

**DUMONT BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION**

**Dumont Borough School District
Board of Education
Dumont, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

**Comprehensive Annual
Financial Report**

of the

**Dumont Borough School District
Board of Education**

Dumont, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

**Dumont Borough School District
Board of Education**

DUMONT BOROUGH SCHOOL DISTRICT
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INTRODUCTORY SECTION



Kevin Cartotto
School Business Administrator/Board Secretary

October 29, 2021

The Honorable President and Members of
the Board of Education
Dumont Borough School District
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Dumont Borough School District (the "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 (the "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 the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: 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 Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

Dumont School District is an independent reporting entity within the criteria adopted by the GASB in codification section 2100. All funds and account groups of the District are included in the report. The Dumont 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 levels K through 12. These include regular, vocational as well as special educational youngsters. The District completed the 2020-21 fiscal year with an enrollment of 2,460 students, which is 94 students less than the previous year's enrollment.

2) ECONOMIC CONDITION AND OUTLOOK:

Approximately 7 acres of farm property has been developed as a high density residential housing complex. The Borough of Dumont has entered into a payment in lieu of taxes agreement with the developer.

3) MAJOR INITIATIVES:

The District is enhancing the educational program through the implementation of a new Middle School Mathematics program and curriculum aligned to the New Jersey Student Learning Standards in grades 6-8. The District is also expanding the availability of AP courses at the high school level through online platforms like Virtual High school and Educere, and is implementing an AP 2D Art Course in the 2021-22 school year.

The Dumont Board of Education continues to maintain technology initiatives throughout the District which includes a wireless network, the purchase and implementation of additional Chromebook carts to assist in the delivery of the educational program with the intent to provide 1:1 Chromebook devices to all students grades 1 through 12 within the next two school years.

The District is also continuing to support the use of Google Classroom in grades K-12. The District is also continuing its contract with Educere Homebound Instructional Services as an extension of online offerings to students, and will renew an agreement with Care Plus to continue to provide another layer of counseling with an emphasis on those students in need of intensive behavioral supports, conducting screenings, and provide evidence-based counseling groups for all students. Staff will continue to receive training on the importance of Social-Emotional learning (SEL) and how to integrate SEL standards into the instructional program.

The District continues to invest in capital improvements of the facilities and is in the process of completing the replacement of the Professional Development Center at Selzer School and is planning on completing a district wide unit ventilator replacement project over the course of the next two years.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 system should not exceed the benefits likely to be derived; and (2) the valuation of the costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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 a vote of the Board of Education. 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 restrictions, commitments and/or assignments of fund balance at June 30, 2021.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The District oversees its own risk management. A schedule of insurance coverage is found on J-20.

9) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. 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 Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

The Honorable President and Members of
the Board of Education
Dumont Borough School District
Page 4
October 29, 2021

10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Dumont Borough School District 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 the financial and accounting staff.

Respectfully submitted,

Dr. Maria Poidomani

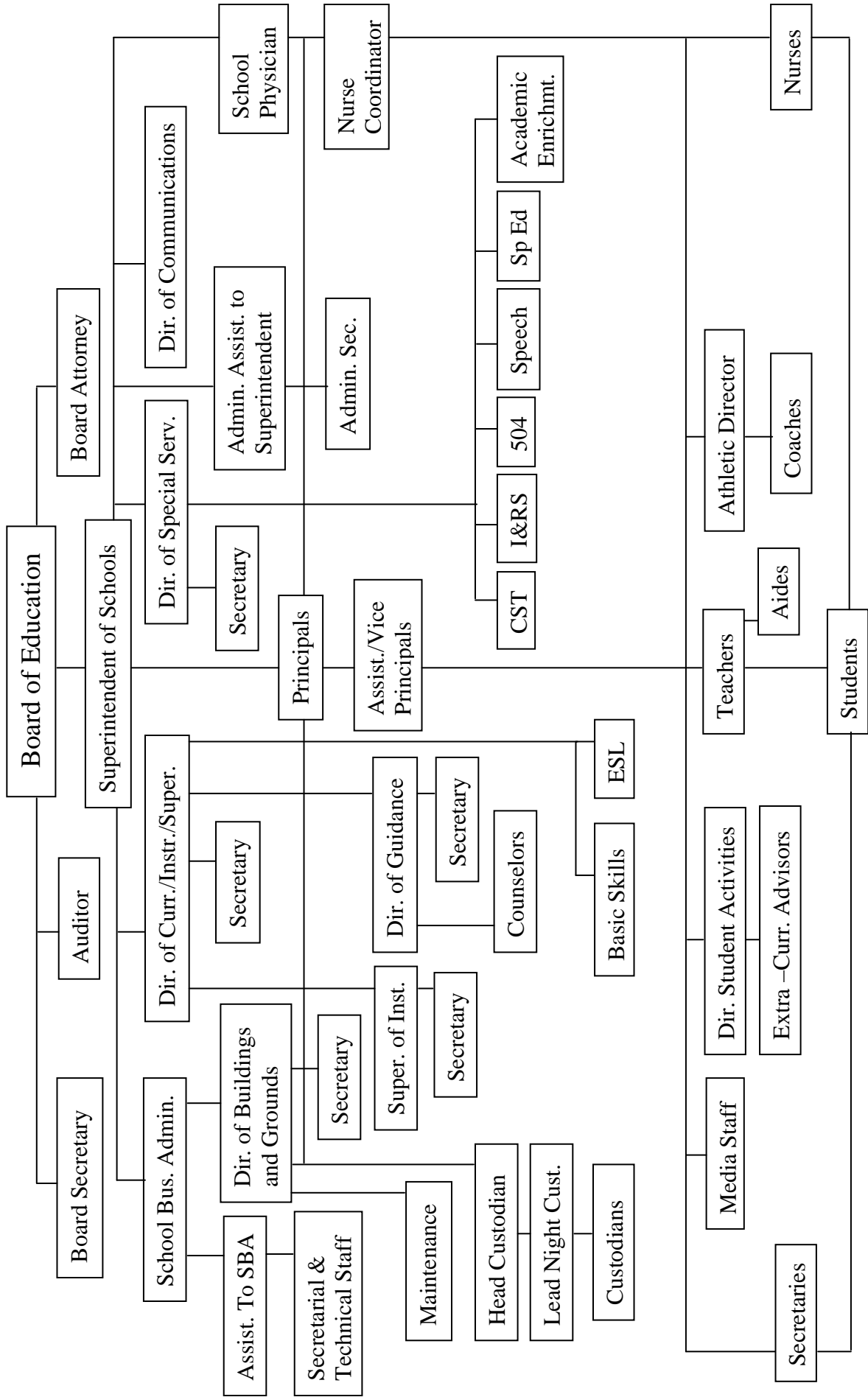
Dr. Maria Poidomani
Superintendent of Schools

Kevin Cartotto

Mr. Kevin Cartotto
Business Administrator/Board Secretary

Organization Chart-Dumont Public School District

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**DUMONT BOROUGH SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Theresa Riva, President	2023
Dr. Jeffrey Pollack, Vice President	2022
Mrs. Karen Valido	2022
Mr. John Kohlberger, Jr.	2022
Mrs. Janice Worner	2023
Mrs. Sandra Fernandez	2021
Dr. Richard Healy	2021
Mr. Scott Miller	2021
Mr. Timothy Grob	2021

<u>Other Officers</u>	<u>Title</u>
Dr. Maria Poidomani	Superintendent
Mr. Kevin Cartotto	Board Secretary/School Business Administrator

DUMONT BOROUGH SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320

And

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Architect/Engineer

Environectics Group Architects, PC
180 Sylvan Avenue
Englewood Cliffs, NJ 07632

Attorney

James L. Plosia, Jr.
Plosia Cohen Law Firm
385 Route 24, Suite 3G
Chester, NJ 07930

Bond Counsel

Steven Rogut, Esq.
Rogut, McCarthy & Troy LLC
37 Alden Street
Cranford, NJ 07016

Official Depository

Capital One Bank
710 Route 46
Fairfield, NJ 07004

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Dumont Borough School District
County of Bergen, New Jersey

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 Dumont Borough School District (the "District") in the County of Bergen, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 *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. 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 District'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 District'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 District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

The financial statements of the District as of June 30, 2022 were audited by other auditors whose report dated July 24, 2020 expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-employment benefit schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 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 District’s basic financial statements. The accompanying other supplementary information and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying other supplementary and the schedules of expenditures of federal and state awards 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 other supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members
of the Board of Education
Dumont Borough School District
Page 3

The accompanying other information such as the introductory and statistical sections has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021 on our consideration of the 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 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 District’s internal control over financial reporting and compliance.

