

**SCHOOL DISTRICT OF  
DOVER  
COUNTY OF MORRIS, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

# **Comprehensive Annual Financial Report**

of the

**Town of Dover School District**

**Dover, New Jersey**

**For the Fiscal Year Ended June 30, 2021**

Prepared by

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

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## INTRODUCTORY SECTION



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21 Belmont Avenue, Dover, New Jersey 07801

March 11, 2022

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

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Town of Dover School District (District) for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditor's report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** Town of Dover School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Town of Dover Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade level PK through 12. These include regular, vocational as well as special education for handicapped students. The District completed the 2020-2021 fiscal year with an average daily enrollment of 3,503 students, which is 284 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.



Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2008-09	2,895.5	-.01%
2009-10	2,934.8	1.36%
2010-11	2,927.8	-.24%
2011-12	2,901.6	-.89%
2012-13	3,027.7	4.35%
2013-14	3,082.7	1.82%
2014-15	3,168.8	2.79%
2015-16	3,216.4	1.50%
2016-17	3,224.0	.24%
2017-18	3,311.8	2.72%
2018-19	3,394.0	.98%
2019-20	3,219.0	-5.16%
2020-21	3,503.0	8.82%

2) **ECONOMIC CONDITION AND OUTLOOK:** The Town of Dover area experienced a slight increase in ratables. The Town has been attempting to attract businesses to relocate within its boundaries through several advertised programs. It is anticipated that such programs may continue to revitalize the Town and attract more businesses, which will assist in increasing the needed ratable base.

3) **MAJOR INITIATIVES:** The Dover Public School District remains committed to welcome all students and to provide all students with opportunities in a safe and accepting learning environment.

The Dover Schools has committed to providing its students with the greatest opportunity for success through recent initiatives that include the provision of a 1:1 Apple Device for every student across the PK-12 grade span. The district has invested in an array of support services for students and families increasing its school counseling staff and providing on-site clinical mental health services through Rutgers Behavioral Health.

The district has committed to welcoming students through the establishment of A Welcome Center and an enhanced registration process. Universal Full Day Preschool for all three and four-year olds has been implemented and is provided in cooperation with an array of community partners.

The Dover Public School District remains committed to preparing students for 21<sup>st</sup> Century Life and Careers. All initiatives are concomitant with the district's mission: "Working together as a community, our mission is to welcome all and provide opportunities for our students in a safe and accepting learning environment to become creative, empathetic, resilient, and who choose to make an impact."

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

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

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

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

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

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

- 7) **DEBT ADMINISTRATION:** At June 30, 2021, the District's outstanding debt issues consisted of a 2012 Refunded Bond issue in the amount of \$3,916,576. the proceeds of which were used to fund an addition to East Dover School and a Media Center and Wellness Center at Dover High School.

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

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

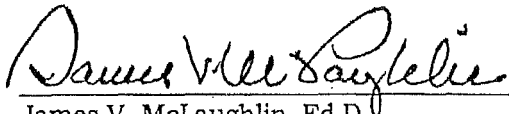
- 10) **OTHER INFORMATION:**

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

- 11) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of The Town of Dover School Board for their concern in providing fiscal accountability to the citizens and taxpayers

of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

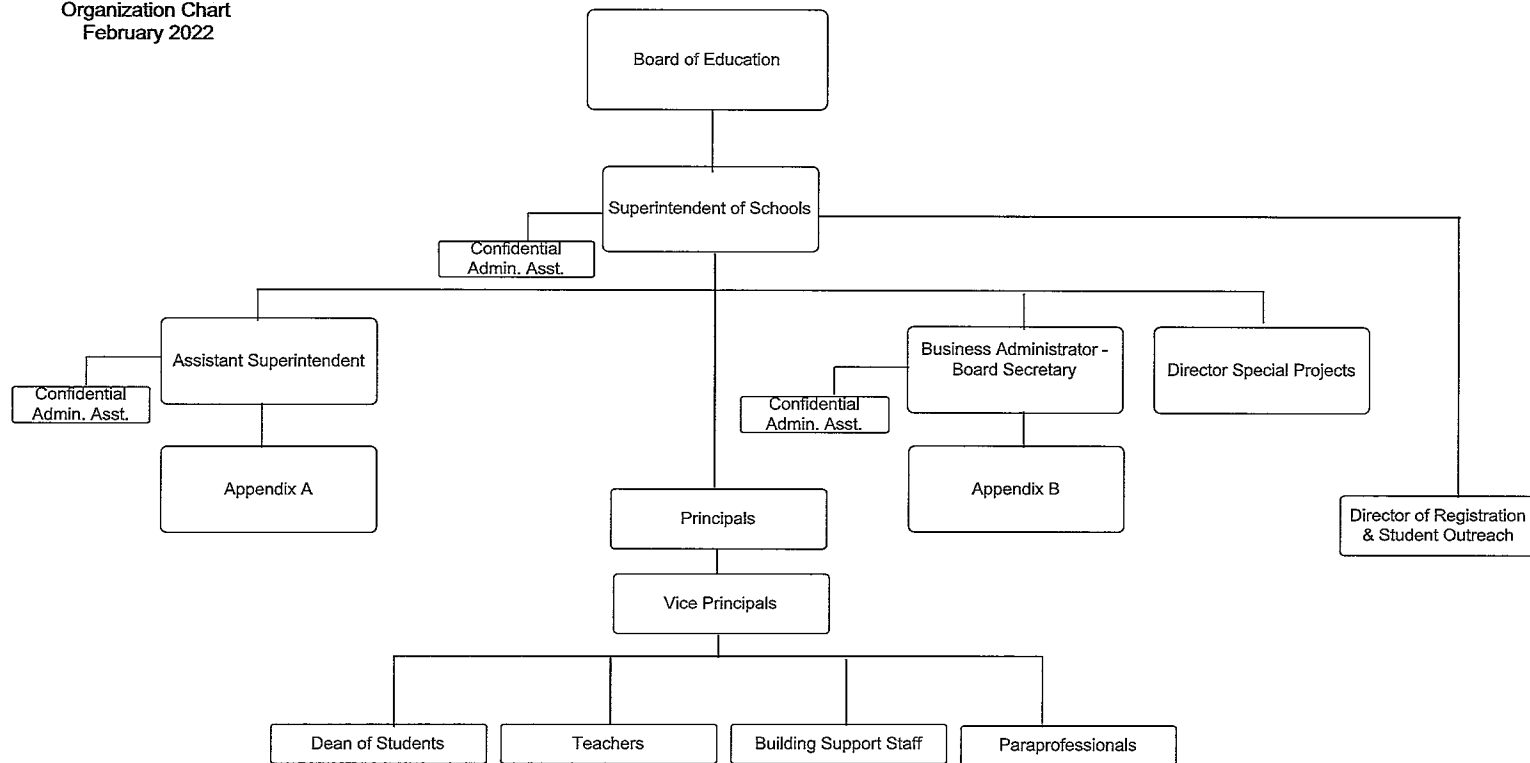


James V. McLaughlin, Ed.D.  
Superintendent of Schools

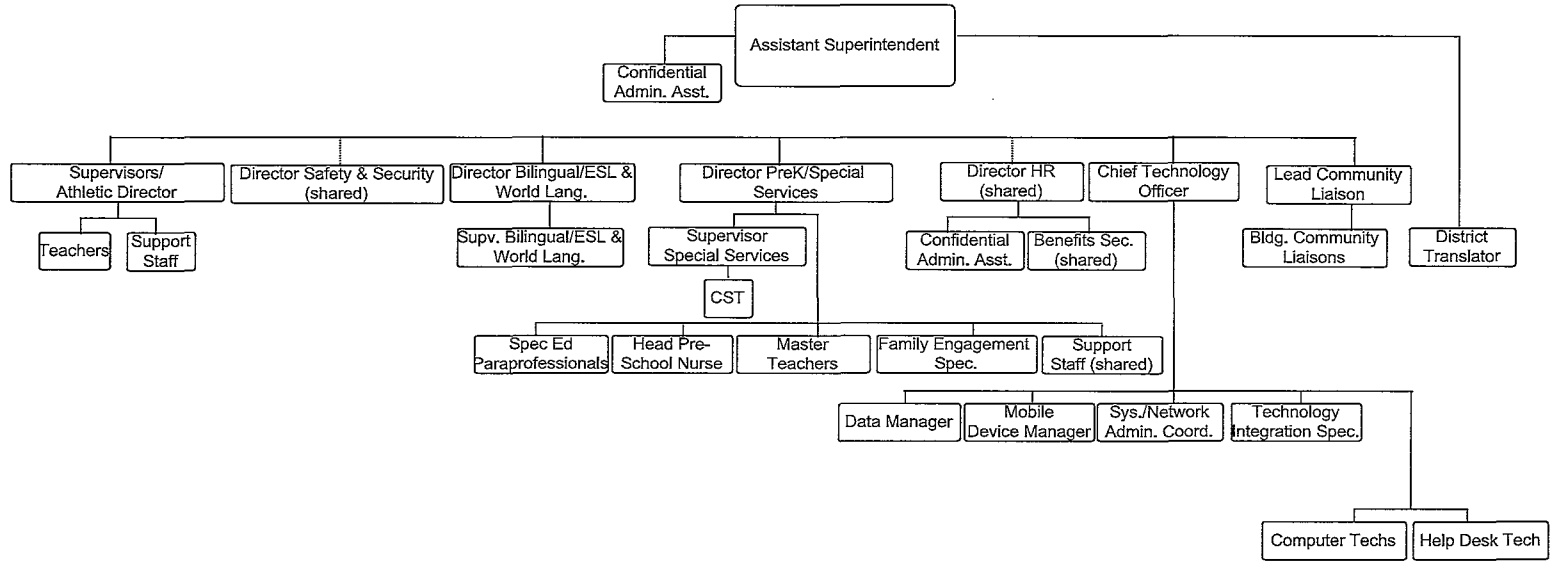


Raymond Slamb  
Business Administrator/Board Secretary

Dover Public School District  
 Organization Chart  
 February 2022

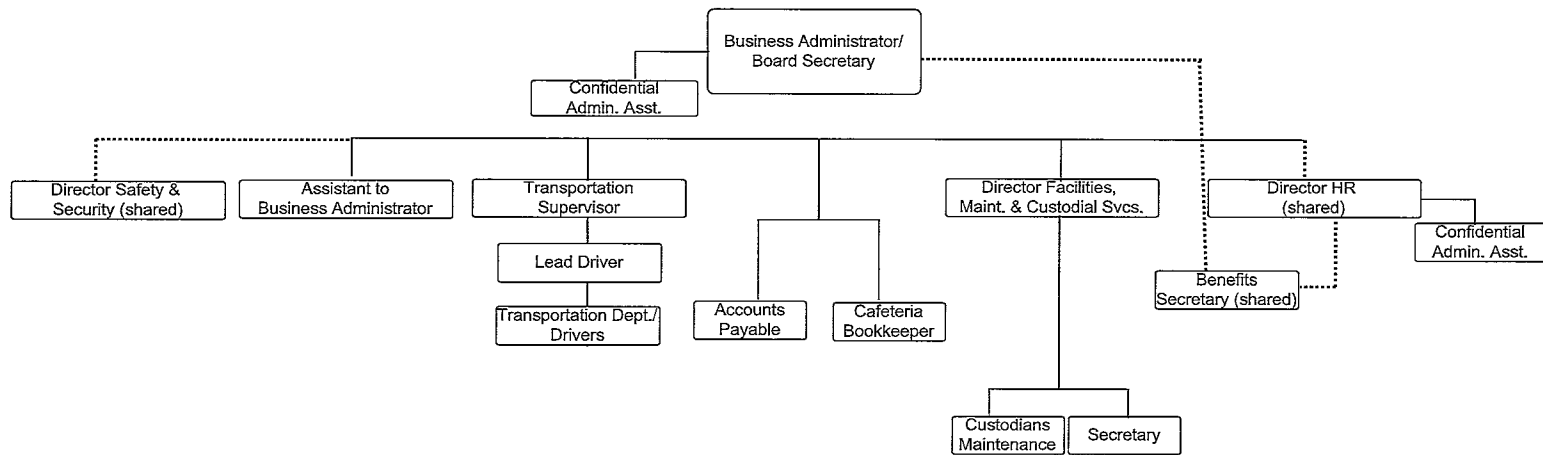


Dover Public School District  
 Organization Chart  
 APPENDIX A  
 February 2022



\* Director PreK/Special Services is a shared report with Superintendent

Dover Public School District  
 Organization Chart  
 APPENDIX B  
 February 2022



TOWN OF DOVER SCHOOL DISTRICT BOARD OF EDUCATION

DOVER, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Krista Seanor	President	2023
Karol Ruiz	Vice President	2022
Eudez Catano	Member	2022
Dahiana Grisales	Member	2023
Scott Miller	Member	2024
Tia Nutting	Member	2024
Kimberly Philips	Member	2022
Benjamin Robles	Member	2023
Jaclyn Viveros	Member	2022

Superintendent

Dr. James McLaughlin

Acting Business Administrator/Board Secretary

James Minkiewicz

Treasurer

John Griffin

**DOVER BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Board Attorney**

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

**Official Depository**

Provident Bank  
340 Route 46 East  
Dover, New Jersey 07801

Valley National Bank  
P.O. Box 558  
Wayne, New Jersey 07474

**Auditor**

Samuel Klein and Company, LLP  
Certified Public Accountants  
550 Broad Street, Suite 1100  
Newark, New Jersey 07102



**FINANCIAL SECTION**

# SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Dover School District, as of June 30, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedules of the District's proportionate share of the net pension liability, the schedules of the District's contributions, the budgetary comparison information, the schedule of changes in the District's total OPEB liability, related ratios and notes, and the notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

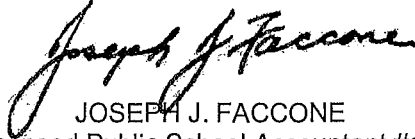
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Dover School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2022, on our consideration of the Board of Education of the Town of Dover School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Dover School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Dover School District's internal control over financial reporting and compliance.



JOSEPH J. FACCONI  
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
March 9, 2022

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**TOWN OF DOVER SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**UNAUDITED**

The discussion and analysis of the Town of Dover Public School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and other financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

In total, net assets totaled \$36,338,992 which represents an increase from 2020.

General revenue was \$52,934,608 or 70.0% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$22,884,236 or 30.0% of total revenues of \$75,818,844.

Total assets of governmental activities increased by \$8,107,111 as cash and cash equivalents increased approximately \$5,137,007, capital assets increased by approximately \$1,409,738 and receivables increased by \$1,321,202.

The District had \$69,628,809 in expenses; only \$21,718,238 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$16,942,784 and tuition of \$1,492,160 were adequate to provide for these programs.

Among major funds, the General Fund had \$60,750,049 in revenues and \$55,755,692 in expenditures, which does not include the operating transfer out for the Enterprise Fund. The General Fund's fund balance increased \$4 from 2020. The General Fund's fund balance is \$10,091,339.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

**TOWN OF DOVER SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**UNAUDITED (CONTINUED)**

**Reporting the District as a Whole**

**Statement of Net Assets and the Statement of Activities**

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2021". The Statement of Net Assets and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Governmental Activities - all of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

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

**Reporting the District's Most Significant Funds**

**Fund Financial Statement**

The Analysis of the District's major funds provides detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

**Governmental Funds**

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

**TOWN OF DOVER SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**UNAUDITED (CONTINUED)**

**Enterprise Fund**

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

**The District as a Whole**

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

Table 1 provides a comparative summary of the District's net assets for 2021 and 2020.

**Table 1 - Net Assets**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current and Other Assets	\$ 15,069,202	\$ 8,640,762
Capital Assets	<u>38,376,312</u>	<u>36,733,142</u>
Total Assets	<u>\$ 53,445,514</u>	<u>\$ 45,373,903</u>
<b>Liabilities</b>		
Long-Term Liabilities	\$ 10,775,651	\$ 10,835,521
Other Liabilities	<u>6,330,873</u>	<u>4,874,541</u>
Total Liabilities	<u>\$ 17,106,524</u>	<u>\$ 15,710,062</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	\$ 35,216,312	\$ 33,003,142
Restricted	10,596,158	7,207,557
Unrestricted	<u>(9,473,478)</u>	<u>(10,546,857)</u>
Total Net Position	<u>\$ 36,338,992</u>	<u>\$ 29,663,841</u>

The District's combined net assets were \$36,263,410 and \$29,663,841 on June 30, 2021 and June 30, 2020, respectively.



**TOWN OF DOVER SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED (CONTINUED)**

Table 2 shows the comparative changes in net assets from fiscal year 2021 and 2020.

**Table 2 - Comparative Changes in Net Assets**

	<u>2021</u>	<u>2020</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 151,281	\$ 345,994	-56.28%
Operating Grants and Contributions	22,732,956	13,404,579	69.59%
General Revenues:			
Property Taxes	16,942,784	16,626,173	1.90%
Grants and Entitlements	33,406,948	31,365,673	6.51%
Tuition	1,492,160	1,306,200	
Other	1,092,716	575,266	89.95%
Transfers			
Total Revenues	<u>75,818,845</u>	<u>63,623,885</u>	<u>19.17%</u>
Program Expenses:			
Instruction	40,048,923	34,299,359	16.76%
Support Services:			
Tuition/Pupils and Instructional Staff	15,970,040	11,577,812	37.94%
General Administration, School Administration, Business Operations and Maintenance of Facilities	9,876,539	8,830,932	11.84%
Pupil Transportation	2,137,424	2,784,354	-23.23%
Other Support Services	80,132	49,462	
Debt Service			#DIV/0!
Transfer to Charter School	12,449	11,895	4.66%
Interest on Debt	141,363	162,175	-12.83%
Food Service and Community School	1,013,816	1,626,202	-37.66%
Transfer to Special Revenue Fund			
Unallocated Depreciation	<u>348,124</u>	<u>1,212,468</u>	
Total Expenses	<u>69,628,809</u>	<u>60,554,659</u>	<u>14.99%</u>
Increase (Decrease) in Net Assets	6,190,036	3,069,226	
Beginning Net Assets-Restated	<u>30,148,956</u>	<u>26,594,615</u>	
Ending Net Assets	<u>\$ 36,338,992</u>	<u>\$ 29,663,841</u>	

**TOWN OF DOVER SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**UNAUDITED (CONTINUED)**

**Government Activities**

Property taxes made up 22.4% of revenues for governmental activities for the fiscal year 2021. The District's total revenues were \$75,743,263 for the year ended June 30, 2021. Federal, state and local grants accounted for another 44.1%.

The total cost of all programs and services was \$69,628,809. Instruction comprises 57.5% of the District's expenses.

**Business-Type Activities**

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

Food service expenses exceeded revenues by \$152,183.29. Charges for services represent \$56,832 of revenue. This represents the amount paid by patrons for daily food service and catering.

**Governmental Activities**

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

**Table 3 - Comparative Statement of Activities**

	Total Cost of Services			Net Cost of Services		
	<u>2020-2021</u>	<u>2019-2020</u>	<u>% Change</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>% Change</u>
Instruction	\$ 40,036,354	\$ 25,032,651	59.94%	\$ 25,659,269	\$ 9,266,708	176.90%
Support Services:						
Tuition/Pupils and Instructional Staff	15,970,040	9,639,778	65.67%	10,247,106	1,938,034	428.74%
General Administration, School Administration, Business Operation and Maintenance of Facilities	9,889,109	7,980,750	23.91%	8,446,389	850,182	893.48%
Pupil Transportation	2,137,424	2,760,040	-22.56%	2,087,464	2,760,040	-24.37%
Other Support Services	80,132	25,147		30,172	25,147	
Interest on Debt	141,363	162,175	-12.83%	141,363	162,175	
Debt Service						
Transfer to Charter School	12,449	11,895	4.66%	12,449	11,895	
Transfer to Special Revenue Fund						
Unallocated Depreciation	348,124	1,212,468		348,124		
	<u>\$ 68,614,993</u>	<u>\$ 46,824,904</u>	<u>46.54%</u>	<u>\$ 46,972,337</u>	<u>\$ 15,014,181</u>	<u>212.85%</u>

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

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

**TOWN OF DOVER SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**UNAUDITED (CONTINUED)**

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

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

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

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

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

**The District's Funds**

Information about the District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$69,119,164 and expenditures of \$65,113,387.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2021 and June 30, 2020, and the amount and percentage of increases and decreases in relation to prior year revenues.

**Comparative Summary of Revenues**

<b>Revenue</b>	<b><u>June 30, 2021</u></b>	<b><u>Percent of Total</u></b>	<b><u>June 30, 2020</u></b>	<b><u>Increase (Decrease) from 2020</u></b>	<b><u>Percent of Increase (Decrease)</u></b>
Local Sources	\$ 19,535,877	28.26%	\$ 18,504,992	\$ 1,030,885	5.57%
State Sources	44,385,947	64.22%	39,411,331	4,974,616	12.62%
Federal Sources	5,072,275	7.34%	2,175,103	2,897,171	133.20%
Private Sources	125,064	0.18%	1,830	123,234	
	<u>\$ 69,119,164</u>	<u>100.00%</u>	<u>\$ 60,093,257</u>	<u>\$ 9,025,907</u>	<u>15.02%</u>

**TOWN OF DOVER SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**UNAUDITED (CONTINUED)**

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2021 and the amount and percentage of increases (decreases) in relation to prior year amounts.

