

CORRECTED

**SCHOOL DISTRICT
OF
TOWNSHIP OF DENNIS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Township of Dennis Board of Education

Dennis, New Jersey

For the Fiscal Year Ended June 30, 2021

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Township of Dennis Board of Education

Dennis, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Township of Dennis Board of Education

Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF DENNIS BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS

<u>SECTION</u>	<u>Page</u>	<u>INTRODUCTORY</u>
Letter of Transmittal		1-4
Organizational Chart		5
Roster of Officials		6
Consultants and Advisors		7
 <u>FINANCIAL SECTION</u>		
Independent Auditor's Report		8-10
Required Supplementary Information - Part I Management's Discussion and Analysis (Unaudited)		11-18
 Basic Financial Statements		
A. District-wide Financial Statements:		
A-1 Statement of Net Position		19
A-2 Statement of Activities		20
B. Fund Financial Statements:		
Governmental Funds:		
B-1 Balance Sheet		21
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances		22
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		23
Proprietary Funds:		
B-4 Statement of Net Position		24
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position		25
B-6 Statement of Cash Flows		26
Fiduciary Funds:		
B-7 Statement of Fiduciary Net Position		N/A
B-8 Statement of Changes in Fiduciary Net Position		N/A
Pages 27-28 Not Used		
Notes to the Financial Statements		29-56

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF DENNIS BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS
(Page 2)**

<u>FINANCIAL SECTION</u> (continued)	<u>Page</u>
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedule: (Unaudited)	
C-1 Budgetary Comparison Schedule – General Fund	57-62
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (if applicable)	N/A
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	63
Notes to the Required Supplementary Information – Part II	
C-3 Budget-to-GAAP Reconciliation	64
Required Supplementary Information – Part III (Unaudited)	
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	65
L-2 Schedule of District Contributions – PERS	66
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	67
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	68
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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF DENNIS BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS
(Page 3)**

<u>FINANCIAL SECTION</u> (continued)	<u>Page</u>
Other Supplementary Information	
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	69-70
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	70A
F. Capital Projects Fund:	
F-1 Summary Schedule Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balances, and Project Status – Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	N/A
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-3 Combining Schedule of Cash Flows	N/A
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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF DENNIS BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS
(Page 4)**

<u>FINANCIAL SECTION (continued)</u>	<u>Page</u>
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	75
I-2 Schedule of Obligations under Capital Leases	76
I-3 Debt Service Fund Budgetary Comparison Schedule	77
 <u>STATISTICAL SECTION (Unaudited)</u>	
Introduction to the Statistical Section	
Financial Trends Information	
J-1 Net Position by Component	78
J-2 Changes in Net Position	79
J-3 Fund Balances - Governmental Funds	80
J-4 Changes in Fund Balances, Governmental Funds	81
J-5 General Fund Other Local Revenue By Source	82
Revenue Capacity Information	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	83
J-7 Direct and Overlapping Property Tax Rates	84
J-8 Principal Property Taxpayers*	85
J-9 Property Tax Levies and Collections	86
Debt Capacity Information	
J-10 Ratios of Outstanding Debt by Type	87
J-11 Ratios of General Bonded Debt Outstanding	88
J-12 Direct and Overlapping Governmental Activities Debt	89
J-13 Legal Debt Margin Information	90
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	91
J-15 Principal Employers	92
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	93
J-17 Operating Statistics	94
J-18 School Building Information	95
J-19 Schedule of Required Maintenance Expenditures by School Facility	96
J-20 Insurance Schedule	97

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF DENNIS BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS
(Page 5)**

SINGLE AUDIT SECTION

K-1	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	98-99
	Report on Internal Control over Compliance; and Report on Schedule of Expenditures Required by the Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular Letter 15-08	100-101
K-3	Schedule of Expenditures of Federal Awards, Schedule A	102
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	103
K-5	Notes to Schedules of Expenditures of Federal and State Awards	104-105
K-6	Schedule of Findings and Questioned Costs - Summary of Auditor's Results and Financial Statement Federal Awards and State Financial Assistance	106-110
K-7	Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management	111

INTRODUCTORY SECTION

DENNIS TOWNSHIP

PAIGE SHARP-RUMAKER
Business Administrator/Board Secretary



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

SCHOOL DISTRICT

January 31, 2022

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Township of Dennis Board of Education for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with a June enrollment of 602 students, which is 28 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2020-21	602	4.88%
2019-20	574	2.87%
2018-19	558	.90%
2017-18	553	1.84%
2016-17	543	-0.18%

2. ECONOMIC CONDITION AND OUTLOOK:

The Dennis Township area has seen slight residential growth as well as a little commercial or industrial growth. Any proposed commercial/industrial properties may provide tax base growth; however, current regulatory restrictions limit the size, scope and timing of any such initiatives to stabilize tax rates. Existing property owners will continue to bear a higher portion of the school costs while the short-term status of the United States and New Jersey economy remains uncertain. Due to the new S-2 legislation we will be looking at major cuts in our state funding which will need to be addressed sooner rather than later. This has and will continue to shift an additional cost burden to the local taxpayers, The District will continue to seek OE.3W sources of revenue and focus on cost containment.

3. MAJOR INITIATIVES:

Our students along with many others throughout the country have had two disrupted educational years. This year we hope to address the learning losses our students have experienced. To accomplish this, we have added four Acceleration Teachers to our staff. These teachers will work with our classroom teachers to target struggling students and bridge gaps in Math and Language Arts. Our newly hired Supervisor of Curriculum & Instruction and Special Services is helping us to take a close look at our curriculum and materials. With her focus, we hope to bring our programs up to optimal levels. In addition, the new supervisor will use her curriculum expertise to assist our teachers in providing an appropriate educational experience for our students. Teachers will learn from her skills to differentiate in their classrooms. This will help us reach all types of learners.

A new important learning opportunity included the Summer Learning Academy. Students attended for four weeks last summer and the program will be run again in 2022. Both Language Arts and math were taught each day. Language Arts classes included direct instruction, skill-based lessons, vocabulary work, and writing. Math classes included standards based lessons, manipulatives, and skill building games. Teachers worked to prepare students in grade K-7 for their coming school year.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GMP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived; and
- (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. INDEPENDENT AUDIT:

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

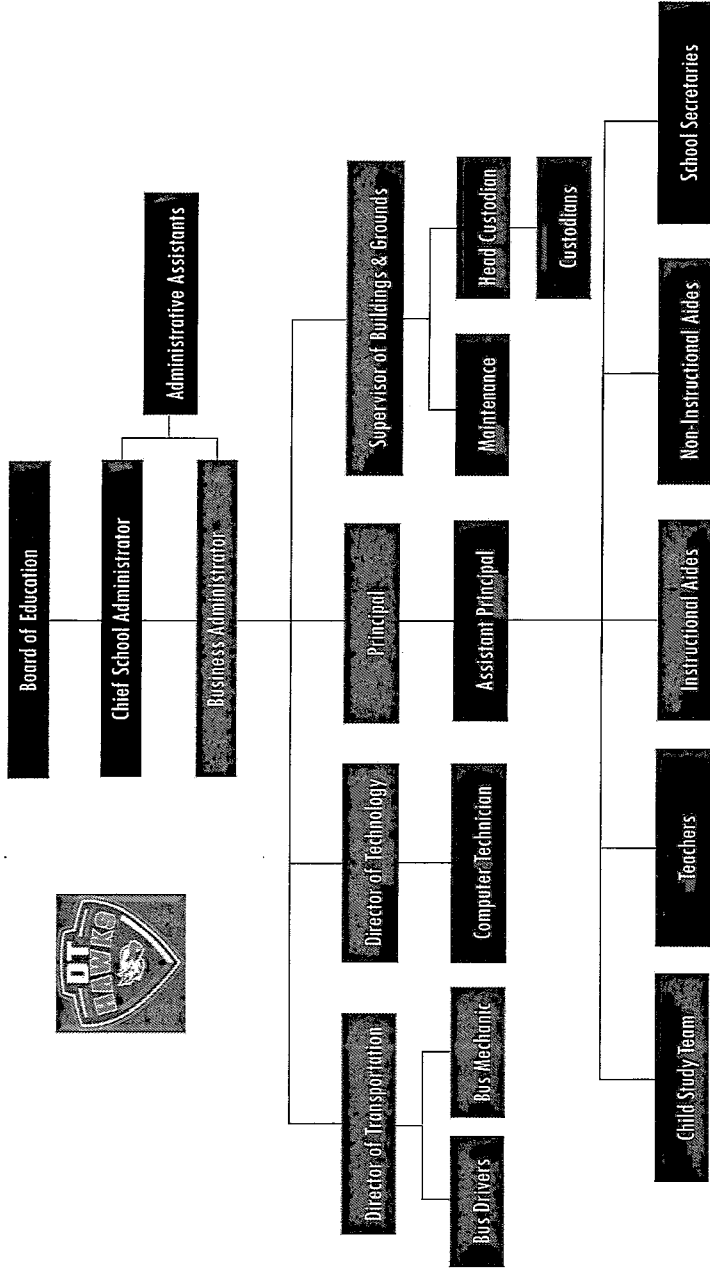
10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

Paige Sharp-Rumaker

Paige Sharp-Rumaker
Business Administrator/ Board Secretary



TOWNSHIP OF DENNIS BOARD OF EDUCATION

COUNTY OF CAPE MAY, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Nichol Hoff - President	2023
Mary Kate Garry - Vice President	2022
Claudia Miller	2023
Jamie Burrows	2023
Jeffrey Trout	2021
Jeanne Donohue	2022
Mariam Khan	2021
Josepha Penrose (From January 2020)	2022
Tami Kern (sworn in January 5, 2021)	2021
<u>Other Officials</u>	
Susan S. Speirs, Superintendent	
Paige Sharp-Rumaker, Business Administrator	
Kelly Brazelton, Treasurer	
William Donio, Solicitor	

TOWNSHIP OF DENNIS BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Sturdy Savings and Loan
1224 Route 47
Dennisville, NJ 08214

INSURANCE

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

Conner Strong
PO Box 358
Bridgeton, NJ 08302

Utica National Insurance
PO Box 6532
Utica, NY 13504

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

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Dennis Township School District in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Dennis Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Dennis Township Board of Education in the County of Cape May, State of New Jersey, as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 21 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of the Dennis Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Dennis Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Dennis Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
January 31, 2022

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

The discussion and analysis of Dennis Township School District's financial performance provide an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

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

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position increased \$1,080,917, which represents a 12.6% increase from 2020.
- General revenues accounted for \$19,934,050 in revenue or 91.1% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,936,298 or 8.9% of total revenues of \$21,870,348, which excludes the transfer to a charter school of \$50,448.
- Total assets amounted to \$15,057,931, comprised \$3,571,163 in cash, capital Assets of \$10,610,987, receivables & other assets of \$344,192 and deferred outflows of resources of \$531,589. Other assets was made up of \$334,551 in receivables and inventory of \$9,641.
- The School District had \$20,738,983 in expenses, of which \$1,936,298 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid of \$19,687,036) were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$17,341,035 in revenues and \$15,997,371 in expenditures.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

Reporting the School District as a Whole

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Changes in Net Position answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Funds

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's Governmental Activities net position for 2021 and 2020.

		Table 1	
		Net Position	
		2021	2020
Assets			
Current and Other Assets	\$	3,877,788	\$ 2,987,115
Capital Assets		10,578,082	10,870,336
Total Assets		14,455,870	13,857,451
 Deferred Outflows of Resources			
Loss on Refunding Bonds		7,705	25,617
Deferred Outflows Related to Pensions		523,884	678,011
Total Deferred Outflows		531,589	703,628
 Liabilities			
Long-Term Liabilities		3,432,930	3,777,269
Other Liabilities		680,261	1,013,325
Total Liabilities		4,113,191	4,790,594
 Deferred Outflows of Resources			
Deferred Outflows Related to Pensions		1,451,592	1,513,024
 Net Position			
Net Investment in Capital Assets		10,218,119	10,047,813
Restricted		3,140,836	2,220,075
Unrestricted		(3,936,279)	(4,010,427)
Total Net Position	\$	9,422,676	\$ 8,257,461

The District's Governmental Activities net position of \$9,422,676 on June 30, 2021, was an increase of \$1,165,215 or 14.1% from the prior year.

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

Table 2 shows changes in net position for fiscal years 2021 and 2020.

**Table 2
Changes in Net Position**

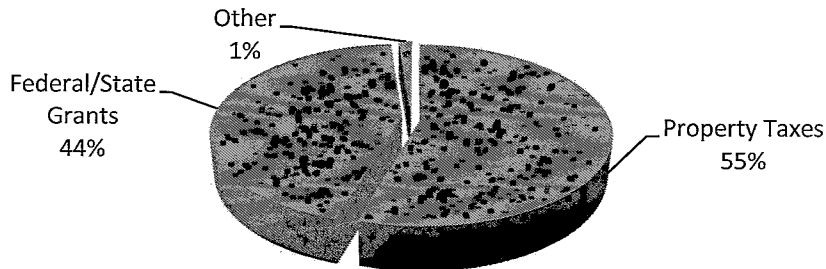
	2021	2020
Revenues		
Program Revenues:		
Charges for Services	\$ 61,340	\$ 155,187
Operating Grants and Contributions	1,874,958	1,171,238
General Revenues:		
Property Taxes	10,868,623	10,610,623
Grants and Entitlements	8,818,413	8,144,933
Other	247,014	351,934
Total Revenues	21,870,348	20,433,915
 Program Expenses		
Instruction	9,674,239	8,917,866
Support Services:		
Tuition	3,758,248	4,000,754
Related Services - Pupils and Instructional Staff	2,405,083	2,123,213
General Administration, School Administration	1,266,062	1,509,777
Central Operations and Maintenance	2,134,566	1,534,189
Pupil Transportation	1,271,476	1,031,753
Interest on Debt	37,653	98,587
Food Service	165,133	144,554
Community Education Program	26,523	95,086
Total Expenses	20,738,983	19,455,779
Excess of Revenues over Expenditures	1,131,365	978,136
Less:		
Transfer to Charter School	(50,448)	(13,188)
Fixed Asset Adjustment		(4,862)
Increase (Decrease) in Net Position	\$ 1,080,917	\$ 960,086

Governmental Activities

Property taxes made 54.5% of revenues for governmental activities for the Dennis Township School District for fiscal year 2020. The District's total revenues were \$19,934,043 for the year ended June 30, 2021. Federal, state, and local grants accounted for another 44.2% of revenue.