October 29, 2021
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Dumont Borough School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

This section of Dumont Borough School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

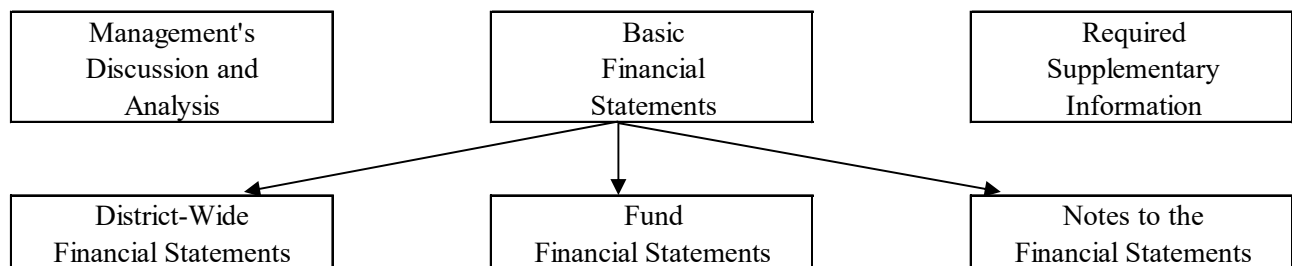
Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates like a business, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of the School District's Financial Report**



**Dumont Borough School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**Dumont Borough School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

**Dumont Borough School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Fund Financial Statements

Notes to Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. Figure A-3 represents the District's net position. The District's combined net position increased by \$4,253,367. Net position from governmental activities increased by \$3,957,971 and net position from business-type activities increased by \$295,396. Net investment in capital assets increased by \$1,549,971, restricted net position increased by \$1,670,371, and unrestricted net position increased by \$1,033,025.

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change 2020/21
	2020/21	2019/20*	2020/21	2019/20	2020/21	2019/20*	
Current and							
Other Assets	\$ 13,756,778	\$ 10,461,471	\$ 395,841	\$ 31,272	\$ 14,152,619	\$ 10,492,743	
Capital Assets, Net	8,108,062	8,084,958	36,630	45,011	8,144,692	8,129,969	
Total Assets	<u>21,864,840</u>	<u>18,546,429</u>	<u>432,471</u>	<u>76,283</u>	<u>22,297,311</u>	<u>18,622,712</u>	19.73%
Deferred Outflows of Resources	<u>1,395,338</u>	<u>1,822,848</u>			<u>1,395,338</u>	<u>1,822,848</u>	-23.45%
Other Liabilities	1,603,151	172,314	99,571	38,779	1,702,722	211,093	
Long-Term Liabilities	13,794,829	16,408,293			13,794,829	16,408,293	
Total Liabilities	<u>15,397,980</u>	<u>16,580,607</u>	<u>99,571</u>	<u>38,779</u>	<u>15,497,551</u>	<u>16,619,386</u>	-7.24%
Deferred Inflows of Resources	<u>3,548,644</u>	<u>3,433,087</u>			<u>3,548,644</u>	<u>3,433,087</u>	3.26%
Net Position:							
Net Investment in							
Capital Assets	2,993,062	1,434,710	36,630	45,011	3,029,692	1,479,721	
Restricted	9,575,987	7,905,616			9,575,987	7,905,616	
Unrestricted/(Deficit)	<u>(8,255,495)</u>	<u>(8,984,743)</u>	<u>296,270</u>	<u>(7,507)</u>	<u>(7,959,225)</u>	<u>(8,992,250)</u>	
Total Net Position	<u>\$ 4,313,554</u>	<u>\$ 355,583</u>	<u>\$ 332,900</u>	<u>\$ 37,504</u>	<u>\$ 4,646,454</u>	<u>\$ 393,087</u>	1082.04%

* Restated

**Dumont Borough School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Figure A-4 represents the *Changes in Net Position*. The District's *combined* net position was \$4,646,454 on June 30, 2021, an increase of \$4,253,367. (See Figure A-3). Net Investment in Capital Assets increased by \$1,549,971 due to the current year maturity of serial bonds payable of \$1,445,000, \$90,248 of pay down on capital leases payable, as well as current year capital assets additions of \$342,261; offset by current year depreciation expense of \$327,538. Restricted net position increased by \$1,670,371 mainly due to a net increase in Capital Reserve of \$2,403,627, and a net increase in Unemployment Compensation of \$57,078; offset by a the net decrease of \$752,361 in excess surplus, a \$24,478 decrease in Student Activities, and a decrease of \$13,495 in Scholarships. The \$1,033,025 increase in unrestricted net position was primarily due to the changes in net pension liability and related deferred outflows and inflows.

Figure A-4

	Changes in Net Position from Operating Results						Percentage Change
	Governmental	Business-	Governmental	Business-	Total	Total	
	Activities	Type	Activities	Type	School	School	
	2020/21	Activities	2019/20	Activities	District	District	
Revenue:							
Program Revenue:							
Charges for Services	\$ 138,831		\$ 332,925	\$ 194,879	\$ 138,831	\$ 527,804	
Operating Grants and Contributions	14,971,515	\$ 842,674	14,373,940	136,358	\$ 15,814,189	14,510,298	
General Revenue:							
Property Taxes	38,717,540		37,714,232		38,717,540	37,714,232	
Unrestricted State and Federal Aid	7,049,012		6,952,694		7,049,012	6,952,694	
Other	151,883	59	192,482	141	151,942	192,623	
Total Revenue	61,028,781	842,733	59,566,273	331,378	61,871,514	59,897,651	3.30%
Expenses:							
Instruction	33,841,962		32,932,719		33,841,962	32,932,719	
Pupil and Instruction Services	10,903,275		10,572,971		10,903,275	10,572,971	
Administrative and Business	6,260,636		6,582,795		6,260,636	6,582,795	
Maintenance and Operations	4,920,026		5,510,063		4,920,026	5,510,063	
Transportation	701,553		1,018,210		701,553	1,018,210	
Capital Outlay	84,095				84,095		
Special Schools			46,756			46,756	
Other	359,263	547,337	508,862	367,135	906,600	875,997	
Total Expenses	57,070,810	547,337	57,172,376	367,135	57,618,147	57,539,511	0.14%
Increase/(Decrease) in Net Position							
	\$ 3,957,971	\$ 295,396	\$ 2,393,897	\$ (35,757)	\$ 4,253,367	\$ 2,358,140	80.37%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs with a decrease in enrollment and the provision of special programs and services for disabled pupils, combined with rising salary and benefit costs, school security, out of district tuition and, state mandates on testing place great demands on the District's resources.

**Dumont Borough School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Governmental Activities (Cont'd)

Careful management of expenses and increases in revenues remains essential for the District to sustain its financial health. The District continues to receive the benefit of cost saving measures from the past few years, especially the energy conservation measures.

It is crucial that the District examine its expenses carefully. Staff, parental and student demands for salary increases, activities, small class sizes and programs must be evaluated thoroughly. District resources are at their tightest level in a decade. Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2020/21</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2019/20</u>
Instruction	\$ 33,841,962	\$ 22,316,902	\$ 32,932,719	\$ 24,209,804
Pupil and Instruction Services	10,903,275	8,557,622	10,572,971	7,608,535
Administrative and Business	6,260,636	5,243,257	6,582,795	5,165,219
Maintenance and Operations	4,920,026	4,920,026	5,510,063	4,658,890
Transportation	701,553	479,299	1,018,210	668,014
Capital Outlay	84,095	84,095		
Special Schools			46,756	6,825
Other	359,263	359,263	508,862	148,224
	<u>\$ 57,070,810</u>	<u>\$ 41,960,464</u>	<u>\$ 57,172,376</u>	<u>\$ 42,465,511</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$295,396. (Refer to Figure A-4). The primary factor contributing to this result was an increase in Federal grant funds received due to the ongoing Seamless Summer Option Program.

Financial Analysis of the District's Funds

The District's financial position increased significantly on a fund basis primarily due to unexpended budget appropriations.

A major concern for the community is that the burden of the rising cost of education is focused on taxpayers to support their local schools. Despite these concerns, the Dumont Borough School District is committed to maintaining fiscal responsibility as well as achieving educational excellence for all the students of the District.

To maintain a stable financial position, the District must continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs and seeking additional sources of revenue.

**Dumont Borough School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Long-Term Liabilities

Figure A-6

	Capital Assets (Net of Depreciation)						Percentage Change 2020/21
	Government Activities		Business-Type Activities		Total School District		
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
Sites and Site							
Improvements	\$ 2,007,496	\$ 2,007,496			\$ 2,007,496	\$ 2,007,496	
Buildings and Building							
Improvements	12,949,692	12,614,841			12,949,692	12,614,841	
Machinery and Equipment	1,838,471	1,831,061					
Accumulated							
Depreciation	<u>(8,687,597)</u>	<u>(8,368,440)</u>	\$ 36,630	\$ 45,011	<u>(8,650,967)</u>	<u>(8,323,429)</u>	
Total	<u>\$ 8,108,062</u>	<u>\$ 8,084,958</u>	<u>\$ 36,630</u>	<u>\$ 45,011</u>	<u>\$ 6,306,221</u>	<u>\$ 6,298,908</u>	0.12%

The District had \$342,261 in capital asset additions for governmental activities and \$-0- in capital asset additions for business-type activities, \$-0- of capital assets disposals (net of accumulated depreciation), and depreciation expense was \$319,157 for governmental activities and \$8,381 for business-type activities in the current fiscal year.