**Comparative Summary of Expenditures**

<b>Expenditures</b>	<u>June 30, 2020</u>	<u>Percent of Total</u>	<u>June 30, 2020</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures					
Instruction	\$ 23,129,385	35.52%	\$ 21,161,342	\$ 1,968,043	9.30%
Support Services	39,502,328	60.67%	35,062,717	4,439,611	12.66%
Capital Outlay	1,757,862	2.70%	5,654,780	(3,896,917)	-68.91%
Transfer to Charter School	12,449	0.02%	11,895	554	4.66%
Debt Service	711,363	1.09%	713,013	(1,650)	-0.23%
	<u>\$ 65,113,387</u>	<u>100.00%</u>	<u>\$ 62,603,746</u>	<u>\$ 2,509,641</u>	<u>4.01%</u>

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

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

- Pupil Transportation Increases.
- Employee Benefits Increases.

**TOWN OF DOVER SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights**

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

During the course of the fiscal year 2021, the District amended its General Fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets, but provide flexibility for program management. Transfers from one program to another must be approved by the Board of Education.

At the end of the fiscal year 2021, the District had \$37,882,214 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2021 balances compared to 2020.

**Table 4 - Capital Assets at June 30**

	<u>2021</u>	<u>2020</u>
Land/Sites	\$ 497,100	\$ 497,100
Construction in Progress		
Site Improvements		
Buildings and Improvements	33,172,303	32,120,183
Machinery and Equipment	<u>4,212,811</u>	<u>3,855,193</u>
 Totals	 <u><u>\$ 37,882,214</u></u>	 <u><u>\$ 36,472,476</u></u>

Overall capital assets increased \$1,409,738 from fiscal year 2021 to fiscal year 2020. The increase in capital assets was due primarily to the improvements made in the District during 2021.

**For the Future**

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

**Contacting the School District's Financial Management**

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

**BASIC FINANCIAL STATEMENTS**

**A. DISTRICT-WIDE FINANCIAL STATEMENTS**

**DOVER BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 42,885.77	\$ 587,412.89	\$ 630,298.66
Accounts Receivables, Net	5,132,397.84	121,353.96	5,253,751.80
Inventory		5,573.41	5,573.41
Restricted Assets:			
Capital Reserve Account - Cash	7,765,574.40		7,765,574.40
Capital Assets, Net (Note X)	<u>37,882,214.05</u>	<u>494,097.54</u>	<u>38,376,311.59</u>
Total Assets	<u>50,823,072.06</u>	<u>1,208,437.80</u>	<u>52,031,509.86</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount Related to Pension	<u>1,414,006.00</u>		<u>1,414,006.00</u>
Total Deferred Outflows of Resources	<u>1,414,006.00</u>		<u>1,414,006.00</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	721,169.48	29,052.06	750,221.54
Interfunds Payable	(2,322.98)	2,322.98	
Payable to State Government	21,665.27		21,665.27
Deferred Revenue	2,306,622.05		2,306,622.05
Noncurrent Liabilities:			
Due Within One Year	580,000.00		580,000.00
Due Beyond One Year (Note X)	3,484,763.35		3,484,763.35
Net Pension Liability (Note X)	<u>6,710,888.00</u>		<u>6,710,888.00</u>
Total Liabilities	<u>13,822,785.17</u>	<u>31,375.04</u>	<u>13,854,160.21</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount Related to Pension	<u>3,252,364.00</u>		<u>3,252,364.00</u>
Total Deferred Inflows of Resources	<u>3,252,364.00</u>		<u>3,252,364.00</u>
<b>NET ASSETS</b>			
Investment in Capital Assets, Net of Related Debt	34,722,214.05	494,097.54	35,216,311.59
Restricted for:			
Debt Service	0.64		0.64
Capital Reserve	5,780,577.91		5,780,577.91
Unemployment Compensation	232,345.92		232,345.92
Scholarships	118,344.51		118,344.51
Student Activities	143,387.63		143,387.63
Other Purposes	4,321,501.52		4,321,501.52
Unrestricted (Deficit)	<u>(10,156,443.29)</u>	<u>682,965.22</u>	<u>(9,473,478.07)</u>
Total Net Assets	<u>\$ 35,161,928.89</u>	<u>\$ 1,177,062.76</u>	<u>\$ 36,338,991.65</u>

The accompanying notes to financial statements are an integral part of this statement.



DOVER BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Assets	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 32,114,851.98	\$	\$ 12,229,847.39	\$ (19,885,004.59)	\$	\$ (19,885,004.59)
Special Education Instruction	4,239,699.85		1,173,826.07	(3,065,873.78)		(3,065,873.78)
School Sponsored Activities	3,007,343.87		1,017,846.90	(1,989,496.97)		(1,989,496.97)
Other Instruction	687,027.43		31,144.78	(655,882.65)		(655,882.65)
Support Services:						
Tuition	5,342,742.75			(5,342,742.75)		(5,342,742.75)
Student and Instructional Related Services	10,627,297.22	94,449.19 *	5,628,484.60 *	(4,904,363.43)		(4,904,363.43)
General Administration	1,779,014.26		301,920.11	(1,477,094.15)		(1,477,094.15)
School Administrative Services	2,612,343.90		201,553.86	(2,410,790.04)		(2,410,790.04)
Central Services	1,029,351.51		268,982.67	(760,368.84)		(760,368.84)
Administration of Information Technology	103,384.95		19,131.40	(84,253.55)		(84,253.55)
Plant Operations and Maintenance	3,700,528.85		464,093.48	(3,236,435.37)		(3,236,435.37)
Care and Upkeep of Grounds	203,612.72		55,452.64	(148,160.08)		(148,160.08)
Security	448,302.98		131,585.32	(316,717.66)		(316,717.66)
Pupil Transportation	2,137,423.59		49,959.78	(2,087,463.81)		(2,087,463.81)
Other Support Services	80,131.80		49,959.78	(30,172.02)		(30,172.02)
Charter School	12,449.00			(12,449.00)		(12,449.00)
Capital Outlay - Non-depreciable						
Interest on Long-Term Debt	141,362.50			(141,362.50)		(141,362.50)
Unallocated Depreciation	348,124.33			(348,124.33)		(348,124.33)
Total Governmental Activities	68,614,993.49	94,449.19	21,623,788.78	(46,896,755.52)		(46,896,755.52)
Business-Type Activities:						
Food Services	1,013,815.52	56,831.51	1,109,167.30		152,183.29	152,183.29
Total Business-Type Activities	1,013,815.52	56,831.51	1,109,167.30		152,183.29	152,183.29
Total Primary Government	\$ 69,628,809.01	\$ 151,280.70	\$ 22,732,956.08	\$ (46,896,755.52)	\$ 152,183.29	\$ (46,744,572.23)

**DOVER BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Net (Expense) Revenue and Change In Net Assets		
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, net	\$ 16,231,423.00	\$	\$ 16,231,423.00
Property Taxes, Levied for Debt Service Principal	711,361.00		711,361.00
Federal and State Aid not Restricted	33,406,948.10		33,406,948.10
Local/Private Sources	(2,617.64)		(2,617.64)
Tuition Received	1,492,160.00		1,492,160.00
Interest and Investment Earnings - Restricted	1,500.00	****	1,500.00
Miscellaneous Income	1,099,433.32		1,099,433.32
Cancellation of Prior Year Accounts Receivable	<u>(5,599.97)</u>		<u>(5,599.97)</u>
Total General Revenues, Special items, Extraordinary Items and Transfers	<u>52,934,607.81</u>		<u>52,934,607.81</u>
 Change in Net Assets	 6,037,852.29	 152,183.29	 6,190,035.58
Net Assets - Beginning	28,638,961.65	1,024,879.47	29,663,841.12
Prior Period Adjustments	485,114.95		485,114.95
Net Position, July 1 (Restated)	<u>29,124,076.60</u>	<u>1,024,879.47</u>	<u>30,148,956.07</u>
Net Assets - Ending	<u>\$ 35,161,928.89</u>	<u>\$ 1,177,062.76</u>	<u>\$ 36,338,991.65</u>

The accompanying notes to financial statements are an integral part of this statement.

- \* Student activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"
- \*\* Internal service fund (ex. Worker's comp) revenue is reported as "charges for services"
- \*\*\* Includes interest earnings on the flexible benefits bank account
- \*\*\*\* Includes the interest earnings on the unemployment compensation bank account and workers' compensation bank account

**B. FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**DOVER BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 173,126.94 *	*		\$ 173,126.94
Accounts Receivable:				
Intergovernmental Due from Federal		1,669,820.37		1,669,820.37
Intergovernmental Due from State	1,347,179.49	146,698.27		1,493,877.76
Receivables from Other Governments - Local	1,652,641.47			1,652,641.47
Other	161,888.67	23,927.76	130,241.81	316,058.24
Interfunds Account Receivable	961,297.17			961,297.17
Restricted Cash and Cash Equivalents	6,164,498.84	1,601,075.56		7,765,574.40
<b>Total Assets</b>	<b>\$ 10,460,832.58</b>	<b>\$ 3,441,521.96</b>	<b>\$ 130,241.81</b>	<b>\$ 14,032,396.35</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Cash Overdraft			\$ 130,241.17	\$ 130,241.17
Accounts Payable	23,839.62	545,754.85		569,594.47
Payroll Deductions and Withholdings Payable	104,473.90 ***			104,473.90
Unemployment Compensation Claims Payable	47,101.11 ****			47,101.11
Interfunds Account Payable	193,878.54	765,095.65		958,974.19
Payable to State Government		21,665.27 **		21,665.27
Deferred Revenue		2,306,622.05		2,306,622.05
<b>Total Liabilities</b>	<b>369,293.17</b>	<b>3,639,137.82</b>	<b>130,241.17</b>	<b>4,138,672.16</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Excess Surplus - Current Year	2,807,698.14			2,807,698.14
Capital Reserve	5,780,577.91			5,780,577.91
Scholarships		118,344.51		118,344.51
Student Activities		143,387.63		143,387.63
Unemployment Compensation	232,345.92			232,345.92
<b>Committed to:</b>				
Other Purposes	1,386,988.38			1,386,988.38
<b>Assigned to:</b>				
Debt Service			0.64	0.64
Designated by the BOE for subsequent year's expenditures	126,815.00			126,815.00
<b>Unassigned Fund Balance (Deficit)</b>	<b>(243,085.94)</b>	<b>(459,348.00)</b>		<b>(702,433.94)</b>
<b>Total Fund Balances</b>	<b>10,091,339.41</b>	<b>(197,615.86)</b>	<b>0.64</b>	<b>9,893,724.19</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,460,832.58</b>	<b>\$ 3,441,521.96</b>	<b>\$ 130,241.81</b>	<b>\$ 14,032,396.35</b>
				<b>Total Fund Balance Above</b>
				<b>\$ 9,893,724.19</b>
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$191,990,127.62 and the accumulated depreciation is \$60,258,141.29. (See Note 5).				37,882,214.05
Deferred Outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8).				1,414,006.00
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the funds. (See Note 8).				(3,252,364.00)
Long -Term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 8).				(6,710,888.00)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 6).				(4,064,763.35)
<b>Net Position of Governmental Activities (A-1)</b>				<b>\$ 35,161,928.89</b>

The accompanying notes to financial statements are an integral part of this statement.

\* Include former fiduciary fund cash and cash equivalents

\*\* Include payable due to the State for unreimbursed unemployment invoices

\*\*\* Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

\*\*\*\* Include unspent employee payroll unemployment contributions

**DOVER BOARD OF EDUCATION**  
**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
<b>Revenues</b>				
Local Sources:				
Local Tax Levy	\$ 16,231,423.00	\$	\$ 711,361.00	\$ 16,942,784.00
Tuition Charges	1,492,160.00			1,492,160.00
Interest Earned	1,500.00			1,500.00
Restricted Miscellaneous Revenues	<u>1,099,433.32</u> *			<u>1,099,433.32</u>
Total Local Sources	18,824,516.32		711,361.00	19,535,877.32
State Sources	41,813,312.27	2,572,635.01		44,385,947.28
Federal Sources	112,220.24	4,960,054.59		5,072,274.83
Private (Local) Sources		<u>125,064.45</u> **		<u>125,064.45</u>
Total Revenues	<u>60,750,048.83</u>	<u>7,657,754.05</u>	<u>711,361.00</u>	<u>69,119,163.88</u>
<b>Expenditures</b>				
Current:				
Regular Instruction	14,748,900.46	4,024,218.93		18,773,119.39
Special Education Instruction	2,356,969.52			2,356,969.52
School Sponsored Activities	1,374,792.61			1,374,792.61
Other Instruction	637,073.51			637,073.51
Support Services and Undistributed Costs:				
Tuition	5,342,742.75			5,342,742.75
Student and Instructional Related Services	3,688,771.17	3,770,109.02	***	7,458,880.19
General Administration	1,294,756.70			1,294,756.70
School Administrative Services	2,290,241.54			2,290,241.54
Central Services	597,923.16			597,923.16
Administration of Information Technology	72,699.60			72,699.60
Plant Operations and Maintenance	2,956,157.18			2,956,157.18
Care and Upkeep of Grounds	114,670.78			114,670.78
Security	237,249.85			237,249.85
Pupil Transportation	2,057,291.79			2,057,291.79
Employee Benefits	16,215,140.03	852,004.85		17,067,144.88
Transfer to Charter Schools	12,449.00			12,449.00
Capital Outlay	1,757,862.30			1,757,862.30
Debt Service:				
Principal			570,000.00	570,000.00
Interest and Other Charges			<u>141,362.50</u>	<u>141,362.50</u>
Total Expenditures	<u>55,755,691.95</u>	<u>8,646,332.80</u>	<u>711,362.50</u>	<u>65,113,387.25</u>
Excess (Deficiency) of Revenues Over/(Under)				
Expenditures	<u>4,994,356.88</u>	<u>(988,578.75)</u>	<u>(1.50)</u>	<u>4,005,776.63</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to Special Revenue Fund - Preschool	(684,906.00)	684,906.00		
Cancellation of Prior Year Accounts Receivable	<u>(5,599.97)</u>			<u>(5,599.97)</u>
Total Other Financing Sources (Uses)	<u>(690,505.97)</u>	<u>684,906.00</u>		<u>(5,599.97)</u>
Net Change in Fund Balances	4,303,850.91	(303,672.75)	(1.50)	4,000,176.66
Fund Balances, July 1	5,555,142.58	(146,712.14)	2.13	5,408,432.57
Prior Period Adjustments	232,345.92	252,769.03	*****	485,114.95
Fund Balance, July 1, Restated	<u>5,787,488.50</u>	<u>106,056.89</u>	<u>2.13</u>	<u>5,893,547.52</u>
Fund Balances, June 30	<u>\$ 10,091,339.41</u>	<u>\$ (197,615.86)</u>	<u>\$ 0.63</u>	<u>\$ 9,893,724.18</u>

The accompanying notes to financial statements are an integral part of this statement.

- \* Include interest earnings on the unemployment compensation bank account  
\*\* Special revenue fund now includes revenues from scholarships and student activities  
\*\*\* Special revenue fund now includes expenditures from scholarships and student activities  
\*\*\*\* Unemployment Fund Net Position as of June 30, 2020  
\*\*\*\*\* Scholarship Fund and Student Activity Fund Net Position as of June 30, 2020

**DOVER BOARD OF EDUCATION  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ 4,000,176.66
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital Outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation.</p>		
Depreciation Expense		\$ (348,124.33)
Capital Outlays/Adjustments		1,757,862.30
		1,409,737.98
<p>Repayment of Bond, Loan and Lease Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Bonds		\$ 570,000.00
		570,000.00
<p>Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.</p>		
		489,087.00
<p>In the statement of activities, certain operating expenses, (e.g., pensions, compensated absences and interest on debt) are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		(431,149.35)
Change in Net Position of Governmental Activities	A-2	\$ 6,037,852.29

The accompanying notes to financial statements are an integral part of this statement.

**PROPRIETARY FUNDS**



**DOVER BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ 587,412.89	\$ 587,412.89
Intergovernmental Accounts Receivable:		
State	3,722.49	3,722.49
Federal	117,631.47	117,631.47
Inventories:		
Food	5,573.41	5,573.41
Total Current Assets	714,340.26	714,340.26
Noncurrent Assets:		
Furniture, Machinery & Equipment	913,302.54	913,302.54
Less Accumulated Depreciation	(419,205.00)	(419,205.00)
Total Noncurrent Assets	494,097.54	494,097.54
Total Assets	\$1,208,437.80	\$1,208,437.80
 <b><u>LIABILITIES</u></b>		
Current Liabilities:		
Accounts Payable	\$ 29,052.06	\$ 29,052.06
Interfunds Payable	2,322.98	2,322.98
Total Current Liabilities	31,375.04	31,375.04
Total Liabilities	\$ 31,375.04	\$ 31,375.04
 <b><u>NET POSITION</u></b>		
Invested in Capital Assets, Net of Related Debt	\$ 494,097.54	\$ 494,097.54
Unrestricted (Deficit)	682,965.22	682,965.22
Total Net Position	\$1,177,062.76	\$1,177,062.76

The accompanying notes to financial statements are an integral part of this statement.

**DOVER BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Food Service Programs	
	School Nutrition (A)	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 33,321.41	\$ 33,321.41
Special Functions/Catering	2,820.10	2,820.10
Miscellaneous	20,690.00	20,690.00
Total Operating Revenues	56,831.51	56,831.51
Operating Expenses:		
Food Service Management Company Salaries	414,038.26	414,038.26
Salaries	263,636.41	263,636.41
Personnel Services - Employee Benefits	47,059.56	47,059.56
Purchased Property Service	32,264.85	32,264.85
Purchased Services (Including Fixed Price Contract)	62,992.40	62,992.40
Other Purchased Professional and Technical Services	84,575.88	84,575.88
Insurance	25,830.30	25,830.30
General Supplies and Materials	63,825.86	63,825.86
Depreciation Expense	19,592.00	19,592.00
Total Operating Expenses	1,013,815.52	1,013,815.52
Operating Income/(Loss)	(956,984.01)	(956,984.01)
Nonoperating Revenues (Expenses):		
<u>Federal Sources:</u>		
Summer Food Service Program (COVID-19 Emergency)	1,086,350.95	1,086,350.95
Fresh Fruit and Vegetables Program	22,816.35	22,816.35
Total Nonoperating Revenues (Expenses)	1,109,167.30	1,109,167.30
Income (Loss) before Contributions	152,183.29	152,183.29
Change in Net Position	152,183.29	152,183.29
Total Net Position - Beginning	1,024,879.47	1,024,879.47
Total Net Position - Ending	\$ 1,177,062.76	\$ 1,177,062.76

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

**DOVER BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from Customers and Other Funds	\$ 56,830.80	\$ 56,830.80
Payments to Employees	(263,636.41)	(263,636.41)
Payments to Employees' Benefits	(79,324.41)	(79,324.41)
Payments to Suppliers	(777,040.09)	(777,040.09)
Net Cash Provided by (Used for) Operating Activities	<u>(1,063,170.11)</u>	<u>(1,063,170.11)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
State Sources	437.20	437.20
Federal Sources	1,076,592.50	1,076,592.50
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,077,029.70</u>	<u>1,077,029.70</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Purchases of Capital Assets	(253,024.04)	(253,024.04)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(253,024.04)</u>	<u>(253,024.04)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(239,164.45)	(239,164.45)
Balances - Beginning of Year	826,577.34	826,577.34
Balances - End of Year	<u>\$ 587,412.89</u>	<u>\$ 587,412.89</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>		
Operating Income/(Loss)	\$ (956,984.72)	\$ (956,984.72)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	19,592.00	19,592.00
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable, net	(44,607.00)	(44,607.00)
Increase/(Decrease) in Accounts Payable	(78,577.92)	(78,577.92)
Increase/(Decrease) in Accrued Salaries Benefits	(2,592.00)	(2,592.00)
Total Adjustments	<u>(106,184.92)</u>	<u>(106,184.92)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,063,169.64)</u>	<u>\$ (1,063,169.64)</u>

**FIDUCIARY FUNDS (IF APPLICABLE)**

DOVER BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

Private  
Purpose  
Scholarship  
Trust

**ADDITIONS**

Total Additions

**DEDUCTIONS**

Total Deductions

Change in Net Position

Total Net Position - Beginning

120,962.15

Total Net Position - Ending

\$ 120,962.15

***NOTES TO FINANCIAL STATEMENTS***

**TOWN OF DOVER SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Town of Dover School District (the "District") is a Type II District located in the County of Morris, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K - 12. The District had an approximate enrollment at June 30, 2021 of 2,984 students.

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

**1. Government-Wide Financial Statements**

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. Basis of Presentation (Continued)

#### 1. Government-Wide Financial Statements (Continued)

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

#### 2. Fund Financial Statements

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

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

### B. Fund Accounting

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

#### 1. Governmental Funds

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

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Fund Accounting (Continued)

#### 1. Governmental Funds (Continued)

##### General Fund (Continued)

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

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

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

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

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

#### 2. Proprietary Fund Type

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

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

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

## 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### B. **Fund Accounting (Continued)**

#### 2. **Proprietary Fund Type (Continued)**

##### **Enterprise Fund (Continued)**

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

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

Food Service Fund:	
Machinery and Equipment	5 - 12 Years

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

#### 3. **Fiduciary Funds**

##### **Private Purpose Scholarship Funds**

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

#### 4. **Long-Term Debt**

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

### C. **Measurement Focus**

#### 1. **Government-Wide Financial Statements**

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **C. Measurement Focus (Continued)**

#### **2. Fund Financial Statements**

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

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

Fiduciary funds are reported using the economic resources measurement focus.

### **D. Basis of Accounting**

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

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office for approval. Budgets which meet the tax levy cap requirements do not require voter approval. Budgets which exceed the tax levy cap require voter approval for the excess amount at the November election. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.).