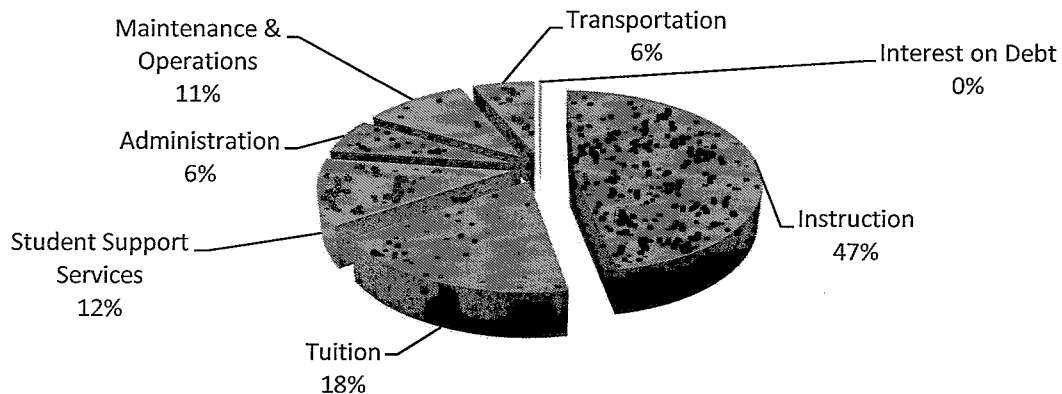
**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

Revenue for Fiscal year 2021



The total cost of all program and services was \$20,738,983, of which \$20,547,327 were for governmental activities. The distribution of governmental activity expenditures is as follows:

Expenses for Fiscal Year 2021



Business-Type Activities

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

- Food service revenues exceeded expenses by \$7,234 and Community Education expenses exceeded revenues by \$9,262.
- Charges for food services represent \$317 of revenue. This represents amounts paid by patrons for daily food service. Charges for Community Education represent \$17,261 of revenue. This represents amounts paid by patrons for daycare services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$172,050.

Governmental Activities

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

Table 3

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Instruction	\$ 9,674,239	\$ 8,470,012	\$ 8,917,866	\$ 8,161,451
Support Services:				
Tuition	3,758,248	3,758,248	4,000,754	4,000,754
Pupils and Instructional Staff	2,405,083	1,862,640	2,123,213	1,799,999
General & School Administration	1,266,062	1,266,062	1,509,777	1,509,777
Plant Operation & Maint of Facilities	2,134,566	2,134,566	1,534,189	1,534,189
Pupil Transportation	1,271,476	1,271,476	1,031,753	1,031,753
Interest and Fiscal Charges	37,653	37,653	98,587	98,587
Total Expenses	<u>\$ 20,547,327</u>	<u>\$ 18,800,657</u>	<u>\$ 19,216,139</u>	<u>\$ 18,136,510</u>

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

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

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

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

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

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

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

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$19,711,372 expenditures were \$18,741,018. The increase in fund balance for the year was \$919,906.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

Revenue	Amount	Percent of Total	Increase (Decrease) from 2020	Percent of Increase (Decrease)
Local Sources	\$ 11,225,712	57%	\$ 223,186	2%
State Sources	7,687,451	39%	(234,189)	-3%
Federal Sources	798,209	4%	279,332	48%
Total \$	<u>19,711,372</u>	<u>100%</u>	<u>\$ 268,329</u>	<u>1.42%</u>

The following schedule represents a summary of the general fund, special revenue fund, capital projects and debt service fund expenditures for the fiscal year ended June 30, 2021, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2020	Percent of Increase (Decrease)
Current Expense:				
Instruction	\$ 5,207,984	28%	\$ (7,962)	0%
Undistributed Expenditures	12,529,594	67%	107,024	1%
Capital Outlay	566,302	3%	(187,115)	-26%
Debt Service	437,138	2%	(19,174)	-4%
Total \$	<u>18,741,018</u>	<u>100%</u>	<u>\$ (107,227)</u>	<u>-1%</u>

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of the fiscal year 2021, the School District had \$10,610,987 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2021 balances compared to 2020.

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

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

	2021	2020
Land	\$ 518,653	518,653
Work in Progress	-	234,505
Building and Building Improvements	9,132,344	9,058,539
Machinery and Equipment	959,990	1,097,788
Total	10,610,987	10,909,485

Overall capital assets decreased by \$298,498 from fiscal year 2020 to fiscal year 2021. This increase was due depreciation of \$816,893, offset by additions of \$518,395 For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2021, the School District had \$3,691,684 of outstanding debt. Of this amount, \$439,948 is for compensated absences, \$149,963 for various capital leases, \$210,000 of serial bonds for school construction and \$2,891,773 of net pension liability.

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

	2021	2020
2010 Refunding Issue	\$ 210,000	625,000
Total	210,000	625,000

At June 30, 2021, the School District was within its legal debt margin of \$27,841,037 and the amount of debt available for future projects was \$27,631,037 or 99.25%.

For the Future

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

Contacting the School District's Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,077,036	\$ 4,405	\$ 1,081,441
Receivables, Net	311,030	23,521	334,551
Restricted Assets:			
Cash and Cash Equivalents	2,489,722		2,489,722
Inventory		9,641	9,641
Capital Assets, Net (Note 5):	10,578,082	32,905	10,610,987
Total Assets	<u>14,455,870</u>	<u>70,472</u>	<u>14,526,342</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	523,884		523,884
Loss on Refunding Bonds	7,705		7,705
Total Deferred Outflows of Resources	<u>531,589</u>		<u>531,589</u>
LIABILITIES			
Accounts Payable	178,363	230	178,593
Due to Grantor	36,470		36,470
Accrued Interest Payable	3,137		3,137
Unearned Revenue	203,537	16,146	219,683
Non-current Liabilities (Note 6):			
Due Within One Year	258,754		258,754
Due Beyond One Year	3,432,930		3,432,930
Total Liabilities	<u>4,113,191</u>	<u>16,376</u>	<u>4,129,567</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	1,451,592		1,451,592
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	10,218,119	32,905	10,251,024
Restricted for:			
Capital Reserve	1,114,760		1,114,760
Maintenance Reserve	1,052,659		1,052,659
Excess Surplus	651,114		651,114
Scholarships	10,276		10,276
Student Activities	62,027		62,027
Other Purposes	250,000		250,000
Unrestricted (Deficit)	(3,936,279)	21,191	(3,915,087)
Total Net Position	<u>\$ 9,422,676</u>	<u>\$ 54,096</u>	<u>\$ 9,476,772</u>

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 3,759,908	\$ 2,909,927	\$ -	\$ 1,204,227	\$ (5,465,608)	\$ -	\$ (5,465,608)
Special Education	1,282,366	1,474,761			(2,757,127)		(2,757,127)
Other Special Instruction	63,991	71,496			(135,487)		(135,487)
Other Instruction	54,159	57,631			(111,790)		(111,790)
Support Services:							
Tuition	3,758,248				(3,758,248)		(3,758,248)
Student & Instruction Related Services	1,384,149	1,020,934	43,762	498,681	(1,862,640)		(1,862,640)
General Administrative	396,906	223,347			(620,253)		(620,253)
School Administrative	302,698	343,111			(645,809)		(645,809)
Central and Technical Services	317,854	283,973			(601,827)		(601,827)
Plant Operations and Maintenance	1,112,055	420,684			(1,532,739)		(1,532,739)
Student Transportation	726,005	545,471			(1,271,476)		(1,271,476)
Unallocated Employee Benefits	6,540,686	(6,540,686)					
Interest Expense	37,653				(37,653)		(37,653)
Total Governmental Activities	19,736,678	\$ 810,649	43,762	1,702,908	(18,800,657)		(18,800,657)
Business-type Activities:							
Food Service	165,133		317	172,050		7,234	7,234
After School Program	26,523		17,261			(9,262)	(9,262)
Total Business-type Activities	191,656		17,578	172,050		(2,028)	(2,028)
Total Primary Government	\$ 19,928,334		\$ 61,340	\$ 1,874,958	\$ (18,800,657)	\$ (2,028)	\$ (18,802,685)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 10,868,623	\$ -	\$ 10,868,623
Federal, State and Local Aid Not Restricted					8,818,413		8,818,413
Miscellaneous Income					134,919		134,919
Tuition Received					3,330		3,330
Transportation					108,144		108,144
Investment Earnings					614	7	621
Transfers - To Charter School					(50,448)		(50,448)
Total General Revenues, Special Items, Extraordinary Items and Transfers					19,883,595	7	19,883,602
Change in Net Position					1,082,938	(2,021)	1,080,917
Net Position—Beginning					8,257,461	56,117	8,313,578
Prior Period Adjustment					82,277		82,277
Net Position—Beginning (Restated)					8,339,738	56,117	8,395,855
Net Position—Ending					\$ 9,422,676	\$ 54,096	\$ 9,476,772

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

DENNIS TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 609,718	\$ 523,896	\$	\$ 1,133,614
Cash and Cash Equivalents - Capital Reserve	1,114,760			1,114,760
Cash and Cash Equivalents -Maintenance Reserve	1,052,659			1,052,659
Cash and Cash Equivalents -Emergency Reserve	250,000			250,000
State Aid Receivable	135,593			135,593
Federal Aid Receivable		170,937		170,937
Other Accounts Receivable	4,500			4,500
Interfunds Receivable	510,206			510,206
Total Assets	\$ 3,677,436	\$ 694,833	\$	\$ 4,372,269
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 155,765	\$ 19,805	\$	\$ 175,570
Due to Grantor		36,470		36,470
Interfund Payable		494,481		494,481
Payroll Deductions and Withholdings Payable	2,793			2,793
Unearned Revenue	10,160	193,377		203,537
Total Liabilities	168,718	744,133		912,851
Fund Balances:				
Restricted For:				
Excess Surplus	176,520			176,520
Excess Surplus - Designated for Subsequent Year's Expenditures	474,594			474,594
Maintenance Reserve Account	802,659			802,659
Capital Reserve Account	830,760			830,760
Emergency Reserve	250,000			250,000
Scholarships		10,276		10,276
Student Activities		62,027		62,027
Assigned To:				
Year-End Encumbrances	17,563			17,563
Designated for Subsequent Year's Expenditures Capital Reserve	84,170			84,170
Designated for Subsequent Year's Expenditures Maintenance Reserve Account	284,000			284,000
Designated for Subsequent Year's Expenditures	250,000			250,000
Unassigned, Reported In:				
General Fund Balance (Deficit)	338,452			338,452
Special Revenue Fund Balance (Deficit)		(121,603)		(121,603)
Total Fund Balances (Deficit)	3,508,718	(49,300)		3,459,418
Total Liabilities and Fund Balances	\$ 3,677,436	\$ 694,833	\$	\$

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,464,179 and the accumulated depreciation is \$14,886,097 (See Note 5)	10,578,082
Deferred Outflow of Resources - Deferred Pension Contribution.	523,884
Deferred Inflows of Resources - Pension Actuarial Gains.	(1,451,592)
Long Term Net Pension Liability	(2,891,773)
Deferred Outflow of Resources - Deferred Amount on Refunding of Debt	7,705
Accrued Interest is not payable within the current year and therefore, not reported in the funds.	(3,137)
Long-term liabilities, including capital leases payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the Governmental funds (see Note 6).	(799,911)
Net Position of Governmental Activities	\$ 9,422,676

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

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 10,431,485		\$ 437,138	\$ 10,868,623
Tuition from Individuals	3,330			3,330
Transportation Fees from Other LEAS	108,144			108,144
Interest Earned on Capital Reserve Funds	289			289
Interest Earned on Maintenance Reserve Funds	325			325
Local Sources:		66,320		66,320
Miscellaneous	178,681			178,681
Total - Local Sources	10,722,254	66,320	437,138	11,225,712
State Sources	6,607,950	1,079,501		7,687,451
Federal Sources	10,831	787,378		798,209
Total Revenues	17,341,035	1,933,199	437,138	19,711,372
EXPENDITURES				
Current:				
Regular Instruction	2,603,241	1,204,227		3,807,468
Special Education Instruction	1,282,366			1,282,366
Other Special Instruction	63,991			63,991
Other Instruction	54,159			54,159
Support Services:				
Instruction - Tuition	3,758,248			3,758,248
Student & Instruction Related Services	885,468	498,681		1,384,149
General Administrative Services	396,906			396,906
School Administrative Services	302,698			302,698
Central Services	229,708			229,708
Admin Info Tech	88,146			88,146
Plant Operations and Maintenance	1,064,148			1,064,148
Student Transportation	726,005			726,005
Unallocated Employee Benefits	4,293,353	286,233		4,579,586
Capital Outlay	248,934	317,368		566,302
Debt Service:				
Principal			415,000	415,000
Interest			22,138	22,138
Total Expenditures	15,997,371	2,306,509	437,138	18,741,018
Excess (Deficiency) of Revenues Over Expenditures	1,343,664	(373,310)		970,354
OTHER FINANCING SOURCES (USES)				
Transfers to Charter School	(50,448)			(50,448)
Transfers to Preschool Program	(304,008)	304,008		
Total Other Financing Sources and Uses	(354,456)	304,008		(50,448)
Net Change in Fund Balances	989,208	(69,302)		919,906
Fund Balance—July 1 (Deficit)	2,519,510	(62,275)		2,457,235
Prior Period Adjustment		82,277		82,277
Fund Balance, July1 (Restated)	2,519,510	20,002		2,539,512
Fund Balance, June 30 (Deficit)	\$ 3,508,718	\$ (49,300)	\$	\$ 3,459,418

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

DENNIS TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 919,906

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

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

	Depreciation Expense	\$ (810,649)	
	Capital Outlays	518,395	
			(292,254)

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

	Bonds	415,000	
	Capital Lease Payments	47,560	

Governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items

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

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

(202,085)

In the Statement of Activities, interest on Long-term Debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due.