Long-term Liabilities

Figure A-7

	Outstanding Long-Term Liabilities		Percentage Change 2020/21
	Total School District		
	2020/21	2019/20	
General Obligation Bonds (Financed with Property Taxes)	\$ 5,115,000	\$ 6,560,000	
Net Pension Liability	7,370,756	8,447,763	
Capital Leases Payable		90,248	
Compensated Absences Payable	<u>1,309,073</u>	<u>1,310,282</u>	
	<u>\$ 13,794,829</u>	<u>\$ 16,408,293</u>	-15.93%

**Dumont Borough School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Long-term Liabilities (Cont'd)

- The District continued to pay down its outstanding debt, retiring \$1,445,000 of outstanding bonds.
- The District paid down the final \$90,248 of capital lease payables outstanding.
- The District's net pension liability decreased by \$1,077,007.
- The District's compensated absences payable decreased by \$1,209.

More detailed information about the District's long-term liabilities is presented in the Note 8 to the basic financial statements.

Factors Bearing on the District's Future Revenue/Expense Changes

The District is concerned with the higher salary increases being experienced around the county, which is in excess of 3%.

The District is concerned with the increasing competition and increasing compensation for Instructional Aides, Bus Drivers and Bus Aides. The district employs approximately 70 of these positions.

The District is concerned with the long term effects that Chapter 44 may have on the district's health benefits net cost.

The District is concerned that the level of state aid funding may not recognize annual increases due to state budget.

Contacting the District's Financial Management

The financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the Districts' finances and to demonstrate the District's accountability for the money it receives. If you have questions about his report or need additional financial information, please contact the School Business Administrator, Kevin Cartotto, 25 Depew Street, Dumont, NJ 07628, (201)387-3070 or ecartotto@dumontnj.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

DUMONT BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 5,086,725	\$ 23,205	\$ 5,109,930
Internal Balances	(112,899)	112,899	
Receivables from State Government	728,903	8,181	737,084
Receivables from Federal Government	141,426	241,508	382,934
Inventories		10,048	10,048
Restricted Cash and Cash Equivalents	7,912,623		7,912,623
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	8,108,062	36,630	8,144,692
Total Assets	<u>21,864,840</u>	<u>432,471</u>	<u>22,297,311</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	1,395,338		1,395,338
Total Deferred Outflows of Resources	<u>1,395,338</u>		<u>1,395,338</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,494,425	68,623	1,563,048
Accrued Interest Payable	76,117		76,117
Unearned Revenue	32,609	30,948	63,557
Noncurrent Liabilities:			
Due Within One Year	1,340,000		1,340,000
Due Beyond One Year	12,454,829		12,454,829
Total Liabilities	<u>15,397,980</u>	<u>99,571</u>	<u>15,497,551</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	3,548,644		3,548,644
Total Deferred Inflows of Resources	<u>3,548,644</u>		<u>3,548,644</u>
<u>NET POSITION/(DEFICIT)</u>			
Net Investment in Capital Assets	2,993,062	36,630	3,029,692
Restricted for:			
Capital Projects	6,290,827		6,290,827
Excess Surplus	1,603,516		1,603,516
Unemployment Compensation	466,894		466,894
Student Activities	202,221		202,221
Scholarships	12,529		12,529
Permanent Fund Endowment	1,000,000		1,000,000
Unrestricted/(Deficit)	<u>(8,255,495)</u>	<u>296,270</u>	<u>(7,959,225)</u>
Total Net Position	<u>\$ 4,313,554</u>	<u>\$ 332,900</u>	<u>\$ 4,646,454</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

DUMONT BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 25,733,867		\$ 7,266,356	\$ (18,467,511)		\$ (18,467,511)
Special Education	5,001,711		3,616,833	(1,384,878)		(1,384,878)
Other Special Instruction	2,239,519		641,871	(1,597,648)		(1,597,648)
School Sponsored/Other Instruction	866,865			(866,865)		(866,865)
Support Services:						
Tuition	5,392,889		467,196	(4,925,693)		(4,925,693)
Student and Instruction Related Services	5,510,386	\$ 138,831	1,739,626	(3,631,929)		(3,631,929)
General Administrative Services	927,841		173,114	(754,727)		(754,727)
School Administrative Services	3,998,457		640,463	(3,357,994)		(3,357,994)
Central Services	780,327		203,802	(576,525)		(576,525)
Administrative Information Technology	554,011			(554,011)		(554,011)
Plant Operations and Maintenance	4,920,026			(4,920,026)		(4,920,026)
Pupil Transportation	701,553		222,254	(479,299)		(479,299)
Capital Outlay	84,095			(84,095)		(84,095)
Transfer of Funds to Charter School	65,367			(65,367)		(65,367)
Interest on Long-Term Debt	293,896			(293,896)		(293,896)
Total Governmental Activities	57,070,810	138,831	14,971,515	(41,960,464)		(41,960,464)
Business-Type Activities:						
Food Service	547,337		842,674		\$ 295,337	295,337
Total Business-Type Activities	547,337		842,674		295,337	295,337
Total Primary Government	\$ 57,618,147	\$ 138,831	\$ 15,814,189	(41,960,464)	295,337	(41,665,127)

DUMONT BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 37,015,652		\$ 37,015,652
Taxes Levied for Debt Service	1,701,888		1,701,888
Federal, State and Local Aid not Restricted	7,049,012		7,049,012
Interest Earnings	3,627	\$ 59	3,686
Restricted Miscellaneous Revenue	81,949		81,949
Miscellaneous Income	66,307		66,307
Total General Revenues	45,918,435	59	45,918,494
Change in Net Position	3,957,971	295,396	4,253,367
Net Position - Beginning (As Restated)	355,583	37,504	393,087
Net Position - Ending	\$ 4,313,554	\$ 332,900	\$ 4,646,454

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

DUMONT BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and Cash Equivalents	\$ 5,086,725			\$ 5,086,725
Interfund Receivable	141,426			141,426
Receivables From State Government	728,903			728,903
Receivables From Federal Government		\$ 141,426		141,426
Restricted Cash and Cash Equivalents	<u>6,697,873</u>	<u>206,877</u>	<u>\$ 1,007,873</u>	<u>7,912,623</u>
Total Assets	<u>\$ 12,654,927</u>	<u>\$ 348,303</u>	<u>\$ 1,007,873</u>	<u>\$ 14,011,103</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 959,425			\$ 959,425
Interfund Payable	112,899	\$ 141,426		254,325
Unearned Revenue	<u>32,609</u>			<u>32,609</u>
Total Liabilities	<u>1,104,933</u>	<u>141,426</u>		<u>1,246,359</u>
Fund Balances:				
Restricted for:				
Capital Reserve	6,290,827			6,290,827
Excess Surplus - 2021-2022	1,180,875			1,180,875
Excess Surplus - 2022-2023	422,641			422,641
Unemployment Compensation	466,894			466,894
Student Activities		202,221		202,221
Scholarships		4,656	\$ 7,873	12,529
Permanent Fund Principal (Non-spendable)			1,000,000	1,000,000
Assigned:				
Encumbrances	1,649,905			1,649,905
Designated For Subsequent Year's Expenditures	183,417			183,417
Unassigned	<u>1,355,435</u>			<u>1,355,435</u>
Total Fund Balances	<u>11,549,994</u>	<u>206,877</u>	<u>1,007,873</u>	<u>12,764,744</u>
Total Liabilities and Fund Balances	<u>\$ 12,654,927</u>	<u>\$ 348,303</u>	<u>\$ 1,007,873</u>	<u>\$ 14,011,103</u>

DUMONT BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances (above)	\$ 12,764,744
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	8,108,062
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.	(6,424,073)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(76,117)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(7,370,756)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds	<u>(2,688,306)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 4,313,554</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

DUMONT BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 37,015,652		\$ 1,701,888		\$ 38,717,540
Interest Earned on Capital Reserve Funds	3,627				3,627
Restricted Miscellaneous Revenue	81,949	\$ 193,116		\$ 1,121	276,186
Miscellaneous	65,186				65,186
Total - Local Sources	37,166,414	193,116	1,701,888	1,121	39,062,539
State Sources	18,405,444		57,197		18,462,641
Federal Sources	39,948	1,163,001			1,202,949
Total Revenues	55,611,806	1,356,117	1,759,085	1,121	58,728,129
EXPENDITURES:					
Current:					
Regular Instruction	14,890,884	612,782			15,503,666
Special Education Instruction	2,747,275	594,565			3,341,840
Other Special Instruction	1,309,761				1,309,761
School Sponsored/Other Instruction	699,989				699,989
Support Services and Undistributed Costs:					
Tuition	5,213,795				5,213,795
Student & Instruction Related Services	3,403,426	179,094		8,769	3,591,289
General Administrative Services	735,028				735,028
School Administrative Services	2,645,865				2,645,865
Central Services	458,829				458,829
Administration Information Technology	451,859				451,859
Plant Operations and Maintenance	4,186,563				4,186,563
Pupil Transportation	586,208				586,208
Unallocated Benefits	15,283,100				15,283,100
Debt Service:					
Principal			1,445,000		1,445,000
Interest and Other Charges			314,085		314,085
Capital Outlay	516,604				516,604
Transfer of Funds to Charter Schools	65,367				65,367
Total Expenditures	53,194,553	1,386,441	1,759,085	8,769	56,348,848
Excess/(Deficiency) of Revenue over/(under) Expenditures	2,417,253	(30,324)		(7,648)	2,379,281
Fund Balance—July 1 (As Restated)	9,132,741	237,201		1,015,521	10,385,463
Fund Balance—June 30	\$ 11,549,994	\$ 206,877	\$ -0-	\$ 1,007,873	\$ 12,764,744