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Budget/Budgetary Control (Continued)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$60,860,300.97	\$ 8,978,679.60
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(1,083,870.71)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	3,086,854.86	146,712.14
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(3,197,107.00)</u>	<u>(459,348.00)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$60,750,048.83</u>	<u>\$ 7,582,173.03</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$55,755,691.95	\$ 9,654,622.49
Differences - Budget-to-GAAP:		
The District budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual bases. <i>[Not applicable in this example]</i>		
Encumbrances for supplies and equipment but not received are reported in the year the order is placed for <i>budgetary purposes</i> , but in the year the supplies are received for <i>financial reporting</i> purposes.		(1,083,870.71)
	<u>\$55,755,691.95</u>	<u>\$ 8,570,751.78</u>

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **F. Encumbrances**

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred inflows at fiscal year end. There were no open encumbrances recorded in the Special Revenue Fund as of June 30, 2021.

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

### **G. Cash, Cash Equivalents and Investments**

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

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

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

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

### **H. Inventories and Prepaid Expenses**

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

### **I. Allowance for Uncollectible Accounts**

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### J. Tuition Receivable

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

### K. Tuition Payable

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

### L. Short-Term Interfund Receivables/Payables

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

### M. Capital Assets

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

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

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

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

### N. Deferred Outflows/Inflows of Resources

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

### O. Compensated Absences

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **O. Compensated Absences (Continued)**

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

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

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

### **P. Accrued Liabilities and Long-Term Obligations**

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

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

### **Q. Net Position**

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

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

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

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

### **R. Deferred Inflows**

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

### **S. Fund Equity**

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### T. Fund Balance

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

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

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

### U. Proprietary Funds Revenues and Expenses

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **V. Rebatable Arbitrage**

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

### **W. Allocation of Expenses**

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

### **X. On-Behalf Payments**

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security and post-retirement medical and pension contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

### **Y. Extraordinary and Special Items**

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

### **Z. Accounting and Financial Reporting for Pensions**

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Z. Accounting and Financial Reporting for Pensions (Continued)**

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

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

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

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

### **AA. Accounting and Financial Reporting for Other Post-Retirement Benefits ("OPEB")**

In 2018 the District implemented GASB #75 which addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, revenues and expense/expenditures. The Statement GASB #45 supersedes Accounting and Financial Reporting for Post-Employment Benefits with other than Pension.

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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### AB. GASB Statement No. 84 Fiduciary Activities

The District implemented GASB Statement No. 84 Fiduciary Activities on July 1, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District reclassified the payroll agency, payroll net and unemployment reserve accounts to the General Fund. The Special Revenue Fund was adjusted to include student activities and scholarship accounts. There was no adverse impact on the financial statements of the District.

### AC. Other Accounting Standards

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

- *GASB Statement No. 87. Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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

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

- *GASB Statement No. 89. Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

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

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

- *GASB Statement No. 90. Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### AC. Other Accounting Standards (Continued)

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

- *GASB Statement No. 91. Conduit Debt Obligations.* The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

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

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

- *GASB Statement No. 92. Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

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

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

- *GASB Statement No. 93. Replacement of Interbank Offered Rates.* The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

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

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

- *GASB Statement No. 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### AC. Other Accounting Standards (Continued)

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

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

- *GASB Statement No. 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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

- *GASB Statement No. 98. The Annual Comprehensive Financial Report.* This Statement establishes the term *Annual Comprehensive Financial Report* and its acronym ACFR. That new term and acronym replace instances of *Comprehensive Annual Financial Report* and its acronym in generally accepted accounting principles for state and local governments.

Effective Date: The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

## 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

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

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

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

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

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

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

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

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

Checking and Money Market Accounts	<u>\$8,395,873.06</u>
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The carrying amount of the Board's cash and cash equivalents at June 30, 2021 was \$10,256,588.16. Of the bank balance, \$772,664.94 was covered by Federal Depository Insurance and \$9,483,923.22 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental unit's deposits in excess of the Federal deposit maximums. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40.

Of the total amount, deposits of \$5,780,577.91 have been earmarked towards the Capital Reserve Account (See Note 4).

Of the total amount, deposits of \$232,345.92 have been earmarked towards the Unemployment Compensation Claims Reserve Account.

The District had no securities as of June 30, 2021 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

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

#### 4. CAPITAL RESERVE ACCOUNT

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

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

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

Beginning Balance, July 1, 2020	\$4,909,577.91
Increased by:	
Transfer by Board of Education	<u>2,000,000.00</u>
	6,909,577.91
Decreased by:	
Budgeted Transfer to Capital Outlay	<u>1,129,000.00</u>
Ending Balance, June 30, 2021	<u>\$5,780,577.91</u>

The balance in the capital reserve account at June 30, 2021 does not exceed the balance of local support costs of uncompleted capital projects in its LRFP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District's Long-Range Facilities Plan.

#### 5. MAINTENANCE RESERVE ACCOUNT

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

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

Ending Balance June 30, 2020	\$575,000.00
Decreased by:	
Utilized in State Aid Reduction Plan	<u>575,000.00</u>
Ending Balance June 30, 2021	<u>\$ -</u>



## 5. CAPITAL ASSETS

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

	Beginning Balance <u>June 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>June 30, 2021</u>
<b>Governmental Activities</b>				
Nondepreciable:				
Land	\$ 497,100.00	\$ -	\$ -	\$ 497,100.00
	<u>497,100.00</u>			<u>497,100.00</u>
Depreciable:				
Buildings and Improvements	53,518,137.48	1,400,243.43		54,918,380.91
Machinery and Equipment	6,422,192.12	357,618.87		6,779,810.99
Totals at Historical Costs	<u>59,940,329.60</u>	<u>1,757,862.30</u>	<u>-</u>	<u>61,698,191.90</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(21,397,954.00)	(348,124.33)		(21,746,078.33)
Machinery and Equipment	(2,566,999.52)			(2,566,999.52)
Total Accumulated Depreciation	<u>(23,964,953.52)</u>	<u>(348,124.33)</u>	<u>-</u>	<u>(24,313,077.85)</u>
Assets Net of Depreciation	<u>35,975,376.08</u>	<u>1,409,737.97</u>		<u>37,385,114.05</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 36,472,476.08</u>	<u>\$ 1,409,737.97</u>	<u>\$ -</u>	<u>\$ 37,882,214.05</u>
Business-Type Activities:				
Machinery and Equipment:	\$ 660,278.50	\$ 253,024.04	\$ -	\$ 913,302.54
Less Accumulated Depreciation	<u>(399,613.00)</u>	<u>(19,592.00)</u>		<u>(419,205.00)</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 260,665.50</u>	<u>\$ 233,432.04</u>	<u>\$ -</u>	<u>\$ 494,097.54</u>

6. **LONG-TERM DEBT**

**Long-Term Liability Conversion Schedule - June 30, 2021**

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Long-Term</u> <u>Portion</u>
Governmental Activities:						
Serial Bonds	\$ 3,730,000.00	\$ -	\$ 570,000.00	\$ 3,160,000.00	\$580,000.00	\$2,580,000.00
Net Pension Liability	7,201,907.00		491,019.00	6,710,888.00		6,710,888.00
Compensated Absences	473,614.00			473,614.00		473,614.00
	<u>\$11,405,521.00</u>	<u>\$ -</u>	<u>\$1,061,019.00</u>	<u>\$10,344,502.00</u>	<u>\$580,000.00</u>	<u>\$9,764,502.00</u>

A. Bonds Payable:

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

**6. LONG-TERM DEBT (Continued)**

**A. Bonds Payable**

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 580,000.00	\$126,400.00	\$ 706,400.00
2023	605,000.00	103,200.00	708,200.00
2024	630,000.00	79,000.00	709,000.00
2025	660,000.00	53,800.00	713,800.00
2026	685,000.00	27,400.00	712,400.00
	<u>\$3,160,000.00</u>	<u>\$389,800.00</u>	<u>\$3,549,800.00</u>

**7. PENSION PLANS**

**Description of Plans**

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

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

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

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

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

## 7. PENSION PLANS (Continued)

### Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60<sup>th</sup> of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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

### Significant Legislation

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

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

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

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

### Contribution Requirements

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

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

**7. PENSION PLANS (Continued)**

**Contribution Requirements (Continued)**

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

**Three Year Trend Information for PERS**

<u>Year Ending</u>	<u>PERS</u>
June 30, 2021	\$450,187.00
June 30, 2020	391,046.00
June 30, 2019	389,304.00

**(Paid On-Behalf of the District)**

<u>Year Funding</u>	<u>Pension Contributions</u>	<u>Post- Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>LTD Liability</u>
June 30, 2021	\$5,283,059.00	\$1,655,629.00	\$	\$3,065.00
June 30, 2020	3,950,933.00	1,465,723.00	69,569.00	3,659.00
June 30, 2019	3,610,413.00	1,671,958.00	75,575.00	4,082.00

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$5,283,059.00 to the TPAF for normal pension, \$1,655,629.00 for post-retirement medical benefits and \$3,065.00 for long-term disability insurance On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,576,831.41 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. This amount has been included in the basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

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

**Summary of Significant Accounting Policies**

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

7. **PENSION PLANS (Continued)**

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the State's portion of the net pension liability that was associated with the district was \$116,524,620 as measured on June 30, 2020 and \$112,659,757, as measured on June 30, 2019.

For the year ended June 30, 2021, the district recognized pension expense of \$7,245,997 and revenue of \$7,245,997 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2021 is based upon changes in the collective net pension liability with a measurement period of June 30, 2019 through June 30, 2020. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2019 and June 30, 2020.

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective Deferred Outflows of Resources	\$ 9,458,881,999	\$10,077,460,797
Collective Deferred Inflows of Resources	14,424,322,612	17,525,379,167
Collective Net Pension Liability (Nonemployer - State of New Jersey)	65,848,796,740	61,370,943,870
State's Portion of the Net Pension Liability that was Associated with the District	116,524,620	112,659,757
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	¶ 0.1769578577%	¶ 0.1835718172%

## 7. PENSION PLANS (Continued)

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

#### Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Preretirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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, 2015 to June 30, 2018.

#### Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 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:

## 7. PENSION PLANS (Continued)

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

#### Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market 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%

#### 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.

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

Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf21.pdf>.

#### Pension Plan Fiduciary Net Position

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



## 7. PENSION PLANS (Continued)

### Public Employees' Retirement System (PERS)

#### Summary of Significant Accounting Policies

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

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

At June 30, 2021, the District reported a liability of \$6,710,888 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2019. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2020 and 2019. At June 30, 2020, the District's proportion was 0.0411524457%, which was an increase of 0.0011828942% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(429,831). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 122,194	\$ 23,733
Changes of Assumptions	217,709	2,809,912
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	229,384	
Changes in Proportion	394,532	418,719
District Contributions Subsequent to the Measurement Date	<u>450,187</u>	
Total	<u>\$1,414,006</u>	<u>\$3,252,364</u>

The \$450,187 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021 the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability as of June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

Year Ended <u>June 30</u>	<u>Amount</u>
2021	\$ (842,094.00)
2022	(767,733.00)
2023	(438,740.00)
2024	(177,419.00)
2025	(38,372.00)
	<u><u>\$(2,264,358.00)</u></u>

Additional Information:

Collective balances at June 30, 2020 and 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability (Non-State - Local Group)	16,435,616,426	18,143,832,135
District's Portion of Net Pension Liability	6,710,888	7,201,907
District's Proportion Percentage	☞ 0.0411524457%	☞ 0.0399695515%

Actuarial Assumptions

The collective 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:

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

Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

## 7. PENSION PLANS (Continued)

### Public Employees' Retirement System (PERS) (Continued)

#### Actuarial Assumptions (Continued)

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.

#### Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market 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%

#### 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.

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

The following presents the District's proportionate share of the collective net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

**7. PENSION PLANS (Continued)**

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

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

	At 1% Decrease ▮ (6.00%)	Current Discount Rate ▮ (7.00%)	At 1% Increase ▮ (8.00%)
District's Proportionate Share of the Collective Net Pension Liability	\$8,514,317	\$6,763,658	\$5,278,176

Pension Plan Fiduciary Net Position

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

**8. POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

The State of New Jersey provides post-retirement (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years: For Fiscal Year 2020, the State contributed \$1,578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

Additional information on Pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).

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

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

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

*Total OPEB Liability*

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

Actual assumptions and other imputes. The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 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:

Total Nonemployer OPEB Liability	\$67,809,962,608	
Inflation Rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
	Based on	Based on
	Service Years	Service Years
Thereafter	1.55% - 4.45%	3.00% - 7.00%
	Based on	Based on
	Service Years	Service Years

Preretirement mortality rates were based on the Pub-2010 Health "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 the 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%

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

**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 Reported by the State of New Jersey**

	<u>Increase/(Decrease)</u>
	<u>Total OPEB Liability</u>
Balance as of June 30, 2019 Measurement Date	<u>\$41,729,081,045</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,790,973,822
Interest on the Total OPEB Liability	1,503,341,357
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Gross Benefit Payments <sup>1</sup>	(1,180,515,618)
Contributions from the Non-Employer	N/A
Contributions from the Member <sup>1</sup>	35,781,384
Net Investment Income <sup>1</sup>	N/A
Administrative Expense <sup>1</sup>	N/A
Net Changes	<u>26,080,881,563</u>
Balance as of June 30, 2020 Measurement Date	<u>\$67,809,962,608</u>

<sup>1</sup>Data for Measurement Periods Ending June 30, 2020 were provided by the State.

At June 30, 2020, the State's proportionate share of the OPEB liability attributable to the District is \$411,785,487. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund - Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the State's share of the OPEB liability attributable to the District was 0.1694 percent, which was a decrease of .0018 percent from its proportionate share measured as of June 30, 2019 of .1711 percent.

There were no changes of benefit term.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.

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

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

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

	June 30, 2020		
	At 1% Decrease <u>(1.21%)</u>	At Discount Rate <u>(2.21%)</u>	At 1% Increase <u>(3.21%)</u>
Total OPEB Liability (School Retirees)	\$138,462,471	\$114,854,038	\$96,394,517

	June 30, 2019		
	At 1% Decrease <u>(2.50%)</u>	At Discount Rate <u>(3.50%)</u>	At 1% Increase <u>(4.50%)</u>
Total OPEB Liability (School Retirees)	\$ 84,371,720	\$ 71,417,018	\$61,126,512

**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 and 2019, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2020		
	1% <u>Decrease</u>	Healthcare Cost Trend Rate	1% <u>Increase</u>
Total OPEB Liability (School Retirees)	\$92,714,052	\$114,854,038	\$141,217,840

	June 30, 2019		
	1% <u>Decrease</u>	Healthcare Cost Trend Rate	1% <u>Increase</u>
Total OPEB Liability (School Retirees)	\$58,844,440	\$ 71,417,018	\$ 88,060,530

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$5,540,457 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB's No. 75 and in which there is a special funding situation. This amount has been included in the District-Wide Statement of Activities (accrual basis) as a Revenue and Expense in accordance with GASB No. 85.

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

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

In accordance with GASB's No. 75, the Old Bridge Board of Education proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
(1) Difference Between Actual and Expected Experience	\$10,295,318,750	\$ (9,170,703,615)
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
(3) Assumption Changes	<u>11,534,251,250</u>	<u>(7,737,500,827)</u>
(4) Sub-Total	21,829,570,000	(16,908,204,442)
(5) Contributions Made in Fiscal Year Ending 2020 After June 30, 2019 Measurement Date <sup>1</sup>	<u>TBD</u>	<u>N/A</u>
(6) Total	<u>\$21,829,570,000</u>	<u>\$(16,908,204,442)</u>

<sup>1</sup>Employer contributions made after June 30, 2020 are reported as a deferred outflow of resources but are not amortized in expense.

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

<u>Measurement Period Ending June 30,</u>	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Total Thereafter	<u>4,704,163,473</u>
	<u>\$4,921,365,558</u>

**9. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

**Description of System**

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

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

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



**9. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

**Description of System (Continued)**

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

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

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

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

**Contributions Required and Made**

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

<u>Year</u>	<u>School District</u>	<u>Employees</u>
2021	\$47,427.25	\$63,284.58
2020	21,770.25	36,283.76
2019	26,374.98	35,832.98

**10. COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

**10. COMPENSATED ABSENCES (Continued)**

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to Employees as of June 30, 2021. No liability existed for compensated absences in the Proprietary Fund Types.

**11. DEFERRED COMPENSATION**

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

**12. RISK MANAGEMENT**

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

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

**13. INTERFUND RECEIVABLES AND PAYABLES**

The following are reflected as interfund receivables and payables on the various balance sheets at June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$961,297.17	\$193,878.54
Special Revenue Fund		765,095.65
Proprietary Funds		2,322.98
	<u>\$961,297.17</u>	<u>\$961,297.17</u>

#### 14. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2021 consisted of Federal Source, State Sources and transportation. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables are as follows:

	<u>Governmental Fund Financial Statements</u>
State Aid:	
General Fund:	
TPAF FICA Reimbursement	\$ 78,434.39
Securing Our Children	176,812.00
Extraordinary Aid	<u>1,091,933.00</u>
	<u>\$1,347,179.39</u>
Special Revenue Fund:	
State Source	<u>\$ 146,698.27</u>
Federal Source	<u>\$1,669,820.37</u>

#### 15. INVENTORY

Inventory in the Enterprise Fund for regular food and supplies at June 30, 2021 was \$5,573.41, is stated at lower of cost or market.

#### 16. FUND BALANCE APPROPRIATED

**General Fund [Exhibit B-1]** - Of the \$10,091,339.41 General Fund fund balance at June 30, 2021, \$1,386,988.38 is reserved for encumbrances; \$5,780,577.91 has been reserved in the Capital Reserve Account; \$232,345.92. has been reserved for unemployment compensation claims; \$126,815.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$2,807,698.14 for excess surplus - current year and \$(243,085.94) is unreserved and undesignated.

##### **Special Revenue Fund**

Of the \$(197,615.86) Special Revenue Fund fund balance at June 30, 2021, \$143,387.63 is restricted for student activities; \$118,344.51 is restricted for scholarships and \$(459,348.00) is unreserved and undesignated.

**Debt Service Fund** - Of the \$0.64 Debt Service Fund balance at June 30, 2021, \$0.64 is unreserved and undesignated.

#### 17. CALCULATION OF EXCESS SURPLUS

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

Excess surplus as of June 30, 2021 was \$2,807,698.14.

**18. SECONDARY MARKET DISCLOSURE**

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

**19. CONTINGENT LIABILITIES**

**A. Litigation**

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

**B. Federal and State Awards**

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provisions have been recorded in the accompanying general purpose financial statements for such contingencies.

**20. RECONCILIATION OF FUND BALANCE - GENERAL FUND**

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

	<u>Unreserved and Designated</u>
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	\$13,288,446.41
Less: Allocation of State Aid Payment of \$3,197,107.00 Not Recognized on a GAAP Basis	<u>(3,197,107.00)</u>
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	<u><u>\$10,091,339.41</u></u>

## **21. TAX ABATEMENTS**

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

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

## **22. PRIOR PERIOD ADJUSTMENT - GASB No. 84**

The District implemented GASB No. 84 related to former Fiduciary Funds being reclassified into the Governmental Funds. The reasoning related to the fact that the District has control of the funds and as such, are more properly reflected in the Governmental Funds. The reclassification was reflected as a prior period adjustment to the Governmental Funds - Statement of Revenues, Expenditures and Change in Fund Balance (B-2) (basic financial Statements B-2) and the Statement of Activities (A-2) effective July 1, 2020, and no retroactive restatement of financial statements was done since financial statements are not comparative. The reclassification involved liabilities and fund balance with no adverse impact on the financial position of the District.

## **23. SUBSEQUENT EVENT**

The Town of Dover School District has evaluated subsequent events that occurred after the balance sheet date, but before March 9, 2022. Based upon this evaluation, the District has determined that the following subsequent event needed to be disclosed.

