	1,317,904	1,370,710	1,377,541	951,128	980,534	1,327,330
School Administrative Services	2,032,580	2,032,817	1,972,854	2,087,791	2,093,098	1,791,300	1,756,054	1,915,369	1,958,634	2,263,538
Central Services								469,447	470,347	423,159
Administration of Information Technology										78,386
Plant Operations and Maintenance	3,278,371	3,008,905	2,847,081	3,100,865	3,048,959	2,913,442	2,722,225	2,830,478	3,185,241	2,682,271
Care and Upkeep of Grounds										84,943
Security										400,233
Pupil Transportation	1,175,665	1,371,570	1,346,910	1,344,022	1,454,842	1,577,998	1,595,340	1,834,369	2,151,106	2,734,893
Employee Benefits	9,422,418	10,693,117	11,660,888	10,883,645	11,193,467	11,818,694	12,453,254	12,760,310	13,763,281	15,748,624
Charter Schools	55,829	41,616	7,130	14,296	43,632	66,535	66,000	42,997	21,175	11,895
Capital Outlay	845,265	2,474,055	3,671,565	1,661,625	2,477,101	3,283,056	3,140,097	1,928,377	2,062,234	5,654,780
Debt service:										
Principal	865,000	740,000	500,000	490,000	505,000	510,000	825,000	525,000	540,000	555,000
Interest and other charges	434,614	400,170	240,195	242,519	225,813	210,663	200,463	189,963	174,213	158,013
Total Expenditures	44,005,829	46,843,371	48,349,414	46,120,350	48,545,973	49,352,873	50,506,971	51,684,718	55,180,637	62,603,746
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,922,397	474,102	(238,106)	1,664,590	(173,088)	(343,138)	(901,802)	(420,081)	1,597,880	(2,510,490)
Other Financing Sources (Uses):										
Transfers In	16,269	477,801								
Transfers Out	(16,269)	(1,308,023)						(94,159)	(120,109)	
Cancellation of Prior Year Accounts Receivable	(171,068)									
Total Other Financing Sources (Uses)	(171,068)	(830,222)						(94,159)	(120,109)	
Net Change in Fund Balances	\$ 1,751,329	\$ (356,120)	\$ (238,106)	\$ 1,664,590	\$ (173,088)	\$ (343,138)	\$ (901,802)	\$ (514,240)	\$ 1,477,771	\$ (2,510,490)
Debt service as a percentage of noncapital expenditures	3.01%	2.57%	1.66%	1.65%	1.59%	1.56%	1.53%	1.44%	1.34%	1.25%

Source: District records, CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

TOWN OF DOVER SCHOOL DISTRICT
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Interest Earned on Deposits/Investments	\$	\$	\$ 25,496	\$ 34,493	\$ 35,130	\$ 36,812	\$ 31,791	\$ 32,309	\$ 118,612	\$ 115,406
Miscellaneous	89,211	237,881	269,824	236,148	157,709	401,717	191,305	221,419	258,875	457,213
Tuition - Other	2,515,691	2,684,226	2,276,971	2,118,825	2,195,061	2,069,694	1,706,144	1,518,023	1,386,115	1,306,200
Annual Totals	<u>\$ 2,604,901</u>	<u>\$ 2,922,107</u>	<u>\$ 2,572,291</u>	<u>\$ 2,389,466</u>	<u>\$ 2,387,900</u>	<u>\$ 2,508,223</u>	<u>\$ 1,929,239</u>	<u>\$ 1,771,751</u>	<u>\$ 1,763,602</u>	<u>\$1,878,819</u>