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

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

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$	2,379,281
Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in the Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$	(319,157)
Capital Outlays		342,261
		23,104
Repayment of debt service principal and other long-term obligation liabilities is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		1,445,000
Repayment of capital lease principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		90,248
In the Statement of Activities, interest on long-term debt is accrued regardless of when it is due. In the Governmental Funds, interest is reported when due.		20,189
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		1,077,007
Changes in Deferred Outflows and Inflows Related to Pensions		(1,078,067)
In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		1,209
Change in Net Position of Governmental Activities (Exhibit A-2)	\$	3,957,971

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

DUMONT BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Business-Type Activity Enterprise Funds</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 23,205
Interfund Receivable	112,899
Intergovernmental Accounts Receivable:	
State	8,181
Federal	241,508
Inventories	<u>10,048</u>
Total Current Assets	<u>395,841</u>
Non-Current Assets:	
Capital Assets	100,569
Less: Accumulated Depreciation	<u>(63,939)</u>
Total Non-Current Assets	<u>36,630</u>
Total Assets	<u>432,471</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	68,623
Unearned Revenue - Donated Commodities	4,320
Unearned Revenue - Prepaid Sales	<u>26,628</u>
Total Current Liabilities	<u>99,571</u>
NET POSITION:	
Investment in Capital Assets	36,630
Unrestricted	<u>296,270</u>
Total Net Position	<u><u>\$ 332,900</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

DUMONT BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activity Enterprise Funds</u>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	\$ 287,743
Salaries	135,707
Employee Benefits	25,560
Other Purchased Services	41,861
Supplies and Materials	20,724
Management Fee	27,361
Depreciation Expense	8,381
	547,337
Total Operating Expenses	547,337
Operating (Loss)	(547,337)
Non-Operating Revenue:	
Local Sources:	
Interest Income	59
State Sources:	
COVID 19 - Seamless Summer Option	37,321
Federal Sources:	
National School Lunch Program	6,915
Healthy Hunger Free Kids Act	14,708
Food Distribution Program	46,254
COVID 19 - Seamless Summer Option	737,476
	842,733
Total Non-Operating Revenue	842,733
Change in Net Position	295,396
Net Position - Beginning of Year	37,504
Net Position - End of Year	\$ 332,900

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN
INTEGRAL PART OF THIS STATEMENT

DUMONT BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activity Enterprise Funds</u>
Cash Flows from Operating Activities:	
Payments to Food Service Company	\$ (396,819)
Payments to Suppliers	<u>(28,127)</u>
Net Cash Used for Operating Activities	<u>(424,946)</u>
Cash flows from Financing Activities:	
Interest Income	<u>59</u>
Net Cash Provided by Financing Activities	<u>59</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	13,802
Federal Sources	<u>428,369</u>
Net Cash Provided by Noncapital Financing Activities	<u>442,171</u>
Net Increase in Cash and Cash Equivalents	17,284
Cash and Cash Equivalents, July 1	<u>5,921</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 23,205</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (547,337)
Depreciation	8,381
Food Distribution Program	46,254
Changes in Assets and Liabilities:	
Increase in Accounts Payable	56,795
Increase in Unearned Revenue - Donated Commodities	4,320
(Decrease) in Unearned Revenue - Prepaid Sales	(323)
Decrease in Inventory	<u>6,964</u>
Net Cash Used for Operating Activities	<u><u>\$ (424,946)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$39,615 and utilized U.S.D.A. Commodities valued at \$46,254.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund. These resources can be transferred from and to current expenses by board resolution.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Permanent Fund: The Permanent Fund is used to account for an endowment which was given to the District. The principal amount is permanently restricted and may not be comingled with any other funds. Any income earned on the principal is to be used solely for post high school scholarships.

The District reports the following proprietary fund:

Enterprise Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 55,630,074	\$ 1,394,888
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(82,170)
Prior Year Encumbrances		43,399
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	862,621	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(880,889)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 55,611,806</u>	<u>\$ 1,356,117</u>

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 53,194,553	\$ 1,425,212
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(82,170)
Prior Year Encumbrances		43,399
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 53,194,553	\$ 1,386,441

E. Cash and Cash Equivalents and Investments

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type 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 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.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments (Cont'd)

N.J.S.A 17:9-41et 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 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 market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances or between governmental and agency funds.

G. Allowance for Uncollectible Accounts:

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

H. 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 restricted, committed and/or assigned 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 unearned revenue at fiscal year end.

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.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

I. 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.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories 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.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line.

The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	50 years
Sites and Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2021.

N. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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 various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit 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 contracts/agreements.

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue

Unearned revenue in the special revenue and the enterprise funds represent cash which has been received but not yet earned.

P. Fund Balance Appropriated

General Fund: Of the \$11,549,994 General Fund fund balance at June 30, 2021, \$1,649,905 is assigned for encumbrances; \$183,417 is designated for subsequent year's expenditures; \$6,290,827 is restricted in the capital reserve account; \$1,180,875 is restricted for prior fiscal year excess surplus in accordance with N.J.S.A. 18A:7F-7 (S1701) and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022; \$422,641 is restricted for current fiscal year excess surplus in accordance with N.J.S.A.18A:7F (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023; \$466,894 is restricted for unemployment compensation; and \$1,355,435 is unassigned fund balance, which is \$880,889 less than the budgetary unassigned fund balance, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2022.

Special Revenue Fund: Of the \$206,877 Special Revenue Fund fund balance at June 30, 2021, \$202,221 is restricted for student activities, and \$4,656 is restricted for scholarships.

Permanent Fund: Of the \$1,007,873 fund balance in the Permanent Fund at June 30, 2021, \$1,000,000 is restricted as Permanent Fund Principal which is non-spendable, and \$7,873 is restricted for Scholarships.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted 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 restrict 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 year's budget. The District has excess surplus at June 30, 2021 as indicated above.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated (Cont'd)

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

Q. Deficit Net Position/Fund Balance

The District has a deficit in unrestricted net position of \$8,255,495 in its governmental activities, which is primarily due to deferred inflows, outflows and liabilities related to pensions. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows and outflows related to pensions at June 30, 2021.

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.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, excess surplus, unemployment compensation, student activities, and scholarships

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2021.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2021.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and fees for the community school. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as on the following pages.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Custodial Credit Risk - The District's policy with respect to custodial credit risk requires that the District ensures funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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, and

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, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

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

	Restricted Cash and Cash Equivalents						Total
	Cash and Cash Equivalents	Capital Reserve Account	Permanent Fund	Unemployment Compensation Account	Student Activities Account	Scholarships Account	
Checking Accounts	\$ 5,109,930	\$ 6,290,827	\$ 1,007,873	\$ 407,046	\$ 202,221	\$ 4,656	\$ 13,022,553
	\$ 5,109,930	\$ 6,290,827	\$ 1,007,873	\$ 407,046	\$ 202,221	\$ 4,656	\$ 13,022,553

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021 was \$13,022,553 and the bank balance was \$13,898,293.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Dumont Township Board of Education 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 State Department of Education, 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 fiscal 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-5.1(d)7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2020		\$ 3,887,200
Add:	Transfer from Unassigned Fund Balance as per Board Resolution	2,500,000
	Budgeted Increase	400,000
	Interest Earnings	3,627
Less:	Budgeted Withdrawals	(500,000)
Ending Balance, June 30, 2021		\$ 6,290,827

The balance in the capital reserve account at June 30, 2021 does not exceed the LRFP balance of local support costs of uncompleted capital projects. Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Adjustments/</u> <u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital Assets Being Depreciated:				
Site Improvements	\$ 2,007,496			2,007,496
Buildings and Building Improvements	12,614,841	\$ 334,851		12,949,692
Machinery and Equipment	<u>1,831,061</u>	<u>7,410</u>		<u>1,838,471</u>
Total Capital Assets Being Depreciated	<u>16,453,398</u>	<u>342,261</u>		<u>16,795,659</u>
Governmental Activities Capital Assets	<u>16,453,398</u>	<u>342,261</u>		<u>16,795,659</u>
Less Accumulated Depreciation	<u>(8,368,440)</u>	<u>(319,157)</u>		<u>(8,687,597)</u>
	<u>(8,368,440)</u>	<u>(319,157)</u>		<u>(8,687,597)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 8,084,958</u>	<u>\$ 23,104</u>	<u>\$ -0-</u>	<u>\$ 8,108,062</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 100,569			\$ 100,569
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(55,558)</u>	<u>\$ (8,381)</u>		<u>(63,939)</u>
	<u>(55,558)</u>	<u>(8,381)</u>		<u>(63,939)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 45,011</u>	<u>\$ (8,381)</u>	<u>\$ -0-</u>	<u>\$ 36,630</u>

The District transferred \$-0- of completed capital projects to depreciable capital assets during the fiscal year. As of June 30, 2021, the District expended \$642,261 from its current year capital budget; depreciated \$319,157 from its governmental activities; and disposed of \$-0- of assets net of accumulated depreciation. The District expended \$-0- and depreciated \$8,381 from its business-type activities during the fiscal year.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 222,562
Special Instruction	18,883
School Sponsored/Other Instruction	955
Student and Instruction Related Services	5,251
General Administration	5,834
School Administration	4,827
Operations and Maintenance of Plant	33,895
Student Transportation	26,950
	<u>\$ 319,157</u>

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2021, the District transferred \$65,442 to the capital outlay accounts for equipment which did not require the approval of the County Superintendent.