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. BUDGETARY COMPARISON SCHEDULES**

DOVER BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 16,231,423.00	\$	\$ 16,231,423.00	\$ 16,231,423.00	\$
Tuition					
Tuition From Other LEAs Within the State	1,492,160.00		1,492,160.00	1,492,160.00	
Total Tuition	1,492,160.00		1,492,160.00	1,492,160.00	
Interest Earned on Maintenance Reserve	500.00		500.00	500.00	
Interest Earned on Capital Reserve Funds	1,000.00		1,000.00	1,000.00	
Other Restricted Miscellaneous Revenues	129,000.00		129,000.00	1,099,433.32 *	970,433.32
Total Local Sources	17,854,083.00		17,854,083.00	18,824,516.32	970,433.32
Revenues from Intermediate Sources:					
Total Revenues from Intermediate Sources					
State Sources:					
Equalization Aid	30,357,468.00	(2,833,158.00)	27,524,310.00	27,524,310.00	
Extraordinary Aid				1,091,933.00	1,091,933.00
Security Categorical Aid	1,433,096.00		1,433,096.00	1,433,096.00	
Special Education Categorical Aid	2,765,706.00		2,765,706.00	2,765,706.00	
Transportation Categorical Aid	413,123.00		413,123.00	413,123.00	
State Reimbursement from Securing our Children's Future Bond Act	176,812.00		176,812.00	176,812.00	
Nonbudgeted:					
On-Behalf Contributions:					
TPAF - Pension Contribution				5,283,059.00	5,283,059.00
TPAF - Long-Term Disability Contribution				3,065.00	3,065.00
TPAF - Post-Retirement Medical Contribution				1,655,629.00	1,655,629.00
Reimbursed TPAF Social Security Contributions				1,576,831.41	1,576,831.41
Total State Sources	35,146,205.00	(2,833,158.00)	32,313,047.00	41,923,564.41	9,610,517.41
Federal Sources:					
Medicaid Reimbursement	74,579.00		74,579.00	112,220.24	37,641.24
Total Federal Sources	74,579.00		74,579.00	112,220.24	37,641.24
<b>Total Revenues</b>	<b>\$ 53,074,867.00</b>	<b>\$ (2,833,158.00)</b>	<b>\$ 50,241,709.00</b>	<b>\$ 60,860,300.97</b>	<b>\$ 10,618,591.97</b>
<b>EXPENDITURES</b>					
<b>Current Expense</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	849,051.00	241,036.37	1,090,087.37	944,462.62	145,624.75
Grades 1-5 - Salaries of Teachers	4,844,352.00	302,676.42	5,147,028.42	5,062,805.19	84,223.23
Grades 6-8 - Salaries of Teachers	2,802,333.00	196,083.70	2,998,416.70	2,858,944.14	139,472.56
Grades 9-12 - Salaries of Teachers	5,199,065.00	(561,123.32)	4,637,941.68	4,591,960.88	45,980.80
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	45,000.00	102,054.75	147,054.75	143,349.34	3,705.41
Purchased Professional-Educational Services	41,165.00	(25,731.00)	15,434.00	11,850.00	3,584.00
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	284,200.00	(8,401.63)	275,798.37	259,259.20	16,539.17
Purchased Technical Services	20,238.00	8,000.00	28,238.00	25,040.78	3,197.22
Other Purchased Services (400-500 Series)	304,970.00	62,999.00	367,969.00	317,315.50	50,653.50
General Supplies	1,233,248.00	(392,812.40)	840,435.60	514,946.76	325,488.84
Textbooks	243,303.00	(215,033.95)	28,269.05	18,966.05	9,303.00
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>15,866,925.00</b>	<b>(290,252.06)</b>	<b>15,576,672.94</b>	<b>14,748,900.46</b>	<b>827,772.48</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	745,141.00	85,658.72	830,799.72	673,507.78	157,291.94
Other Salaries for Instruction	912,978.00	(17,139.93)	895,838.07	786,708.20	109,129.87
Purchased Professional-Educational Services	469,269.00	(134,625.70)	334,643.30	265,795.71	68,847.59
General Supplies	19,000.00	3,735.74	22,735.74	3,467.71	19,268.03
<b>Total Learning and/or Language Disabilities</b>	<b>2,146,388.00</b>	<b>(62,371.17)</b>	<b>2,084,016.83</b>	<b>1,729,479.40</b>	<b>354,537.43</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	632,376.00	53,194.49	685,570.49	627,039.29	58,531.20
General Supplies	5,067.00	(135.29)	4,931.71	64.50	4,867.21
<b>Total Resource Room/Resource Center</b>	<b>637,443.00</b>	<b>53,059.20</b>	<b>690,502.20</b>	<b>627,103.79</b>	<b>63,398.41</b>
<b>Autism:</b>					
General Supplies		199.79	199.79	199.79	
<b>Total Autism</b>		<b>199.79</b>	<b>199.79</b>	<b>199.79</b>	
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	64,244.00	(64,000.00)	244.00		244.00
Other Salaries for Instruction	19,691.00	(19,000.00)	691.00		691.00
General Supplies		300.00	300.00	186.54	113.46
<b>Total Preschool Disabilities - Full-Time</b>	<b>83,935.00</b>	<b>(82,700.00)</b>	<b>1,235.00</b>	<b>186.54</b>	<b>1,048.46</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>2,867,766.00</b>	<b>(91,812.18)</b>	<b>2,775,953.82</b>	<b>2,356,969.52</b>	<b>418,984.30</b>
<b>Bilingual Education - Instruction:</b>					



DOVER BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Salaries of Teachers	\$ 1,598,192.00	\$ (209,994.30)	\$ 1,388,197.70	\$ 1,374,792.61	\$ 13,405.09
<b>Total Bilingual Education - Instruction</b>	<b>1,598,192.00</b>	<b>(209,994.30)</b>	<b>1,388,197.70</b>	<b>1,374,792.61</b>	<b>13,405.09</b>
<b>School-Spon. Cocurricular &amp; Extracurricular Actvts. - Inst.:</b>					
Salaries	163,224.00	(90,896.62)	72,327.38	72,327.38	
Other Objects	59,863.00	1,500.00	61,363.00	20,572.40	40,790.60
<b>Total School-Spon. Cocurricular &amp; Extracurricular Actvts. - Inst.</b>	<b>223,087.00</b>	<b>(89,396.62)</b>	<b>133,690.38</b>	<b>92,899.78</b>	<b>40,790.60</b>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	679,895.00	(103,638.00)	576,257.00	362,778.75	213,478.25
Supplies and Materials	159,771.00	95,734.49	255,505.49	86,014.46	169,491.03
Transfers to Cover Deficit (Agency Funds)	80,000.00		80,000.00	40,000.00	40,000.00
<b>Total School-Sponsored Athletics - Instruction</b>	<b>919,666.00</b>	<b>(7,903.51)</b>	<b>911,762.49</b>	<b>488,793.21</b>	<b>422,969.28</b>
<b>Summer School - Instruction:</b>					
Salaries of Teachers	38,413.00	17,423.00	55,836.00	55,380.52	455.48
<b>Total Summer School - Instruction</b>	<b>38,413.00</b>	<b>17,423.00</b>	<b>55,836.00</b>	<b>55,380.52</b>	<b>455.48</b>
<b>Total Summer School</b>	<b>38,413.00</b>	<b>17,423.00</b>	<b>55,836.00</b>	<b>55,380.52</b>	<b>455.48</b>
<b>Total Instruction</b>	<b>21,514,049.00</b>	<b>(671,935.67)</b>	<b>20,842,113.33</b>	<b>19,117,736.10</b>	<b>1,724,377.23</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEA's Within the State - Special	1,618,941.00	(625,515.92)	993,425.08	982,971.53	10,453.55
Tuition to County Vocational School - Regular	271,700.00	66,630.00	338,330.00	294,632.20	43,797.80
Tuition to County Vocational School - Special	10,800.00	11,232.00	22,032.00	17,074.40	4,957.60
Tuition to CSSD and Regional Day Schools	207,690.00		207,690.00	206,610.50	1,079.50
Tuition to Private Schools for the Handicapped - Within State	3,722,672.00	172,197.00	3,894,769.00	3,665,225.00	229,544.00
Tuition - State Facilities	39,872.00		39,872.00	39,872.00	
Tuition - Other	115,000.00	23,856.35	138,856.35	136,467.12	2,399.23
<b>Total Undistributed Expenditures - Instruction</b>	<b>5,986,675.00</b>	<b>(351,600.57)</b>	<b>5,634,974.43</b>	<b>5,342,742.75</b>	<b>292,231.68</b>
<b>Undistributed Expenditures - Attendance and Social Work:</b>					
Salaries	213,735.00	56,157.41	269,892.41	241,446.78	28,445.63
Supplies and Materials		750.00	750.00	203.98	546.02
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>213,735.00</b>	<b>56,907.41</b>	<b>270,642.41</b>	<b>241,650.76</b>	<b>28,991.65</b>
<b>Undistributed Expenditures - Health Services:</b>					
Salaries	372,854.00	10,519.58	383,373.58	372,825.83	10,547.75
Other Purchased Services (400-500 Series)	36,000.00	4,500.00	40,500.00	36,662.75	3,837.25
Supplies and Materials	18,850.00	949.92	19,799.92	9,117.55	10,682.37
<b>Total Undistributed Expenditures - Health Services</b>	<b>427,704.00</b>	<b>15,969.50</b>	<b>443,673.50</b>	<b>418,606.13</b>	<b>25,067.37</b>
<b>Undistributed Expend. - Speech, OT, PT, Related Svcs.:</b>					
Salaries	216,565.00	80,286.94	296,851.94	202,468.13	94,383.81
Purchased Professional - Educational Services	125,380.00	(86,400.00)	38,980.00	28,831.42	10,148.58
Supplies and Materials	2,200.00	190.00	2,390.00	1,691.25	698.75
<b>Total Undistributed Expend. - Speech, OT, PT, Related Svcs.</b>	<b>344,145.00</b>	<b>(5,923.06)</b>	<b>338,221.94</b>	<b>232,990.80</b>	<b>105,231.14</b>
<b>Undistributed Expenditures - Guidance Service:</b>					
Salaries of Other Professional Staff	898,958.00	(54,196.29)	844,761.71	783,429.38	61,332.33
Salaries of Secretarial and Clerical Assistants	88,225.00	3,403.68	91,628.68	91,628.68	
Other Purchased Services (400-500 series)	3,200.00	(580.00)	2,620.00		2,620.00
Supplies and Materials	22,308.00		22,308.00	6,583.97	15,724.03
<b>Total Undistributed Expenditures - Guidance Service</b>	<b>1,012,691.00</b>	<b>(51,372.61)</b>	<b>961,318.39</b>	<b>881,642.03</b>	<b>79,676.36</b>
<b>Undistributed Expenditures - Child Study Team:</b>					
Salaries of Other Professional Staff	935,901.00	132,679.82	1,068,580.82	790,613.64	277,967.18
Salaries of Secretarial and Clerical Assistants	144,804.00	(33,500.00)	111,304.00	74,197.57	37,106.43
Other Purchased Prof. and Tech. Services	150,000.00	60,600.00	210,600.00	157,694.62	52,905.38
Other Purchased Services (400-500 series)	2,000.00	350.00	2,350.00	49.00	2,301.00
Supplies and Materials	8,567.00	5,658.98	14,225.98	10,879.97	3,346.01
Other Objects		150.00	150.00	150.00	
<b>Total Undistributed Expenditures - Child Study Team</b>	<b>1,241,272.00</b>	<b>165,938.80</b>	<b>1,407,210.80</b>	<b>1,033,584.80</b>	<b>373,626.00</b>
<b>Undistributed Expenditures - Improvement of Instructional Services:</b>					
Salaries of Supervisor of Instruction	120,000.00	(30,000.00)	90,000.00		90,000.00
Supplies and Materials		12,700.00	12,700.00	205.73	12,494.27
<b>Total Undistributed Expenditures - Improvement of Instructional Services</b>	<b>120,000.00</b>	<b>(17,300.00)</b>	<b>102,700.00</b>	<b>205.73</b>	<b>102,494.27</b>
<b>Undistributed Expenditures - Educational Media Services/School Library:</b>					
Salaries	393,058.00	117,159.54	510,217.54	508,921.10	1,296.44
Salaries of Technology Coordinators	128,375.00	125.00	128,500.00	48,187.44	80,312.56
Purchased Professional and Technical Services		238,534.00	238,534.00	182,221.03	56,312.97
Supplies and Materials	27,814.00	132,675.00	160,489.00	140,606.36	19,882.64
<b>Total Undistributed Expenditures - Educational Media Services/School Library</b>	<b>549,247.00</b>	<b>488,493.54</b>	<b>1,037,740.54</b>	<b>879,935.93</b>	<b>157,804.61</b>
<b>Undistributed Expenditures - Instructional Staff Training Services:</b>					
Salaries of Other Professional Staff	1,000.00	1,900.00	2,900.00	154.99	2,745.01
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>1,000.00</b>	<b>1,900.00</b>	<b>2,900.00</b>	<b>154.99</b>	<b>2,745.01</b>
<b>Undistributed Expenditures - Support Services - General Administration:</b>					
Salaries	462,938.00	73,926.00	536,864.00	536,863.47	0.53
Legal Services	85,000.00	150,083.00	235,083.00	235,082.59	0.41
Audit Fees	62,300.00	(28,000.00)	34,300.00	33,500.00	800.00
Other Purchased Professional Services	90,056.00	60,948.00	151,004.00	150,999.43	4.57
Purchased Technical Services	7,606.00	(7,000.00)	606.00	533.94	72.06
Communications / Telephone	164,011.00	(12,913.00)	151,098.00	144,783.01	6,314.99

DOVER BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original	Budget	Final		Variance
	Budget	Transfers	Budget	Actual	Final to Actual
					Favorable
					(Unfavorable)
BOE Other Purchased Services	\$ 10,002.00	\$ (7,300.00)	\$ 2,702.00	\$ 2,650.00	\$ 52.00
Other Purch. Serv. (400-500 series other than 530 & 585)	178,221.00	(117,610.00)	60,611.00	59,641.02	969.98
General Supplies	69,224.00	7,000.00	76,224.00	75,504.03	719.97
BOE In-house training/ Meeting Supplies		1,100.00	1,100.00	116.81	983.19
Judgments Against The School District	7,242.00	(5,300.00)	1,942.00		1,942.00
Miscellaneous Expenditures	27,344.00	952.00	28,296.00	26,336.10	1,959.90
BOE Membership Dues and Fees	23,500.00	6,100.00	29,600.00	28,746.30	853.70
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>1,187,444.00</b>	<b>121,986.00</b>	<b>1,309,430.00</b>	<b>1,294,756.70</b>	<b>14,673.30</b>
<b>Undistributed Expenditures - Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	1,759,265.00	164,171.84	1,923,436.84	1,906,476.04	16,960.80
Salaries of Secretarial and Clerical Assistants	358,209.00	17,109.99	375,318.99	358,395.81	16,923.18
Supplies and Materials		26,000.00	26,000.00	25,369.69	630.31
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>2,117,474.00</b>	<b>207,281.83</b>	<b>2,324,755.83</b>	<b>2,290,241.54</b>	<b>34,514.29</b>
<b>Undistributed Expenditures - Central Services:</b>					
Salaries	522,039.00	(32,318.00)	489,721.00	478,295.31	11,425.69
Purchased Technical Services		67,879.00	67,879.00	60,007.55	7,871.45
Miscellaneous Purchased Services (400-500 series other than 594)	44,945.00	(1,000.00)	43,945.00	41,878.25	2,066.75
Supplies and Materials	6,000.00	14,297.00	20,297.00	17,742.05	2,554.95
<b>Total Undistributed Expenditures - Central Services</b>	<b>572,984.00</b>	<b>48,858.00</b>	<b>621,842.00</b>	<b>597,923.16</b>	<b>23,918.84</b>
<b>Undistributed Expenditures - Administrative Information Technology:</b>					
Salaries	86,960.00	(52,941.00)	34,019.00	34,018.76	0.24
Other Purchased Services (400-500 series)	4,902.00	45,331.00	50,233.00	38,680.84	11,552.16
<b>Total Undistributed Expenditures - Administrative Information Technology</b>	<b>91,862.00</b>	<b>(7,610.00)</b>	<b>84,252.00</b>	<b>72,699.60</b>	<b>11,552.40</b>
<b>Undistributed Expenditures - Operations and Maintenance of Plant Services:</b>					
<b>Undist. Expend. - Required Maintenance for School Facilities:</b>					
Salaries	365,119.00	69,311.00	434,430.00	388,838.21	45,591.79
Cleaning, Repair, and Maintenance Services	298,700.00	407,069.73	705,769.73	504,961.39	200,808.34
General Supplies	72,500.00		72,500.00	66,424.00	6,076.00
Other Objects	6,500.00		6,500.00	2,932.57	3,567.43
<b>Total Undist. Expend. - Required Maintenance for School Facilities</b>	<b>742,819.00</b>	<b>476,380.73</b>	<b>1,219,199.73</b>	<b>963,156.17</b>	<b>256,043.56</b>
<b>Undistributed Expenditures - Custodial Services:</b>					
Salaries	776,299.00	160,237.19	936,536.19	825,234.32	111,301.87
Salaries of Non-Instructional Aides	2,000.00	4,014.00	6,014.00	5,292.99	721.01
Other Purchased Property Services	50,000.00	15,000.00	65,000.00	55,578.28	9,421.72
Insurance	109,015.00	151,900.00	260,915.00	241,653.98	19,261.02
Miscellaneous Purchased Services	6,500.00		6,500.00	3,299.00	3,201.00
General Supplies	199,564.00	(43,536.76)	156,027.24	128,877.32	27,149.92
Energy (Natural Gas)	247,943.00	(15,000.00)	232,943.00	164,328.45	68,614.55
Energy (Electricity)	708,963.00	(105,472.10)	603,490.90	568,736.67	34,754.23
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>2,100,284.00</b>	<b>167,142.33</b>	<b>2,267,426.33</b>	<b>1,993,001.01</b>	<b>274,425.32</b>
<b>Undistributed Expenditures - Care and Upkeep of Grounds:</b>					
Salaries	132,366.00	(30,000.00)	102,366.00	98,603.88	3,762.12
Cleaning, Repair, and Maintenance Services		18,400.00	18,400.00	11,406.02	6,993.98
General Supplies		5,000.00	5,000.00	4,660.88	339.12
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>132,366.00</b>	<b>(6,600.00)</b>	<b>125,766.00</b>	<b>114,670.78</b>	<b>11,095.22</b>
<b>Undistributed Expenditures - Security:</b>					
Salaries	214,479.00	22,681.27	237,140.27	233,980.27	3,160.00
Cleaning, Repair, and Maintenance Services	175,000.00	110,160.00	285,160.00	3,269.58	281,890.42
<b>Total Undistributed Expenditures - Security</b>	<b>389,479.00</b>	<b>132,821.27</b>	<b>522,300.27</b>	<b>237,249.85</b>	<b>285,050.42</b>
<b>Total Undistributed Expenditures - Operations and Maintenance of Plant Services</b>	<b>3,364,948.00</b>	<b>769,744.33</b>	<b>4,134,692.33</b>	<b>3,308,077.81</b>	<b>826,614.52</b>
<b>Undistributed Expenditures - Student Transportation Services:</b>					
Salaries of Non-Instructional Aides	74,794.00	14,042.67	88,836.67	88,836.67	
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	244,404.00	26,886.66	271,290.66	271,290.66	
Other Purchased Professional and Technical Services	3,000.00	500.00	3,500.00	3,351.35	148.65
Cleaning, Repair, and Maint. Services	39,900.00	(7,000.00)	32,900.00	26,466.98	6,433.02
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts.	80,000.00	(16,000.00)	64,000.00	21,065.66	42,934.34
Contract. Serv.(Bet. Home & Sch.)-Vendors	1,359,360.00	(298,120.27)	1,061,239.73	24,245.29	1,036,994.44
Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts.	272,160.00	(19,500.00)	252,660.00	144,543.92	108,116.08
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	1,632,000.00	(21,000.00)	1,611,000.00	1,435,347.96	175,652.04
Misc. Purchased Serv. - Transportation	23,000.00		23,000.00		23,000.00
General Supplies	10,047.00	1,213.60	11,260.60	3,454.33	7,806.27
Transportation Supplies	67,424.00	(20,262.29)	47,161.71	38,688.97	8,472.74
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>3,806,089.00</b>	<b>(339,239.63)</b>	<b>3,466,849.37</b>	<b>2,057,291.79</b>	<b>1,409,557.58</b>
<b>UNALLOCATED BENEFITS:</b>					
Social Security Contributions	619,429.00	(119,362.34)	500,066.66	464,028.28	36,038.38
Other Retirement Contributions - PERS	483,500.00	29,514.45	513,014.45	513,013.47	0.98
Unemployment Compensation	157,500.00	(153,000.00)	4,500.00		4,500.00
Workers' Compensation	306,735.00	2,000.00	308,735.00	308,382.64	352.36
Health Benefits	7,132,242.00	(399,056.79)	6,733,185.21	6,017,330.19	715,855.02
Tuition Reimbursement	79,116.00	86,478.20	165,594.20	147,300.08	18,294.12
Other Employee Benefits	267,110.00	(5,000.00)	262,110.00	246,500.96	15,609.04
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>9,045,632.00</b>	<b>(558,426.48)</b>	<b>8,487,205.52</b>	<b>7,696,555.82</b>	<b>790,649.90</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>9,045,632.00</b>	<b>(558,426.48)</b>	<b>8,487,205.52</b>	<b>7,696,555.82</b>	<b>790,649.90</b>
<b>ON-BEHALF CONTRIBUTIONS:</b>					