2,396

Capital Leases issued during the year are not a revenue on the Statement of Activities

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

210,327

Governmental Activities (A-2) **\$ 1,082,938**

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

PROPRIETARY FUNDS

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-type Activities - Enterprise Funds		
	Major Fund Food Service	Non-major Fund Community Education	Totals
ASSETS			
Current Assets:			
Cash	\$ 8,773	\$ 11,357	\$ 20,130
Accounts Receivable			
State Aid	1,428		1,428
Federal Aid	18,531		18,531
Other	2,079	1,483	3,562
Inventory	9,641		9,641
Total Current Assets	40,452	12,840	53,292
Non-current Assets			
Fixed Assets:			
Furniture, Machinery and Equipment	238,782		238,782
Less Accumulated Depreciation	(205,877)		(205,877)
Total Fixed Assets	32,905		32,905
Total Assets	73,357	12,840	86,197
LIABILITIES:			
Current Liabilities:			
Interfund Payable	15,725		15,725
Accounts Payable		230	230
Unearned Revenue	10,431	5,715	16,146
Total Current Liabilities	26,156	5,945	32,101
NET POSITION:			
Invested in Capital Assets Net of net of Related Debt	32,905		32,905
Unrestricted	14,296	6,895	21,191
Total Net Position	\$ 47,201	\$ 6,895	\$ 54,096

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

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Fund		
	Major Fund Food Service	Non-major Fund Community Education	Total Enterprise
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 317	\$	\$ 317
Daily Sales - Non-Reimbursable Programs			
Program Fees		17,261	17,261
Other Income			
Total Operating Revenue:	317	17,261	17,578
OPERATING EXPENSES:			
Cost of Sales - Reimbursable Programs	57,696		57,696
Cost of Sales - Non Reimbursable Programs			
Salaries and Benefits	64,569	24,426	88,995
Management Fees	17,500		17,500
Other Purchased Services	2,188	1,690	3,878
General Supplies	8,125	407	8,532
Other Costs	8,811		8,811
Depreciation	6,244		6,244
Total Operating Expenses	165,133	26,523	191,656
Operating Income (Loss)	(164,816)	(9,262)	(174,078)
NON-OPERATING REVENUES:			
State Sources:			
State School Lunch Program	5,648		5,648
Federal Sources:			
National School Lunch Program	102,760		102,760
National School Breakfast Program	48,506		48,506
Food Distribution Program	15,136		15,136
Interest Income	1	6	7
Total Non-operating Revenues (Expenses)	172,051	6	172,057
Income (Loss) Before Contributions & Transfers	7,235	(9,256)	(2,021)
Change in Net Position	7,235	(9,256)	(2,021)
Total Net Position—Beginning	39,966	16,151	56,117
Total Net Position—Ending	\$ 47,201	\$ 6,895	\$ 54,096

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

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities		
	Enterprise Funds		
	Major Fund	Non-Major Fund	Total
	Food	Community	Enterprise
	Service	Education	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 317	\$ 17,261	\$ 17,578
Payments to Employees	(64,569)	(24,426)	(88,995)
Payments to Suppliers	(89,048)	(1,868)	(90,916)
Net Cash Provided by (used for) Operating Activities	<u>(153,300)</u>	<u>(9,033)</u>	<u>(162,333)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	5,648		5,648
Federal Sources	151,266		151,266
Board Subsidy			
Net Cash Provided by (used for) Non-capital Financing Activities	<u>156,914</u>		<u>156,914</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets			
Net Cash Provided by (used for) Capital and Related Financing Activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	1	6	7
Net Cash Provided by (used for) Investing Activities	<u>1</u>	<u>6</u>	<u>7</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,615	(9,027)	(5,412)
Balances—Beginning of Year	5,158	20,384	25,542
Balances—End of Year	<u>\$ 8,773</u>	<u>\$ 11,357</u>	<u>\$ 20,130</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (164,816)	\$ (9,262)	\$ (174,078)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			
Depreciation and Net Amortization	6,244		6,244
Food Distribution Program	15,136		15,136
(Increase)/Decrease in Accounts Receivable, Net	(12,813)	0	(12,813)
(Increase)/Decrease in Inventory	3,713		3,713
Increase/(Decrease) in Accounts Payable		230	230
Increase/(Decrease) in Interfund Payable	0		
Increase/(Decrease) in Deferred Revenue	(764)	(1)	(765)
Total Adjustments	<u>11,516</u>	<u>229</u>	<u>11,745</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (153,300)</u>	<u>\$ (9,033)</u>	<u>\$ (162,333)</u>

Noncash Noncapital Financing Activities:

During the year, the District received \$14,475 of Food Commodities from the U. S. Department of Agriculture

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The School District has adopted the following GASB statements:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The adoption of GASB 84 will impact the financial statements of the School District.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of GASB 90 did not impact the financial statements of the School District.

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

- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

A. REPORTING ENTITY:

The Dennis Township School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The District operates a primary, elementary and middle school located in Dennis Township. Students in grades 9-12 attend Middle Township High School on a tuition basis. The Dennis Township School District had an enrollment at June 30, 2021, of 602 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS:

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

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

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

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS: (CONT'D)

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

C. BASIC FINANCIAL STATEMENTS- FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Debt service** funds are used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Fund Balances - Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

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

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Fund Balances - Governmental Funds (CONT'D)

Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

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

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

2. Proprietary Funds:

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

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

3. Fiduciary Funds:

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

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

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

D. BASIS OF ACCOUNTING

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

D. BASIS OF ACCOUNTING (CONT'D)

1. Accrual:

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

Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 1BA:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund. At June 30, 2021, the District had no investments.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

E. FINANCIAL STATEMENT AMOUNTS (CONT'D)

3. Inventories

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2021, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 7,761
Supplies	<u>1,880</u>
	<u>\$ 9,641</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The amount of Commodity Inventory at June 30, 2021 was \$6,046.

4. Capital Assets:

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

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

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

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue, are reported as reductions to expenses in the statement of activities.

6. Expenditures:

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

E. FINANCIAL STATEMENT AMOUNTS (CONT'D)

7. Compensated absences:

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

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

8. Interfund Activity:

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

9. Budgets/Budgetary Control

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

E. FINANCIAL STATEMENT AMOUNTS (CONT'D)

9. Budgets/Budgetary Control (CONT'D)

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

Instruction	\$ -16,470
Special Education	-19,772
Tuition	-62,986
Student Instruction & Related Services	39,692
Administration	12,662
Plant Operation & Maintenance	56,797
Transportation	21,698
Unallocated Employee Benefits	14,868
Capital Outlay	15,900
Transfer To Charter Schools	37,080

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.

10. Tuition Receivable

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

11. Tuition Payable

Tuition charges for the fiscal year 2020/2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

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

13. Allocation of Costs

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

14. Pensions

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 – CASH

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$3,630,902 of the government's bank balance of \$3,880,902 was exposed to custodial credit risk.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2021, consisted of accounts (other services) and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Statements</u>		<u>Governmental Wide Statements</u>
State Aid	\$ 135,593	\$	137,021
Federal Aid	170,937		189,468
Other	4,500		8,062
Interfunds	510,206		
Total Receivables, Net	<u>\$ 821,236</u>	\$	<u>334,551</u>

NOTE 4 - INTERFUND TRANSFERS AND BALANCES

The following interfund balances remained on the fund financial statements at June 30, 2021:

<u>Fund</u>		<u>Interfund Receivable</u>		<u>Interfund Payable</u>
General Fund	\$	510,206	\$	
Special Revenue Fund				494,481
Food Service Fund				15,725
Total	\$	<u>510,206</u>	\$	<u>510,206</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance 7/1/2020	Additions	Deletions/ Adjustment	Ending Balance 6/30/2021
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 518,653			518,653
Work In Progress	234,505		(234,505)	
Total capital assets not being depreciated	753,158		(234,505)	518,653
Capital assets being depreciated:				
Buildings and building improvements	18,388,802	120,159	234,505	18,743,466
Equipment	5,819,318	398,236	(15,494)	6,202,060
Total capital assets being depreciated at historical cost	24,208,120	518,395	219,011	24,945,526
Less accumulated depreciation for:				
Buildings and improvements	(9,330,263)	(280,859)		(9,611,122)
Equipment	(4,760,679)	(529,790)	15,494	(5,274,975)
Total Accumulated Depreciation	(14,090,942)	(810,649)	15,494	(14,886,097)
Total capital assets being depreciated, net of accumulated depreciation	10,117,178	(292,254)	234,505	10,059,429
Governmental activity capital assets, net \$	10,870,336	(292,254)	-	10,578,082
Business-Type Activities:				
Capital assets being depreciated:				
Equipment	238,782			238,782
Less accumulated depreciation	(199,633)	(6,244)		(205,877)
Enterprise Fund capital assets, net	\$ 39,149	(6,244)	-	32,905

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 418,814
Special Instruction	132,157
Other Special Instruction	6,595
Other Instruction	5,581
Student & Instruction Related Services	142,646
Gen Administration Services	40,904
School Administrative Services	31,195
Business and Other Support Services	32,757
	<u>\$ 810,649</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 6 - LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2021, was as follows:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences	\$ 237,863	\$ 202,085	\$	\$ 439,948	\$
Capital Leases	197,523		47,560	149,963	48,754
Bonds Payable	625,000		415,000	210,000	210,000
Net Pension Liability	3,194,794		303,021	2,891,773	
	<u>\$ 4,255,180</u>	<u>\$ 202,085</u>	<u>\$ 765,581</u>	<u>\$ 3,691,684</u>	<u>\$ 258,754</u>

Bonds Payable:

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

Description of Bonds Payable

At June 30, 2021, bonds payable consisted of the following issues:

\$4,750,000 Refunding Bonds dated April 29, 2010, due in annual installments through April 1, 2022, bearing interest rates from 2.00% to 3.625%. The balance remaining as of June 30, 2021, is \$210,000.

On April 29, 2010, the District issued \$4,750,000 in Refunding School Bonds to advance refund \$4,476,000 of outstanding 2002 school bonds with an average interest rate of 3.14%. The net proceeds of \$4,673,861, including a premium on the bonds of \$10,124 and net of payments of \$18,905.00 in underwriting fees and \$67,358 of issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for part of future debt service payments until the call date (April 1, 2011) at which time the escrow will have sufficient funds to pay the principal of the 2002 bonds, when due.

Debt service requirements on serial bonds payable at June 30, 2021 are as follows:

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 210,000	\$ 7,613	\$ 217,613
	<u>\$ 210,000</u>	<u>\$ 7,613</u>	<u>\$ 217,613</u>

Capital Lease Payable:

As of June 30, 2021, the District has one open capital lease for technology equipment. Future minimum lease payments associated with this lease purchase are as follows:

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 48,754	\$ 3,764	\$ 52,518
2023	49,978	2,540	52,518
2024	51,231	1,287	52,518
	<u>\$ 149,963</u>	<u>\$ 7,591</u>	<u>\$ 157,554</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS

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

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2021 were 96,881. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2021 is 15.11% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2020, and 2019, were \$180,255 and \$200,873 respectively.

The total payroll for the year ended June 30, 2021 was \$7,086,580. Payroll covered by PERS was \$1,274,480 for fiscal year 2021.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System (CONT'D)

Components of Net Pension Liability - At June 30, 2021, the District's proportionate share of the PERS net pension liability was \$2,891,773. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020 was 0.017733% which was an increase of 0.000002% from its proportion measured as of June 30, 2019.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2021 PERS pension expense, with respect to GASB 68, was \$4,323. The District's 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,654	\$ 10,227
Changes of assumptions	93,812	1,210,813
Net difference between projected and actual earnings on pension plan investments	98,843	
Changes in proportion	77,658	230,552
Contributions subsequent to the measurement date	200,917	
Total	\$ 523,884	\$ 1,451,592

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

<u>Year</u>		<u>PERS</u>
2021	\$	(469,124)
2022		(347,409)
2023		(198,455)
2024		(96,194)
2025		(17,443)
Thereafter		
Total	\$	(1,128,625)

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System (CONT'D)

Additional Information - Collective Balances at June 30, 2021 and 2020 are as follows:

Year		2021		2020
Collective deferred outflows of resources	\$	523,884	\$	678,011
Collective deferred inflows of resources	\$	1,451,592	\$	1,513,024
Collective Net Pension Liability	\$	2,891,773	\$	3,194,794
District's Proportion		0.017733%		0.017731%

Actuarial Assumptions - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System (CONT'D)

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

Asset Class	PERS Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System (CONT'D)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>3,668,884</u>	\$ <u>2,891,773</u>	\$ <u>2,274,406</u>

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (CONT'D)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2021 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$1,348,780 to the TPAF for pension contributions, \$422,687 for post-retirement benefits on behalf of the School, and \$936 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$326,743 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2021, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2021, the District recognized pension expense of \$1,938,096 and revenue of \$1,938,096 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (CONT'D)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (CONT'D)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u> <u>(4.40%)</u>	<u>Current</u> <u>Discount</u> <u>(5.40%)</u>	<u>1% Increase</u> <u>(6.40%)</u>
State's Share of the Net Pension Liability associated with the District	\$ 36,689,733	\$ 31,166,994	\$ 26,706,644
State's Share of the Net Pension Liability	\$ <u>77,517,093,055</u>	\$ <u>65,993,498,688</u>	\$ <u>56,425,087,777</u>

Defined Contribution Retirement Program (DCRP)

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

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

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

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2021, employee contributions totaled \$25,411 and the District's employer contribution, recognized in pension expense, was \$14,006. There were no forfeitures during the fiscal year.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

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

Special Funding Situation

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2020, was \$67,809,962,608. Of this amount, the total OPEB liability attributable to the School District was \$38,116,811. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.05621%. The total OPEB liability for the School District measured as of June 30, 2020 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2020 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 4.45%	3.00% - 7.00%	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Discount rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

State of New Jersey	Total OPEB Liability
Balance as of June 30, 2019 Measurement Date	\$ <u>41,729,081,045</u>
Changes for the year:	
Service Cost	1,790,973,822
Interest	1,503,341,357
Changes of Benefit Terms	
Differences between Expected and Actual	11,544,750,637
Changes of Assumptions	12,386,549,981
Benefit Payments	35,781,384
Contributions from Members	<u>(1,180,515,618)</u>
Net Changes	<u>26,080,881,563</u>
Balance as of June 30, 2020 Measurement Date	\$ <u><u>67,809,962,608</u></u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	At 1.00% Decrease 2.50%	At Discount Rate 3.50%	At 1.00% Increase 4.50%
\$	81,748,410,002	67,809,962,608	56,911,439,160

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	54,738,488,540	67,809,962,608	83,375,182,975

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$1,802,712. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 5,787,125	\$ 5,154,965
Changes of Assumptions	6,483,544	4,349,344
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	-	1,078,160
Contributions Subsequent to the Measurement Date		
Total	<u>\$ 12,270,669</u>	<u>\$ 10,582,469</u>

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

<u>Measurement Period Ending June 30,</u>		<u>OPEB</u>
2021	\$	(130,379)
2022		(130,379)
2023		(130,379)
2024		(130,379)
2025		(130,379)
Thereafter		<u>2,340,095</u>
Total	\$	<u>1,688,200</u>

NOTE 9 - DEFERRED COMPENSATION

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - COMPENSATED ABSENCES

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, there was no liability for compensated absences in the Food Service Enterprise Fund.

NOTE 11 - MAINTENANCE RESERVE ACCOUNT

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

The activity of the Maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020		\$ 802,659
Deposits:		
Per Board Resolution	\$ 307,693	
Interest	325	
Total Deposits		308,018
		1,110,677
Withdrawals:		
In 2020-2021 Budget		58,018
Ending Balance, June 30, 2021		\$ 1,052,659

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 12 - EMERGENCY RESERVE ACCOUNT

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

The activity of the emergency reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance July 1, 2020	\$	125,000
Added:		
Resolution		125,000
Withdrawals:		
Per Budget		
Ending balance June 30, 2021	\$	<u>250,000</u>

NOTE 13 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Dennis Township Board of Education by inclusion of \$200,000.00 in the original 1999-2000 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1 (g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance July 1, 2020	\$	633,941
Deposits:		
Interest earnings	\$	289
Per Board Resolution		<u>612,530</u>
		612,819
		<u>1,246,760</u>
Withdrawals		132,000
Ending balance June 30, 2021	\$	<u>1,114,760</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 14 - RISK MANAGEMENT

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

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

NOTE 15 - COMMITMENTS

The District does not have any significant commitments as of June 30, 2021.

NOTE 16-CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 17 - FUND BALANCE APPROPRIATED

General Fund - Of the \$3,508,718 General Fund balance, at June 30, 2021, \$17,563 is assigned for encumbrances; \$651,114 is reserved as excess surplus in accordance with NJSA 18A:7F- 7 (\$474,594 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022), \$1,114,760 has been reserved in the Capital Reserve Account (\$284,000 of the total reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$250,000 has been reserved in the Emergency Reserve Account (none of the total reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$1,052,659 has been reserved in the Maintenance Reserve Account (\$250,000 of the total reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$84,170 has also been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2022) and \$338,452 is classified as a deficit in Unassigned Fund Balance.

NOTE 18 – ECONOMIC DEPENDENCY

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

NOTE 19 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance generated at June 30, 2021, is \$651,114, of which \$474,594 was budgeted in the 2021-2022 budget and \$176,520 is to be anticipated in the 2022-2023 budget.