Source: District Records

REVENUE CAPACITY

TOWN OF DOVER SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2011	\$ 10,522,400	\$ 1,049,532,400	\$ 270,133,200	\$ 139,459,700	\$ 47,369,500	\$ 1,517,017,200	\$ 1,517,017,200	\$ 1,515,002,067	\$0.850
2012	10,384,100	1,031,676,100	266,090,900	136,959,700	47,325,000	1,492,435,800	1,492,435,800	1,472,075,505	0.870
2013	9,628,200	1,028,952,800	265,697,700	126,669,100	47,262,500	1,478,210,300	1,478,210,300	1,340,652,204	0.874
2014	9,783,600	1,022,593,100	263,599,400	125,539,100	49,856,000	1,471,371,200	1,471,371,200	1,294,957,930	0.880
2015	12,316,100	1,017,614,600	261,198,000	122,426,200	50,906,000	1,464,460,900	1,464,460,900	1,296,442,015	0.886
2016	10,864,600	852,915,100	270,637,400	112,159,700	45,449,200	1,292,026,000	1,292,026,000	1,330,065,884	1.019
2017	10,926,200	851,294,000	270,267,400	112,159,700	45,800,400	1,290,447,700	1,290,447,700	1,354,658,514	1.037
2018	7,599,400	853,241,800	280,787,500	112,115,500	46,008,700	1,299,752,900	1,299,752,900	1,378,939,442	1.104
2019	*	*	*	*	*	*	*	*	*
2020	*	*	*	*	*	*	*	*	*

Source: 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 the County Board of Taxation requests Treasury to order a reassessment.

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

^b Tax rates are per \$100

^c At the time of CAFR completion, this data was not yet available

**TOWN OF DOVER SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
Unaudited**

(Rate per \$100 of Assessed Value)

Fiscal Year Ended June 30,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal Rate	County Rate	
2011	\$ 0.760	\$ 0.090	\$ 0.850	\$ 0.800	\$ 0.230	\$ 1.880
2012	0.790	0.080	0.870	0.850	0.240	1.960
2013	0.830	0.050	0.880	0.890	0.230	2.000
2014	0.830	0.050	0.880	0.920	0.240	2.040
2015	0.840	0.050	0.890	0.950	0.220	2.060
2016	0.970	0.050	1.020	1.120	0.270	2.410
2017	1.010	0.030	1.040	1.160	0.270	2.470
2018	1.080	0.030	1.110	1.200	0.280	2.590
2019	*	*	*	*	*	*
2020			*			*

Source: 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 prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

^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.

* Data Unavailable

**TOWN OF DOVER SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
*Unaudited***

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a	
		Amount	Percentage of Levy
2011	\$ 13,876,172	\$ 13,876,172	100.00%
2012	13,723,430	13,723,430	100.00%
2013	13,808,722	13,808,722	100.00%
2014	13,755,330	13,755,330	100.00%
2015	13,837,293	13,837,293	100.00%
2016	13,827,143	13,827,143	100.00%
2017	14,299,982	14,299,982	100.00%
2018	14,246,172	14,246,172	100.00%
2019	16,315,350	16,315,350	100.00%
2020	16,626,173	16,626,173	100.00%

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

^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State law, 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.

DEBT CAPACITY

**TOWN OF DOVER SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
*Unaudited***

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation				
2011	\$ 9,639,000	\$ 335,000		\$ 9,974,000	0.74%	\$ 549
2012	7,880,000			7,880,000	0.56%	432
2013	7,380,000			7,380,000	0.51%	404
2014	6,890,000			6,890,000	0.47%	377
2015	6,385,000			6,385,000	0.42%	351
2016	5,875,000			5,875,000	0.37%	323
2017						
2018						
2019						
2020						

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

TOWN OF DOVER SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value ^a of</u> <u>Property</u>	<u>Per Capita ^b</u>
2011	\$ 9,639,000	\$	\$ 9,639,000	0.64%	\$ 529
2012	7,880,000		7,880,000	0.53%	432
2013	7,380,000		7,380,000	0.50%	404
2014	6,890,000		6,890,000	0.47%	379
2015	6,385,000		6,385,000	0.44%	351
2016	5,875,000		5,875,000	0.45%	325
2017	5,350,000		5,350,000	0.41%	297
2018	4,825,000		4,825,000	0.37%	269
2019	4,285,000		4,285,000	*	*
2020	3,730,000		3,730,000	*	*

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found on Exhibit J-14.

Source: District Records

* Data Unavailable

**TOWN OF DOVER SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020
Unaudited**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt Repaid with Property Taxes:			
Net Overlapping Debt of School District:			
Town of Dover	\$ 35,817,555	100.000%	\$ 35,817,555
County of Morris General Obligation Debt	<u>216,220,009</u>	1.440%	<u>3,114,217</u>
Sub-Total Overlapping Debt			38,931,772
Town of Dover District Direct Debt			<u>3,730,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 42,661,772</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County of Morris Board of Taxation; debt outstanding data provided by each governmental unit.