DOVER BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf TPAF Pension Contributions (Nonbudgeted)	\$	\$	\$	\$ 5,283,059.00	\$ (5,283,059.00)
On-Behalf TPAF Post-Retirement Medical Benefits (Nonbudgeted)				1,655,629.00	(1,655,629.00)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,576,831.41	(1,576,831.41)
On-Behalf TPAF Long-Term Disability Insurance (Nonbudgeted)				3,065.00	(3,065.00)
<b>TOTAL TPAF PENSION/SOCIAL SECURITY</b>				<u>8,518,584.41</u>	<u>(8,518,584.41)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>30,082,802.00</u>	<u>545,607.06</u>	<u>30,628,409.06</u>	<u>34,867,644.55</u>	<u>(4,239,235.49)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>51,596,851.00</u>	<u>(126,328.61)</u>	<u>51,470,522.39</u>	<u>53,985,380.65</u>	<u>(2,514,858.26)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Undistributed:</b>					
Undistributed Expenditures - Instruction	176,812.00		176,812.00	176,812.00	
Undist. Expend. - Required Maint for School Fac.	173,517.00	(66,125.27)	87,391.73	79,747.09	7,644.64
Undist. Expend. - Care and Upkeep of Grounds		12,572.10	12,572.10		12,572.10
School Buses - Regular	241,755.00	36,117.23	277,872.23	277,871.78	0.45
<b>Total Equipment</b>	<u>592,084.00</u>	<u>(37,435.94)</u>	<u>554,648.06</u>	<u>534,430.87</u>	<u>20,217.19</u>
<b>Facilities Acquisition and Construction Services:</b>					
Architectural/Engineering Services	166,592.00	7,931.88	174,523.88	174,523.88	
Other Purchased Prof. and Tech. Services	18,895.00	(18,895.00)			
Construction Services	1,129,000.00	30,773.38	1,159,773.38	976,091.55	183,681.83
Assessment for Debt Service on SDA Funding	72,816.00		72,816.00	72,816.00	
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,387,303.00</u>	<u>19,810.26</u>	<u>1,407,113.26</u>	<u>1,223,431.43</u>	<u>183,681.83</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,979,387.00</u>	<u>(17,625.68)</u>	<u>1,961,761.32</u>	<u>1,757,862.30</u>	<u>203,899.02</u>
<b>SPECIAL SCHOOLS</b>					
<b>TOTAL SPECIAL SCHOOLS</b>					
Transfer of Funds to Charter Schools	34,600.00		34,600.00	12,449.00	22,151.00
<b>TOTAL EXPENDITURES</b>	<u>53,610,838.00</u>	<u>(143,954.29)</u>	<u>53,466,883.71</u>	<u>55,755,691.95</u>	<u>(2,288,808.24)</u>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<u>(535,971.00)</u>	<u>(2,689,203.71)</u>	<u>(3,225,174.71)</u>	<u>5,104,609.02</u>	<u>8,329,783.73</u>
<b>Other Financing Sources (Uses):</b>					
<b>Operating Transfer Out:</b>					
Local Contrib. - Trans to Special Rev- Inclusion	(684,906.00)		(684,906.00)	(684,906.00)	
Cancellation of Prior Year Accounts Receivable				(5,599.97)	5,599.97
<b>Total Other Financing Sources (Uses)</b>	<u>(684,906.00)</u>		<u>(684,906.00)</u>	<u>(690,505.97)</u>	<u>5,599.97</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(1,220,877.00)</u>	<u>(2,689,203.71)</u>	<u>(3,910,080.71)</u>	<u>4,414,103.05</u>	<u>8,335,383.70</u>
<b>Fund Balance, July 1</b>	8,641,997.44		8,641,997.44	8,641,997.44	
<b>Prior Period Adjustment</b>				232,345.92	***
<b>Fund Balances, July 1, Restated</b>	<u>8,641,997.44</u>		<u>8,641,997.44</u>	<u>8,874,343.36</u>	
<b>Fund Balance, June 30</b>	<u>\$ 7,421,120.44</u>	<u>\$ (2,689,203.71)</u>	<u>\$ 4,731,916.73</u>	<u>\$ 13,288,446.41</u>	<u>\$ 8,335,383.70</u>
<b>Recapitulation:</b>					
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus - Current Year				\$ 2,807,698.14	
Capital Reserve				5,780,577.91	
Unemployment Compensation Claims Reserve				232,345.92	
<b>Committed to:</b>					
Year-End Encumbrances				1,386,988.38	
<b>Assigned for:</b>					
Designated for Subsequent Year's Expenditures				126,815.00	
<b>Unassigned:</b>					
General Fund				2,954,021.06	
<b>Total Fund Balances</b>				<u>13,288,446.41</u>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment Not Recognized on GAAP Basis				(3,197,107.00)	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<u>\$ 10,091,339.41</u>	

\* Include interest earnings on the unemployment compensation bank account

\*\* Include interest earnings on the flexible benefits bank account

\*\*\* Represents Unemployment Fund Net Position as of June 30, 2020

**DOVER BOARD OF EDUCATION  
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
<b>REVENUES:</b>					
Federal Sources	\$ 10,833,764.00	\$	\$ 10,833,764.00	\$ 6,043,925.30	\$ 4,789,838.70
State Sources	4,593,498.00		4,593,498.00	2,885,270.87	1,708,227.13
Local Sources				125,064.45	(125,064.45) Note 1
<b>Total Revenues</b>	<u>15,427,262.00</u>		<u>15,427,262.00</u>	<u>9,054,260.62</u>	<u>6,373,001.38</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	2,054,854.00	(262,871.43)	1,791,982.57	1,532,863.42	259,119.15
Other Salaries for Instruction	87,876.00	(1,745.37)	86,130.63	82,334.20	3,796.43
Purchased Professional-Educational Services		236,301.00	236,301.00	118,416.00	117,885.00
Other Purchased Services (400-500 series)	693,320.00		518,806.00	1,212,126.00	
General Supplies	1,457,381.00	(157,584.00)	1,299,797.00	1,086,355.02	213,441.98
Other Objects		25,000.00	25,000.00		25,000.00
<b>Total Instruction</b>	<u>4,293,431.00</u>	<u>357,906.20</u>	<u>4,651,337.20</u>	<u>4,032,094.64</u>	<u>619,242.56</u>
<b>Support Services:</b>					
Salaries-Support	267,000.00		267,000.00	123,227.40	143,772.60
Salaries of Program Directors		13,000.00	13,000.00	13,000.00	
Salaries of Other Professional Staff	288,081.00	(60,028.00)	228,053.00	94,932.50	133,120.50
Salaries of Community Parent Involvement Specialists	59,699.00		59,699.00	49,590.86	10,118.14
Salaries of Master Teachers	274,242.00	(32,475.00)	241,767.00	209,823.20	32,143.80
Personal Services - Employee Benefits	423,152.00		584,402.00	1,007,554.00	155,549.15
Purchased Professional - Technical Services	309,024.00	180,487.00	489,491.00	282,310.50	207,180.50
Purchased Education Services - Contracted Pre-K	3,276,982.00	(25,000.00)	3,251,982.00	2,266,585.33	985,396.67
Purchased Education Services - Head Start	482,065.00		482,065.00	135,000.00	347,065.00
Other Purchased Professional Services	7,950.00	5,905.00	13,855.00	5,388.00	8,467.00
Contract Services-Transportation (Between Home and School)	160,646.00		160,646.00		160,646.00
Supplies and Materials	490,317.00	122,919.00	613,236.00	465,359.45	147,876.55
Other Object		10,160.00	10,160.00	9,000.44	1,159.56
Scholarships Awarded				82,868.44	(82,868.44) Note 1
Student Activities				33,232.90	(33,232.90) Note 1
<b>Total Support Services</b>	<u>6,039,158.00</u>	<u>799,350.00</u>	<u>6,838,508.00</u>	<u>4,622,113.87</u>	<u>2,216,394.13</u>
<b>Facilities Acquisition and Construction Services:</b>					
Noninstructional Equipment	4,931,594.00		4,931,594.00	1,075,995.00	3,855,599.00
<b>Total Facilities Acquisition and Construction Services</b>	<u>4,931,594.00</u>		<u>4,931,594.00</u>	<u>1,075,995.00</u>	<u>3,855,599.00</u>
<b>Total Expenditures</b>	<u>15,264,183.00</u>	<u>1,157,256.20</u>	<u>16,421,439.20</u>	<u>9,730,203.51</u>	<u>6,691,235.69</u>
<b>Other Financing Sources (Uses):</b>					
Transfer In from (To) General Fund - Contribution to SBB	684,906.00		684,906.00	684,906.00	
<b>Total Other Financing Sources (Uses)</b>	<u>684,906.00</u>		<u>684,906.00</u>	<u>684,906.00</u>	
<b>Total Outflows</b>	<u>14,579,277.00</u>	<u>1,157,256.20</u>	<u>15,736,533.20</u>	<u>9,045,297.51</u>	<u>6,691,235.69</u>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$ 847,985.00</u>	<u>\$ (1,157,256.20)</u>	<u>\$ (309,271.20)</u>	<u>\$ 8,963.11</u>	<u>\$ (318,234.31)</u>
Fund Balance, July 1					
Prior Period Adjustment				<u>252,769.03</u>	
Fund Balance, July 1 (Restated)					
				<u>252,769.03</u>	
Fund Balance, June 30					
				<u>\$ 261,732.14</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 118,344.51	
Student Activities				<u>143,387.63</u>	
<b>Total Fund Balance</b>				<u>\$ 261,732.14</u>	

Note 1 Not required to budget for Scholarships and Student Activities funds.

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

DOVER BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION - Part II  
 BUDGET-TO-GAAP RECONCILIATION  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 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
<b>Sources/Inflows of Resources:</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 60,860,300.97		[C-2] \$ 9,054,260.62
Difference - Budget-to-GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(1,083,870.71)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	3,086,854.86		146,712.14
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	[C-1] <u>(3,197,107.00)</u>		<u>(459,348.00)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2] <u>\$ 60,750,048.83</u>		[B-2] <u>\$ 7,657,754.05</u>
<b>Uses/Outflows of Resources:</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 55,755,691.95		[C-2] \$ 9,730,203.51
Differences - Budget-to-GAAP:			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary purposes</i> , but in the year the supplies are received for <i>financial reporting purposes</i> .			(1,083,870.71)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 55,755,691.95</u>		[B-2] <u>\$ 8,646,332.80</u>

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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



DOVER BOARD OF EDUCATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST EIGHT FISCAL YEARS  
 (Unaudited)

	Fiscal Year Ending June 30,							
	2013	2014	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability (asset)		0.0465%	0.0415%	0.0430%	0.0427%	0.0389%		0.0412%
District's proportionate share of the net pension liability (asset)	\$	\$ 8,708,745	\$ 9,305,665	\$ 12,735,438	\$ 9,946,489	\$ 7,660,437	\$	\$ 6,710,888
State's proportionate share of the net pension liability (asset) associated with the District								
<b>Total</b>	<b>\$</b>	<b>\$ 8,708,745</b>	<b>\$ 9,305,665</b>	<b>\$ 12,735,438</b>	<b>\$ 9,946,489</b>	<b>\$ 7,660,437</b>	<b>\$</b>	<b>\$ 6,710,888</b>
District's covered-employee payroll	\$	\$ 2,961,272	\$ 2,867,239	\$ 2,795,630	\$ 2,754,039	\$ 2,848,244	\$	\$ 3,204,676
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	*	34.00%	30.81%	21.95%	27.69%	37.18%	*	47.75%
Plan fiduciary net position as a percentage of the total pension liability		52.08%	47.93%	59.86%	48.10%	53.60%		

\*Data was not provided by School District.

DOVER BOARD OF EDUCATION  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST NINE FISCAL YEARS  
 (Unaudited)

	Fiscal Year Ending June 30,								
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$	\$	\$ 383,457	\$ 356,396	\$ 384,149	\$ 395,833	\$ 386,991	\$	\$ 450,187
Contributions in relation to the contractually required contribution			<u>(383,457)</u>	<u>(356,396)</u>	<u>(384,149)</u>	<u>(395,833)</u>	<u>(386,991)</u>		<u>(450,187)</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered-employee payroll	*	*	\$ 2,961,272	\$ 2,867,239	\$ 2,795,630	\$ 2,754,039	\$ 2,848,244	\$	\$ 3,204,676
Contributions as a percentage of covered-employee payroll	*	*	12.95%	12.43%	13.74%	14.37%	13.59%	*	14.05%

\*Data was not provided by School District.

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

	Fiscal Year Ending June 30,							
	2013	2014	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability (asset)	*	0.1963%	0.1921%	0.1991%	0.1834%	0.1830%		0.1770%
District's proportionate share of the net pension liability (asset)	*	\$	\$	\$	\$	\$	\$	
State's proportionate share of the net pension liability (asset) associated with the District	*	104,892,290	121,399,865	150,248,789	123,641,020	116,450,840		116,524,620
Total	\$	\$ 104,892,290	\$ 121,399,865	\$ 150,248,789	\$ 123,641,020	\$ 116,450,840	\$	\$ 116,524,620
District's covered-employee payroll	*	\$ 19,019,821	\$ 18,683,886	\$ 18,755,594	\$ 18,748,017	\$ 18,713,200	\$	\$ 21,093,686
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	*						*	
Plan fiduciary net position as a percentage of the total pension liability	*	33.64%	28.71%	28.75%	25.41%	26.49%		

\*Data was not provided by School District.

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

**TOWN OF DOVER SCHOOL DISTRICT  
COUNTY OF MORRIS**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE YEAR ENDED JUNE 30, 2021**

**Changes of Benefit Terms and Changes of Assumptions**

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

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

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

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

	Measurement Date				
	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Total OPEB Liability					
Service Cost	*	\$ 3,663,631	\$ 3,031,483	\$ 2,791,078	\$ 1,790,973,822
Interest Cost	*	2,886,408	3,330,569	3,127,721	1,503,341,357
Difference Between Expected and Actual Experiences	*		(7,176,247)	(12,521,465)	11,544,750,637
Change in Assumptions	*	(12,128,571)	(9,075,073)	1,064,834	12,386,549,981
Contributions: Members**	*	77,624	73,085	64,986	(1,180,515,618)
Gross Benefit Payments**	*	(2,108,053)	(2,114,629)	(2,192,290)	
Net Change in Total OPEB Liability	\$	\$ (7,608,961)	\$ (11,930,812)	\$ (7,665,136)	\$ 26,045,100,179
Total OPEB Liability (Beginning)	*	\$ 98,621,927	\$ 91,012,966	\$ 79,082,154	\$ 71,417,018
Total OPEB Liability (Ending)	\$	\$ 91,012,966	\$ 79,082,154	\$ 71,417,018	\$ 26,116,517,197
Plan Fiduciary Net Position:					
Net OPEB Liability (Ending)	\$	\$ 91,012,966	\$ 79,082,154		\$ 67,809,962,608
Net Position as a Percentage of OPEB Liability					
Covered Employee Payroll	*	\$ 21,502,056	\$ 21,561,444		\$ 21,093,968
Net OPEB Liability as a Percentage of Payroll		423%	367%		321,466%
The District's Proportionate Share of the Total OPEB Liability	*	Zero	Zero	Zero	Zero

\*Data was not provided by School District.

\*\*Data for Measurement Periods Ending June 30 were provided by the State.

Notes to Schedule:

Benefit Changes: None

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

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



TOWN OF DOVER SCHOOL DISTRICT  
COUNTY OF MORRIS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE YEAR ENDED JUNE 30, 2021

**Changes of Benefit Terms and Changes of Assumptions**

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

**OTHER SUPPLEMENTARY INFORMATION**

**D. SCHOOL-BASED BUDGET SCHEDULES (IF APPLICABLE)**

**E. SPECIAL REVENUE FUND**

**DOVER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Total Brought Forward E-1A2	CRF Grant	CARES Act Grant	ESSER II	Digital Divide	Totals 2021
<b>REVENUE</b>						
Federal Sources	\$ 2,796,858.44	\$ 383,338.00	\$ 1,054,574.30	\$ 1,075,995.00	\$ 733,159.56	\$ 6,043,925.30
State Sources	2,885,270.87					2,885,270.87
Local Sources	125,064.45					125,064.45
<b>Total Revenue</b>	<b>\$ 5,807,193.76</b>	<b>\$ 383,338.00</b>	<b>\$ 1,054,574.30</b>	<b>\$ 1,075,995.00</b>	<b>\$ 733,159.56</b>	<b>\$ 9,054,260.62</b>
<b>EXPENDITURES</b>						
Instruction:						
Salaries of Teachers	\$ 1,532,863.42	\$	\$	\$	\$	\$ 1,532,863.42
Other Salaries for Instruction	82,334.20					82,334.20
Purchased Professional-Educational Services	118,416.00					118,416.00
Other Purchased Services (400-500 series)	902,126.00	310,000.00				1,212,126.00
General Supplies	80,275.71	73,338.00		199,581.75	733,159.56	1,086,355.02
<b>Total Instruction</b>	<b>2,716,015.33</b>	<b>383,338.00</b>	<b>199,581.75</b>	<b>199,581.75</b>	<b>733,159.56</b>	<b>4,032,094.64</b>
Salaries-Support			123,227.40			123,227.40
Salaries of Program Directors	13,000.00					13,000.00
Salaries of Other Professional Staff	94,932.50					94,932.50
Salaries of Community Parent Involvement Specialists	49,580.86					49,580.86
Salaries of Master Teachers	209,623.20					209,623.20
Personal Services - Employee Benefits	824,004.85		28,000.00			852,004.85
Purchased Professional and Technical Services	23,153.00		259,157.50			282,310.50
Purchased Professional and Technical Services - Contracted Pre-K	2,266,585.33					2,266,585.33
Purchased Educational Services - Head Start	135,000.00					135,000.00
Other Purchased Professional Services	5,388.00					5,388.00
Supplies and Materials	20,751.80		444,607.65			465,359.45
Other Object	9,000.44					9,000.44
Scholarships Awarded	33,232.90					33,232.90
Student Activities	82,868.44					82,868.44
Facilities Acquisition and Construction Services:						
Noninstructional Equipment				1,075,995.00		1,075,995.00
<b>Total Facilities Acquisition and Construction Services</b>				<b>1,075,995.00</b>		<b>1,075,995.00</b>
<b>Total Expenditures</b>	<b>\$ 6,483,136.65</b>	<b>\$ 383,338.00</b>	<b>\$ 1,054,574.30</b>	<b>\$ 1,075,995.00</b>	<b>\$ 733,159.56</b>	<b>\$ 9,730,203.51</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(675,942.89)</b>					<b>(675,942.89)</b>
<b>Other Financing Sources (Uses):</b>						
Transfer from Other Funds	684,906.00					684,906.00
<b>Total Other Financing Sources (Uses)</b>	<b>684,906.00</b>					<b>684,906.00</b>
<b>Total Outflows</b>	<b>\$ 5,798,230.65</b>	<b>\$ 383,338.00</b>	<b>\$ 1,054,574.30</b>	<b>\$ 1,075,995.00</b>	<b>\$ 733,159.56</b>	<b>\$ 9,045,297.51</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)</b>	<b>\$ 8,963.11</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 8,963.11</b>
Fund Balance, July 1						
Prior Period Adjustment	252,769.03					252,769.03
Fund Balance, July 1 (Restated)	252,769.03					252,769.03
Fund Balance, June 30	\$ 261,732.14	\$	\$	\$	\$	\$ 261,732.14

DOVER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Total Brought Forward E-1B1	IDEA Basic	IDEA Preschool	Title 1	Title IIA	Title III	Title III Immigrant	Totals Carried Forward 2021
<b>REVENUE</b>								
Federal Sources	\$	\$ 902,126.00	\$ 17,033.00	\$ 1,675,197.73	\$ 118,416.00	\$ 64,008.71	\$ 20,077.00	\$ 2,796,858.44
State Sources	2,885,270.87							2,885,270.87
Local Sources	125,064.45							125,064.45
<b>Total Revenue</b>	<b>\$ 3,010,335.32</b>	<b>\$ 902,126.00</b>	<b>\$ 17,033.00</b>	<b>\$ 1,675,197.73</b>	<b>\$ 118,416.00</b>	<b>\$ 64,008.71</b>	<b>\$ 20,077.00</b>	<b>\$ 5,807,193.76</b>
<b>EXPENDITURES</b>								
Instruction:								
Salaries of Teachers	\$ 380,884.36			\$ 1,107,073.06		\$ 27,889.00	\$ 17,017.00	\$ 1,532,863.42
Other Salaries for Instruction	82,334.20							82,334.20
Purchased Professional-Educational Services					118,416.00			118,416.00
Other Purchased Services (400-500 series)		902,126.00						902,126.00
General Supplies				79,900.00		375.71		80,275.71
<b>Total Instruction</b>	<b>463,218.56</b>	<b>902,126.00</b>		<b>1,186,973.06</b>	<b>118,416.00</b>	<b>28,264.71</b>	<b>17,017.00</b>	<b>2,716,015.33</b>
Salaries of Program Directors	13,000.00							13,000.00
Salaries of Other Professional Staff	94,932.50							94,932.50
Salaries of Community Parent Involvement Specialists	49,580.86							49,580.86
Salaries of Master Teachers	209,623.20							209,623.20
Personal Services - Employee Benefits	305,069.00			486,251.85		32,684.00		824,004.85
Purchased Professional and Technical Services			17,033.00			3,060.00	3,060.00	23,153.00
Purchased Professional and Technical Services - Contracted Pre-K	2,266,585.33							2,266,585.33
Purchased Educational Services - Head Start	135,000.00							135,000.00
Other Purchased Professional Services	5,388.00							5,388.00
Supplies and Materials	18,778.98			1,972.82				20,751.80
Other Object	9,000.44							9,000.44
Scholarships Awarded	33,232.90							33,232.90
Student Activities	82,868.44							82,868.44
<b>Total Expenditures</b>	<b>\$ 3,686,278.21</b>	<b>\$ 902,126.00</b>	<b>\$ 17,033.00</b>	<b>\$ 1,675,197.73</b>	<b>\$ 118,416.00</b>	<b>\$ 64,008.71</b>	<b>\$ 20,077.00</b>	<b>\$ 6,483,136.65</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(675,942.89)</b>							<b>(675,942.89)</b>
<b>Other Financing Sources (Uses):</b>								
Transfer from Other Funds	684,906.00							684,906.00
<b>Total Other Financing Sources (Uses)</b>	<b>684,906.00</b>							<b>684,906.00</b>
<b>Total Outflows</b>	<b>\$ 3,001,372.21</b>	<b>\$ 902,126.00</b>	<b>\$ 17,033.00</b>	<b>\$ 1,675,197.73</b>	<b>\$ 118,416.00</b>	<b>\$ 64,008.71</b>	<b>\$ 20,077.00</b>	<b>\$ 5,798,230.65</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)</b>	<b>\$ 8,963.11</b>							<b>\$ 8,963.11</b>
Fund Balance, July 1								
Prior Period Adjustment	252,769.03							252,769.03
Fund Balance, July 1 (Restated)	252,769.03							252,769.03
Fund Balance, June 30	\$ 261,732.14	\$	\$	\$	\$	\$	\$	\$ 261,732.14