NOTE 20 – LITIGATION

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 21 – PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year June 30, 2021. As part of this implementation, the Student Activities Fund and Scholarship Fund are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to the implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 Restated
Statement of Net Activities - Governmental Activities Net Position	\$ 8,257,461	\$ 82,277	\$ 8,339,738
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:			
General Fund	2,519,510	-	2,519,510
Special Revenue	(62,275)	82,277	20,002
Statement of Changes in Fiduciary Net Position - Fiduciary Funds:			
Student Activities	71,811	(71,811)	
Scholarship Fund	10,466	(10,466)	

NOTE 22 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that Occurred from June 30, 2021 through January 31, 2022, the date that all the financial statements were available to be issued for possible disclosure and recognition in the financial statements. No items have come to the attention of the District that would require disclosure.

End of Notes to Financial Statements

BUDGETARY COMPARISON SCHEDULES

**DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,431,485	\$	\$ 10,431,485	\$ 10,431,485	\$
Tuition from Individuals	18,500		18,500	3,330	(15,170)
Tuition from Other Governmental Sources Within the State	91,000		91,000		(91,000)
Transportation Fees From Individuals	1,000		1,000		(1,000)
Transportation Fees From Other LEAs	218,952		218,952	108,144	(110,808)
Interest Earned on Investments				406	406
Interest Earned on Capital Reserve	1,000		1,000	289	(711)
Interest Earned on Maintenance Reserve	1,000		1,000	325	(675)
Miscellaneous	144,030		144,030	178,275	34,245
Total - Local Sources	10,906,967		10,906,967	10,722,254	(184,713)
State Sources:					
Transportation Aid	653,808		653,808	653,808	
Special Education Aid	504,067		504,067	504,067	
Equalization Aid	1,063,893		1,063,893	1,063,893	
Security Aid	102,940		102,940	102,940	
Adjustment Aid	1,972,625		1,972,625	1,972,625	
Non-Public Transportation Aid				6,227	6,227
Extraordinary Aid				112,070	112,070
On-behalf Pension Contribution				1,348,780	1,348,780
On-behalf TPAF Post Retirement Medical Contribution				422,687	422,687
On-behalf TPAF Long-Term Disability Contribution				936	936
Reimbursement TPAF Social Security				326,743	326,743
Total - State Sources	4,297,333		4,297,333	6,514,776	2,217,443
Federal Sources:					
Medicaid Reimbursement	19,305		19,305	10,831	(8,474)
Total - Federal Sources	19,305		19,305	10,831	(8,474)
TOTAL REVENUES	\$ 15,223,605	\$	\$ 15,223,605	\$ 17,247,861	\$ 2,024,256

**DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Special Education					
Multiple Disabilities:					
Salaries of Teachers	\$ 135,644	\$ (177)	\$ 135,467	\$ 126,716	\$ 8,751
General Supplies	4,000	(3,186)	814	814	
Total Multiple Disabilities	139,644	(3,363)	136,281	127,530	8,751
Resource Room:					
Salaries of Teachers	759,687	71,929	831,616	751,302	80,314
Other Salaries for Instruction	324,067	(78,474)	245,593	243,683	1,910
Purchased Professional - Educational Services	2,500	(1,364)	1,136		1,136
General Supplies	2,500	(500)	2,000	783	1,217
Total Resource Room	1,088,754	(8,409)	1,080,345	995,768	84,577
Preschool Disabilities - Full Time					
Salaries of Teachers	94,000	3,518	97,518	97,518	
Other Salaries for Instruction	76,334	(11,518)	64,816	60,437	4,379
Other Purchased Services	3,000		3,000		3,000
General Supplies	2,500		2,500	1,113	1,387
Total Preschool Disabilities - Full Time	175,834	(8,000)	167,834	159,068	8,766
TOTAL SPECIAL EDUCATION	1,404,232	(19,772)	1,384,460	1,282,366	102,094
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	63,171		63,171	61,850	1,321
General Supplies	1,600		1,600	641	959
Total Basic Skills/Remedial-Instruction	64,771		64,771	62,491	2,280
School Sponsored Co-curricular Activities:					
Salaries	49,580		49,580	30,091	19,489
Purchased Services (300-500 Series)	500		500	385	115
Supplies and Materials	2,750		2,750	299	2,451
Total School Sponsored Co-curricular Activities	52,830		52,830	30,775	22,055
School Sponsored Athletics:					
Salaries	32,200		32,200	19,500	12,700
Purchased Services (300-500 Series)	4,000		4,000	1,779	2,221
Supplies and Materials	3,500		3,500	1,865	1,635
Other Objects	1,600		1,600	240	1,360
Total School Sponsored Athletics	41,300		41,300	23,384	17,916
Other Supplemental/at Risk Programs					
General Supplies	500		500		500
Total Other Supplemental/at Risk Programs	500		500		500
Community Services Program:					
Purchased Services (300-500 Series)	1,500		1,500	1,500	
Total Community Services Program	1,500		1,500	1,500	
Total Instruction	4,378,947	(36,242)	4,342,705	4,003,757	338,948
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	1,782,190		1,782,190	1,782,190	
Tuition - Other LEAs Within the State - Special	130,356	34,255	164,611	164,611	
Tuition - Co Voc. School Dist. - Regular	621,962		621,962	621,962	
Tuition - Co Voc. School Dist. - Special	284,257	80,471	364,728	364,728	
Tuition - CSSD & Regional Day Schools	1,449,276	(197,487)	1,251,789	709,147	542,642
Tuition to Private Schools for the Disabled Within State	139,264		139,264	97,195	42,069
Tuition - State Facilities		19,775	19,775	18,415	1,360
Total Undistributed Expenditures - Instruction	\$ 4,407,305	\$ (62,986)	\$ 4,344,319	\$ 3,758,248	\$ 586,071

DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENDITURES: (Continued)					
Undistributed Expenditures - Attendance and Social Work:					
Other Purchased Services	\$ 500		\$ 500	\$ 435	\$ 65
Total Undistributed Expenditures - Attendance and Social Work	500		500	435	65
Health Services:					
Salaries	165,260		165,260	140,112	25,148
Purch Prof/ Tech Services	9,000		9,000		9,000
Other Purchased Services	50		50		50
Supplies and Materials	8,000		8,000	5,222	2,778
Total Health Services	182,310		182,310	145,334	36,976
Speech, OT, PT & Related Services					
Salaries	132,546	37,390	169,936	169,936	
Purchased Professional - Educational Services		5,673	5,673	3,925	1,748
Supplies and Materials	1,500	125	1,625	1,624	1
Total Related Services	134,046	43,188	177,234	175,485	1,749
Other Support Services - Students - Extra Services:					
Salaries					
Purchased Prof Ed Services					
Total Extra Services					
Guidance:					
Salaries Other Professional Staff	70,447		70,447	68,650	1,797
Other Purchased Professional Educational Services	500		500		500
Supplies and Materials	1,200		1,200	273	927
Total Guidance	72,147		72,147	68,923	3,224
Child Study Team					
Salaries of Other Professional Staff	215,745	(8,010)	207,735	207,394	341
Salaries Secr. & Clerical Asst.	62,425		62,425	59,450	2,975
Purchased Professional - Educational Services	26,000	9,500	35,500	33,030	2,470
Other Purchased Professional and Technical Services	6,500		6,500	937	5,563
Other Purchased Services	6,500		6,500	845	5,655
Miscellaneous Purchased Services		1,000	1,000	168	832
Supplies and Materials	2,000		2,000	1,323	677
Other Objects	200		200		200
Total Child Study Teams	319,370	2,490	321,860	303,147	18,713
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	89,000		89,000	40,621	48,379
Salaries of Secretary and Clerical Assistant	14,598		14,598	9,430	5,168
Supplies and Materials	3,134		3,134	1,249	1,885
Total Improvement of Instruction Services/Other Support	106,732		106,732	51,300	55,432
Educational Media Services/School Library:					
Salaries	65,143		65,143	63,540	1,603
Salaries of Technology Coordinators	78,218		78,218	75,814	2,404
Supplies and Materials	1,800		1,800	1,490	310
Total Educational Media Services/School Library	\$ 145,161		\$ 145,161	\$ 140,844	\$ 4,317

DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services					
Other Purchased Professional and Technical Services	\$ 15,000	\$ (6,086)	\$ 8,914	\$	\$ 8,914
Other Purchased Services (400-500 Series)	5,200		5,200		5,200
Total Inst. Staff Training Services	20,200	(6,086)	14,114		14,114
Support Services General Administration:					
Salaries	202,591	(29,584)	173,007	173,007	
Legal Services	45,000	26,212	71,212	60,212	11,000
Audit Fees	17,500	755	18,255	18,255	
Other Purchased Professional Services	6,000	7,775	13,775	13,775	
Purchased Technical Services	4,900	(2,505)	2,395	2,395	
Communication/Telephone	92,400	1,018	93,418	93,411	7
BOE Other Purchased Services	1,700	(1,700)			
Miscellaneous Purchased Services	13,800	861	14,661	14,407	254
General Supplies	4,000	(444)	3,556	3,556	
BOE In-House Training/Meeting Supplies	1,500	(804)	696	695	1
Miscellaneous Expenditures	5,200	1,462	6,662	6,662	
BOE Membership Dues and Fees	8,000	2,535	10,535	10,531	4
Total Support Services General Administration	402,591	5,581	408,172	396,906	11,266
Support Services School Administration:					
Salaries of Principals/Assistant Principals	138,778	72,794	211,572	204,685	6,887
Salaries of Secretarial and Clerical Assistants	151,336	(58,555)	92,781	92,588	193
Other Purchased Services	4,000		4,000	913	3,087
Supplies and Materials	3,000		3,000	1,275	1,725
Other Objects	5,500		5,500	3,237	2,263
Total Support Services School Administration	302,614	14,239	316,853	302,698	14,155
Central Services:					
Salaries	227,299	(3,880)	223,419	212,715	10,704
Purchased Professional Services	20,500	(5,878)	14,622	11,053	3,569
Miscellaneous Purchased Services	1,200		1,200	1,096	104
Supplies and Materials	6,000		6,000	4,348	1,652
Miscellaneous Expenditures	2,600		2,600	496	2,104
Total Central Services	257,599	(9,758)	247,841	229,708	18,133
Admin. Info. Technology:					
Salaries	27,526	(845)	26,681	26,414	267
Purchased Professional Services	71,000	2,100	73,100	60,788	12,312
Other Purchased Services	500	500	1,000	597	403
Other Object		845	845	347	498
Total Admin. Info. Technology	99,026	2,600	101,626	88,146	13,480
Required Maintenance for School Facilities:					
Salaries	148,351	(2,600)	145,751	136,263	9,488
Cleaning, Repair and Maintenance Services	93,000	24,396	117,396	80,274	37,122
General Supplies	40,910	35,000	75,910	47,867	28,043
Other Objects	4,950		4,950	1,958	2,992
Total Required Maintenance for School Facilities	\$ 287,211	\$ 56,796	\$ 344,007	\$ 266,362	\$ 77,645

**DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 278,719	\$ (20,984)	257,735	\$ 245,467	\$ 12,268
Salaries of Non-instructional Aides	34,511		34,511	20,823	13,688
Purchased Professional and Technical Services	39,400	4,000	43,400	37,060	6,340
Cleaning, Repair and Maintenance Services	32,050	(2,658)	29,392	14,703	14,689
Insurance	88,385	17,774	106,159	106,159	
Miscellaneous Purchased Services	1,000		1,000	108	892
General Supplies	40,000		40,000	36,348	3,652
Energy (Natural Gas)	53,000	1,869	54,869	48,268	6,601
Energy (Electricity)	222,000		222,000	197,398	24,602
Energy (Oil)	45,000		45,000	36,292	8,708
Other Objects	1,175		1,175	531	644
Total Other Operation and Maintenance of Plant - Custodial	835,240	1	835,241	743,157	92,084
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	8,500	(3,000)	5,500	3,861	1,639
General Supplies	2,000	3,000	5,000	3,059	1,941
Total Care & Upkeep of Grounds	10,500		10,500	6,920	3,580
Undistributed Expenditures - Security:					
Purchased Professional and Technical Services	81,000		81,000	46,143	34,857
Cleaning, Repair and Maintenance Services	12,000		12,000	1,566	10,434
General Supplies	1,000		1,000		1,000
Total Security	94,000	-	94,000	47,709	46,291
Total Operation and Maintenance of Plant Services	1,226,951	56,797	1,283,748	1,064,148	219,600
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	97,747	22,717	120,464	120,464	
Salaries for Pupil Transport. Between Home & School - Regul	337,181	(30,698)	306,483	304,678	1,805
Salaries for Pupil Trans. Between Home & School - Special E.	72,000	3,775	75,775	75,645	130
Salaries for Pupil Trans.(Other than Bet. Home & School)	5,825	215	6,040	5,724	316
Salaries for Pupil Trans. Bet. Home & Schl. - Non-Public Schl.	27,558	(2,495)	25,063	15,451	9,612
Other Purchased Professional and Technical Services	20,890	2,250	23,140	23,140	
Cleaning, Repair and Maintenance Services	45,000	(35,677)	9,323	2,993	6,330
Rental Payments - School Buses	1,500		1,500		1,500
Contracted Services - Aid in Lieu of Payments - Nonpublic	12,106	2,305	14,411	12,682	1,729
Contracted Services - Aid in Lieu of Payments - Charter Scho	1,000	2,000	3,000	917	2,083
Contracted Services - Aid in Lieu of Payments - Choice Schoc	2,000	(610)	1,390	933	457
Contracted Services (Bet Home/School) - Vendors	1,000	(726)	274		274
Contracted Services (Bet Home/School) - Joint Agreements	11,400	100,410	111,810	13,955	97,855
Contracted Services (Sp. Ed. Stud.) - Joint Agreements	4,750	(695)	4,055		4,055
Contracted Services (Sp. Ed. Stud.) - ESC & CTSA	17,100	16,782	33,882	32,461	1,421
Miscellaneous Purchased Services - Transportation	24,173		24,173	6,144	18,029
General Supplies	214,620	(57,855)	156,765	108,623	48,142
Other Objects	4,360		4,360	2,195	2,165
Total Student Transportation Services	900,210	21,698	921,908	726,005	195,903
Unallocated Employee Benefits:					
Social Security Contributions	182,161	8,000	190,161	190,039	122
Other Retirement Contributions - PERS	205,873	14,945	220,818	220,818	
Unemployment Compensation	35,500	(2,711)	32,789	32,776	13
Workers Compensation	84,028	(800)	83,228	83,151	77
Health Benefits	1,711,326	(51,578)	1,659,748	1,618,111	41,637
Tuition Reimbursement	15,000		15,000	7,038	7,962
Other Employee Benefits	2,500		2,500	2,500	
Unused Sick Payments to Terminated/Retired Staff	22,500	17,276	39,776	39,774	2
Total Unallocated Employee Benefits	\$ 2,258,888	\$ (14,868)	\$ 2,244,020	\$ 2,194,207	\$ 49,813