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 Town of Dover. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the District's boundaries and dividing it by each unit's total equalized property value.

TOWN OF DOVER SCHOOL DISTRICT
 COMPUTATION OF LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS
 Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 48,380,819	\$ 46,679,062	\$ 45,306,571	\$ 43,339,596	\$ 41,638,855	\$ 39,783,933	\$ 39,363,279	\$ 39,214,658	\$ 39,811,664	\$ 41,583,205
Total Net Debt Applicable to Limit	<u>10,034,000</u>	<u>9,639,000</u>	<u>7,880,000</u>	<u>7,380,000</u>	<u>6,890,000</u>	<u>6,385,000</u>	<u>5,875,000</u>	<u>5,350,000</u>	<u>4,825,000</u>	<u>3,730,000</u>
Legal Debt Margin	<u>\$ 38,346,819</u>	<u>\$ 37,040,062</u>	<u>\$ 37,426,571</u>	<u>\$ 35,959,596</u>	<u>\$ 34,748,855</u>	<u>\$ 33,398,933</u>	<u>\$ 33,488,279</u>	<u>\$ 33,864,658</u>	<u>\$ 34,986,664</u>	<u>\$ 37,853,205</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.74%	20.65%	17.39%	17.03%	16.55%	16.05%	14.93%	13.64%	12.12%	8.97%

Legal Debt Margin Calculation for Fiscal Year 2019

Year	Equalized Valuation Basis
2019	\$ 1,429,280,159
2018	1,374,381,834
2017	<u>1,354,658,514</u>
	[A] \$ 4,158,320,507
Average Equalized Valuation of Taxable Property	[A/3] 1,386,106,836
Debt limit (3% of average equalization value)	[B] \$ 41,583,205 a
Total Net Debt Applicable to Limit	[C] <u>3,730,000</u>
Legal debt margin	[B-C] <u>\$ 37,853,205</u>

Source: Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

a) Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

**TOWN OF DOVER SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2011	18,236	\$ 1,396,385,228	\$ 76,573	16.20%
2012	18,258	1,451,164,098	79,481	16.80%
2013	18,274	1,468,462,092	80,358	6.40%
2014	18,187	1,520,906,062	83,626	4.70%
2015	18,169	1,589,878,345	87,505	4.30%
2016	18,095	1,622,271,035	89,653	3.80%
2017	18,038	1,700,243,842	94,259	3.50%
2018	17,961	*	N/A	3.40%
2019	*	*	*	*
2020	*	*	*	*

Source:

- ^a Population information provided by the NJ Department of Labor and Workplace Development.
- ^b Personal Income has been estimated based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income by municipality source is U.S. Census Data.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

*Unavailable

TOWN OF DOVER SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
Unaudited

<u>Employer</u>	<u>Percentage of Total Municipal Employment</u>	<u>Percentage of Total Municipal Employment</u>
	<u> </u>	<u> </u>

Source: N/A

*Not Available at Time of Audit.

OPERATING INFORMATION

**TOWN OF DOVER SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 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>
<u>Function/Program</u>										
Instruction:										
Regular	245	239	242	221	221	229	225	226	227	227
Special Education	42	37	43	39	46	42	41	49	48	52
Support Services:										
Student and Instructional Related Services	27	47	44	39	28	28	30	27	28	28
School Administrative Service	29	29	27	29	28	26	26	25	25	25
Other Administrative Services	6	6	6	6	6	6	6	6	6	6
Plant Operations and Maintenance	39	33	30	39	40	39	40	36	36	36
Pupil Transportation	<u>5</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>5</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total	<u>393</u>	<u>396</u>	<u>397</u>	<u>379</u>	<u>374</u>	<u>376</u>	<u>373</u>	<u>374</u>	<u>375</u>	<u>379</u>