NOTE 7. OPERATING LEASES

The District has a commitment to lease copying equipment under an operating lease which expires in 2023. Future minimum lease payments are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2022	\$ 55,065
June 30, 2023	9,178
Total future minimum lease payments	<u>\$ 64,243</u>

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2020</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2021</u>
Serial Bonds Payable	\$ 6,560,000	\$ 1,445,000	\$ 5,115,000
Net Pension Liability	8,447,763	1,077,007	7,370,756
Capital Leases Payable	90,248	90,248	
Compensated Absences Payable	1,310,282	1,209	1,309,073
	<u>\$ 16,408,293</u>	<u>\$ 2,613,464</u>	<u>\$ 13,794,829</u>

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

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.

The District had serial bonds outstanding as of June 30, 2021 as follows:

Purpose	Issue Date	Interest Rate	Final Maturity Date	Amount
Improvements to Athletic Fields and Recreation Areas	02/01/09	3.800-4.00%	02/01/24	\$ 910,000
School Refunding Bonds	06/03/14	5.00%	03/15/25	4,205,000
				<u>\$ 5,115,000</u>

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

Fiscal Year Ending June 30,	Bonds		
	Principal	Interest	Total
2022	\$ 1,340,000	\$ 245,755	\$ 1,585,755
2023	1,355,000	182,295	1,537,295
2024	1,365,000	117,900	1,482,900
2025	1,055,000	52,750	1,107,750
	<u>\$ 5,115,000</u>	<u>\$ 598,700</u>	<u>\$ 5,713,700</u>

The Debt Service Fund will be used to liquidate the serial bonds payable.

B. Capital Leases Payable:

The District had no remaining capital leases payable as of June 30, 2021.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term liability balance of compensated absences of \$1,309,073. The General Fund will be used to liquidate the governmental funds Compensated Absences Payable.

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, \$-0- is recorded for compensated absences in the Enterprise Fund.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long-term portion is \$7,370,756. See Note 9 for further information on the PERS.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$494,453 for fiscal year 2021. The employee contribution rate was 7.50% effective July 1, 2018.

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 \$7,370,756 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 used 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.045%, which was a decrease of 0.004% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized an actual pension expense in the amount of \$39,891. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	<u>Deferral</u> <u>Year</u>	<u>Amortization</u> <u>Period</u> <u>in Years</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Changes in Assumptions	2016	5.57	\$ 239,116	
	2017	5.48		\$ 697,702
	2018	5.63		684,494
	2019	5.21		543,587
	2020	5.16		1,160,422
			<u>239,116</u>	<u>3,086,205</u>
Difference Between Expected and Actual Experience	2016	5.57	7,256	
	2017	5.48	20,750	
	2018	5.63		26,066
	2019	5.21	41,552	
	2020	5.16	64,651	
			<u>134,209</u>	<u>26,066</u>
Changes in Proportion	2016	5.57	16,439	
	2017	5.48		130,524
	2018	5.63	14,360	
	2019	5.21	204,276	
	2020	5.16		305,849
			<u>235,075</u>	<u>436,373</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(90,197)	
	2018	5.00	(83,651)	
	2019	5.00	20,244	
	2020	5.00	405,542	
			<u>251,938</u>	
District Contribution Subsequent to the Measurement Date	2020	1.00	535,000	
			<u>\$ 1,395,338</u>	<u>\$ 3,548,644</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2021	\$ (924,895)
2022	(843,223)
2023	(481,880)
2024	(194,864)
2025	(42,145)
	\$ (2,487,007)

Actuarial Assumptions

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

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%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 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.

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 Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. 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 PERS' target asset allocation as of June 30, 2020 are summarized in the following table.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management 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 upon 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 projected benefit payments determine the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2020</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
District's proportionate share of the Net Pension Liability	\$ 9,257,998	\$ 7,370,756	\$ 5,739,197

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarially determined amount.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$5,289,645 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$7,785,472.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$125,200,041. The net pension liability was measured as of June 30, 2020, and the total pension liability used 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.190%, which was an increase of 0.012% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		125,200,041
Total	\$	125,200,041

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$7,785,472 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements. The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	1,411,170,422	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		7,520,890
			<u>986,767,511</u>	<u>182,357,860</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	965,582,162	
			<u>656,175,235</u>	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

Actuarial Assumptions

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

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%

Pre-retirement 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 a 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.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. 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:

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

Discount Rate – TPAF

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 made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension 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.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2020 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's Proportionate Share of Net Pension Liability Associated with the District	\$ 147,062,111	\$ 125,200,041	\$ 107,047,261

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$53,169 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$72,203 for the fiscal year ended June 30, 2021.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. 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. Health benefits coverage is provided by Horizon Blue Cross/Blue Shield of New Jersey.

Property and Liability Insurance

The District is a member of the Northeast Bergen County School Board Insurance Group (the “Group”). This public entity risk management group provides general liability, property and automobile coverage and workers’ compensation coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group’s liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The audit for the Group as of June 30, 2021 is not available as of the date of this audit report. Selected, summarized financial information for the Group as of June 30, 2020 is as follows:

	Northeast Bergen County School Board Insurance Group
Total Assets	\$ 33,363,950
Net Position	\$ 20,844,500
Total Revenue	\$ 14,825,180
Total Expenses	\$ 11,386,888
Change in Net Position	\$ 3,438,292
Members Dividends	\$ 2,150,955

Financial statements for the Group are available at the Group’s Executive Director’s Office.

Burton Agency
44 Bergen Street
P.O. Box 270
Westwood, NJ 07675
(201) 664-0310

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method.” Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s unemployment compensation restricted fund balance in the general fund for the current and previous two fiscal years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 25,000	\$ 711	\$ 56,238	\$ 24,871	\$ 466,894
2019-2020	25,000	934	47,653	22,221	409,816
2018-2019	25,000	1,205	40,184	19,943	358,450

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 141,426	\$ 112,899
Special Revenue Fund		141,426
Food Service Fund	112,899	
	<u>\$ 254,325</u>	<u>\$ 254,325</u>

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund. This deficit is due to timing between expenditure and reimbursement from the State of New Jersey. The interfund payable in the General Fund to the Food Service Fund is for reimbursements received from the Federal and State Grant Programs in the Food Service Program which were collected in General Fund and not remitted prior to year end.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 13. DEFERRED COMPENSATION

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

AXA Equitable	Variable Annuity Life Insurance (VALIC)
Lincoln TSA	Faculty Services TSA
Great West TSA	MetLife
Aspire Financial Services	

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 15. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2021:

	Governmental Funds	District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities	Business- Type Activities Proprietary Funds
State of New Jersey Vendors		\$ 535,000	\$ 535,000	\$ 68,623
Payroll Deductions and Withholdings	\$ 959,425		959,425	
	\$ 959,425	\$ 535,000	\$ 1,494,425	\$ 68,623

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

The District is periodically involved in claims and pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its school bond issues. The amount of liability at June 30, 2021, if any, is unknown.

Encumbrances

At June 30, 2021, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 1,649,905	\$ 82,170	\$ 1,732,075

On the District's Governmental Funds Balance Sheet as of June 30, 2021, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$82,170 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grant receivables or an increase in unearned revenue.