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

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
On-behalf Pension Contribution				1,348,780	(1,348,780)
On-behalf TPAF Post Retirement Medical Contribution				422,687	(422,687)
On-behalf TPAF Long-Term Disability Contribution				936	(936)
Reimbursement TPAF Social Security				326,743	(326,743)
Total Personal Services - Employee Benefits	2,258,888	(14,868)	2,244,020	4,293,353	(2,049,333)
Total Undistributed Expenditures	10,835,650	52,895	10,888,545	11,744,680	(856,135)
Interest Earned on Maintenance Reserve	1,000		1,000		1,000
TOTAL EXPENDITURES - CURRENT EXPENSE	15,215,597	16,653	15,232,250	15,748,437	(516,187)
CAPITAL OUTLAY:					
Interest Earned on Capital Reserve	1,000		1,000		1,000 #
Undistributed Expenditures:					
Instructional:					
School Buses-Regular	129,217		129,217	129,217	
Undistributed Expenditures - Instruction		15,900	15,900	15,900	
Undistributed Expenditures - Student Transp. Non-Instructional	12,044		12,044	12,044	
Total Equipment	141,261	15,900	157,161	157,161	
Facilities Acquisition - Construction Services:					
Construction Services	132,000		132,000	43,866	88,134
Assessment for Debt Service on SDA Funding	47,907		47,907	47,907	
Total Facilities Acquisition and Construction Services	179,907		179,907	91,773	88,134
Assets Acquired Under Capital Leases (Non-budgeted)					
TOTAL CAPITAL OUTLAY	322,168	15,900	338,068	248,934	89,134
TOTAL EXPENDITURES	15,537,765	32,553	15,570,318	15,997,371	(427,053)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(314,160)	(32,553)	(346,713)	1,250,490	1,597,203
Other Financing Sources (Uses):					
Transfer to Cover Deficit (Enterprise Fund)	(12,000)		(12,000)		12,000
Transfer to Preschool Program	(304,008)		(304,008)	(304,008)	
Transfer to Charter School	(13,368)	(37,080)	(50,448)	(50,448)	
Total Other Financing Sources	(329,376)	(37,080)	(366,456)	(354,456)	12,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(643,536)	(69,633)	(713,169)	896,034	1,609,203
Fund Balances, July 1	2,960,618		2,960,618	2,960,618	
Fund Balances, June 30	\$ 2,317,082	\$ (69,633)	\$ 2,247,449	\$ 3,856,652	\$ 1,609,203
RECAPITULATION:					
Restricted Fund Balance:					
Excess Surplus - Current Year				\$ 176,520	
Excess Surplus - Designated for Subsequent Year's Expenditures				474,594	
Maintenance Reserve				802,659	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				250,000	
Capital Reserve				830,760	
Capital Reserve - Designated for Subsequent Year's Expenditures				284,000	
Emergency Reserve				250,000	
Assigned Fund Balance:					
Year-End Encumbrances				17,563	
Designated for Subsequent Year's Expenditures				84,170	
Unassigned Fund Balance				686,386	
				3,856,652	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis					(347,934)
Fund Balance per Governmental Funds (GAAP)					<u>\$ 3,508,718</u>

**DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 6,050	\$ 144,330	\$ 150,380	\$ 66,320	\$ 84,060
Federal Sources					
Title I	200,118	64,252	264,370	196,583	67,787
Title I - SIA		22,074	22,074	12,318	9,756
Title II	39,584	15,145	54,729	27,408	27,321
Title IV	12,479	10,846	23,325	14,327	8,998
I.D.E.A., Part B	184,193	69,930	254,123	232,367	21,756
I.D.E.A., Part B Preschool Initiative	2,322	2,878	5,200	3,549	1,651
Title V		8,687	8,687	6,599	2,088
ESSER II		870,888	870,888	29,259	841,629
CRRSA Act		100,889	100,889		100,889
COVID Relief Grant		41,731	41,731	41,731	
Digital Divide		26,763	26,763	26,760	3
Cares Act	141,500	125,773	267,273	206,047	61,226
Other		27,418	27,418		27,418
	580,196	1,387,274	1,967,470	796,948	1,170,522
State Sources					
Preschool	1,520,040		1,520,040	1,047,796	472,244
Non-public Programs	100,204	34,348	134,552	91,033	43,519
Total Revenues	2,206,490	1,565,952	3,772,442	2,002,097	1,770,345
EXPENDITURES:					
Instruction					
Salaries of Teachers	760,503	182,344	942,847	437,778	505,069
Other Salaries	117,435	40,000	157,435	140,068	17,367
Purchased Professional Educational Services		2,880	2,880		2,880
Other Purchased Services (400-500 Series)	184,193	35,483	219,676	219,676	
General Supplies	217,390	286,454	503,844	399,008	104,836
Textbooks	6,317	1,380	7,697	7,697	
Other Objects		5,000	5,000		5,000
Total Instruction	1,285,838	553,541	1,839,379	1,204,227	635,152
Support Services					
Salaries	6,000	226,513	232,513		232,513
Salaries - Supervisor	35,000		35,000	34,317	683
Salaries of Principals/ Asst. Principals	18,320		18,320	18,239	81
Salaries of Other Professional Staff	40,667		40,667	37,180	3,487
Salaries - Secretarial and Clerical	17,328		17,328	14,440	2,888
Salaries - Other	29,717		29,717	27,827	1,890
Salaries - Family/Parent Liaison	3,000		3,000	3,000	
Salaries - Facilitator Coach	61,285		61,285	34,244	27,041
Personal Services - Employee Benefits	286,330	159,665	445,995	286,233	159,762
Purchased Professional & Technical Services	3,000	128,347	131,347	67,777	63,570
Other Professional/ Ed. Services	4,468		4,468	4,468	
Other Purchased Services	74,596	156,211	230,807	83,097	147,710
Travel	600		600		600
Supplies and Materials	28,341	170,428	198,769	129,916	68,853
Other Objects		4,000	4,000		4,000
Scholarships Awarded		10,476	10,476	200	10,276
Student Activities		115,573	115,573	53,546	62,027
Total Support Services	608,652	971,213	1,579,865	794,484	785,381
Facilities Acquisition and Construction Services:					
Instructional Equipment	52,000	27,418	79,418	20,732	58,686
Non-Instructional Equipment	260,000	13,780	273,780	296,636	(22,856)
Total Facilities Acquisition and Construction Services	312,000	41,198	353,198	317,368	35,830
Total Expenditures	2,206,490	1,565,952	3,772,442	2,316,079	1,456,363
Transfer from General fund				304,008	304,008
Excess (Deficiency) of Revenues Over (Under) Expenditures				(9,974)	(9,974)
Fund Balance, July 1					
Prior Period Adjustment				82,277	
Fund Balance, July 1 (Restated)				82,277	
Fund Balance, June 30				\$ 72,303	
Recapitulation:					
Restricted:					
Scholarships				\$ 10,276	
Student Activities				62,027	
Fund Balance, June 30				\$ 72,303	

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

DENNIS TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 17,247,861	[C-2] \$ 2,002,097
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	Prior Year	
	Current Year	(9,570)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	441,108	62,275
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(347,934)	(121,603)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 17,341,035	[B-2] \$ 1,933,199
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 15,997,371	[C-2] \$ 2,002,097
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Transfers to and from other funds are presented as outflows or budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 15,997,371	[B-2] \$ 2,002,097

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.017733%	0.017731%	0.019377%	0.019118%	0.018269%	0.018310%	0.019766%	0.019819%
District's Proportionate Share of the Net Pension Liability	\$ 2,891,773	\$ 3,194,794	\$ 3,815,145	\$ 4,450,419	\$ 5,410,614	\$ 4,110,335	\$ 3,700,825	\$ 3,787,852
District's Covered-Employee Payroll	\$ 1,274,480	\$ 1,279,443	\$ 1,313,486	\$ 1,349,044	\$ 1,320,073	\$ 1,235,780	\$ 1,218,004	\$ 1,355,748
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	226.90%	249.70%	290.46%	329.89%	409.87%	332.61%	303.84%	279.39%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 200,917	\$ 180,255	\$ 200,873	\$ 177,108	\$ 162,295	\$ 157,421	\$ 162,952	\$ 149,334
Contributions in relation to the Contractually Required Contribution	(200,917)	(180,255)	(200,873)	(177,108)	(162,295)	(157,421)	(162,952)	(149,334)
Contribution Deficiency (Excess)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
District's Covered-Employee Payroll	\$ 1,274,480	\$ 1,279,443	\$ 1,313,486	\$ 1,349,044	\$ 1,320,073	\$ 1,235,780	\$ 1,218,004	\$ 1,355,748
Contributions as a Percentage of Covered-Employee Payroll	15.76%	14.09%	15.29%	13.13%	12.29%	12.74%	13.38%	11.01%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.047331%	0.047797%	0.045047%	0.044904%	0.047422%	0.048633%	0.055833%	0.054941%
District's Proportionate Share of the Net Pension Liability	\$ 31,166,994	\$ 29,333,690	\$ 28,658,032	\$ 30,275,568	\$ 37,304,819	\$ 30,738,273	\$ 29,841,141	\$ 27,766,875
District's Covered-Employee Payroll	\$ 4,533,735	\$ 4,393,857	\$ 4,906,700	\$ 5,000,649	\$ 4,680,625	\$ 4,566,930	\$ 4,797,445	\$ 4,894,418
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	687.45%	667.61%	584.06%	605.43%	797.01%	673.06%	622.02%	567.32%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 1,081,503	1,061,210	\$ 1,128,192	\$ 1,360,740
Interest Cost	861,057	1,049,898	1,151,399	993,551
Changes of Benefit Terms				
Differences Between Expected and Actual Experiences	6,015,968	(4,336,982)	(3,517,966)	
Changes of Assumptions	6,962,632	355,443	(3,031,785)	(4,130,767)
Member Contributions	20,113	21,692	24,416	26,757
Gross Benefit Payments	(663,582)	(731,789)	(706,451)	(726,638)
Net Change in Total OPEB Liability	<u>14,277,691</u>	<u>(2,580,528)</u>	<u>(4,952,195)</u>	<u>(2,476,357)</u>
Total OPEB Liability - Beginning	<u>23,839,100</u>	<u>26,419,628</u>	<u>31,371,823</u>	<u>33,848,180</u>
Total OPEB Liability - Ending	<u>\$ 38,116,791</u>	<u>23,839,100</u>	<u>\$ 26,419,628</u>	<u>\$ 31,371,823</u>
Covered-Employee Payroll	<u>\$ 5,808,215</u>	<u>5,673,300</u>	<u>\$ 6,220,186</u>	<u>\$ 6,349,693</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	656.26%	420.20%	424.74%	494.07%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: The decrease in the Total OPEB Liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premium experiences. The increase in liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The increase in the liability from June 30, 2018 to June 30, 2019 is due to the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions. The increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

DENNIS TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	ESEA					I.D.E.A. - Part B											Totals	
	Title I Part A 2020-21	Title I SIA 2020-21	Title II A 2020-21	Title IV 2020-21	Title V 2020-21	Basic 2020-21	Preschool 2020-21	ESSER II	Safety Grant	COVID Relief Grant	Scholarship Fund	Student Activity Fund	Wellness Grant	Cares Act	Pre School	Digital Divide	Sub-Total Per E-1(2)	2021
REVENUES:																		
Federal Sources	\$ 196,583	\$ 12,318	\$ 27,408	\$ 14,327	\$ 6,599	\$ 232,367	\$ 3,549	\$ 29,259		\$ 41,731				\$ 206,047		\$ 26,760	\$ 91,033	\$ 796,948
State Sources									\$ 6,256		\$ 10	\$ 43,762	\$ 16,292		\$ 1,047,796			1,138,829
Local Sources																		66,320
Total Revenues	196,583	12,318	27,408	14,327	6,599	232,367	3,549	29,259	6,256	41,731	10	43,762	16,292	206,047	1,047,796	26,760	91,033	2,002,097
EXPENDITURES:																		
Instruction:																		
Salaries of Teachers	8,002		6,953	12,650				2,322						10,779	397,072			437,778
Other Salaries															140,068			140,068
Other Purchased Services				950		218,726												219,676
General Supplies	186,645	7,381			6,599		1,049							54,641	115,933	26,760		399,008
Textbooks																		7,697
Total Instruction	194,647	7,381	6,953	13,600	6,599	218,726	3,371							65,420	653,073	26,760	7,697	1,204,227
Support Services:																		
Salaries - Supervisors														15,359	18,958			34,317
Salaries of Principals/ Asst. Principals															18,239			18,239
Salaries of Other Professional Staff															37,180			37,180
Salaries - Secretarial and Clerical															14,440			14,440
Salaries - Other															25,968		1,859	27,827
Salaries - Family/Parent Liaison															3,000			3,000
Salaries - Facilitator Coach															34,244			34,244
Personal Services - Employee Benefits			328	727			178								285,000			286,233
Other Professional/ Tech. Services	1,936	4,937	18,004			13,641		29,259										67,777
Other Professional/ Ed. Services															4,468			4,468
Other Purchased Professional Services (400-500 Series)			1,875												835		74,265	83,097
Supplies and Materials			248						6,256				16,292	6,122			7,212	129,916
Scholarships Awarded											200			99,908				200
Student Activities												53,546						53,546
Total Support Services	1,936	4,937	20,455	727		13,641	178	29,259	6,256		200	53,546	16,292	121,369	442,332		83,336	794,484
Facilities Acquisition/Construction:																		
Instructional Equipment										41,731					20,732			20,732
Non-Instructional Equipment														19,238	235,667			296,636
Total Facilities Acquisition/Construction										41,731				19,238	256,399			317,368
Total Expenditures	\$ 196,583	\$ 12,318	\$ 27,408	\$ 14,327	\$ 6,599	\$ 232,367	\$ 3,549	\$ 29,259	\$ 6,256	\$ 41,731	\$ 200	\$ 53,546	\$ 16,292	\$ 206,047	\$ 1,351,804	\$ 26,760	\$ 91,033	2,316,079
Transfer from General Fund															304,008			304,008
Excess (Deficiency) of Revenues Over (Under) Expenditures											(190)	(9,784)						(9,974)
Fund Balance, July 1																		
Prior Period Adjustment											10,466	71,811						82,277
Fund Balance, July 1 (Restated)											10,466	71,811						82,277
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 10,276	\$ 62,027	\$	\$	\$	\$	\$	\$ 72,303

DENNIS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 416,000	\$ 397,072	\$ 18,928
Other Salaries for Instruction	157,435	140,068	17,367
Supplies and Materials	133,420	115,933	17,487
Total instruction	<u>706,855</u>	<u>653,073</u>	<u>53,782</u>
Support services:			
Salaries of Supervisors	35,000	18,958	16,042
Salaries of Principals/ Asst. Principals	18,320	18,239	81
Salaries of Other Professional Staff	40,467	37,180	3,287
Salaries of Secrerarial & Clerical Staff	17,328	14,440	2,888
Other Salaries	29,717	25,968	3,749
Family/Parent Liason	3,000	3,000	
Facilitator/Coach	61,285	34,244	27,041
Personal Services - Employee Benefits	285,000	285,000	
Purchased Professional Educational Services	4,468	4,468	
Purchased Other Educational Services	3,000	835	2,165
Cleaning, Repair and Maintenance Services	3,000		3,000
Travel	600		600
Non-Instructional Equipment	<u>501,185</u>	<u>442,332</u>	<u>58,853</u>
Facilities Acquisition and Constrction Services:			
Instructional Equipment	52,000	20,732	31,268
Non-Instructional Equipment	260,000	235,667	24,333
Total Facilities Acquisition and Construction Services	<u>312,000</u>	<u>256,399</u>	<u>55,601</u>
Total expenditures	<u>\$ 1,520,040</u>	<u>\$ 1,351,804</u>	<u>\$ 168,236</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 1,216,032
Add: Actual ECPA/PEA Carryover (June 30, 2021)	12,577
Add: Budgeted Transfer from the General Fund 2020-2021	304,008
Total Preschool Education Aid Funds Available for 2020-2021 Budget	1,532,617
Less: 2020-21 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(1,520,040)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	12,577
Add: June 30, 2021 Unexpended Preschool Education Aid	168,236
2020-2021 Carryover - Preschool Education Aid Programs	\$ 180,813
2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2021-2022	\$ 12,577