**DOVER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Total Brought Forward E-1C1</u>	<u>Preschool Education Aid or "PS"</u>	<u>DCF School Based Youth Services (SBYS)</u>	<u>Totals Carried Forward 2021</u>
<b>REVENUE</b>				
State Sources	\$	\$ 2,757,170.95	\$ 128,099.92	\$ 2,885,270.87
Local Sources	125,064.45			125,064.45
<b>Total Revenue</b>	<u>\$ 125,064.45</u>	<u>\$ 2,757,170.95</u>	<u>\$ 128,099.92</u>	<u>\$ 3,010,335.32</u>
<b>EXPENDITURES</b>				
Instruction:				
Salaries of Teachers	\$	\$ 380,884.36	\$	\$ 380,884.36
Other Salaries for Instruction		82,334.20		82,334.20
Total Instruction		<u>463,218.56</u>		<u>463,218.56</u>
Salaries of Program Directors		13,000.00		13,000.00
Salaries of Other Professional Staff			94,932.50	94,932.50
Salaries of Community Parent Involvement Specialists		49,580.86		49,580.86
Salaries of Master Teachers		209,623.20		209,623.20
Personal Services - Employee Benefits		305,069.00		305,069.00
Purchased Professional and Technical Services - Contracted Pre-K		2,266,585.33		2,266,585.33
Purchased Educational Services - Head Start		135,000.00		135,000.00
Other Purchased Professional Services			5,388.00	5,388.00
Supplies and Materials			18,778.98	18,778.98
Other Object			9,000.44	9,000.44
Scholarships Awarded	33,232.90			33,232.90
Student Activities	82,868.44			82,868.44
<b>Total Expenditures</b>	<u>\$ 116,101.34</u>	<u>\$ 3,442,076.95</u>	<u>\$ 128,099.92</u>	<u>\$ 3,686,278.21</u>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<u>8,963.11</u>	<u>(684,906.00)</u>		<u>(675,942.89)</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from Other Funds		684,906.00		684,906.00
<b>Total Other Financing Sources (Uses)</b>		<u>684,906.00</u>		<u>684,906.00</u>
<b>Total Outflows</b>	<u>\$ 116,101.34</u>	<u>\$ 2,757,170.95</u>	<u>\$ 128,099.92</u>	<u>\$ 3,001,372.21</u>

**DOVER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Total Brought Forward E-1C1	Preschool Education Aid or "PS"	DCF School Based Youth Services (SBYS)	Totals Carried Forward 2021
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)</b>	<u>\$ 8,963.11</u>	<u>\$</u>	<u>\$</u>	<u>\$ 8,963.11</u>
Fund Balance, July 1	<u>252,769.03</u>			<u>252,769.03</u>
Prior Period Adjustment				
Fund Balance, July 1 (Restated)	<u>252,769.03</u>			<u>252,769.03</u>
Fund Balance, June 30	<u>\$ 261,732.14</u>	<u>\$</u>	<u>\$</u>	<u>\$ 261,732.14</u>



**DOVER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Scholarship	Student Activities	Totals Carried Forward 2021
<b><u>REVENUE</u></b>			
Local Sources	\$ 30,615.26	\$ 94,449.19	\$ 125,064.45
<b>Total Revenue</b>	<b>\$ 30,615.26</b>	<b>\$ 94,449.19</b>	<b>\$ 125,064.45</b>
<b><u>EXPENDITURES</u></b>			
Instruction:			
Total Instruction			
Scholarships Awarded	33,232.90		33,232.90
Student Activities		82,868.44	82,868.44
<b>Total Expenditures</b>	<b>\$ 33,232.90</b>	<b>\$ 82,868.44</b>	<b>\$ 116,101.34</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(2,617.64)</b>	<b>11,580.75</b>	<b>8,963.11</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</b>	<b>\$ (2,617.64)</b>	<b>\$ 11,580.75</b>	<b>\$ 8,963.11</b>
Fund Balance, July 1			
Prior Period Adjustment	120,962.15	131,806.88	252,769.03
Fund Balance, July 1 (Restated)	120,962.15	131,806.88	252,769.03
Fund Balance, June 30	<b>\$ 118,344.51</b>	<b>\$ 143,387.63</b>	<b>\$ 261,732.14</b>

**DOVER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
STATEMENT OF PRESCHOOL EDUCATION AID - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>District-Wide Total</u>					
	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b><u>EXPENDITURES</u></b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 340,611.00	\$ 40,273.57	\$ 380,884.57	\$ 380,884.36	\$ 0.21
Other Salaries for Instruction	87,876.00	(1,745.37)	86,130.63	82,334.20	3,796.43
Purchased Professional-Educational Services	217,374.00	(19,053.20)	198,320.80		198,320.80
General Supplies	65,890.00		65,890.00		65,890.00
Other Objects		25,000.00	25,000.00		25,000.00
<b>Total Instruction</b>	<u>711,751.00</u>	<u>44,475.00</u>	<u>756,226.00</u>	<u>463,218.56</u>	<u>293,007.44</u>
<b>Support Services:</b>					
Salaries of Program Directors		13,000.00	13,000.00	13,000.00	
Salaries of Community Parent Involvement Specialists	59,699.00		59,699.00	49,580.86	10,118.14
Salaries of Master Teachers	274,242.00	(32,475.00)	241,767.00	209,623.20	32,143.80
Personal Services - Employee Benefits	305,069.00		305,069.00	305,069.00	
Purchased Education Services - Contracted Pre-K	3,276,982.00	(25,000.00)	3,251,982.00	2,266,585.33	985,396.67
Purchased Education Services - Head Start	482,065.00		482,065.00	135,000.00	347,065.00
Other Purchased Professional Services	7,950.00		7,950.00		7,950.00
Contract Services-Transportation (Between Home and School)	160,646.00		160,646.00		160,646.00
<b>Total Support Services</b>	<u>4,566,653.00</u>	<u>(44,475.00)</u>	<u>4,522,178.00</u>	<u>2,978,858.39</u>	<u>1,543,319.61</u>
<b>Contribution to Charter Schools</b>					
<b>Contribution to Renaissance Schools</b>					
<b>Transfer to General Fund</b>					
<b>TOTAL PRESCHOOL EDUCATION AID EXPENDITURES</b>	<u>\$ 5,278,404.00</u>		<u>\$ 5,278,404.00</u>	<u>\$ 3,442,076.95</u>	<u>\$ 1,836,327.05</u>
 <b><u>CALCULATION OF BUDGET AND CARRYOVER</u></b>					
					<b>AMOUNT</b>
Total 2020-21 Pre-K/ECPA Aid Allocation					\$ 4,593,498.00
Add: Actual Pre-K/ECPA Aid Carryover June 30, 2020					328,117.48
Add: Budgeted Transfer from General Fund					684,906.00
<b>Total Funds Available for 2020-21 Budget</b>					5,606,521.48
Less: 2020-2021 Budgeted Pre-K Aid (Including Prior Year Budgeted Carryover)					(5,278,404.00)
<b>Available and Unbudgeted Pre-K Aid Funds as of June 30, 2021</b>					328,117.48
Add: June 30, 2021 Unexpended Pre-K Aid					1,836,327.05
<b>2020-2021 Carryover - Pre-K Aid</b>					<u>\$ 2,164,444.53</u>
<b>2020-21 Pre-K Aid Carryover Budgeted In 2021-22</b>					<u>\$ 2,164,444.53</u>

DOVER BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
STATEMENT OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Program: Preschool

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	Actual	Variance
<b><u>EXPENDITURES</u></b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 340,611.00	\$ 40,273.57	\$ 380,884.57	\$ 380,884.36	\$ 0.21
Other Salaries for Instruction	87,876.00	(1,745.37)	86,130.63	82,334.20	3,796.43
Purchased Professional-Educational Services	217,374.00	(19,053.20)	198,320.80		198,320.80
General Supplies	65,890.00		65,890.00		65,890.00
Other Objects		25,000.00	25,000.00		25,000.00
<b>Total Instruction</b>	<u>711,751.00</u>	<u>44,475.00</u>	<u>756,226.00</u>	<u>463,218.56</u>	<u>293,007.44</u>
<b>Support Services:</b>					
Salaries of Program Directors		13,000.00	13,000.00	13,000.00	
Salaries of Community Parent Involvement Specialists	59,699.00		59,699.00	49,580.86	10,118.14
Salaries of Master Teachers	274,242.00	(32,475.00)	241,767.00	209,623.20	32,143.80
Personal Services - Employee Benefits	305,069.00		305,069.00	305,069.00	
Purchased Education Services - Contracted Pre-K	3,276,982.00	(25,000.00)	3,251,982.00	2,266,585.33	985,396.67
Purchased Education Services - Head Start	482,065.00		482,065.00	135,000.00	347,065.00
Other Purchased Professional Services	7,950.00		7,950.00		7,950.00
Contract Services-Transportation (Between Home and School)	160,646.00		160,646.00		160,646.00
<b>Total Support Services</b>	<u>4,566,653.00</u>	<u>(44,475.00)</u>	<u>4,522,178.00</u>	<u>2,978,858.39</u>	<u>1,543,319.61</u>
<b>TOTAL PRESCHOOL EDUCATION AID EXPENDITURES</b>	<u>5,278,404.00</u>		<u>5,278,404.00</u>	<u>3,442,076.95</u>	<u>1,836,327.05</u>

**F. CAPITAL PROJECTS FUND**

**G. PROPRIETARY FUNDS**

**ENTERPRISE FUND**

**DOVER BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ 587,412.89	\$ 587,412.89
Intergovernmental Accounts Receivable:		
State	3,722.49	3,722.49
Federal	117,631.47	117,631.47
Inventories:		
Food	5,573.41	5,573.41
Total Current Assets	<u>714,340.26</u>	<u>714,340.26</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	913,302.54	913,302.54
Less Accumulated Depreciation	<u>(419,205.00)</u>	<u>(419,205.00)</u>
Total Noncurrent Assets	<u>494,097.54</u>	<u>494,097.54</u>
Total Assets	<u>\$1,208,437.80</u>	<u>\$1,208,437.80</u>
 <b><u>LIABILITIES</u></b>		
Current Liabilities:		
Accounts Payable	\$ 29,052.06	\$ 29,052.06
Interfunds Payable	<u>2,322.98</u>	<u>2,322.98</u>
Total Current Liabilities	<u>31,375.04</u>	<u>31,375.04</u>
Total Liabilities	<u>31,375.04</u>	<u>31,375.04</u>
 <b><u>NET POSITION</u></b>		
Invested in Capital Assets, Net of Related Debt	494,097.54	494,097.54
Unrestricted (Deficit)	<u>682,965.22</u>	<u>682,965.22</u>
Total Net Position	<u>\$1,177,062.76</u>	<u>\$1,177,062.76</u>

**DOVER BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 33,320.70	\$ 33,320.70
Special Functions	2,820.10	2,820.10
Miscellaneous	20,690.00	20,690.00
Total Operating Revenues	<u>56,830.80</u>	<u>56,830.80</u>
Operating Expenses:		
Cost of Sales - Reimbursable Programs	414,038.26	414,038.26
Salaries	263,636.41	263,636.41
Personnel Services - Employee Benefits	47,059.56	47,059.56
FICA	32,264.85	32,264.85
Purchased Services (Including Fixed Price Contract)	62,992.40	62,992.40
Other Purchased Professional and Technical Services	84,575.88	84,575.88
Insurance	25,830.30	25,830.30
General Supplies and Materials	63,825.86	63,825.86
Depreciation Expense	19,592.00	19,592.00
Total Operating Expenses	<u>1,013,815.52</u>	<u>1,013,815.52</u>
Operating Income/(Loss)	<u>(956,984.72)</u>	<u>(956,984.72)</u>
Nonoperating Revenues (Expenses):		
Federal Sources:		
National School Lunch Program	423,110.34	423,110.34
Fresh Fruits and Vegetable Program	22,816.35	22,816.35
Summer Meal Program	663,240.61	663,240.61
Interest and Investment Revenue	0.71	0.71
Total Nonoperating Revenues (Expenses)	<u>1,109,168.01</u>	<u>1,109,168.01</u>
Income (Loss) before Contributions and Transfers	152,183.29	152,183.29
Change in Net Position	<u>152,183.29</u>	<u>152,183.29</u>
Total Net Position - Beginning	<u>1,024,879.47</u>	<u>1,024,879.47</u>
Total Net Position - Ending	<u>\$ 1,177,062.76</u>	<u>\$ 1,177,062.76</u>



**DOVER BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds	
	Food Service	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from Customers and Other Funds	\$ 56,830.80	\$ 56,830.80
Payments to Employees	(263,636.41)	(263,636.41)
Payments to Employees' Benefits	(79,324.41)	(79,324.41)
Payments to Suppliers	<u>(777,040.09)</u>	<u>(777,040.09)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(1,063,170.11)</u>	<u>(1,063,170.11)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
State Sources	437.20	437.20
Federal Sources	<u>1,076,592.50</u>	<u>1,076,592.50</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,077,029.70</u>	<u>1,077,029.70</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Purchases of Capital Assets	<u>(253,024.04)</u>	<u>(253,024.04)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(253,024.04)</u>	<u>(253,024.04)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(239,164.45)	(239,164.45)
Balances - Beginning of Year	<u>826,577.34</u>	<u>826,577.34</u>
Balances - End of Year	<u>\$ 587,412.89</u>	<u>\$ 587,412.89</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u></b>		
Operating Income/(Loss)	\$ (956,984.72)	\$ (956,984.72)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	19,592.00	19,592.00
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable, net	(44,607.00)	(44,607.00)
Increase/(Decrease) in Accounts Payable	(78,577.92)	(78,577.92)
Increase/(Decrease) in Accrued Salaries Benefits	<u>(2,592.00)</u>	<u>(2,592.00)</u>
Total Adjustments	<u>(106,184.92)</u>	<u>(106,184.92)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,063,169.64)</u>	<u>\$ (1,063,169.64)</u>

**INTERNAL SERVICE FUND**

**H. FIDUCIARY FUNDS (IF APPLICABLE)**

DOVER BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
TRUST [FIDUCIARY] FUNDS  
JUNE 30, 2021

	Private Purpose Scholarship <u>Trust Fund</u>	<u>Total Trust</u>
<b><u>ADDITIONS</u></b>		
Total Additions		
<b><u>DEDUCTIONS</u></b>		
Total Deductions		
Change in Net Position		
Total Net Position - Beginning	<u>120,962.15</u>	<u>120,962.15</u>
Total Net Position - Ending	<u>\$ 120,962.15</u>	<u>\$ 120,962.15</u>

**I. LONG-TERM DEBT**

**DOVER BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 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</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 711,361.00	\$	\$ 711,361.00	\$ 711,361.00	\$
Total Revenues	711,361.00		711,361.00	711,361.00	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	141,363.00		141,363.00	141,362.50	0.50
Redemption of Principal	570,000.00		570,000.00	570,000.00	
Total Expenditures	711,363.00		711,363.00	711,362.50	0.50
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2.00)		(2.00)	(1.50)	0.50
Fund Balance, July 1	2.14		2.14	2.14	
Fund Balance, June 30	\$ 0.14		\$ 0.14	\$ 0.64	\$ 0.50

**STATISTICAL SECTION (UNAUDITED)**

## **INTRODUCTION TO THE STATISTICAL SECTION**



## FINANCIAL TRENDS

**DOVER BOARD OF EDUCATION  
NET ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS  
Unaudited**

	Fiscal Year Ending June 30.									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 20,485,774	\$ 16,374,174	\$ 17,885,060	\$ 19,379,517	\$ 22,854,493	\$ 25,170,173	\$ 26,411,165	\$ 27,745,164	\$ 32,742,476	\$ 34,722,214
Restricted	8,565,206	8,375,174	9,980,821	9,762,641	9,378,478	8,279,010	7,898,901	8,490,627	6,825,250	10,596,158
Unrestricted	(1,730,628)	(1,867,742)	(10,502,958)	(10,547,530)	(11,014,923)	(11,557,616)	(11,834,691)	(10,642,592)	(10,928,764)	(10,156,443)
<b>Total Governmental Activities Net Position</b>	<b>\$ 27,320,352</b>	<b>\$ 22,881,606</b>	<b>\$ 17,362,923</b>	<b>\$ 18,594,628</b>	<b>\$ 21,218,048</b>	<b>\$ 21,891,567</b>	<b>\$ 22,475,375</b>	<b>\$ 25,593,199</b>	<b>\$ 28,638,962</b>	<b>\$ 35,161,929</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 126,482	\$ 112,604	\$ 101,101	\$ 85,347	\$ 82,450	\$ 162,998	\$ 191,068	\$ 174,123	\$ 260,666	\$ 494,098
Unrestricted	375,643	437,807	547,104	649,345	714,630	790,402	772,837	827,292	764,214	682,965
<b>Total Business-Type Activities Net Position</b>	<b>\$ 502,125</b>	<b>\$ 550,411</b>	<b>\$ 648,205</b>	<b>\$ 734,692</b>	<b>\$ 797,080</b>	<b>\$ 953,400</b>	<b>\$ 963,905</b>	<b>\$ 1,001,415</b>	<b>\$ 1,024,880</b>	<b>\$ 1,177,063</b>
<b>District-Wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 20,612,256	\$ 16,486,778	\$ 17,986,161	\$ 19,464,864	\$ 22,936,943	\$ 25,333,171	\$ 26,602,233	\$ 27,919,287	\$ 33,003,142	\$ 35,216,312
Restricted	8,565,206	8,375,174	9,980,821	9,762,641	9,378,478	8,279,010	7,898,901	8,490,627	6,825,250	10,596,158
Unrestricted	(1,354,985)	(1,429,935)	(9,955,854)	(9,898,185)	(10,300,293)	(10,767,214)	(11,061,854)	(9,815,300)	(10,164,550)	(9,473,478)
<b>Total District-Wide Net Position</b>	<b>\$ 27,822,477</b>	<b>\$ 23,432,017</b>	<b>\$ 18,011,128</b>	<b>\$ 19,329,320</b>	<b>\$ 22,015,128</b>	<b>\$ 22,844,967</b>	<b>\$ 23,439,280</b>	<b>\$ 26,594,614</b>	<b>\$ 29,663,842</b>	<b>\$ 36,338,992</b>

Source: CAFR Exhibit A-1

DOVER BOARD OF EDUCATION  
CHANGES IN NET ASSETS / NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction:										
Regular	\$ 20,620,741	\$ 20,935,273	\$ 20,735,417	\$ 24,512,706	\$ 27,371,930	\$ 29,583,414	\$ 26,553,039	\$ 24,852,876	\$ 27,402,943	\$ 32,114,852
Special Education									3,898,532	4,239,700
Other Special Instruction	3,022,565	3,549,381	3,419,290	3,561,629	3,459,093	3,867,804	7,641,399	7,226,061		
Vocational									1,920,794	3,007,344
Other Instruction	2,190,945	2,451,939	2,420,813	2,532,491	2,867,643	2,961,443	775,211	822,721	1,077,091	687,027
Support Services:										
Tuition	3,194,156	3,053,506	3,382,631	3,345,620	3,600,982	3,990,060	4,465,842	5,285,961	5,150,670	5,342,743
Student and Instruction Related Services	4,819,831	4,863,072	4,717,295	4,629,839	5,442,880	5,598,811	6,439,642	6,408,745	6,427,142	10,627,297
General Administrative Services	1,831,947	1,781,131	1,718,172	1,915,911	2,188,841	2,343,116	1,375,537	1,347,531	1,707,544	1,779,014
School Administrative Services	3,018,423	3,037,546	3,088,860	3,465,746	3,439,352	3,573,861	3,687,051	3,420,567	2,332,683	2,612,344
Central Services							921,693	842,478	678,621	1,029,352
Administration of Information Technology									134,305	103,385
Plant Operations and Maintenance	3,615,016	3,718,829	3,716,723	3,847,428	3,949,709	3,818,921	4,549,045	4,607,499	3,278,304	3,700,529
Care and Upkeep of Grounds									145,572	203,613
Security									553,903	448,303
Pupil Transportation	1,564,948	1,568,546	1,561,011	1,717,387	1,942,125	2,020,345	3,138,060	3,242,439	2,784,354	2,137,424
Other Support Services									49,462	80,132
Charter School	41,616	7,130	14,296	43,632	66,535	66,000	42,997	21,175	11,895	12,449
Assessment for Debt Service on SDA Funding	28,857	39,604	72,816	72,816	72,816	72,816	72,816	72,816		
Interest on Long-Term Debt	366,629	240,776	238,342	222,025	208,113	197,838	186,025	170,163	162,175	141,363
Unallocated Depreciation									1,212,468	348,124
Total Governmental Activities	<u>44,315,674</u>	<u>45,246,734</u>	<u>45,085,667</u>	<u>49,867,230</u>	<u>54,610,018</u>	<u>58,094,429</u>	<u>59,848,358</u>	<u>58,321,032</u>	<u>58,928,458</u>	<u>68,614,995</u>
<b>Business-Type Activities:</b>										
Food Service	1,363,104	1,540,340	1,510,309	1,670,727	1,843,803	1,876,235	1,909,960	1,788,642		1,013,816
Total Business-Type Activities	<u>1,363,104</u>	<u>1,540,340</u>	<u>1,510,309</u>	<u>1,670,727</u>	<u>1,843,803</u>	<u>1,876,235</u>	<u>1,909,960</u>	<u>1,788,642</u>		<u>1,013,816</u>
<b>Total District Expenses</b>	<u>\$ 45,678,778</u>	<u>\$ 46,787,074</u>	<u>\$ 46,595,976</u>	<u>\$ 51,537,957</u>	<u>\$ 56,453,821</u>	<u>\$ 59,970,664</u>	<u>\$ 61,758,318</u>	<u>\$ 60,109,675</u>	<u>\$ 58,928,458</u>	<u>\$ 69,628,811</u>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Instruction (Tuition):										
Regular	2,684,226	2,276,971	2,118,825	2,195,061	2,069,694	1,706,144	1,518,023	1,386,115		
Support Service:										
Student and Instruction Related Services										94,449
Operating Grants and Contributions	9,017,167	8,890,733	9,167,316	12,807,144	18,024,880	20,283,781	3,269,549	3,534,427	12,103,553	21,623,789
Total Governmental Activities Program Revenues	<u>11,701,393</u>	<u>11,167,704</u>	<u>11,286,141</u>	<u>15,002,204</u>	<u>20,094,574</u>	<u>21,989,925</u>	<u>4,787,572</u>	<u>4,920,542</u>	<u>12,103,553</u>	<u>21,718,238</u>