Source: District Personnel Records

TOWN OF DOVER SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
Unaudited

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u> ^a	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u> ^b	<u>Average Daily Enrollment (ADE)</u> ^c	<u>Average Daily Attendance (ADA)</u> ^c	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	2,928	\$ 41,860,952	\$14,297	(3.99%)	243.0	2,927.8	2,791.1	(0.24%)	95.33%
2012	3,021	43,229,146	14,310	0.09%	246.0	2,901.6	2,768.7	(0.89%)	95.42%
2013	3,009	43,937,653	14,602	2.04%	256.0	3,027.7	2,895.3	4.35%	95.63%
2014	3,083	41,072,119	13,322	(8.77%)	260.0	3,082.7	2,958.9	1.82%	95.98%
2015	3,169	41,426,489	13,072	(1.88%)	260.0	3,168.8	3,064.3	2.79%	96.70%
2016	3,196	45,385,128	14,201	8.64%	265.0	3,216.4	3,102.3	1.50%	96.45%
2017	3,058	41,592,612	13,601	(4.23%)	240.0	3,224.0	3,094.6	0.24%	95.99%
2018	3,096	49,041,379	15,840	16.46%	240.0	3,311.8	3,179.4	2.72%	96.00%
2019	3,394	52,404,191	15,440	(2.53%)	243.0	3,205.1	3,074.3	(3.22%)	95.92%
2020	3,219	56,235,954	17,470	13.15%	256.0	3,205.5	3,082.0	0.01%	96.15%

Source: District Records

- Note:
- a Operating expenditures equal total expenditures less debt service and capital outlay.
 - b Teaching staff includes only full-time equivalents of certified staff.
 - c Average daily enrollment and average daily attendance are obtained from School Registry Summary (SRS).

TOWN OF DOVER SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
Unaudited

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary										
Academy Street										
Square Feet	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364
Capacity (Students)	560	560	560	580	560	560	560	580	560	560
Enrollment	513	573	560	561	601	558	551	555	555	548
East Dover										
Square Feet	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790
Capacity (Students)	884	884	884	884	884	884	884	884	884	884
Enrollment	450	486	459	476	479	489	523	480	480	474
North Dover										
Square Feet	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705
Capacity (Students)	814	814	814	814	814	814	814	814	814	814
Enrollment	667	706	740	751	757	737	704	682	682	693
Middle/Junior High School										
Dover Middle School										
Square Feet	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790
Enrollment	467	471	461	482	457	495	530	488	488	512
High School										
Dover High School										
Square Feet	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500
Capacity (Students)	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066
Enrollment	850	804	789	813	875	917	856	891	891	946
Total Enrollment - All Schools	2,947	3,020	3,009	3,083	3,169	3,196	3,264	3,096	3,096	3,173
Number of Schools at June 30, 2020:										
Elementary = 3										
Middle = 1										
High School = 1										

Source: District Maintenance Office

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

TOWN OF DOVER SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
Unaudited

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

School Facilities *	Element #	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total School Facilities
Dover High School	N/A	\$ 222,234.33	\$ 249,183.21	\$ 270,532.17	\$ 259,491.33	\$ 259,723.20	\$ 300,113.56	\$ 227,549.60	\$ 247,423.59	\$ 180,445.26	\$ 215,864.38	\$ 2,429,356.85
Academy Street	N/A	75,864.24	82,645.80	92,095.06	85,497.11	84,661.04	100,037.59	75,653.11	82,414.53	102,252.34	122,209.79	900,321.68
Dover Middle School	N/A	68,639.41	100,923.15	109,384.07	101,527.62	183,082.01	118,794.36	92,160.67	67,936.50	192,474.97	230,041.93	1,298,147.68
North Dover Middle School	N/A	80,382.83	89,713.87	97,852.08	90,840.68	98,641.19	106,290.22	81,924.79	87,629.19	128,311.67	150,964.68	1,008,551.28
Blackwell Academy	N/A	4,728.39	5,461.46	5,768.00								15,945.85
Total		\$ 472,839.00	\$ 628,127.59	\$ 575,000.36	\$ 534,356.94	\$ 604,007.44	\$ 625,235.59	\$ 477,287.57	\$ 515,405.81	\$ 601,464.26	\$ 716,681.08	\$ 5,853,226.64

* School facilities as defined under EPCFA,
(N.J.A.C. 8A:26-1.2 and N.J.A.C. 8A:28A-1.3)