Note: Since the 2020-21 Actual Carryover is more than the amount budgeted in 2021-22, the District should consider revising the 2021-22 Budget by appropriating this amount in the 2021-22 School Year Preschool Education Program Budget by amendment. \$ 168,236

LONG-TERM DEBT SCHEDULES

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF GENERAL SERIAL BONDS
AS OF JUNE 30, 2021**

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Maturity of Bonds Outstanding June 30, 2021</u>		<u>Amount Outstanding June 30, 2020</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2021</u>
				<u>Date</u>	<u>Amount</u>				
2010 Refunding Issue	4/29/10	\$4,750,000	3.625%	4/1/22	\$ 210,000	\$ 625,000	\$	\$ 415,000	\$ 210,000
						\$ 625,000	\$	\$ 415,000	\$ 210,000

TOWNSHIP OF DENNIS SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2021

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2020</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2021</u>
2020 - Technology Equipment	249,971	2.51%	\$ 197,523	\$	\$ 47,560	\$ 149,963
			<u>\$ 197,523</u>	<u>\$</u>	<u>\$ 47,560</u>	<u>\$ 149,963</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative Final to Actual)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 437,138		\$ 437,138	\$ 437,138	
Total Revenues	<u>437,138</u>		<u>437,138</u>	<u>437,138</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	22,138		22,138	22,138	
Redemption of Principal	415,000		415,000	415,000	
Total Expenditures	<u>437,138</u>		<u>437,138</u>	<u>437,138</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses):					
Operating Transfers In:					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Fund Balance, July 1					
Fund Balance, June 30	<u>\$</u>		<u>\$</u>	<u>\$</u>	
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Restricted Fund Balance				<u>\$</u>	

STATISTICAL SECTION

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

	<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>2021</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt \$	7,329,475	7,300,013	7,303,158	7,363,624	7,588,777	7,241,802	9,221,289	9,859,731	10,047,813	10,218,119
Restricted	632,088	190,505	715,709	1,776,139	2,478,057	1,359,664	1,787,039	1,465,402	2,220,075	3,140,836
Unrestricted (Deficit)	(578,481)	(377,222)	(4,118,987)	(4,115,764)	(4,092,422)	(3,049,207)	(3,978,999)	(4,025,031)	(4,010,427)	(3,936,279)
Total Governmental Activities Net Position	\$ 7,383,082	7,113,296	3,899,880	5,023,999	5,974,412	5,552,259	7,029,329	7,300,102	8,257,461	9,422,676
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt \$	92,036	77,603	63,173	50,525	39,655	33,746	54,589	51,801	39,149	32,905
Unrestricted	88,377	62,990	52,819	77,421	78,906	73,059	66,452	1,589	16,968	21,191
Total Business-Type Activities Net Position	\$ 180,413	140,593	115,992	127,946	118,561	106,805	121,041	53,390	56,117	54,096
District-Wide										
Invested in Capital Assets, Net of Related Debt \$	7,421,511	7,377,616	7,366,331	7,414,149	7,628,432	7,275,548	9,275,878	9,911,532	10,086,962	10,251,024
Restricted	632,088	190,505	715,709	1,776,139	2,478,057	1,359,664	1,787,039	1,465,402	2,220,075	3,140,836
Unrestricted (Deficit)	(490,104)	(314,232)	(4,066,168)	(4,038,343)	(4,013,516)	(2,976,148)	(3,912,547)	(4,023,442)	(3,993,459)	(3,915,087)
Total District-Wide Net Position	\$ 7,563,495	7,253,889	4,015,872	5,151,945	6,092,973	5,659,064	7,150,370	7,353,492	8,313,578	9,476,772

Source: CAFR Schedule A-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 4,653,965	4,446,566	4,195,835	4,758,422	4,749,939	5,980,072	5,832,723	5,655,001	6,047,502	6,669,835
Special Education	2,203,939	2,475,803	2,463,863	3,043,771	3,269,534	3,718,946	3,732,581	2,831,206	2,240,179	2,757,127
Other Special Education	513,744	483,815	687,737	682,214	720,637	840,512	1,047,246	698,170	488,575	135,487
Other Instruction								150,731	141,610	111,790
Support Services										
Tuition	4,314,462	4,417,078	3,803,744	3,516,058	3,580,893	3,874,022	3,878,545	4,018,773	4,000,754	3,758,248
Student and Instruction Related Services	1,626,632	1,687,296	1,525,453	1,883,002	2,043,177	2,191,984	2,330,684	2,073,366	2,123,213	2,405,083
General and Business Admin. Services	402,729	504,564	517,362	544,742	472,321	639,297	602,604	534,693	562,379	620,253
School Administrative Services	471,808	421,013	342,944	337,072	420,905	482,346	481,951	469,773	458,129	645,809
Central and Technical Services	339,275	342,836	336,808	352,236	423,931	432,121	433,343	454,773	489,269	601,827
Plant Operations and Maintenance	1,037,694	1,453,347	1,095,341	1,111,793	1,083,932	1,201,518	1,312,325	1,602,122	1,534,189	1,532,739
Pupil Transportation	1,233,973	997,205	1,170,369	1,040,596	988,213	1,186,517	1,162,051	1,252,345	1,031,753	1,271,476
Capital Outlay		47,907								
Charter Schools	32,013	43,309	42,491	91,783	52,715	47,402	13,441			
Amortization of Debt Issue Costs										
Interest on Long-Term Debt	120,729	129,398	130,501	117,062	105,630	92,109	78,603	64,706	98,587	37,653
Total Governmental Activities Expenses	16,950,963	17,450,137	16,312,448	17,478,751	17,911,827	20,686,846	40,711,756	19,805,659	19,216,139	20,547,327
Business-Type Activities										
After School Programs	212,677	245,594	223,194	172,504	178,792	206,749	176,334	107,306	95,086	26,523
Food Service	65,672	63,863	58,322	60,200	74,201	81,993	85,904	182,950	144,554	165,133
Total Business-Type Activities Expense	278,349	309,457	281,516	232,704	252,993	288,742	262,238	290,256	239,640	191,656
Total District Expenses	17,229,312	17,759,594	16,593,964	17,711,455	18,164,820	20,975,588	40,973,994	20,095,915	19,455,779	20,738,983
Program Revenues										
Governmental Activities										
Charge for Services										
Instruction (Tuition)	100,881	63,171	512,015	509,767	522,797	573,282	595,772			
Pupil Transportation			702,164	689,764	706,972	916,615	878,754			
Student & Instruction Related Services										43,762
Operating Grants and Contributions	2,708,049	517,447	1,471,630	2,829,588	3,246,712	4,167,517	5,220,303	599,028	1,079,629	1,702,908
Total Gov't Activities Program Rev.	2,808,930	580,618	2,685,809	4,029,119	4,476,481	5,657,414	6,694,829	599,028	1,079,629	1,746,670
Business-Type Activities										
Charges for Services										
Food Service	151,811	112,583	98,065	77,231	72,645	76,832	75,104	57,389	106,060	17,261
Community Education	60,741	60,424	72,132	80,935	66,944	84,831	80,332	77,821	49,127	317
Operating Grants and Contributions	97,632	96,617	96,707	86,474	89,071	95,097	96,349	88,715	91,609	172,050
Total Bus.-Type Activities Prog. Rev.	310,184	269,624	266,904	244,640	228,660	256,760	251,785	223,925	246,796	189,628
Total District Program Revenues	\$ 3,119,114	850,242	2,952,713	4,273,759	4,705,141	5,914,174	6,946,614	822,953	1,326,425	1,936,298
Net (Expense)/Revenue										
Governmental Activities	\$ (14,142,033)	(16,869,519)	(13,626,639)	(13,449,632)	(13,435,346)	(15,029,432)	(34,016,927)	(19,206,301)	(18,136,510)	(18,800,657)
Business-Type Activities	31,835	(39,833)	(14,612)	11,936	(24,333)	(31,982)	(10,453)	(66,331)	7,156	(2,028)
Total District-Wide Net Expense	\$ (14,110,198)	(16,909,352)	(13,641,251)	(13,437,696)	(13,459,679)	(15,061,414)	(34,027,380)	(19,272,632)	(18,129,354)	(18,802,685)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied - General Purp.	\$ 8,071,794	8,365,273	8,532,578	8,703,230	8,703,854	8,877,931	9,184,652	10,061,730	10,610,623	10,868,623
Taxes Levied for Debt Service	618,819	579,308	579,619	555,669	535,432	520,529	498,881	9,160,746	8,144,933	8,818,413
Unrestricted Grants and Contributions	5,434,505	7,404,302	5,099,349	5,164,581	5,137,207	5,193,462	5,066,768	110,912	124,661	134,919
Fixed Asset Adjustment			(82,149)		(586)		908,309	(209,580)		
Miscellaneous Income	14,729	60,346	12,100	150,272	16,785	33,365	29,728	339,234	226,840	112,088
Transfers					(6,934)	(18,006)	(15,968)	(13,188)	(50,448)	
Total Governmental Activities	14,139,847	16,409,229	14,141,497	14,573,752	14,385,758	14,607,281	15,688,338	19,447,074	19,093,869	19,883,595
Business-Type Activities										
Miscellaneous Income	35	12	11	17	8,015	2,218	22	205	433	7
Transfers					6,934	18,006		1,674	(4,862)	
Fixed Asset Adjustment							24,667	(3,199)		
Total Business-Type Activities	35	12	11	17	14,949	20,224	24,689	(1,320)	(4,429)	7
Total District-Wide	\$ 14,139,882	16,409,241	14,141,508	14,573,769	14,400,707	14,627,505	15,713,027	19,445,754	19,089,440	19,883,602
Change in Net Position										
Governmental Activities	\$ (2,186)	(460,290)	514,858	1,124,120	950,412	(422,151)	(18,328,589)	270,773	957,359	1,082,938
Business-Type Activities	31,870	(39,821)	(14,601)	11,953	(9,384)	(11,758)	14,236	(67,651)	2,727	(2,021)
Total District-Wide	\$ 29,684	(500,111)	500,257	1,136,073	941,028	(433,909)	(18,314,353)	203,122	960,086	1,080,917

Source: CAFR Schedule A-2

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 194,517	20,244	329,323	1,089,736	1,091,573	645,225	644,756	1,465,402	2,220,075	2,534,533
Committed	125,622	38,693	386,386	686,403	855,234	514,439	624,909			
Assigned	311,949	131,568			531,250	200,000	517,374	351,749	339,270	635,733
Unassigned (Deficit)	(261,199)	(262,387)	(204,045)	(120,909)	103,076	1,124,736	320,580	(91,497)	(39,835)	338,452
Total General Fund	\$ 370,889	(71,882)	511,664	1,655,230	2,581,133	2,484,400	2,107,619	1,725,654	2,519,510	3,508,718
All Other Governmental Funds										
Restricted										
Scholarships	\$									10,276
Student Activities										62,027
Debt Service Fund	19,811			1	1	3,449	3,449			
Unassigned, reported in:										
Special Revenue Fund (Deficit)									(62,275)	(121,603)
Capital Projects Fund										
Total All Other Governmental Funds	\$ 19,811			1	1	3,449	3,449		(62,275)	(49,300)

Source: CAFR Schedule B-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 8,690,613	8,944,581	9,112,197	9,258,899	9,239,286	9,398,460	9,683,533	10,061,730	10,610,623	10,868,623
Tuition Charges	19,600	39,142	70,371	68,123	81,153	131,638	154,128	155,980	38,382	3,330
Interest Earnings	155	45	18	18	81	205	221	4,160	2,625	614
Transportation Fees	12,876	24,028	53,169	42,454	61,419	270,794	232,724	179,094	185,833	108,144
Miscellaneous	116,553	66,030	12,082	155,126	16,705	45,555	50,048	110,912	124,661	245,001
State Sources	7,494,443	7,479,755	7,237,861	7,305,049	7,444,414	7,620,892	7,746,617	7,798,255	7,862,042	7,687,451
Federal Sources	596,505	436,265	369,757	430,397	411,222	389,883	535,397	581,994	518,877	798,209
Total Revenues	16,930,745	16,989,846	16,855,455	17,260,066	17,254,280	17,857,427	18,402,668	18,892,125	19,343,043	19,711,372
Expenditures										
Instruction										
Regular Instruction	3,139,043	3,047,298	2,749,671	2,666,257	2,714,200	2,992,137	2,873,016	3,452,647	3,717,992	3,807,468
Special Education Instruction	1,567,363	1,696,941	1,684,546	1,752,402	1,846,618	1,926,436	1,942,373	1,446,000	1,167,019	1,282,366
Other Special Instruction	351,233	331,155	453,924	362,266	396,797	423,618	505,601	356,554	254,915	63,991
Other Instruction								81,675	76,020	54,159
Support Services										
Instruction	4,339,598	4,417,078	3,803,744	3,516,058	3,580,893	3,874,022	3,878,545	4,018,773	4,000,754	3,758,248
Student and Instruction Related Services	1,146,098	1,159,627	1,055,485	1,096,624	1,184,111	1,167,824	1,236,536	1,159,539	1,275,631	1,384,149
General Administrative Services	388,158	345,786	412,916	402,555	302,381	384,689	391,782	355,044	381,421	396,906
School Administrative Services	279,270	288,526	235,147	231,920	234,052	252,627	251,845	244,464	239,975	302,698
Central and Technical Services	242,849	234,950	230,898	237,325	238,898	230,590	232,248	249,511	291,299	317,854
Plant Operations and Maintenance	906,718	996,000	971,192	970,800	918,030	1,012,531	1,045,630	1,209,824	1,205,963	1,064,148
Pupil Transportation	1,116,765	1,160,311	1,070,484	996,872	949,969	1,079,252	985,150	1,025,073	726,293	726,005
Unallocated Employee Benefits	2,707,436	3,079,194	2,913,531	3,136,964	3,186,111	3,819,889	3,846,777	4,464,924	4,301,234	4,579,586
Charter Schools	32,013	43,309	42,491	91,783	52,715	47,402	13,441			
Capital Outlay	89,510	53,134	366,698	444,189	181,236	604,608	1,254,993	717,255	753,417	566,302
Debt Service										
Principal	485,000	475,000	465,000	455,000	445,000	440,000	435,000	430,000	420,000	415,000
Interest and Other Charges	133,819	124,119	114,619	100,669	90,431	77,081	63,881	50,288	36,312	22,138
Total Expenditures	16,924,873	17,452,428	16,570,346	16,461,684	16,321,442	18,332,706	18,956,818	19,261,571	18,848,245	18,741,018
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	5,872	(462,582)	285,109	798,382	932,838	(475,279)	(554,150)	(369,446)	494,798	970,354
Other Financing Sources (Uses)										
Transfer In	31,159									
Transfer Out	(31,159)				(6,934)	(18,006)		(15,968)	236,783	(50,448)
Capital Leases (Non-budgeted)			298,437	345,185		400,000	177,370			
Total Other Financing Sources (Uses)	-	-	298,437	345,185	(6,934)	381,994	177,370	(15,968)	236,783	(50,448)
Net Change in Fund Balances	\$ 5,872	(462,582)	583,546	1,143,567	925,904	(93,285)	(376,780)	(385,414)	731,581	919,906
Debt Service as a Percentage of										
Noncapital Expenditures	3.68%	3.44%	3.58%	3.47%	3.32%	2.92%	2.82%	2.59%	2.59%	2.59%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals</u>	<u>Prior</u> <u>Year</u> <u>Refunds</u>	<u>Transportation</u>	<u>Miscellaneous</u>	<u>Total</u>
2021	\$ 1,020	\$	\$ 122,642	\$ 108,144	\$ 58,963	\$ 290,769
2020	19,655				74,065	93,720
2019	5,569				89,463	95,032
2018	221				29,507	29,728
2017	1,424				35,447	36,871
2016	1,306				15,480	16,786
2015	850				154,276	155,126
2014	461	945			10,676	12,082
2013	589	11,340			54,100	66,029
2012	155	10,800			105,752	116,707