DOVER BOARD OF EDUCATION  
CHANGES IN NET ASSETS / NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
Unaudited

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	307,933	297,973	315,526	317,497	336,979	322,335	334,529	350,090	345,994	56,832
Operating Grants and Contributions	1,139,883	1,289,329	1,290,925	1,437,868	1,562,605	1,623,500	1,583,242	1,467,587		
<b>Total Business-Type Activities Program Revenues</b>	<b>1,447,816</b>	<b>1,587,302</b>	<b>1,606,451</b>	<b>1,755,365</b>	<b>1,899,584</b>	<b>1,945,835</b>	<b>1,917,771</b>	<b>1,817,677</b>	<b>345,994</b>	<b>56,832</b>
<b>TOTAL DISTRICT PROGRAM REVENUES</b>	<b>\$ 13,149,208</b>	<b>\$ 12,755,007</b>	<b>\$ 12,892,592</b>	<b>\$ 16,757,569</b>	<b>\$ 21,994,158</b>	<b>\$ 23,935,761</b>	<b>\$ 6,705,344</b>	<b>\$ 6,738,219</b>	<b>\$ 12,449,547</b>	<b>\$ 21,775,070</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (32,614,281)	\$ (34,079,030)	\$ (33,799,526)	\$ (34,865,025)	\$ (34,515,445)	\$ (36,104,504)	\$ (55,060,786)	\$ (53,400,491)	\$ (46,824,905)	\$ (46,896,757)
Business-Type Activities	84,711	46,963	96,142	84,638	55,781	69,601	7,811	29,035	345,994	(956,984)
<b>Total District-Wide Net Expense</b>	<b>\$ (32,529,570)</b>	<b>\$ (34,032,067)</b>	<b>\$ (33,703,384)</b>	<b>\$ (34,780,388)</b>	<b>\$ (34,459,663)</b>	<b>\$ (36,034,903)</b>	<b>\$ (55,052,975)</b>	<b>\$ (53,371,456)</b>	<b>\$ (46,478,911)</b>	<b>\$ (47,853,741)</b>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 12,709,480	\$ 13,070,480	\$ 13,070,480	\$ 13,106,480	\$ 13,106,480	\$ 13,574,519	\$ 14,246,172	\$ 15,601,137	\$ 16,626,173	\$ 16,231,423
Property Taxes, Levied for Debt Service Principal	773,541	498,047	446,508	508,788	512,551	725,463		714,213		711,361
Grants and Contributions	21,893,924	23,061,030	22,711,170	22,783,398	22,266,016	22,318,614	41,238,852	39,943,626	31,365,673	33,404,330
Payments in Lieu of Taxes - State Aid Restricted										
Tuition Received									1,306,200	1,492,160
Investment Earnings		25,496	34,493	35,130	36,812	31,791	32,309	118,612		1,500
Miscellaneous Income	239,135	288,552	236,148	162,623	405,857	191,305	221,419	258,875	572,619	1,099,433
Proceeds of Long-Term Debt (Refunding Bonds)	1,354,000									
Capital Lease Principal Cancelled										
NJ Schools Development Authority Grants										
Cancellation of Prior Year Accounts Receivable	(525,508)									(5,600)
Adjustment to Capital Assets		(7,303,322)	382,207	(499,688)	811,149	(63,668)				
Transfers	(830,222)						(94,159)	(120,109)		
<b>Total Governmental Activities</b>	<b>35,614,350</b>	<b>29,640,283</b>	<b>36,881,007</b>	<b>36,098,731</b>	<b>37,138,865</b>	<b>36,778,023</b>	<b>55,644,593</b>	<b>56,516,354</b>	<b>49,870,665</b>	<b>52,934,607</b>
Business-Type Activities:										
Investment Earnings		1,324	1,652	1,849	2,129	2,263	2,694	8,476	2,647	
Adjustment to Capital Assets	113,333				4,477					
Transfers										
<b>Total Business-Type Activities</b>	<b>113,333</b>	<b>1,324</b>	<b>1,652</b>	<b>1,849</b>	<b>6,606</b>	<b>2,263</b>	<b>2,694</b>	<b>8,476</b>	<b>2,647</b>	
<b>Total District-Wide</b>	<b>\$ 35,727,683</b>	<b>\$ 29,641,607</b>	<b>\$ 36,882,659</b>	<b>\$ 36,098,580</b>	<b>\$ 37,145,471</b>	<b>\$ 36,780,286</b>	<b>\$ 55,647,288</b>	<b>\$ 56,524,830</b>	<b>\$ 49,873,312</b>	<b>\$ 52,934,607</b>
<b>Change in Net Position:</b>										
Governmental Activities	3,000,069	(4,438,747)	3,081,480	1,231,706	2,623,420	673,520	583,808	3,115,863	3,045,760	6,037,850
Business-Type Activities	198,045	48,286	97,794	86,487	62,388	71,863	10,505	37,511	348,641	(956,984)
<b>Total District</b>	<b>\$ 3,198,114</b>	<b>\$ (4,390,461)</b>	<b>\$ 3,179,275</b>	<b>\$ 1,318,193</b>	<b>\$ 2,685,808</b>	<b>\$ 745,383</b>	<b>\$ 594,313</b>	<b>\$ 3,153,375</b>	<b>\$ 3,394,401</b>	<b>\$ 5,080,866</b>

Source: CAFR Schedule A-1

DOVER BOARD OF EDUCATION  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund:</b>										
Reserved	\$ 8,606,227	\$ 8,378,260	\$ 10,028,830	\$ 9,796,349	\$ 9,417,293	\$ 8,307,624	\$ 7,898,899	\$ 9,436,625	\$ 6,825,247	\$ 10,334,425
Unreserved	<u>(1,287,404)</u>	<u>(1,375,080)</u>	<u>(1,388,953)</u>	<u>(1,416,677)</u>	<u>(1,448,468)</u>	<u>(1,323,618)</u>	<u>(1,432,212)</u>	<u>(1,483,487)</u>	<u>(1,270,105)</u>	<u>(243,086)</u>
Total General Fund	<u>\$ 7,318,823</u>	<u>\$ 7,003,180</u>	<u>\$ 8,639,877</u>	<u>\$ 8,379,672</u>	<u>\$ 7,968,825</u>	<u>\$ 6,984,006</u>	<u>\$ 6,466,687</u>	<u>\$ 7,953,138</u>	<u>\$ 5,555,142</u>	<u>\$ 10,091,339</u>
<b>All Other Governmental Funds:</b>										
Reserved	\$	\$ 47,669	\$	\$	\$	\$	\$	\$	\$ 2	\$ 261,733
Unreserved, Reported In:										
Special Revenue Fund	(41,022)	(50,756)	(48,011)	(33,710)	(38,817)	(28,616)	(25,538)	(34,218)	(146,712)	(459,348)
Debt Service Fund	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>
Total All Other Governmental Funds	<u>\$ (41,021)</u>	<u>\$ (3,086)</u>	<u>\$ (48,010)</u>	<u>\$ (33,708)</u>	<u>\$ (38,815)</u>	<u>\$ (28,613)</u>	<u>\$ (25,537)</u>	<u>\$ (34,216)</u>	<u>\$ (146,710)</u>	<u>\$ (197,615)</u>

Source: CAFR Schedule B-1

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Tax Levy	\$ 13,723,430	\$ 13,808,722	\$ 13,755,330	\$ 13,837,293	\$ 13,827,143	\$ 14,299,982	\$ 14,246,172	\$ 16,315,350	\$ 16,626,173	\$ 16,942,784
Tuition Charges	2,684,226	2,276,971	2,118,825	2,195,061	2,069,694	1,706,144	1,518,023	1,386,115	1,306,200	1,492,160
Interest Earnings		25,496	34,493	35,130	36,812	31,791		118,612		1,500
Restricted Miscellaneous Revenues										1,099,433
Unrestricted Miscellaneous Revenues	239,135	288,552	236,148	162,623	405,857	191,305	253,728	258,875	572,619	
State Sources	27,058,369	28,928,335	29,060,141	29,515,432	30,025,425	30,677,883	32,476,119	35,784,346	39,411,331	44,385,947
Federal Sources	3,612,313	2,783,232	2,580,003	2,627,346	2,644,804	2,698,064	2,671,453	2,795,110	2,175,103	5,072,275
Private Sources							99,142	120,109	1,830	125,064
<b>Total Revenues</b>	<b>47,317,473</b>	<b>48,111,308</b>	<b>47,784,940</b>	<b>48,372,885</b>	<b>49,009,735</b>	<b>49,605,169</b>	<b>51,264,637</b>	<b>56,778,517</b>	<b>60,093,256</b>	<b>69,119,163</b>
<b>Expenditures:</b>										
Instruction:										
Regular Instruction	14,403,141	14,488,393	14,767,950	16,229,086	15,662,456	16,047,693	15,814,653	15,929,576	16,852,526	18,773,119
Special Education Instruction	1,860,469	2,057,580	1,756,532	1,764,372	1,638,742	1,786,375	3,083,036	3,395,383	2,472,314	2,356,970
Other Special Instruction	1,552,667	1,623,422	1,581,922	1,544,251	1,540,042	1,525,204	729,913	775,203	1,120,812	1,374,793
Other Instruction									715,689	637,074
Support Services:										
Tuition	3,194,156	3,053,506	3,382,631	3,345,620	3,600,982	3,990,060	4,465,842	5,285,961	5,150,670	5,342,743
Student and Instruction Related Services	3,695,704	3,533,340	3,536,842	3,302,928	3,368,253	3,321,665	4,143,836	4,487,749	4,168,670	7,458,880
General Administration	1,374,984	1,346,550	1,269,690	1,317,804	1,370,710	1,377,541	951,128	980,534	1,327,330	1,294,757
School Administrative Services	2,032,817	1,972,854	2,087,791	2,093,098	1,791,300	1,756,054	1,915,369	1,958,634	2,263,538	2,290,242
Central Services							469,447	470,347	423,159	597,923
Administration of Information Technology									78,386	72,700
Plant Operations and Maintenance	3,008,905	2,847,081	3,100,885	3,048,959	2,913,442	2,722,225	2,830,478	3,185,241	2,682,271	2,956,157
Care and Upkeep of Grounds									84,943	114,671
Security									400,233	237,250
Pupil Transportation	1,371,570	1,346,910	1,344,022	1,454,842	1,577,998	1,595,340	1,834,369	2,151,106	2,734,893	2,057,292
Employee Benefits	10,693,117	11,660,888	10,883,645	11,193,467	11,818,694	12,453,254	12,760,310	13,763,281	15,748,624	17,067,145
Charter Schools	41,616	7,130	14,296	43,632	66,535	66,000	42,997	21,175	11,895	12,449
Capital Outlay	2,474,055	3,671,565	1,661,625	2,477,101	3,283,056	3,140,097	1,928,377	2,062,234	5,654,780	1,757,862
Debt service:										
Principal	740,000	500,000	490,000	505,000	510,000	525,000	525,000	540,000	555,000	570,000
Interest and other charges	400,170	240,195	242,519	225,813	210,663	200,463	189,963	174,213	158,013	141,363
<b>Total Expenditures</b>	<b>46,843,371</b>	<b>48,349,414</b>	<b>46,120,350</b>	<b>48,545,973</b>	<b>49,352,873</b>	<b>50,506,971</b>	<b>51,684,718</b>	<b>55,180,637</b>	<b>62,603,746</b>	<b>65,113,390</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	474,102	(238,106)	1,664,590	(173,088)	(343,138)	(901,802)	(420,081)	1,597,880	(2,510,490)	4,005,773
Other Financing Sources (Uses):										
Transfers In	477,801									
Transfers Out	(1,308,023)						(94,159)	(120,109)		
Cancellation of Prior Year Accounts Receivable										(5,600)
<b>Total Other Financing Sources (Uses)</b>	<b>(830,222)</b>						<b>(94,159)</b>	<b>(120,109)</b>		<b>(5,600)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (356,120)</b>	<b>\$ (238,106)</b>	<b>\$ 1,664,590</b>	<b>\$ (173,088)</b>	<b>\$ (343,138)</b>	<b>\$ (901,802)</b>	<b>\$ (514,240)</b>	<b>\$ 1,477,771</b>	<b>\$ (2,510,490)</b>	<b>\$ 4,000,173</b>
Debt service as a percentage of noncapital expenditures	2.57%	1.66%	1.65%	1.59%	1.56%	1.53%	1.44%	1.34%	1.25%	1.12%

Source: District records, CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

**DOVER BOARD OF EDUCATION**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*Unaudited*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Interest Earned on Deposits/Investments	\$	\$ 25,496	\$ 34,493	\$ 35,130	\$ 36,812	\$ 31,791	\$ 32,309	\$ 118,612	\$ 115,406	
Miscellaneous	237,881	269,824	236,148	157,709	401,717	191,305	221,419	258,875	457,213	
Tuition - Other	<u>2,684,226</u>	<u>2,276,971</u>	<u>2,118,825</u>	<u>2,195,061</u>	<u>2,069,694</u>	<u>1,706,144</u>	<u>1,518,023</u>	<u>1,386,115</u>	<u>1,306,200</u>	
<b>Annual Totals</b>	<u>\$ 2,922,107</u>	<u>\$ 2,572,291</u>	<u>\$ 2,389,466</u>	<u>\$ 2,387,900</u>	<u>\$ 2,508,223</u>	<u>\$ 1,929,239</u>	<u>\$ 1,771,751</u>	<u>\$ 1,763,602</u>	<u>\$ 1,878,819</u>	

Source: District Records

## REVENUE CAPACITY



**DOVER BOARD OF EDUCATION  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 Unaudited**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2012	\$ 10,384,100	\$ 1,031,676,100	\$ 266,090,900	\$ 136,959,700	\$ 47,325,000	\$ 1,492,435,800	\$ 1,492,435,800	\$ 1,472,075,505	\$0.870
2013	9,628,200	1,028,952,800	265,697,700	126,669,100	47,262,500	1,478,210,300	1,478,210,300	1,340,652,204	0.874
2014	9,783,600	1,022,593,100	263,599,400	125,539,100	49,856,000	1,471,371,200	1,471,371,200	1,294,957,930	0.880
2015	12,316,100	1,017,614,600	261,198,000	122,426,200	50,906,000	1,464,460,900	1,464,460,900	1,296,442,015	0.886
2016	10,864,600	852,915,100	270,637,400	112,159,700	45,449,200	1,292,026,000	1,292,026,000	1,330,065,884	1.019
2017	10,926,200	851,294,000	270,267,400	112,159,700	45,800,400	1,290,447,700	1,290,447,700	1,354,658,514	1.037
2018	7,599,400	853,241,800	280,787,500	112,115,500	46,008,700	1,299,752,900	1,299,752,900	1,378,939,442	1.104
2019	*	*	*	*	*	*	*	*	*
2020						*	*		
2021	6,552,100	861,028,200	279,080,800	110,466,300	46,048,800	1,303,176,200	1,303,176,200	1,433,949,589	

**Source:** Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.  
 Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

\* At the time of CAFR completion, this data was not yet available

**DOVER BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
*Unaudited***

*(Rate per \$100 of Assessed Value)*

Fiscal Year Ended June 30,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Municipal Rate	County Rate	
2012	\$ 0.790	\$ 0.080	\$ 0.870	\$ 0.850	\$ 0.240	\$ 1.960
2013	0.830	0.050	0.880	0.890	0.230	2.000
2014	0.830	0.050	0.880	0.920	0.240	2.040
2015	0.840	0.050	0.890	0.950	0.220	2.060
2016	0.970	0.050	1.020	1.120	0.270	2.410
2017	1.010	0.030	1.040	1.160	0.270	2.470
2018	1.080	0.030	1.110	1.200	0.280	2.590
2019	*	*	*	*	*	*
2020			*			*
2021	1.226		1.226	1.390	0.286	2.902

**Source:** Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

\* Data Unavailable

**DOVER BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
*Unaudited***

<u>Taxpayer</u>	2021		% of Total District Net Assessed Value	% of Total District Net Assessed Value
	Taxable Assessed Value	Rank [Optional]		
MPT of Morris LLC	\$ 45,369,600	1	3.48%	
Piret (Dover) Holdings, LLC	17,932,200	2	1.38%	
Home Depot USA Inc. Corp.	16,388,800	3	1.26%	
AHIP NJ Dover Properties LLC	10,060,000	4	0.77%	
CASIO Inc.	10,020,200	5	0.77%	
Dover Hills Properties	9,689,000	6	0.74%	*
Dover Capital NJ LLC	8,211,800	7	0.63%	
Briad Lodging Group Dover II, LLC	7,000,000	8	0.54%	
Denville-Morris Properties LLC	6,790,800	9	0.52%	
Fox Dover Tenant Corp.	6,250,000	10	0.48%	
	\$ 137,712,400		10.57%	

Source: Municipal Tax Assessor

**DOVER BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
*Unaudited***

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>	
		Amount	Percentage of Levy
2012	\$ 13,723,430	\$ 13,723,430	100.00%
2013	13,808,722	13,808,722	100.00%
2014	13,755,330	13,755,330	100.00%
2015	13,837,293	13,837,293	100.00%
2016	13,827,143	13,827,143	100.00%
2017	14,299,982	14,299,982	100.00%
2018	14,246,172	14,246,172	100.00%
2019	16,315,350	16,315,350	100.00%
2020	16,626,173	16,626,173	100.00%
2021	16,231,423	16,231,423	100.00%

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

<sup>a</sup> School taxes are collected by the Municipal Tax Collector. Under New Jersey State law, a municipality is required to remit to the school district the entire property tax balance less the amount voted upon or certified prior to the end of the school year.