Source: District Records

TOWN OF DOVER SCHOOL DISTRICT
 INSURANCE SCHEDULE
 JUNE 30, 2020
 Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-Selective Ins.Co		
Property -Blanket Building &Contents	\$ 110,879,404	\$ 2,500
Artificial Turf	2,765,712	2,500
Fences	Excess of 90,373	2,500
Computer Coverage	4,365,298	500
Audio Visual	955,000	250
Band Uniform	Excess of 42,254	250
Musical Instruments	137,749	250
Schedule Equipment	269,914	500
Boiler and Machinery - Property Damage Building Limit		500
Comrehensive General Liability Each Occurrence	1,000,000	
General Aggregate	2,000,000	
Products- Completed Operations	2,000,000	
Personal and Advertising Injury Limit	1,000,000	
Damage To Premises Rented to you	1,000,000	
Comprehensive Auto Liability	1,000,000	
Employee Benefits Liability -Each Occurrence	1,000,000	1,000
General Aggregate	2,000,000	
Abuse or Molestation - Each Occurance	1,000,000	
General Aggregate	2,000,000	
School Board Legal Liability		
Directors & Officers -Per Claim	1,000,000	
Aggregate 10000	10,000,000	
Umbrella Liability - Occurrence	10,000,000	
Aggregate	10,000,000	
Volunteer Accident Policy - QBE Insurance Corp		
Accidental Death Benefit	15,000	
Accidental Medical Benefit	50,000	
Accidental Dismemberment Benefit	50,000	
Crime Coverage		
Theft Of Money And Securities	25,000	500
Robbery or Safe Burglary of other Property	25,000	500
Money and Securities outside the premises	25,000	500
Coverage applies per location		

Source: District records

TOWN OF DOVER SCHOOL DISTRICT
 INSURANCE SCHEDULE
 JUNE 30, 2020
 Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Athletic Student Accident -Arch Insurance Group		
Accidental Death	10,000	
Single Dismemberment	25,000	
Double Dismemberment	50,000	
Aggregate Limit Of Liability	500,000	
Accident Medical & Dental Max Benefit	25,000	
Catastrophic Coverage -United State Fire Insurance Co		
Maximum Benefit	1,000,000	
Driving School License Bond Selective Insurance	10000	
Blanket Employee Dishonesty Bond Selective Insurance	50000	500
Position Bond - Selective Insurance Company		
John Griffin - Treasurer of School Money	300000	
James Minkewicz - Board Secretary	14000	

SINGLE AUDIT SECTION

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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

The Honorable President and Members
of the Board of Education
Dover School District
County of Morris
Dover, New Jersey 07801

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dover Board of Education, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Dover Board of Education's basic financial statements, and have issued our report thereon dated January 20, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Board of Education of the Town of Dover School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
January 20, 2021

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY UNIFORM
ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS
FOR FEDERAL AWARDS (UNIFORM GUIDANCE) AND NEW JERSEY OMB CIRCULAR 15-08**

The Honorable President and Members
of the Board of Education
Dover School District
County of Morris
Dover, New Jersey 07801

Report on Compliance for Each Major Program

We have audited the Town of Dover Board of Education's 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 District's major federal and state programs for the year ended June 30, 2020. The Town of Dover School District'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 Dover School District'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 *New Jersey State Aid/Grant Compliance Supplement*, and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. Those standards and the Uniform Guidance 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 Dover School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Town of Dover School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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


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

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

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

Report on Schedules of Expenditures of Federal and State Awards Required by the Uniform Guidance and New Jersey OMB's Circular 15-08

We have audited the financial statements of the Board of Education of the Town of Dover School District as of and for the year ended June 30, 2020, and have issued our report thereon dated January 20, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
January 20, 2021