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

A. Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

General Information about the OPEB Plan (Cont'd)

A. Plan Description and Benefits Provided (Cont'd)

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

B. Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on service years	based on service years

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

Mortality Rates

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

Health Care Trend Assumptions

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

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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 State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 77,347,607
Changes for Year:	
Service Cost	2,695,847
Interest on the Total OPEB Liability	3,057,207
Difference between Actual and Expected Experience	(11,151,536)
Changes of Assumptions	1,057,042
Gross Benefit Payments by the State	(2,176,248)
Contributions from Members	64,510
Net Changes	(6,453,178)
Balance at June 30, 2019	\$ 70,894,429

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 83,754,336	\$ 70,894,429	\$ 60,679,224

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 58,413,850	\$ 70,894,429	\$ 87,416,153

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$1,494,058 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 8,253,545
	2018	9.51		7,099,166
	2019	9.29	\$ 943,259	15,352,711
			943,259	15,352,711
Differences between Expected and Actual Experience	2018	9.51		6,710,921
	2019	9.29		11,102,211
				17,813,132
Changes in Proportion	N/A	N/A		898,383
			\$ 943,259	\$ 33,165,843

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

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

Fiscal Year Ending June 30,	Total
2020	\$ (4,326,350)
2021	(4,326,351)
2022	(4,326,350)
2023	(4,326,350)
2024	(4,326,350)
Thereafter	(10,590,836)
	\$ (32,222,587)

NOTE 18. PRIOR YEAR ADJUSTMENT

GASB 84, Fiduciary Activities, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) and Private Purpose Scholarship Trust Fund are not reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 18. PRIOR YEAR ADJUSTMENT (Cont'd)

	<u>Balance</u> <u>June 30, 2020</u> <u>as Previously</u> <u>Reported</u>	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2020</u> <u>as</u> <u>Restated</u>
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ (291,434)	\$ 647,017	\$ 355,583
<u>Statement of Revenues, Expenditures and Changes in</u> <u>Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 8,722,925	\$ 409,816	\$ 9,132,741
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 237,201	\$ 237,201
<u>Statement of Changes in Fiduciary Net Position -</u> <u>Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 409,816	\$ (409,816)	\$ -0-
Private Purpose Scholarship Trust:			
Net Position - End of the Year	\$ 10,502	\$ (10,502)	\$ -0-
Student Activities Trust:			
Net Position - End of the Year	\$ 226,699	\$ (226,699)	\$ -0-

NOTE 19. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will continue to be an impact on certain revenues in the General Fund other than state aid and the local tax levy. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Fund has not been negatively impacted by COVID-19 for the fiscal year ending June 30, 2021. However, due to changes in the Food Service Fund revenue stream now being primarily from the Seamless Summer Option plan rather than regular sales, it is not yet known what the potential impact may be on the District for the fiscal year ended June 30, 2022.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

DUMONT BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.04517571%	0.04669189%	0.04750065%	0.04528390%	0.04542018%	0.04888875%	0.0451988845%
District's proportionate share of the net pension liability	\$ 8,458,128	\$ 10,481,393	\$ 14,066,330	\$ 10,541,369	\$ 8,943,006	\$ 8,447,783	\$ 7,370,756
District's covered employee payroll	\$ 3,254,891	\$ 3,126,566	\$ 3,135,625	\$ 3,239,648	\$ 3,226,522	\$ 3,323,534	\$ 3,346,360
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	259.86%	335.24%	448.60%	325.39%	277.17%	254.18%	220.26%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

DUMONT BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 372,422	\$ 401,425	\$ 424,272	\$ 441,050	\$ 453,949	\$ 457,937	\$ 494,453
Contributions in relation to the contractually required contribution	<u>(372,422)</u>	<u>(401,425)</u>	<u>(424,272)</u>	<u>(441,050)</u>	<u>(453,949)</u>	<u>(457,937)</u>	<u>(494,453)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 3,209,209	\$ 3,254,891	\$ 3,126,566	\$ 3,135,625	\$ 3,239,648	\$ 3,226,522	\$ 3,323,534
Contributions as a percentage of covered employee payroll	11.60%	12.33%	13.57%	14.07%	14.01%	14.19%	14.88%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

DUMONT BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE STATES PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.1956935484%	0.1877453708%	0.1823237035%	0.1677851230%	0.1847652527%	0.1778256337%	0.1901326173%
State's proportionate share of the net pension liability attributable to the District	\$ 104,591,833	\$ 116,644,130	\$ 151,297,071	\$ 126,612,175	\$ 117,543,749	\$ 109,133,270	\$ 125,200,041
District's covered employee payroll	\$ 19,259,824	\$ 18,925,262	\$ 18,845,758	\$ 20,438,215	\$ 19,845,304	\$ 20,408,531	\$ 21,235,487
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	543.06%	616.34%	802.82%	619.49%	592.30%	534.74%	589.58%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

DUMONT BOROUGH SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE CONTRIBUTIONS
 TEACHERS' PENSION AND ANNUITY FUND
 LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 5,628,023	\$ 7,244,292	\$ 11,367,644	\$ 8,771,050	\$ 6,852,390	\$ 6,436,972	\$ 7,785,472
Contributions in relation to the contractually required contribution	(1,534,711)	(2,280,967)	(3,050,500)	(4,002,755)	(5,559,650)	(5,884,513)	(5,289,645)
Contribution deficiency/(excess)	\$ 4,093,312	\$ 4,963,325	\$ 8,317,144	\$ 4,768,295	\$ 1,292,740	\$ 552,459	\$ 2,495,827
District's covered employee payroll	\$ 19,283,214	\$ 19,259,824	\$ 18,925,262	\$ 18,845,758	\$ 20,438,215	\$ 19,845,304	\$ 20,408,531
Contributions as a percentage of covered employee payroll	7.96%	11.84%	16.12%	21.24%	27.20%	29.65%	25.92%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

DUMONT BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB
LIABILITY ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST THREE FISCAL YEARS

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 3,628,451	\$ 3,000,631	\$ 2,695,847
Interest Cost	2,871,995	3,325,419	3,057,207
Difference between Expected and Actual Experience		(8,983,422)	(11,151,536)
Changes in Assumptions	(11,745,166)	(8,876,025)	1,057,042
Member Contributions	77,509	71,482	64,510
Gross Benefit Payments	(2,104,922)	(2,068,247)	(2,176,248)
Net Change in Total OPEB Liability	(7,272,133)	(13,530,162)	(6,453,178)
Total OPEB Liability - Beginning	98,149,902	90,877,769	77,347,607
Total OPEB Liability - Ending	<u>\$ 90,877,769</u>	<u>\$ 77,347,607</u>	<u>\$ 70,894,429</u>
District's Covered Employee Payroll *	\$ 23,677,864	\$ 23,071,826	\$ 23,732,065
Total OPEB Liability as a Percentage of Covered Employee Payroll	384%	335%	299%

* Covered payroll for the fiscal years ending June 30, 2017, 2018, and 2019 are based on the payroll on the June 30, 2016, 2017, and 2018 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2017.

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

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

The mortality rates in the valuation as of June 30, 2019 were based on the following:

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

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

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

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

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 37,015,652		\$ 37,015,652	\$ 37,015,652	
Interest Earned on Capital Reserve Funds	450		450	3,627	\$ 3,177
Restricted Miscellaneous Revenue				81,949	81,949
Unrestricted Miscellaneous Revenue	116,564		116,564	65,186	(51,378)
Total - Local Sources	37,132,666		37,132,666	37,166,414	33,748
State Sources:					
Equalization Aid	7,052,724	\$ (184,207)	6,868,517	6,868,517	
Transportation Aid	222,500		222,500	222,500	
Special Education Aid	1,819,573		1,819,573	1,819,573	
Security Aid	139,307		139,307	139,307	
Extraordinary Special Education Costs Aid	327,139		327,139	779,455	452,316
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				1,689,233	1,689,233
On-Behalf TPAF Pension Contributions (Non-Budgeted)				5,289,645	5,289,645
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				100,643	100,643
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				2,416	2,416
TPAF Social Security (Reimbursed - Non-Budgeted)				1,512,423	1,512,423
Total State Sources	9,561,243	(184,207)	9,377,036	18,423,712	9,046,676
Federal Sources:					
Medicaid Assistance Program	32,919		32,919	39,948	7,029
Total - Federal Sources	32,919		32,919	39,948	7,029
Total Revenues	46,726,828	(184,207)	46,542,621	55,630,074	9,087,453

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers					
Kindergarten - Salaries of Teachers	\$ 694,189	\$ 80,697	\$ 774,886	\$ 774,886	\$ 315,552
Grades 1-5 - Salaries of Teachers	4,455,363	(80,697)	4,374,666	4,059,114	88,415
Grades 6-8 - Salaries of Teachers	3,961,942		3,961,942	3,873,527	147,967
Grades 9-12 - Salaries of Teachers	5,217,170	(120,043)	5,097,127	4,949,160	37,565
Regular Programs - Home Instruction:					
Salaries of Teachers	80,000		80,000	42,435	8,253
Other Purchased Services (400-500 series)	14,035		14,035	5,782	540,351
General Supplies	1,237,370	88,247	1,325,617	785,266	17,788
Textbooks	314,687	26,162	340,849	323,061	25,262
Other Objects	97,281	5,634	102,915	77,653	1,181,153
Total Regular Programs - Instruction	16,072,037		16,072,037	14,890,884	
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	340,172		340,172	340,172	3,746
Other Salaries for Instruction	134,375		134,375	130,629	2,346
General Supplies	2,490		2,490	144	1,200
Textbooks	1,200		1,200		7,292
Total Learning and/or Language Disabilities	478,237		478,237	470,945	
Resource Room/Resource Center:					
Salaries of Teachers	1,376,526	30,835	1,407,361	1,407,361	50,180
Other Salaries for Instruction	704,415	(30,835)	673,580	623,400	4,520
General Supplies	4,625		4,625	105	2,770
Textbooks	2,770		2,770		57,470
Total Resource Room/Resource Center	2,088,336		2,088,336	2,030,866	
Preschool Disabilities - Part-Time:					
Salaries of Teachers	169,974		169,974	169,974	2,258
Other Salaries for Instruction	70,110		70,110	67,852	16,658
Purchased Professional-Educational Services	55,000	(31,126)	23,874	7,216	2,710
General Supplies	2,500	632	3,132	422	
Total Preschool Disabilities - Part-Time	297,584	(30,494)	267,090	245,464	