## DEBT CAPACITY

**DOVER BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
*Unaudited***

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		Percentage of Personal Income <sup>a</sup>	<u>Per Capita <sup>a</sup></u>
	General Obligation Bonds <sup>b</sup>	Total District		
2012	\$ 7,880,000	\$ 7,880,000	0.56%	\$ 432
2013	7,380,000	7,380,000	0.51%	404
2014	6,890,000	6,890,000	0.47%	377
2015	6,385,000	6,385,000	0.42%	351
2016	5,875,000	5,875,000	0.37%	323
2017				
2018				
2019				
2020				
2021	3,160,000	3,160,000	*	179

**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

\*Unavailable

**DOVER BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
*Unaudited***

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value <sup>a</sup> of Property</u>	<u>Per Capita <sup>b</sup></u>
2012	\$ 7,880,000	\$	\$ 7,880,000	0.53%	\$ 432
2013	7,380,000		7,380,000	0.50%	404
2014	6,890,000		6,890,000	0.47%	379
2015	6,385,000		6,385,000	0.44%	351
2016	5,875,000		5,875,000	0.45%	325
2017	5,350,000		5,350,000	0.41%	297
2018	4,825,000		4,825,000	0.37%	269
2019	4,285,000		4,285,000	*	*
2020	3,730,000		3,730,000	*	212
2021	3,160,000	3,160,000			*

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

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

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

Source: District Records

\* Data Unavailable

**DOVER BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021  
Unaudited**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b><u>Governmental Unit</u></b>			
Debt Repaid with Property Taxes:			
Net Overlapping Debt of School District:			
Town of Dover	\$ 26,985,871	100.000%	\$ 26,985,871
County of Morris General Obligation Debt	<u>250,902,245</u>	1.470%	<u>3,688,263</u>
 Sub-Total Overlapping Debt			 30,674,134
Town of Dover District Direct Debt			<u>3,160,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 33,834,134</u></u>

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

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

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



**DOVER BOARD OF EDUCATION  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS  
*Unaudited***

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 46,679,062	\$ 45,306,571	\$ 43,339,596	\$ 41,638,855	\$ 39,783,933	\$ 39,363,279	\$ 39,214,658	\$ 39,811,664	\$ 41,583,205	\$ 20,355,767
Total Net Debt Applicable to Limit	<u>9,639,000</u>	<u>7,880,000</u>	<u>7,380,000</u>	<u>6,890,000</u>	<u>6,385,000</u>	<u>5,875,000</u>	<u>5,350,000</u>	<u>4,825,000</u>	<u>3,730,000</u>	<u>                    </u>
Legal Debt Margin	<u>\$ 37,040,062</u>	<u>\$ 37,426,571</u>	<u>\$ 35,959,596</u>	<u>\$ 34,748,855</u>	<u>\$ 33,398,933</u>	<u>\$ 33,488,279</u>	<u>\$ 33,864,658</u>	<u>\$ 34,986,664</u>	<u>\$ 37,853,205</u>	<u>\$ 20,355,767</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.65%	17.39%	17.03%	16.55%	16.05%	14.93%	13.64%	12.12%	8.97%	

**Legal Debt Margin Calculation for Fiscal Year 2020**

Year	Equalized Valuation Basis
2020	\$ 1,526,682,521
2019	
2018	
	<u>[A] \$ 1,526,682,521</u>
Average Equalized Valuation of Taxable Property	[A/3] 508,894,174
Debt limit (4% of average equalization value)	[B] \$ 20,355,767 a
Total Net Debt Applicable to Limit	[C] <u>                    </u>
Legal debt margin	[B-C] <u>\$ 20,355,767</u>

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

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

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

**DOVER BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>
2012	18,258	\$ 1,451,164,098	\$ 79,481	16.80%
2013	18,274	1,468,462,092	80,358	6.40%
2014	18,187	1,520,906,062	83,626	4.70%
2015	18,169	1,589,878,345	87,505	4.30%
2016	18,095	1,622,271,035	89,653	3.80%
2017	18,038	1,700,243,842	94,259	3.50%
2018	17,961	*	N/A	3.40%
2019				
2020	17,619		101,646	7.60%
2021	*	*	*	*

**Source:**

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

\*Unavailable

**DOVER BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
Unaudited**

<u>Employer</u>	<u>2021</u>		<u>Percentage of Total Municipal Employment</u>	<u>Percentage of Total Municipal Employment</u>
	<u>Employees</u>	<u>Rank (Optional)</u>		
Atlantic Health System	7,642	1	3.28%	*
Picatinny Arsenal	6,000	2	2.58%	*
Novartis	5,200	3	2.23%	*
Bayer	3,483	4	1.50%	*
Barclays	2,560	5	1.10%	*
ADP	2,400	6	1.03%	*
Accenture	1,826	7	0.78%	*
Honeywell	1,704	8	0.73%	*
St. Claire's Health System	1,638	9	0.70%	*
County of Morris	1,469	10	0.63%	*
	33,922			

Source:

## **OPERATING INFORMATION**

**DOVER BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*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>
<b><u>Function/Program</u></b>										
Instruction:										
Regular	239	242	221	221	229	225	226	227	227	195
Special Education	37	43	39	46	42	41	49	48	52	57
Other Special Education										25
Other Instructional										1
Support Services:										
Student and Instructional Related Services	47	44	39	28	28	30	27	28	28	63
General Administration										4
School Administrative Service	29	27	29	28	26	26	25	25	25	25
Other Administrative Services	6	6	6	6	6	6	6	6	6	6
Administrative Information Technology										1
Plant Operations and Maintenance	33	30	39	40	39	40	36	36	36	36
Pupil Transportation	5	5	6	5	6	5	5	5	5	12
<b>Total</b>	<u>396</u>	<u>397</u>	<u>379</u>	<u>374</u>	<u>376</u>	<u>373</u>	<u>374</u>	<u>375</u>	<u>379</u>	<u>425</u>

Source: District Personnel Records

**DOVER BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u> <sup>a</sup>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u> <sup>b</sup>	<u>Average Daily Enrollment (ADE)</u> <sup>c</sup>	<u>Average Daily Attendance (ADA)</u> <sup>c</sup>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	3,021	\$ 43,229,146	\$14,310	0.09%	246.0	2,901.6	2,768.7	(0.89%)	95.42%
2013	3,009	43,937,653	14,602	2.04%	256.0	3,027.7	2,895.3	4.35%	95.63%
2014	3,083	41,072,119	13,322	(8.77%)	260.0	3,082.7	2,958.9	1.82%	95.98%
2015	3,169	41,426,489	13,072	(1.88%)	260.0	3,168.8	3,064.3	2.79%	96.70%
2016	3,196	45,385,128	14,201	8.64%	265.0	3,216.4	3,102.3	1.50%	96.45%
2017	3,058	41,592,612	13,601	(4.23%)	240.0	3,224.0	3,094.6	0.24%	95.99%
2018	3,096	49,041,379	15,840	16.46%	240.0	3,311.8	3,179.4	2.72%	96.00%
2019	3,394	52,404,191	15,440	(2.53%)	243.0	3,205.1	3,074.3	(3.22%)	95.92%
2020	3,219	56,235,954	17,470	13.15%	256.0	3,205.5	3,082.0	0.01%	96.15%
2021	3,503	62,644,162	17,883	2.36%	260.0	3,254.0	3,044.7	1.51%	93.57%

Source: District Records

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

DOVER BOARD OF EDUCATION  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
*Unaudited*

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Elementary</b>										
Academy Street										
Square Feet	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364
Capacity (Students)	560	560	560	560	560	560	560	560	560	560
Enrollment	573	560	561	601	558	551	555	555	548	494
East Dover										
Square Feet	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790
Capacity (Students)	884	884	884	884	884	884	884	884	884	884
Enrollment	466	459	476	479	489	523	480	480	474	393
North Dover										
Square Feet	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705
Capacity (Students)	614	614	614	614	614	614	614	614	614	614
Enrollment	706	740	751	757	737	704	682	682	693	638
Enrollment										162
<b>Middle/Junior High School</b>										
Dover Middle School										
Square Feet	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790
Enrollment	471	461	482	457	495	530	488	488	512	557
<b>High School</b>										
Dover High School										
Square Feet	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500
Capacity (Students)	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066
Enrollment	804	789	813	875	917	956	891	891	946	1,010
Total Enrollment - All Schools	3,020	3,009	3,083	3,169	3,196	3,264	3,096	3,096	3,173	3,254
Number of Schools at June 30, 2021:										
Elementary = 3										
Middle = 1										
High School = 1										

Source: District Maintenance Office

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



DOVER BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
*Unaudited*

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

School Facilities *	Project #	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total School Facilities
Dover High School	N/A	\$ 249,183.21	\$ 270,532.17	\$ 256,491.33	\$ 259,723.20	\$ 300,113.56	\$ 227,548.80	\$ 247,423.59	\$ 180,445.28	\$ 215,664.38	\$ 292,006.71	\$ 2,499,132.23
Academy Street	N/A	82,845.90	92,096.06	85,497.11	84,561.04	100,037.86	75,653.11	82,414.53	102,252.34	122,209.79	165,470.44	993,038.18
Dover Middle School	N/A	100,923.15	109,354.07	101,527.82	163,062.01	118,794.95	92,160.87	97,358.50	192,474.87	230,041.93	311,473.72	1,917,761.99
North Dover Middle School	N/A	89,713.87	97,352.06	90,840.68	96,641.19	106,290.22	81,924.79	87,629.19	126,311.67	150,964.98	204,404.58	1,132,673.23
Blackwell Academy	N/A	<u>5,461.46</u>	<u>5,756.00</u>									<u>11,217.46</u>
<b>Total</b>		<u>\$ 528,127.59</u>	<u>\$ 575,600.36</u>	<u>\$ 534,356.94</u>	<u>\$ 604,007.44</u>	<u>\$ 625,236.59</u>	<u>\$ 477,287.57</u>	<u>\$ 515,405.81</u>	<u>\$ 601,484.26</u>	<u>\$ 718,881.08</u>	<u>\$ 973,355.45</u>	<u>\$ 6,153,743.09</u>

\* School facilities as defined under EFCFA,  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

**SINGLE AUDIT SECTION**

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NEWARK, N.J. 07102-9969  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dover Board of Education, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Dover Board of Education's basic financial statements, and have issued our report thereon dated March 9, 2022.

**Internal Control Over Financial Reporting**

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

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

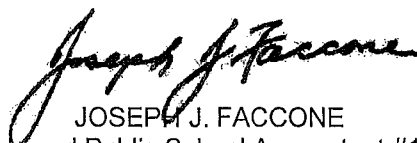
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



JOSEPH J. FACCONI  
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
March 9, 2022

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

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

**Report on Compliance for Each Major Program**

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

## **Opinion on Each Major Federal and State Program**

In our opinion, the Town of Dover School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

## **Report on Internal Control over Compliance**

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


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

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

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

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

We have audited the financial statements of the Board of Education of the Town of Dover School District as of and for the year ended June 30, 2021, and have issued our report thereon dated March 9, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



JOSEPH J. FACCONI  
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
March 9, 2022

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

Schedule A

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2021		
					From	To							Receivable)	Deferred Inflows	Due to Grantor
U.S. Department of Education:															
Pass-Through State Department of Education:															
General Fund:															
Medicaid Assistance Program	93.778	2005NJ5MAP	N/A		7/1/2020	6/30/2021			112,220.24	(112,220.24)					
Total General Fund									112,220.24	(112,220.24)					
Special Revenue Fund:															
Title I-Part A-Improving Basic Programs	84.010A	S010A180030	ESSA111019	1,735,668.00	9/1/2018	8/31/2019	\$ 1,777.00	\$ -					1,777.00	\$ -	
Title I-Reallocated	84.010A	S010A200030	ESSA111021	79,900.00	9/1/2020	9/1/2021			79,900.00	(79,900.00)					
Title I-Reallocated	84.010A	S010A190030	ESSA111020	58,931.00	9/1/2019	9/1/2020	(52,535.00)		26,673.00				(25,862.00)		
Title I-Part A	84.010	S1010A200030	ESSA111021	1,805,167.00	7/1/2020	9/30/2021			858,765.00	(1,595,297.73)			(736,532.73)		
Title I-Part A	84.010	S1010A190030	ESSA111020	1,591,553.00	7/1/2019	9/30/2020	(939,431.00)		645,521.00				(293,910.00)		
Title II-Part A-Improving Teacher Quality	84.367A	S367A200029	ESSA111021	236,301.00	7/1/2020	9/30/2021			11,138.00	(118,416.00)			(107,278.00)		
Title II-Part A-Improving Teacher Quality	84.367A	S367A190029	ESSA111020	84,578.00	7/1/2019	9/30/2020	(104,997.06)						(104,997.06)		
Title III-English Language Acquisition	84.365A	S365A180030	ESSA111019	79,500.00	9/1/2018	8/31/2019	4.00							4.00	
Title III-English Language Acquisition	84.365A	S365A190030	ESSA111020	84,176.00	7/1/2019	9/30/2020	(11,462.19)						(11,462.19)		
Title III-English Language Acquisition	84.365A	S365A200030	ESSA111021	251,249.00	7/1/2020	9/30/2021				(84,008.71)			(64,008.71)		
Title III-Immigrant				50,863.00	7/1/2020	9/30/2021				(20,077.00)			(20,077.00)		
Emergency Immigrant Education	84.365A	S365A190030	ESSA111020	22,871.00	7/1/2019	9/30/2020	(8,197.03)						(8,197.03)		
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	IDEA111021	902,126.00	7/1/2020	9/30/2021			902,126.00	(902,126.00)					
I.D.E.A. Part B, Basic Regular	84.027A	H027A190100	IDEA111020	798,964.00	7/1/2019	9/30/2020	(82,132.12)		82,132.00				(0.12)		
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA111021	17,033.00	7/1/2020	9/30/2021			1,020.00	(17,033.00)			(16,013.00)		
I.D.E.A. Part B, Preschool	84.173	H173A190114	IDEA111020	16,706.00	7/1/2019	9/30/2020	(5,519.00)		5,519.00						
Digital Divide				808,153.00	7/1/2020	9/30/2021			733,159.56	(733,159.56)					
Elementary and Secondary Schools Emergency Relief II	84.425	S425D200027		4,908,104.00	7/1/2020	9/30/2021				(1,075,995.00)			(1,075,995.00)		
CARE Grant	84.425	S425D200027		383,338.00	7/1/2020	9/30/2021			383,338.00	(383,338.00)					
CARES Emergency Relief Grant	84.425D	S425D200027		1,283,266.00	3/13/2020	9/30/2022			765,216.06	(1,054,574.30)			(289,358.24)		
Total Special Revenue Fund							(1,202,492.40)		4,484,507.62	(6,043,925.30)			(2,753,691.08)	1,781.00	
Enterprise Fund:															
National School Lunch Program	10.555	191NJ304N1099	N/A	1,132,229.49	7/1/2018	6/30/2019									
National School Lunch Program	10.555	201NJ304N1099	N/A	877,335.46	7/1/2019	6/30/2020	(27,265.07)		27,265.07						
National School Lunch Program	10.555	201NJ304N1099	N/A	20,295.87	7/1/2019	6/30/2020	(558.43)		556.43						
School Breakfast Program	10.553	191NJ304N1099	N/A	168,884.54	7/1/2018	6/30/2019			1,044,594.83	(1,162,226.30)			(117,631.47)		
School Breakfast Program	10.553	201NJ304N1099	N/A	386,989.68	7/1/2019	6/30/2020	(16,349.48)		16,349.48						
Food Distribution Program	10.555	191NJ304N1099	N/A	57,821.36	7/1/2018	6/30/2020			2,207.78					2,207.78	
Total Enterprise Fund							(41,563.20)		1,088,765.81	(1,162,226.30)			(117,631.47)	2,207.78	
Total Federal Financial Awards							\$ (1,244,455.60)	\$ -	\$ 5,695,493.67	\$ (7,318,371.84)	\$ -	\$ -	\$ (2,871,322.55)	\$ 3,988.78	\$ -

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



DOVER BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Schedule B

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2020				Balance June 30, 2021				Memo			
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Pass-Through Funds	Adjustments	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Deferred Inflows/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>																
<b>General Fund:</b>																
Equalization Aid	21-495-034-5120-078		7/1/2020	6/30/2021	\$ -	\$ -	\$ -	\$ 27,524,310.00	\$ (27,524,310.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,735,910.00	\$ 27,524,310.00
Transportation Aid	21-495-034-5120-014		7/1/2020	6/30/2021				413,123.00	(413,123.00)						41,315.00	413,123.00
Special Education Categorical Aid	21-495-034-5120-089		7/1/2020	6/30/2021				2,785,706.00	(2,785,706.00)						278,576.00	2,785,706.00
Security Aid	21-495-034-5120-084		7/1/2020	6/30/2021				1,433,096.00	(1,433,096.00)						143,306.00	1,433,096.00
Securing our Children's Future								-	(176,812.00)			(176,812.00)			176,812.00	176,812.00
Extraordinary Special Education Costs Aid	21-100-034-5120-473	1,091,933.00	7/1/2020	6/30/2021					(1,091,933.00)			(1,091,933.00)			1,091,933.00	1,091,933.00
Extraordinary Special Education Costs Aid	20-100-034-5120-473	785,637.00	7/1/2019	6/30/2020	(785,637.00)			785,637.00							-	-
<b>On-Behalf Contributions:</b>																
TPAF - Pension Contributions	21-495-034-5094-002		7/1/2020	6/30/2021				5,283,059.00	(5,283,059.00)							5,283,059.00
TPAF - Long-Term Disability Contribution	21-495-034-5094-004		7/1/2020	6/30/2021				3,065.00	(3,065.00)							3,065.00
TPAF - Post Retirement Medical Contribution	21-495-034-5094-001		7/1/2020	6/30/2021				1,855,629.00	(1,855,629.00)							1,855,629.00
Reimbursed TPAF Social Security Contribution	21-495-034-5095-003		7/1/2020	6/30/2021				1,498,398.92	(1,576,831.41)			(78,434.49)			78,434.49	1,576,831.41
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	1,440,275.35	7/1/2019	6/30/2020	(75,757.40)			75,757.40							-	-
<b>Total General Fund</b>					<u>(861,394.40)</u>	<u>-</u>	<u>-</u>	<u>41,437,779.32</u>	<u>(41,923,564.41)</u>	<u>-</u>	<u>-</u>	<u>(1,347,179.49)</u>	<u>-</u>	<u>-</u>	<u>4,544,286.49</u>	<u>41,923,564.41</u>
<b>Special Revenue Fund:</b>																
Preschool Aid	18-495-34-5120-86	255,375.00	7/1/2017	6/30/2018				3,093.32						3,093.32		-
Preschool Aid	19-495-34-5120-86	1,020,580.68	7/1/2019	6/30/2020	328,117.48		(328,117.48)									-
Preschool Aid	20-495-34-5120-86		7/1/2020	6/30/2021				4,593,498.00	(2,757,170.95)			2,164,444.53			459,348.00	4,593,498.00
School Based Youth Services	1630-100-016-1630-013	257,859.00	7/1/2016	6/30/2017				12,504.00							12,504.00	-
School Based Youth Services	1630-100-016-1630-013	283,395.25	7/1/2017	6/30/2018				3,304.95							3,304.95	-
School Based Youth Services	1630-100-016-1630-013	275,859.00	7/1/2018	6/30/2019				2,763.00							2,763.00	-
School Based Youth Services	1630-100-016-1630-013	190,491.58	7/1/2019	6/30/2020	(145,903.27)						(145,903.27)				-	-
School Based Youth Services	1630-100-016-1630-013		7/1/2020	6/30/2021				128,099.92	(128,099.92)						-	-
Advanced Computer Science	19-CZ01-G06	63,030.00	7/1/2018	6/30/2019								(795.00)				-
Advanced Computer Science	19-CZ01-G06	795.00	7/1/2019	6/30/2020	(795.00)											-
<b>Total Special Revenue Fund</b>					<u>181,419.21</u>	<u>21,665.27</u>	<u>-</u>	<u>4,721,597.92</u>	<u>(2,885,270.87)</u>	<u>-</u>	<u>-</u>	<u>(146,698.27)</u>	<u>2,164,444.53</u>	<u>21,665.27</u>	<u>459,348.00</u>	<u>4,593,498.00</u>
<b>Enterprise Fund:</b>																
State School Lunch Program	19-100-010-3350-023	20,660.25	7/1/2018	6/30/2019					(3,772.49)			(3,772.49)				3,772.49
State School Lunch Program	20-100-010-3350-023	15,780.29	7/1/2019	6/30/2020	(437.19)			437.19	(3,772.49)			(3,772.49)				-
<b>Total Enterprise Fund</b>					<u>(437.19)</u>	<u>-</u>	<u>-</u>	<u>437.19</u>	<u>(3,772.49)</u>	<u>-</u>	<u>-</u>	<u>(3,772.49)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,772.49</u>
<b>Total State Financial Assistance</b>					<u>\$ (880,412.38)</u>	<u>\$ 21,665.27</u>	<u>\$ -</u>	<u>\$ 48,159,814.43</u>	<u>\$ (44,812,607.77)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,497,850.25)</u>	<u>\$ 2,164,444.53</u>	<u>\$ 21,665.27</u>	<u>\$ 5,003,634.49</u>	<u>\$ 48,520,834.90</u>
<b>Less: On-Behalf Pension System Contributions:</b>																
On-Behalf TPAF Pension Contributions									5,283,059.00							
On-Behalf TPAF Post-Retirement Medical Contributions									1,655,629.00							
On-Behalf TPAF Long-Term Disability Contributions									3,065.00							
									<u>6,941,753.00</u>							
<b>Total - Major Program Determination for State Financial Assistance</b>									<u>\$ (37,870,854.77)</u>							

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

**TOWN OF DOVER SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**

**YEAR ENDED JUNE 30, 2021**

**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

### 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(110,252.14) for the general fund and \$(312,635.86) for the special revenue fund. See Note 2 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 112,220.24	\$ 41,813,312.27	\$ 41,925,532.51
Special Revenue Fund	<u>4,960,054.59</u>	<u>2,572,635.01</u>	<u>7,532,689.60</u>
Totals	<u>\$ 5,072,274.83</u>	<u>\$ 44,385,947.28</u>	<u>\$ 49,458,222.11</u>

### 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

### 5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2021.

### 6. OTHER

The amount reported as TPAF Post-Retirement Medical Benefit Contributions, Teacher's Pension Contributions and Noncontributory Insurance Contributions represents the amounts paid directly by the State On-Behalf of the District for the year ended June 30, 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.

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

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

### 8. DE MINIMIS INDIRECT COST RATE

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

**TOWN OF DOVER SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Section I - Summary of Auditor's Results*

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

**Financial Statements**

Type of auditor's report Issued: Unmodified

Internal control over financial reporting:

- |   |       |     |   |               |
|---|-------|-----|---|---------------|
| 1) Material weakness(es) identified     | _____ | Yes | _____ <input checked="" type="checkbox"/> | No            |
| 2) Significant deficiencies identified? | _____ | Yes | _____ <input checked="" type="checkbox"/> | None Reported |

Noncompliance material to basis financial statements noted?	_____	Yes	_____ <input checked="" type="checkbox"/>	No
---	-------	-----	---	----

**Federal Awards Section**

Dollar threshold used to distinguish between Type A and Type B Programs:	<u>\$750,000.00</u>
--	---------------------

Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/>	Yes	_____	No
--	---	-----	-------	----

Internal control over major programs:

- |  |       |     |   |               |
|--|-------|-----|---|---------------|
| 1) Material weakness(es) identified?   | _____ | Yes | _____ <input checked="" type="checkbox"/> | No            |
| 2) Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ | Yes | _____ <input checked="" type="checkbox"/> | None Reported |

Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____	Yes	_____ <input checked="" type="checkbox"/>	No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.010	S010A190030	Title I - Grant to Local Education Agencies Child Nutrition Cluster:
10.555	201NJ304N1099	National School Lunch Program
84.027A	H027A190100	IDEA Part B
84.425	5425D200027	Education Stabilization Fund

**TOWN OF DOVER 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 Section**

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

\$750,000.00

Auditee qualified as low-risk auditee?

  √   Yes         No

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

Unmodified

Internal control over major programs:

1) Material weakness(es) identified?

     Yes      √   No

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

     Yes      √   None Reported

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

     Yes      √   No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
21-495-034-5120-089	Categorical Special Education
21-495-034-5120-078	Equalization Aid
21-495-034-5094-003	TPAF Social Security
21-495-034-5120-084	Security Aid

**Section II - Financial Statement Findings**

NONE

**Section II - Financial Statement Findings**

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

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

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

**TOWN OF DOVER SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FISCAL YEAR ENDED JUNE 30, 2021**

There were no prior years' findings.