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2021	\$ 28,625,000	\$ 655,377,800	\$ 13,683,900	\$ 1,469,200	\$ 190,902,200	\$ 890,058,100	\$ 1,795,285	\$ 891,853,385	\$ 1.218	\$ 944,659,414
2020	28,273,100	653,145,500	13,973,900	1,523,700	187,737,900	884,654,100		884,654,100	1.229	919,407,711
2019	28,441,300	651,055,600	14,299,800	1,560,600	188,494,700	883,852,000		883,852,000	1.201	928,220,962
2018	29,157,100	649,181,900	14,003,500	1,558,000	188,413,400	882,313,900		882,313,900	1.141	899,743,003
2017	29,852,400	645,392,900	13,729,600	1,557,200	188,466,400	878,998,500		878,998,500	1.102	888,435,385
2016	30,241,400	642,097,400	14,797,200	1,574,400	188,511,100	877,221,500	1,795,285	879,016,785	1.070	879,251,318
2015	30,156,600	641,121,000	16,023,600	1,704,300	187,451,500	876,457,000	1,807,521	878,264,521	1.052	876,640,878
2014	51,240,800	807,499,800	19,448,900	1,631,800	162,130,500	1,041,951,800	1,813,977	1,043,765,777	0.888	845,813,506
2013	52,651,800	813,867,200	19,701,800	1,615,700	160,572,700	1,048,409,200	2,273,886	1,050,683,086	0.868	876,367,053
2012	55,807,100	815,407,400	20,263,900	1,557,900	160,861,300	1,053,897,600	2,435,833	1,056,333,433	0.847	927,425,591

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

c Estimate

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

Year Ended June 30,	Dennis Township BOE			Overlapping Rates				
	Basic Rate ^a	Debt Service ^b	Total Direct	County General	County Open Space	County Other	Municipal Local Purpose	Total
2021	\$ 1.218	\$ 0.000	\$ 1.218	\$ 0.250	\$ 0.011	\$ 0.037	\$ 0.230	\$ 1.746
2020	1.229	0.000	1.229	0.238	0.011	0.036	0.231	1.745
2019	1.201	0.000	1.201	0.239	0.011	0.035	0.230	1.716
2018	1.084	0.057	1.141	0.229	0.011	0.034	0.230	1.645
2017	1.043	0.059	1.102	0.221	0.011	0.034	0.224	1.592
2016	1.009	0.061	1.070	0.218	0.011	0.030	0.214	1.543
2015	0.999	0.053	1.052	0.214	0.010	0.029	0.214	1.519
2014	0.833	0.055	0.888	0.170	0.009	0.024	0.171	1.262
2013	0.813	0.055	0.868	0.171	0.009	0.025	0.171	1.244
2012	0.788	0.059	0.847	0.169	0.009	0.026	0.166	1.217

Source: District Records and Municipal Tax Collector

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

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

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

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Turner Partners LP	\$ 28,270,700	3.17%	\$ 16,484,400	1.56%
Sun Driftwood RV, LLC	20,389,700	2.29%	9,509,900	0.90%
Pine Haven, LLC	16,298,600	1.83%	7,119,700	0.67%
Catanoso, Family LP	9,763,300	1.09%	3,767,300	0.36%
MHC Lake & Shore, LLC	9,413,400	1.06%	9,273,200	0.88%
Robertson RV, LLC	4,867,800	0.55%		0.00%
Taxpayer #1	4,386,100	0.49%		0.00%
Tamerlane Campground INC	4,341,200	0.49%		0.00%
Taxpayer #2	3,873,400	0.43%	4,400,000	0.42%
Resort Campground CORP	3,718,400	0.42%	3,909,600	0.37%
Ocean View Petroleum				0.00%
Minmar Management, LLC			3,151,400	0.30%
O.W. Acquisition Corp				0.00%
Sea Quest Enterprises, LLC			8,160,100	0.77%
Taxpayer #3			4,151,300	0.39%
Total	\$ 77,051,900	8.64%	\$ 53,442,500	5.06%

Source: District CAFR & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2021	\$ 10,431,485	\$ 10,431,485	100.00%	\$
2020	10,154,311	10,154,311	100.00%	
2019	9,584,891	9,584,891	100.00%	
2018	9,683,533	9,683,533	100.00%	
2017	9,398,460	9,398,460	100.00%	
2016	9,239,286	9,239,286	100.00%	
2015	9,258,899	9,258,899	100.00%	
2014	9,112,197	9,112,197	100.00%	
2013	8,944,581	8,944,581	100.00%	
2012	8,690,613	8,690,613	100.00%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Debt Per Capita ^a Personal Income
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2021	\$ 210,000	149,963	\$	\$	\$	359,963	0.09%	\$ 59
2020	625,000	197,523				822,523	0.23%	135
2019	1,045,000	178,594				1,223,594	0.34%	201
2018	1,475,000	574,006				2,049,006	0.57%	332
2017	1,910,000	738,130				2,648,130	0.73%	427
2016	2,350,000	671,555				3,021,555	0.87%	485
2015	2,795,000	946,020				3,741,020	1.11%	598
2014	3,250,000	866,069				4,116,069	1.27%	654
2013	3,715,000	649,460				4,364,460	1.40%	690
2012	4,190,000	165,485				4,355,485	1.40%	682

Source: District CAFR Schedules I-2

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Bonded Debt Per Capita ^b Personal Income
	General Obligation Bonds	Deductions			
2021	\$ 210,000	\$	\$ 210,000	0.02%	\$ 34
2020	625,000		625,000	0.07%	103
2019	1,045,000		1,045,000	0.11%	169
2018	1,475,000		1,475,000	0.16%	239
2017	1,910,000		1,910,000	0.21%	308
2016	2,350,000		2,350,000	0.27%	377
2015	2,795,000		2,795,000	0.32%	447
2014	3,250,000		3,250,000	0.38%	516
2013	3,715,000		3,715,000	0.42%	587
2012	4,190,000		4,190,000	0.45%	656

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

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

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Dennis	\$ 6,192,153	100.00%	\$ 6,192,153
Other Debt			
Cape May County as of December 31, 2020	310,626,093	1.65%	5,113,917
Subtotal, Overlapping Debt			<u>11,306,070</u>
Dennis Township School District Direct Debt			b 210,000
Total Direct and Overlapping Debt			<u><u>\$ 11,516,070</u></u>

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

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

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

b Type I School District Debt

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis
	2020 \$ 938,923,902
	2019 918,574,101
	2018 926,605,650
	[A] \$ 2,784,103,653
Average Equalized Valuation of Taxable Property	[A/3] \$ 928,034,551
Debt Limit (3% of Average Equalization Value)	[B] \$ 27,841,037 a
Net Bonded School Debt	[C] 210,000
Legal Debt Margin	[B-C] \$ 27,631,037

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 29,008,507	\$ 27,645,853	\$ 26,463,934	\$ 25,962,943	\$ 25,944,320	\$ 26,318,874	\$ 26,564,199	\$ 27,074,441	\$ 27,404,726	\$ 27,841,037
Total Net Debt Applicable to Limit	4,190,000	3,715,000	3,250,000	2,795,000	2,350,000	1,910,000	1,475,000	1,045,000	625,000	210,000
Legal Debt Margin	\$ 24,818,507	\$ 23,930,853	\$ 23,213,934	\$ 23,167,943	\$ 23,594,320	\$ 24,408,874	\$ 25,089,199	\$ 26,029,441	\$ 26,779,726	\$ 27,631,037
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.32%	13.44%	12.28%	10.77%	9.06%	7.26%	5.55%	3.86%	2.28%	0.75%

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

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2021 *	6,091	\$ 382,906,946	\$ 62,860	11.6%
2020	6,118	357,246,448	62,797	10.5%
2019	6,153	360,494,504	62,734	4.9%
2018	6,172	361,541,144	60,264	5.7%
2017	6,203	361,550,476	58,019	6.4%
2016	6,232	347,989,500	56,059	7.0%
2015	6,258	337,543,193	54,054	8.3%
2014	6,303	323,123,312	51,478	9.9%
2013	6,332	312,726,975	46,561	9.9%
2012	6,393	310,989,417	48,772	8.2%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

* Estimate

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

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Morey Organization				
Woodbine Developmental Center				
U.S. Coast Guard				
Cape Regional Medical Center	Not Available		Not Available	
Acme Markets				
Wawa				
Shoprite				
Super Fresh				
Lobster House				
Windrift				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

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

<u>Function/Program</u>	<u>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>2021</u>
Instruction										
Regular	46	42	41	40	38	37	40	41	32	33
Special Education	18	17	16	19	18	19	18	17	15	15
Other Special Education	10	7	7	4	4	3	3	3	5	5
Other Instruction	5	7	7	7	6	8	9	12	20	20
Support Services:										
Student & Instruction Related Services	17	19	19	17	21	24	19	22	19	19
General Administrative Services	2	2	2	2	2	2	2	2	2	2
School Administrative Services	4	4	4	4	4	4	4	4	4	4
Central Services	3	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	2	2	2	2	2	2	2
Plant Operations and Maintenance	13	9	9	8	8	8	8	9	9	8
Pupil Transportation	18	24	24	27	25	30	23	24	24	23
Other Support Services									9	9
Total	<u>137</u>	<u>135</u>	<u>133</u>	<u>133</u>	<u>131</u>	<u>140</u>	<u>131</u>	<u>139</u>	<u>144</u>	<u>143</u>

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio All Schools</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2021	602	\$ 18,174,716	\$ 30,191	-10.63%	71	7:08:01	602	598	8.86%	99.34%
2020	589	18,094,828	30,721	-9.06%	72	7.8:1	574	554	3.80%	96.52%
2019	558	18,544,316	33,234	-1.63%	73	7.6:1	553	524	-16.84%	94.76%
2018	553	18,682,022	33,783	6.58%	70	7.9:1	665	628	-10.50%	94.44%
2017	543	17,211,016	31,696	10.50%	67	7.8:1	695	661	-6.46%	95.11%
2016	544	15,604,775	28,685	-1.67%	67	7.7:1	743	708	-3.63%	95.29%
2015	530	15,461,827	29,173	8.67%	70	7.6:1	771	731	-4.70%	94.81%
2014	582	15,624,029	26,845	-5.24%	71	8.2:1	809	771	-5.60%	95.30%
2013	593	16,800,175	28,331	7.50%	73	8.1:1	857	808	-4.03%	94.28%
2012	616	16,234,577	26,355	5.12%	72	8.5:1	893	851	-5.90%	95.30%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

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

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

<u>District Buildings</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>2021</u>
<u>Elementary</u>										
Dennis Township Elementary/Middle School (1950)										
Square Feet	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220
Capacity	608	608	608	608	608	608	608	608	608	608
Students	421	421	416	290	245	284	282	255	284	284
Dennis Township Primary School (2004)										
Square Feet	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105
Capacity	329	329	329	329	329	329	329	329	329	329
Students	195	195	166	240	299	259	271	303	305	305
<u>Other</u>										
Administration Building (1996)										
Square Feet	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960
Bus Maintenance Garage (1970)										
Square Feet	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980

Number of Schools at June 30, 2021
 Elementary/Middle School - 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses.

Enrollment is based on the annual October District count.

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

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

<u>School Facilities</u>	<u>Project #(s)</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Dennis Elementary	N/A	\$ 213,905	281,106	306,610	271,245	190,494	194,305	191,531	127,084	307,706	180,859
Dennis Primary	N/A	52,978	59,786	69,000	75,860	61,154	59,551	55,213	72,793	43,148	71,613
Total School Facilities		266,883	340,892	375,610	347,105	251,648	253,856	246,744	199,877	350,854	252,472
Other Facilities											
Grand Total		\$ 266,883	340,892	375,610	347,105	251,648	253,856	246,744	199,877	350,854	252,472

DENNIS TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

<u>Company</u> <u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
<u>School Alliance Insurance Fund</u>		
School (Commercial) Package Policy		
Property- Blanket Buildings & Contents	\$35,967,216	\$ 2,500
General Liability		
General Aggregate	50,000	
Boiler and Machinery	100,000,000	2,500
Cyber Liability	2,000,000	10,000
Crime	500,000	1,000
Business Auto Section	5,000,000	1,000
Excess Liability	5,000,000	
<u>SAIF</u>		
School Leaders E&O Liability	20,000,000	
Pollution Liability	25,000,000	
<u>ACE American Insurance Company</u>		
Storage Tank Liability		
Per Storage Tank Incident of Liability	1,000,000	5,000
Aggregate Limit of Liability	1,000,000	
<u>New Jersey School Insurance Group</u>		
Workers Compensation Policy		
Per Occurrence/Aggregate	3,000,000	
<u>Berkley Insurance Company/Bob McCloskey Insurance</u>		
Student Accident Policies	1,000,000	5,000
<u>United States Fire Ins. Co/McCloskey Insurance Company</u>		
Catastrophic Student Accident Coverage		
Accident Medical Expense Benefit	2,500,000	
Catastrophic Cash Benefit	500,000	25,000
<u>Ohio Casualty</u>		
Surety Bonds		
Treasurer	210,000	
Business Administrator	10,000	

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education of the Township of Dennis School District's basic financial statements, and have issued our report thereon dated January 31, 2022.

Internal Control Over Financial Reporting

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the deficiencies described in the accompanying schedule of findings and questioned costs to be significant, labeled 2021-1 and 2.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Dennis Board of Education's financial statements are free 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Board of Education's Response to Findings

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

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.