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

EXPENDITURES: CURRENT EXPENSE:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Special Education - Instruction	\$ 2,864,157	\$ (30,494)	\$ 2,833,663	\$ 2,747,275	\$ 86,388
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	972,630	30,494	1,003,124	988,124	15,000
Total Basic Skills/Remedial - Instruction	972,630	30,494	1,003,124	988,124	15,000
Bilingual Education - Instruction:					
Salaries of Teachers	321,637		321,637	321,637	
Total Bilingual Education - Instruction	321,637		321,637	321,637	
School Sponsored Cocurricular Activities:					
Salaries	183,773		183,773	104,668	79,105
Supplies and Materials	34,789		34,789	10,665	24,124
Other Objects	10,000		10,000		10,000
Total School-Sponsored Cocurricular Activities	228,562		228,562	115,333	113,229
School-Sponsored Athletics:					
Salaries	407,525		407,525	378,025	29,500
Purchased Services (300-500 series)	147,150	(3,800)	143,350	127,817	15,533
Supplies and Materials	75,247	3,800	79,047	78,814	233
Total School-Sponsored Athletics	629,922		629,922	584,656	45,266
Other Instructional Programs - Instruction:					
Salaries	7,215		7,215		7,215
Total Other Instructional Programs - Instruction	7,215		7,215		7,215
Total Instruction	21,096,160		21,096,160	19,647,909	1,448,251

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Special	\$ 3,127,453	\$ 222,300	\$ 3,349,753	\$ 3,162,512	\$ 187,241
Tuition to County Vocational School - Regular	408,239	77,301	485,540	449,551	35,989
Tuition to CSSD & Regional Day Schools	968,230	(194,801)	773,429	712,342	61,087
Tuition to Private Schools for the Handicapped Within State	1,125,592	(114,238)	1,011,354	889,390	121,964
Total Instruction	5,629,514	(9,438)	5,620,076	5,213,795	406,281
Attendance and Social Work Services:					
Salaries	10,073	(2,706)	7,367	6,986	381
Total Attendance and Social Work Services	10,073	(2,706)	7,367	6,986	381
Health Services:					
Salaries	482,525		482,525	481,445	1,080
Purchased Professional and Technical Services	102,493	(12,424)	90,069	83,026	7,043
Other Purchased Services	150		150	150	
Supplies and Materials	13,212	12,424	25,636	8,462	17,174
Total Health Services	598,380		598,380	572,933	25,447
Speech, OT, PT & Related Services:					
Salaries	320,571	(4,200)	316,371	303,537	12,834
Purchased Professional - Educational Services		4,200	4,200	4,200	
Total Speech, OT, PT & Related Services	320,571		320,571	307,737	12,834
Guidance:					
Salaries of Other Professional Staff	618,999	8,559	627,558	627,558	
Salaries of Secretarial and Clerical Assistants	94,239		94,239	94,239	
Other Purchased Services (400-500 series)	350	(125)	225	225	
Supplies and Materials	15,936	(647)	15,289	15,288	1
Other Objects	6,105	(5,081)	1,024	1,023	1
Total Guidance	735,629	2,706	738,335	738,333	2

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Child Study Team:					
Salaries of Other Professional Staff	\$ 893,823	\$ 4,066	\$ 897,889	\$ 897,889	
Salaries of Secretarial and Clerical Assistants	97,559		97,559	97,559	
Purchased Professional - Educational Services	102,300	(4,165)	98,135	69,991	\$ 28,144
Other Purchased Professional and Technical Services	3,349	(1,000)	2,349	90	2,259
Other Purchased Services (400-500 series)		99	99	99	
Supplies and Materials	7,142	1,000	8,142	3,023	5,119
Total Child Study Team	<u>1,104,173</u>		<u>1,104,173</u>	<u>1,068,651</u>	<u>35,522</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	165,825		165,825	163,650	2,175
Salaries of Other Professional Staff	48,805		48,805	48,805	
Other Purchased Educational Services	1,600		1,600	1,600	1,600
Other Purchased Services	122,000	(4,161)	117,839	113,399	4,440
Supplies and Materials	50,500	4,161	54,661	45,611	9,050
Other Objects	500		500	483	17
Total Improvement of Instructional Services	<u>389,230</u>		<u>389,230</u>	<u>371,948</u>	<u>17,282</u>
Educational Media Services/School Library:					
Salaries	240,506		240,506	227,705	12,801
Supplies and Materials	66,499		66,499	49,651	16,848
Other Objects	1,550		1,550	867	683
Total Educational Media Services/School Library	<u>308,555</u>		<u>308,555</u>	<u>278,223</u>	<u>30,332</u>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	45,975		45,975	45,710	265
Salaries of Secretarial and Clerical Assistants	6,032		6,032	6,032	
Other Purchased Prof. and Tech. Services	8,700		8,700	4,803	3,897
Other Purchased Services (400-500 series)	500	1,900	2,400	2,070	330
Supplies and Materials	1,900	(1,900)	500	500	500
Other Objects	500		63,607	58,615	4,992
Total Instructional Staff Training Services	<u>63,607</u>		<u>63,607</u>	<u>58,615</u>	<u>4,992</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
General Administration:					
Salaries	\$ 359,465		\$ 359,465	\$ 344,345	\$ 15,120
Legal Services	83,867	\$ 100,001	183,868	162,891	20,977
Unused Vac Payment to Term/Ret Staff		51,550	51,550		
Audit Fees	36,400		36,400	36,400	
Communications/Telephone	95,380		95,380	92,590	2,790
Other Purchased Services (400-500)	23,100	(952)	22,148	11,673	10,475
General Supplies	12,487	706	13,193	12,440	753
BOE In-House Training/Meeting Supplies	2,000		2,000	355	1,645
Miscellaneous Expenditures	44,600		44,600	39,257	5,343
BOE Membership Dues and Fees	36,000		36,000	35,077	923
Total General Administration	693,299	151,305	844,604	735,028	109,576
School Administration:					
Salaries of Principals/Assistant Principals	1,322,710	(3,956)	1,318,754	1,273,960	44,794
Salaries of Other Professional Staff	717,485		717,485	715,569	1,916
Salaries of Secretarial and Clerical Assistants	616,782		616,782	616,019	763
Unused Vacation Payment to Terminated/Retired Staff		3,956	3,956		3,956
Other Purchased Services (400-500)	2,400		2,400	115	2,285
Supplies and Materials	69,994		69,994	40,202	29,792
Total School Administration	2,729,371		2,729,371	2,645,865	83,506
Central Services:					
Salaries	406,234	(844)	405,390	405,390	
Misc. Purchased Services (400-500) [O/T 594]	21,650	8,976	30,626	21,626	9,000
Supplies and Materials	25,146	6,239	31,385	30,590	795
Interest on Lease Purchase Agreements	1,224	(1)	1,223	1,223	
Total Central Services	454,254	14,370	468,624	458,829	9,795

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

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Administrative Information Technology:					
Salaries	\$ 262,090	\$ (483)	\$ 261,607	\$ 261,607	
Purchased Professional Services	137,935	(1,939)	135,996	121,012	\$ 14,984
Purchased Technical Services	16,800	(5,401)	11,399	11,399	
Other Purchased Services (400-500)	13,620	(5,598)	8,022	8,022	
Supplies and Materials	20,548	(6,208)	14,340	11,316	3,024
Other Objects	33,000	5,503	38,503	38,503	
Total Administrative Information Technology	<u>483,993</u>	<u>(14,126)</u>	<u>469,867</u>	<u>451,859</u>	<u>18,008</u>
Required Maintenance for School Facilities:					
Salaries	477,927		477,927	421,373	56,554
Cleaning, Repair and Maintenance Services	90,064		90,064	86,386	3,678
Total Required Maintenance for School Facilities	<u>567,991</u>		<u>567,991</u>	<u>507,759</u>	<u>60,232</u>
Custodial Services:					
Salaries	1,801,396		1,635,668	1,605,302	30,366
Salaries of Non-Instructional Aides	190,000	(165,728)	190,000	95,976	94,024
Unused Vacation Payment to Terminated/Retired Staff		4,525	4,525	4,524	1
Cleaning, Repair and Maintenance Services	455,050	194,004	649,054	451,262	197,792
Other Purchased Property Services	74,217		74,217	62,368	11,849
Insurance	310,000	14,686	324,686	324,686	
Miscellaneous Purchased Services	23,000		23,000	16,144	6,856
General Supplies	758,898	(32,800)	726,098	316,348	409,750