DOVER BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Schedule A

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 June 30, 2019	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020		
					From	To							Receivable)	Deferred Inflows	Due to Grants)
U.S. Department of Education:															
Pass-Through State Department of Education:															
Special Revenue Fund:															
Title I-Part A-Improving Basic Programs	84.010A	S010A180030	ESSA111018	1,735,868.00	8/1/2018	8/31/2019	\$ (277,832.00)	\$ -	\$ 378,608.00	\$ -	\$ -	\$ -	1,177.00	\$ -	
Title I-Reallocated	84.010A	S010A180030	ESSA111020	\$ 58,931.00	8/1/2018	8/1/2020	-	-	8,358.00	(58,931.00)	-	-	(52,535.00)	-	
Title I-Part A	84.010	S1010A190030	ESSA111020	\$ 1,591,553.00	7/1/2019	9/30/2020	-	-	652,123.00	(1,591,553.00)	-	-	(939,431.00)	-	
Title II-Part A-Improving Teacher Quality	84.387A	S387A180029	ESSA111018	117,298.00	9/1/2018	8/31/2019	(16,418.00)	-	16,418.00	-	-	-	-	-	
Title II-Part A-Improving Teacher Quality	84.387A	S387A180029	ESSA111020	84,578.00	7/1/2019	9/30/2020	-	-	-	(104,997.06)	-	-	(104,997.06)	-	
Title II-English Language Acquisition	84.385A	S385A180030	ESSA111018	79,500.00	8/1/2018	8/31/2019	(24,817.00)	-	24,821.00	-	-	-	-	-4.00	
Title II-English Language Acquisition	84.385A	S385A180030	ESSA111020	84,178.00	7/1/2019	9/30/2020	-	-	8,447.00	(17,808.16)	-	-	(11,482.16)	-	
Emergency Immigrant Education	84.385A	S385A180030	ESSA111018	23,773.00	8/1/2018	8/31/2018	(8,854.00)	-	8,854.00	-	-	-	-	-	
Emergency Immigrant Education	84.385A	S385A180030	ESSA111020	22,871.00	7/1/2019	9/30/2020	-	-	803.00	(9,000.03)	-	-	(8,197.03)	-	
Title IV-Part A-Student Support and Academic Enrich	84.021A	S421A180031	ESSA111018	29,999.00	8/1/2018	8/31/2018	(7,498.00)	-	7,498.00	-	-	-	-	-	
I.D.E.A. Part B, Basic Regular	84.027A	H027A180100	IDEA111018	804,865.00	8/1/2018	8/31/2019	(169,388.00)	-	199,398.00	-	-	-	-	-	
I.D.E.A. Part B, Basic Regular	84.027A	H027A190100	IDEA111020	788,064.00	7/1/2019	9/30/2020	-	-	681,506.00	(783,841.12)	-	-	(82,132.12)	-	
I.D.E.A. Part B, Preschool	84.1173	H173A190114	IDEA111020	18,708.00	7/1/2019	9/30/2020	-	-	11,187.00	(16,708.00)	-	-	(5,518.00)	-	
CARES Emergency Relief Grant	84.4250-	S4250200027		1,197,831.00	3/13/2020	9/30/2022	-	-	-	-	-	-	-	-	
Total Special Revenue Fund							(832,515.00)	-	1,992,160.00	(2,882,737.40)	-	-	(1,204,273.40)	1,181.00	
Enterprise Fund:															
National School Lunch Program	10.555	191NJ304N1099	N/A	1,132,226.40	7/1/2018	8/30/2018	(90,814.28)	-	90,814.28	-	-	-	-	-	
National School Lunch Program	10.555	201NJ304N1099	N/A	877,335.46	7/1/2019	8/30/2020	-	-	850,076.39	(877,335.46)	-	-	(27,265.07)	-	
National School Lunch Program	10.555	201NJ304N1099	N/A	20,295.87	7/1/2019	8/30/2020	-	-	19,738.44	(20,295.87)	-	-	(56.43)	-	
School Breakfast Program	10.553	191NJ304N1099	N/A	158,884.54	7/1/2018	8/30/2019	(14,899.17)	-	14,899.17	-	-	-	-	-	
School Breakfast Program	10.553	201NJ304N1099	N/A	389,989.88	7/1/2019	8/30/2020	-	-	370,840.20	(389,989.88)	-	-	(19,348.48)	-	
Special Milk Program	10.556	191NJ304N1099	N/A	1,444.41	7/1/2018	8/30/2019	(130.13)	-	253.13	-	-	-	(123.00)	-	
Food Distribution Program	10.555	191NJ304N1099	N/A	57,821.38	7/1/2019	8/30/2020	-	-	80,029.14	(57,821.38)	-	-	-	2,207.78	
Total Enterprise Fund							(105,943.58)	-	1,408,545.75	(1,342,595.37)	-	-	(44,170.98)	2,207.78	
Total Federal Financial Awards							\$ (738,456.58)	\$ -	\$ 3,398,705.75	\$ (3,905,302.77)	\$ -	\$ -	\$ (1,248,444.38)	\$ 3,388.78	