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
January 31, 2022

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Program

We have audited the Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of Dennis School District's major programs for the year ended June 30, 2021. The Township of Dennis Board of Education's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Dennis Board of Education's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements 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 *New Jersey Treasury Circular OMB 15-08*. Those standards and the Uniform Guidance and NJ OMB 015-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the Township of Dennis Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Program

In our opinion, the Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

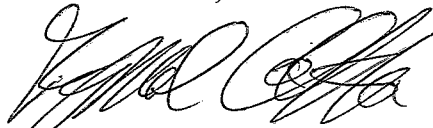
Management of the Township of Dennis School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated January 31, 2022. However, material weaknesses may exist that have not been identified.

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

Respectfully Submitted,
NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
January 31, 2022

**DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at July 1, 2020	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2021		
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education															
General Fund															
Medicaid Assistance Program	93.778	2005NJ5MAP	N/A	\$ 10,831	7/1/19	6/30/20		\$ 10,831	\$ (10,831)		\$ (10,831)				
Total General Fund								10,831	(10,831)		(10,831)				
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Child Nutrition Cluster:															
Cash Assistance:															
National School Lunch Program	10.555	201NJ304N1099	N/A	\$59,551	7/1/19	6/30/20	\$ (3,745)	3,745							
National School Lunch Program	10.555	211NJ304N1099	N/A	102,760	7/1/20	6/30/21		89,983	(102,760)		(102,760)		\$ (12,777)		
School Breakfast Program	10.553	201NJ304N1098	N/A	20,837	7/1/19	6/30/20	(2,367)	2,367							
School Breakfast Program	10.553	211NJ304N1099	N/A	48,506	7/1/20	6/30/21		42,752	(48,506)		(48,506)		(5,754)		
Non-Cash Assistance:															
Food Distribution Program	10.565	201NJ304N1098	N/A	13,781	7/1/19	6/30/20	6,707		(6,707)		(6,707)				
Food Distribution Program	10.565	211NJ304N1099	N/A	14,475	7/1/20	6/30/21		\$14,475	(8,429)		(8,429)			\$ 6,046	
Total Enterprise Fund								595	163,322	(166,402)	(166,402)		(18,531)	6,046	
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
E.S.E.A.															
Title I, Part A	84.010	S010A200030	ESEA1080-20	235,679	7/1/19	9/30/20	(138,685)	138,685							
Title I, Part A	84.010	S010A200030	ESEA1080-19	273,860	7/1/18	9/30/19	1,298					\$ (1,298)			
Title I, Part A	84.010	S010A200030	ESEA1080-21	264,370	7/1/20	9/30/21		178,339	(196,583)		(196,583)		\$ (18,244)		
Title I, SIA Part A	84.010	S010A200030	ESEA1080-20	14,147	7/1/19	9/30/20									
Title I, SIA Part A	84.010	S010A200030	ESEA1080-21	22,074	7/1/20	9/30/21		10,836	(12,318)		(12,318)		(1,482)		
Title II, Part A Teachers and Principals	84.367A	S367A200029	ESEA1080-20	41,966	7/1/19	9/30/20	(33,543)	33,543							
Title II, Part A Teachers and Principals	84.367A	S367A200029	ESEA1080-19	45,035	7/1/18	9/30/19	2,611					(2,611)			
Title II, Part A Teachers and Principals	84.367A	S367A200029	ESEA1080-21	54,729	7/1/20	9/30/21		20,438	(27,408)		(27,408)		(6,970)		
Title IV	84.424A	S424A200031	ESEA1080-20	15,599	7/1/19	9/30/20	(11,841)	11,836				5			
Title IV	84.424A	S424A200031	ESEA1080-21	23,325	7/1/20	9/30/21		3,524	(14,327)		(14,327)		(10,803)		
Title V	84.358B	S358B200100	ESEA1080-21	8,687	7/1/20	9/30/21		6,599	(6,599)		(6,599)				
ESSER II	84.425D	S425D200027	N/A	870,888	3/13/20	1/0/00			(29,259)		(29,259)		(29,259)		
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES 1080-20	267,273	3/13/20	9/30/22		106,960	(206,047)		(206,047)		(99,087)		
COVID RELIEF GRANT	21.019	N/A	21E00041					41,731	(41,731)		(41,731)				
Digital Divide	84.425D	S425D200027	N/A	21,282	7/16/20	10/31/20		26,760	(26,760)		(26,760)				
IDEA Cluster:															
I.D.E.A. Part B Basic	84.027A	H027A200100	IDEA1080-21	254,161	7/1/20	9/30/21		228,502	(232,367)		(232,367)		(3,865)		
I.D.E.A. Part B Basic	84.027A	H027A200100	IDEA1080-20	226,258	7/1/19	9/30/20	(5,411)	5,411							
I.D.E.A. Part B Basic	84.027A	H027A200100	IDEA1080-19	222,988	7/1/18	9/30/19	(26)					26			
I.D.E.A. Part B, Pre-school	84.173	H173A200114	IDEAPS1080-21	5,200	7/1/20	9/30/21		2,322	(3,549)		(3,549)		(1,227)		
Total Special Revenue Fund								(185,597)	815,486	(796,948)	(796,948)	(3,878)	(170,937)		
Total Federal Financial Awards								\$ (185,002)	\$ 979,639	\$ (974,181)	\$ (974,181)	\$ (3,878)	\$ (189,468)	\$ 6,046	\$ -

(A) There were no awards passed through to subrecipients.

**DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2020			Carry Over	Cash Received	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2021			MEMO		
					(Accounts Receivable)	Unearned Revenue	Due To Grantor					(Accounts Receivable)	Unearned Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:																	
General Fund:																	
Special Education Aid	20-495-034-5120-089	\$ 504,087	7/1/19	6/30/20	\$ (42,695)				\$ 42,695								
Special Education Aid	21-495-034-5120-089	504,087	7/1/20	6/30/21					463,255	\$ (504,067)		\$ (40,812)		\$ (40,812)	\$ (504,067)		
Equalization Aid	20-495-034-5120-078	1,063,893	7/1/19	6/30/20	(90,112)				90,112								
Equalization Aid	21-495-034-5120-078	1,063,893	7/1/20	6/30/21					977,755	(1,063,893)		(86,138)		(86,138)	(1,063,893)		
Security Aid	20-495-034-5120-084	102,940	7/1/19	6/30/20	(8,719)				8,719								
Security Aid	21-495-034-5120-084	102,940	7/1/20	6/30/21					94,605	(102,940)		(8,335)		(8,335)	(102,940)		
Adjustment Aid	20-495-034-5120-085	2,883,135	7/1/19	6/30/20	(244,204)				244,204								
Adjustment Aid	21-495-034-5120-085	1,972,625	7/1/20	6/30/21					1,812,912	(1,972,625)		(159,713)		(159,713)	(1,972,625)		
Transportation Aid	20-495-034-5120-014	653,808	7/1/19	6/30/20	(55,378)				55,378								
Transportation Aid	21-495-034-5120-014	653,808	7/1/20	6/30/21					600,872	(653,808)		(52,936)		(52,936)	(653,808)		
Extraordinary Aid	20-495-034-5120-044	94,573	7/1/19	6/30/20	(94,573)				94,573								
Extraordinary Aid	21-495-034-5120-044	112,070	7/1/20	6/30/21						(112,070)		(112,070)			(112,070)		
Non-public Transportation Aid	21-495-034-5120-014	6,227	7/1/20	6/30/21						(6,227)		(6,227)			(6,227)		
Homeless Tuition Reimbursement	N/A	40,402	7/1/19	6/30/20					40,402								
Reimbursed TPAF Social Security Contrib	20-495-034-5094-003	336,587	7/1/19	6/30/20	(16,689)				16,689								
Reimbursed TPAF Social Security Contrib	21-495-034-5094-003	326,743	7/1/20	6/30/21					309,447	(326,743)		(17,296)			(326,743)		
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	1,348,780	7/1/20	6/30/21					1,348,780	(1,348,780)					(1,348,780)		
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	422,687	7/1/20	6/30/21					422,687	(422,687)					(422,687)		
On-Behalf Long-term Disability	21-495-034-5094-004	936	7/1/20	6/30/21					936	(936)					(936)		
Total General Fund					(592,772)				6,624,021	(6,514,776)		(483,527)		(347,934)	(6,514,776)		
Special Revenue Fund:																	
Preschool Education Aid	20-495-134-5120-086	622,750	7/1/19	6/30/20	(62,275)	\$ 12,577		\$ (12,577)	62,275								
Preschool Education Aid	21-495-134-5120-086	1,520,040	7/1/20	6/30/21				12,577	1,398,437	(1,351,804)		(121,603)	\$ 180,813		(121,603)	(1,351,804)	
NJ Non-Public Aid																	
Textbooks	20-100-034-5120-064	7,432	7/1/19	6/30/20			\$ 59				\$ (59)						
Textbooks	21-100-034-5120-064	7,697	7/1/20	6/30/21					7,697	(7,697)					(7,697)		
Nursing	21-100-034-5120-070	12,852	7/1/20	6/30/21					12,852	(12,852)					(12,852)		
Security	20-100-034-5120-509	21,150	7/1/19	6/30/20													
Security	21-100-034-5120-509	22,050	7/1/20	6/30/21					22,050	(21,668)			\$ 382		(21,668)		
Auxiliary Services:																	
Compensatory Education	20-100-034-5120-067	58,406	7/1/19	6/30/20	(14,601)		29,446		14,601		(29,446)						
Compensatory Education	21-100-034-5120-067	39,191	7/1/20	6/30/21					39,191	(23,166)			16,025		(23,166)		
Transportation	20-100-034-5120-068	28,865	7/1/19	6/30/20	(2,866)				2,866								
Transportation	21-100-034-5120-068	2,478	7/1/20	6/30/21					2,478	(1,859)			619		(1,859)		
Handicapped Services:																	
Examination and Classification	20-100-034-5120-066	31,777	7/1/19	6/30/20	(9,241)		23,227		9,241		(23,227)						
Examination and Classification	21-100-034-5120-066	18,392	7/1/20	6/30/21					18,392	(10,701)			7,691		(10,701)		
Corrective Speech	20-100-034-5120-066	28,343	7/1/19	6/30/20	(8,315)		21,416		8,315		(21,416)						
Corrective Speech	21-100-034-5120-066	15,129	7/1/20	6/30/21					15,129	(6,835)			8,294		(6,835)		
Supplemental Instruction	20-100-034-5120-066	15,542	7/1/19	6/30/20	(3,886)		12,547		3,886		(12,547)						
Supplemental Instruction	21-100-034-5120-066	9,714	7/1/20	6/30/21					9,714	(6,255)			3,459		(6,255)		
Total Special Revenue Fund					(101,184)	12,577	86,695		1,627,124	(1,442,837)		(86,695)	(121,603)	180,813	36,470	(121,603)	(1,442,837)
State Department of Agriculture:																	
Enterprise Fund:																	
School Lunch Prog.	20-100-010-3350-023	1,881	7/1/19	6/30/20	(503)				503								
School Lunch Prog.	21-100-010-3350-023	5,648	7/1/20	6/30/21					4,220	(5,648)		(1,428)			(5,648)		
Total Enterprise Fund					(503)				4,723	(5,648)		(1,428)			(5,648)		
Total State Financial Assistance					\$ (694,459)	\$ 12,577	\$ 86,695		\$ 8,255,868	\$ (7,963,261)	\$ (86,695)	\$ (608,558)	\$ 180,813	\$ 36,470	\$ (469,537)	\$ (7,963,261)	
Less: On-Behalf TPAF Pension System Contributions																	
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	1,348,780	7/1/20	6/30/21					\$ 1,348,780	\$ (1,348,780)							
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	422,687	7/1/20	6/30/21					422,687	(422,687)							
On-Behalf Long-term Disability	21-495-034-5094-004	936	7/1/20	6/30/21					936	(936)							
Total For State Financial Assistance - Major Program Determination									\$ 6,483,465	\$ (6,190,858)							

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2021**

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

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

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2021
(CONTINUED)**

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$93,174 for the general fund and (\$68,898) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	On-Behalf Payments	Total
General Fund	\$10,831	\$ 6,607,950	\$ (2,099,146)	\$ 4,519,635
Special Revenue Fund	787,378	1,079,501		1,866,879
Food Service Fund	166,402	5,648		172,050
	<u>\$ 964,611</u>	<u>\$ 7,693,099</u>	<u>\$ (2,099,146)</u>	<u>\$ 6,558,564</u>

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

NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 - OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2021. 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, 2021.

NOTE 6 - ADJUSTMENTS

Both favorable and unfavorable differences incurred as a result of final grant payments being reported to the granter, of which \$3,878 were included in the Schedule A (Schedule of Federal Awards) and \$86,695 was included on Schedule B (Schedule of State Financial Assistance) in the column entitled "Adjustments." The Schedule B State adjustments was related to Non-Public Chapter 192 & 193.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

Type of auditor's report 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)? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	S010A200030	TITLE I & SIA
84.027, 84.173	H027A200100 H173A200114	SPECIAL EDUCATION CLUSTER

Dollar threshold used to distinguish between type A and type B programs (section .518): \$750,000

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

DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)

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

State Awards

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

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

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
21-495-034-5120-086	Preschool Aid
21-495-034-5120-003	REIMBURSED TPAF SS CONTRIB

DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)

Section II - Financial Statement Findings

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

Finding: 2021-1 (AMR Finding 2021-1)

Criteria or specific requirement:

An accurate record of payroll deductions and remittances to the various agencies is required to be maintained, which includes showing balances remaining on hand at year-end.

Condition:

The payroll agency account required numerous adjustments to be reflected as part of the audit.

Context:

The payroll accounts should be accurately maintained on an imprest basis, whereby amounts received should be paid out on a timely basis.

Effect:

A sufficient record of the payroll agency account was not maintained during the year.

Cause:

Changes were made in personnel, as well as the detailed record format, resulting in adjustments to be made in providing year-end balances per agency.

Recommendation:

Procedures to maintain the payroll agency records should be reviewed and revised in order to provide accurate balances throughout the year and reconciled to the bank account at year-end.

Views of responsible officials and planned corrective actions:

Responsible officials agree.

DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Section II - Financial Statement Findings (Continued)

Finding: 2021-2 (AMR Finding 2021-2)

Criteria or specific requirement:

Fixed Asset Accounting is required to be updated each year for inclusion of the activity in the annual CAFR.

Condition:

Fixed Assets were not accurately updated for inclusion of the activity in the annual CAFR

Context:

In order to acquire the required fixed asset information in the annual CAFR, it is necessary to provide accurate information to an outside vendor for the preparation of an annual report of additions and deletions, along with depreciation expenditures.

Effect:

Transactions representing additions to fixed assets were not accurately recorded in the expenditure records or submitted to the outside vendor for fixed asset and depreciation reports.

It was necessary to prepare and submit various adjustments for fixed asset additions along with depreciation charges as part of the audit.

Cause:

It did not appear that sufficient time was available to fully analyze and record fixed asset additions for submission to the outside vendor providing a report which included depreciation.

Recommendation:

Procedures to analyze fixed asset transactions for submission to the outside vendor necessary to acquire a fixed asset report should be reviewed in order to provide sufficient time to provide an accurate accounting of fixed assets and the related depreciation.

Views of responsible officials and planned corrective actions:

Responsible officials agree.

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

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

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

DENNIS TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

STATUS OF PRIOR - YEAR FINDINGS

Condition:

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

Status: Resolved