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

DOVER BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Schedule B

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2019		Cash Received	Budgetary Expenditures Pass-Through Funds	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2020			Memo		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					Carryover/ (Walkover) Amount	Intergovernmental (Accounts Receivable)	Deferred Inflows/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:																
General Fund:																
Equalization Aid	20-495-034-5120-078	\$ 26,204,578.00	7/1/2019	6/30/2020	\$ -	\$ -	\$ -	\$ 26,204,578.00	\$ (26,204,578.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,623,788.28)	\$ 26,204,578.00
Transportation Aid	20-495-034-5120-014	413,123.00	7/1/2019	6/30/2020	-	-	-	413,123.00	(413,123.00)	-	-	-	-	-	(41,480.08)	413,123.00
Special Education Categorical Aid	20-495-034-5120-089	2,765,706.00	7/1/2019	6/30/2020	-	-	-	2,765,706.00	(2,765,706.00)	-	-	-	-	-	(277,693.86)	2,765,706.00
Security Aid	20-495-034-5120-084	1,433,096.00	7/1/2019	5/30/2020	-	-	-	1,433,096.00	(1,433,096.00)	-	-	-	-	-	(143,691.63)	1,433,096.00
Extraordinary Special Education Costs Aid	19-100-034-5120-473	432,191.00	7/1/2019	6/30/2019	(432,191.00)	-	-	-	-	-	-	-	-	-	-	-
Extraordinary Special Education Costs Aid	20-100-034-5120-473	765,637.00	7/1/2019	6/30/2020	-	-	-	-	(765,637.00)	-	-	-	-	-	-	765,637.00
On-Behalf Contributions:																
TPAF - Pension Contributions	20-495-034-5094-002	3,950,933.00	7/1/2019	6/30/2020	-	-	-	3,950,933.00	(3,950,933.00)	-	-	-	-	-	-	3,950,933.00
TPAF - Long-Term Disability Contribution	20-495-034-5094-004	3,659.00	7/1/2019	6/30/2020	-	-	-	3,659.00	(3,659.00)	-	-	-	-	-	-	3,659.00
TPAF - Post Retirement Medical Contribution	20-495-034-5094-001	1,465,723.00	7/1/2019	6/30/2020	-	-	-	1,465,723.00	(1,465,723.00)	-	-	-	-	-	-	1,465,723.00
Reimbursed TPAF Social Security Contribution	19-495-034-5095-003	1,414,856.80	7/1/2019	6/30/2019	(73,742.10)	-	-	73,742.10	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	1,440,275.35	7/1/2019	6/30/2020	-	-	-	1,364,517.95	(1,440,275.35)	-	-	(75,757.40)	-	-	-	1,440,275.35
Total General Fund					(505,933.10)	-	-	38,107,268.05	(38,482,730.35)	-	-	(861,394.40)	-	-	(3,088,864.85)	38,482,730.35
Special Revenue Funds:																
Preschool Aid	19-495-34-5120-46	255,375.00	7/1/2017	6/30/2018	3,093.32	-	-	-	-	-	-	-	-	-	-	-
Preschool Aid	19-495-34-5120-46	1,020,580.66	7/1/2019	6/30/2020	-	-	-	1,461,187.00	(1,133,068.52)	-	-	-	328,117.48	-	(146,712.14)	1,461,187.00
School Based Youth Services	1630-100-016-1630-013	257,859.00	7/1/2018	6/30/2017	-	12,504.00	-	-	-	-	-	-	-	12,504.00	-	-
School Based Youth Services	1630-100-016-1630-013	283,395.25	7/1/2017	6/30/2016	-	3,304.95	-	-	-	-	-	-	-	3,304.65	-	-
School Based Youth Services	1630-100-016-1630-013	275,859.00	7/1/2016	6/30/2019	-	2,763.00	-	-	-	-	-	-	-	2,763.00	-	-
School Based Youth Services	1630-100-016-1630-013	190,491.59	7/1/2019	6/30/2020	-	-	88,967.00	(214,870.27)	-	-	(145,903.27)	-	-	-	-	214,870.27
Advanced Computer Science	19-CZ01-G06	63,090.00	7/1/2016	6/30/2019	(49,541.00)	-	49,541.00	-	-	-	-	-	-	-	-	-
Advanced Computer Science	19-CZ01-G06	795.00	7/1/2019	6/30/2020	-	-	-	(785.00)	-	-	(785.00)	-	-	-	-	795.00
Total Special Revenue Fund					(46,447.68)	18,571.95	-	1,579,695.00	(1,346,734.79)	-	-	(146,696.27)	328,117.48	21,665.27	(146,712.14)	1,679,945.59
Enterprise Fund:																
State School Lunch Program	19-100-010-3350-023	20,680.25	7/1/2018	6/30/2019	(1,639.60)	-	-	1,638.80	-	-	-	-	-	-	-	-
State School Lunch Program	20-100-010-3350-023	15,790.29	7/1/2019	6/30/2020	-	-	-	15,343.10	(15,780.29)	-	-	(437.19)	-	-	-	15,780.29
Total Enterprise Fund					(1,639.60)	-	-	16,983.00	(15,780.29)	-	-	(437.19)	-	-	-	15,780.29
Total State Financial Assistance					\$ (554,020.68)	\$ 18,571.95	\$ -	\$ 39,703,947.05	\$ (39,927,245.43)	\$ -	\$ -	\$ (1,006,529.86)	\$ 328,117.48	\$ 21,665.27	\$ (3,233,566.98)	\$ 40,158,456.23
Less:																
On-Behalf Pension System Contributions:								\$ 3,950,933.00								
On-Behalf TPAF Pension Contributions:								1,465,723.00								
On-Behalf TPAF Post-Retirement Medical Contributions:								3,659.00								
On-Behalf TPAF Long-Term Disability Contributions:								5,420,315.00								
Total - Major Program Determination for State Financial Assistance								\$ (34,406,930.43)								

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

TOWN OF DOVER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2020

1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Town of Dover School District. The School District is defined in Note 1(A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed-through other government agencies is included on the Schedule of Federal Awards and State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State 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 2 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(6,463.00) for the general fund and \$(68,145.63) for the special revenue fund. See Note 2 (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 presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 7,168,635.89	\$ 7,168,635.89
Special Revenue Fund	310,522.14	380,003.15	690,525.29
Debt Service	<u> </u>	<u>99,741.00</u>	<u>99,741.00</u>
Totals	<u>\$ 310,522.14</u>	<u>\$ 7,648,380.04</u>	<u>\$ 7,958,902.18</u>

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.

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2019.

6. OTHER

The amount reported as TPAF Post-Retirement Medical Benefit Contributions, Teacher's Pension Contributions and Noncontributory Insurance Contributions represents the amounts paid directly by the State On-Behalf of the District for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-Behalf State Programs for TPAF Pensions, Noncontributory Insurance and Post-Retirement Medical Benefits Contributions are not subject to a State single audit. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

8. DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TOWN OF DOVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

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 √ No
- 2) Significant deficiencies identified? _____ Yes √ None Reported

Noncompliance material to basis financial statements noted? _____ Yes √ No

Federal Awards Section

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000.00

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

Internal control over major programs:

- 1) Material weakness(es) identified? _____ Yes √ No
- 2) Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes √ None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ Yes √ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.010	S010A190030	Title I - Grant to Local Education Agencies
10.555	201NJ304N1099	Child Nutrition Cluster:
84.027A	H027A190100	National School Lunch Program
		IDEA Part B

**TOWN OF DOVER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)**

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

State Awards Section

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000.00

Auditee qualified as low-risk auditee?

 √ Yes No

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

Unmodified

Internal control over major programs:

1) Material weakness(es) identified?

 Yes √ No

2) Significant deficiency(ies) identified that are not considered to be material weaknesses?

 Yes √ None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letters 15-08 and 04-04?

 Yes √ No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
20-495-034-5120-089	Categorical Special Education
20-495-034-5120-078	Equalization Aid
20-495-034-5094-003	TPAF Social Security
20-495-034-5120-084	Security Aid

Section II - Financial Statement Findings

NONE

Section II - Financial Statement Findings

No financial statement findings that are required to be reported under *Government Auditing Standards*.

Section III - State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs for state financial assistance.

**TOWN OF DOVER SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2020**

There were no prior years' findings.