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Custodial Services (Cont'd):					
Energy (Natural Gas)	\$ 266,638		\$ 266,638	\$ 225,952	\$ 40,686
Energy (Electricity)	568,823		568,823	358,086	210,737
Total Custodial Services	<u>4,448,022</u>	<u>\$ 14,687</u>	<u>4,462,709</u>	<u>3,460,648</u>	<u>1,002,061</u>
Care & Upkeep of Grounds:					
Salaries	147,325	(17,879)	129,446	129,446	
Cleaning, Repair and Maintenance Services	12,500	33,800	46,300	17,650	28,650
General Supplies	12,500	9,279	21,779	20,348	1,431
Total Care & Upkeep of Grounds	<u>172,325</u>	<u>25,200</u>	<u>197,525</u>	<u>167,444</u>	<u>30,081</u>
Security:					
Salaries	3,000		3,000	3,000	
Purchased Professional and Technical Services	121,612	(25,200)	96,412	47,712	48,700
Total Security	<u>124,612</u>	<u>(25,200)</u>	<u>99,412</u>	<u>50,712</u>	<u>48,700</u>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Special Education	319,705		319,705	259,570	60,135
Other than Between Home and School	52,500		52,500	21,107	31,393
Lease Payments - Buses	27,162	(27,162)			
Contracted Services:					
Other than Between Home and School - Vendors	69,500	(38,280)	31,220	14,183	17,037
Between Home and School - Joint Agreements	410,220		410,220	244,750	165,470
General Supplies	72,649		72,649	46,598	26,051
Total Student Transportation Services	<u>951,736</u>	<u>(65,442)</u>	<u>886,294</u>	<u>586,208</u>	<u>300,086</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	\$ 562,500		\$ 562,500	\$ 482,616	\$ 79,884
Other Retirement Contributions - PERS	492,500	\$ 1,953	494,453	494,453	
Other Retirement Contributions - Regular	56,500		56,500	53,169	3,331
Unemployment Compensation	25,000		25,000	49,871	(24,871)
Workmen's Compensation	149,943	(14,686)	135,257	114,887	20,370
Health Benefits	6,920,200	(416,646)	6,503,554	5,455,760	1,047,794
Other Employee Benefits	27,500		27,500	1,508	25,992
Unused Sick Payment to Term/Ret Staff	30,284	78,936	109,220	36,476	72,744
Total Unallocated Benefits	<u>8,264,427</u>	<u>(350,443)</u>	<u>7,913,984</u>	<u>6,688,740</u>	<u>1,225,244</u>
On-Behalf Contributions (Non-budgeted):					
TPAF Post Retirement Contributions (Non-Budgeted)				1,689,233	(1,689,233)
TPAF Pension Contributions (Non-Budgeted)				5,289,645	(5,289,645)
TPAF Non-Contributory Insurance (Non-Budgeted)				100,643	(100,643)
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,416	(2,416)
Reimbursed TPAF Social Security Contributions				1,512,423	(1,512,423)
Total On-Behalf Contributions (Non-Budgeted)				<u>8,594,360</u>	<u>(8,594,360)</u>
Total Employee Benefits	<u>8,264,427</u>	<u>(350,443)</u>	<u>7,913,984</u>	<u>15,283,100</u>	<u>(7,369,116)</u>
Total Undistributed Expenditures	<u>28,049,762</u>	<u>(259,087)</u>	<u>27,790,675</u>	<u>32,964,673</u>	<u>(5,173,998)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>49,145,922</u>	<u>(259,087)</u>	<u>48,886,835</u>	<u>52,612,582</u>	<u>(3,725,747)</u>

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

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Undistributed Expenditures:					
Care and Upkeep of Grounds	\$ 14,149		\$ 14,149	\$ 7,409	\$ 6,740
School Buses - Regular	65,442		65,442		65,442
Total Equipment	<u>14,149</u>	<u>65,442</u>	<u>79,591</u>	<u>7,409</u>	<u>72,182</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	58,780	(44,978)	13,802	3,702	10,100
Other Purchased Professional and Technical Services	5,000	(5,000)			
Construction Services	788,359	49,978	838,337	334,851	503,486
Lease Purchase Agreement - Principal	90,248		90,248	90,248	
Assessment for Debt Service on SDA Funding	80,394		80,394	80,394	
Total Facilities Acquisition and Construction Services	<u>1,022,781</u>		<u>1,022,781</u>	<u>509,195</u>	<u>513,586</u>
TOTAL CAPITAL OUTLAY	<u>1,036,930</u>	<u>65,442</u>	<u>1,102,372</u>	<u>516,604</u>	<u>585,768</u>
Transfer of Funds to Charter Schools	55,929	9,438	65,367	65,367	
TOTAL EXPENDITURES	<u>50,238,781</u>	<u>(184,207)</u>	<u>50,054,574</u>	<u>53,194,553</u>	<u>(3,139,979)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(3,511,953)</u>		<u>(3,511,953)</u>	<u>2,435,521</u>	<u>5,947,474</u>
Fund Balance, July 1 (As Restated)	9,995,362		9,995,362	9,995,362	
Fund Balance, June 30	<u>\$ 6,483,409</u>	<u>\$ - 0 -</u>	<u>\$ 6,483,409</u>	<u>\$ 12,430,883</u>	<u>\$ 5,947,474</u>

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

Recapitulation:	
Restricted Fund Balance:	
Capital Reserve	\$ 6,290,827
Excess Surplus - Restricted For 2021-2022	1,180,875
Excess Surplus - Restricted For 2022-2023	422,641
Unemployment Compensation	466,894
Assigned Fund Balance:	
Year End Encumbrances	1,649,905
Designated for Subsequent Year's Expenditures	183,417
Unassigned Fund Balance	2,236,324
	12,430,883
Reconciliation to Governmental Funds Statement (GAAP):	
Last State Aid Payments not Recognized on GAAP basis	(880,889)
Fund Balance per Governmental Funds (GAAP)	\$ 11,549,994

DUMONT BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 183,177	\$ 183,177	\$ 193,116	\$ 9,939
Federal Sources	\$ 615,000	660,543	1,275,543	1,201,772	(73,771)
Total Revenues	615,000	843,720	1,458,720	1,394,888	(63,832)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	170,500	(5,500)	165,000	108,677	56,323
Purchased Professional and Technical Services		28,104	28,104	22,254	5,850
Other Purchased Services	14,600	(14,600)			
Tuition	421,325	45,871	467,196	467,196	
General Supplies	8,575	305,520	314,095	302,497	11,598
Other Objects		3,071	3,071	3,071	
Total Instruction	615,000	362,466	977,466	903,695	73,771
Support Services:					
Personal Services - Employee Benefits		40,365	40,365	40,365	
Purchased Professional and Technical Services		23,125	23,125	23,125	
Purchased Professional and Educational Services		70,450	70,450	70,450	
Other Purchased Professional Services		18,044	18,044	18,044	
Supplies and Materials		190,439	190,439	190,439	
Student Activities		163,309	163,309	163,309	
Scholarships Awarded		15,785	15,785	15,785	
Total Support Services		342,423	521,517	521,517	
Total Expenditures	615,000	704,889	1,498,983	1,425,212	73,771
Excess/(Deficit) of Revenue Over/(Under) Expenditures	\$ -0-	\$ 138,831	\$ (40,263)	\$ (30,324)	\$ 9,939

DUMONT BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 55,630,074	\$ 1,394,888
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(82,170)
Prior Year Encumbrances		43,399
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	862,621	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(880,889)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 55,611,806	\$ 1,356,117
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 53,194,553	\$ 1,425,212
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(82,170)
Prior Year Encumbrances		43,399
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 53,194,553	\$ 1,386,441

DUMONT BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. 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. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of 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 except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

DUMONT BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Local Donations	CARES Emergency Relief	Digital Divide Grant	Coronavirus Relief Fund
REVENUES:				
Local Sources	\$ 44,346			
Federal Sources		\$ 155,895	\$ 13,045	\$ 95,891
Total Revenues	44,346	155,895	13,045	95,891
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services				
Tuition				
General Supplies	44,346	35,000	13,045	49,347
Other Objects				
Total Instruction	44,346	35,000	13,045	49,347
Support Services:				
Personal Services - Employee Benefits				
Purchased Professional and Technical Services				
Purchased Professional and Educational Services				
Other Purchased Services				
Supplies and Materials		120,895		46,544
Student Activities				
Scholarships				
Total Support Services		120,895		46,544
Total Expenditures	\$ 44,346	\$ 155,895	\$ 13,045	\$ 95,891

DUMONT BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Elementary and Secondary Education Act				
	Title I	Title IIA	Title III	Title III Immigrant	Title IV
REVENUES:					
Local Sources					
Federal Sources	\$ 249,653	\$ 50,851	\$ 16,996	\$ 11,625	\$ 13,576
Total Revenues	<u>249,653</u>	<u>50,851</u>	<u>16,996</u>	<u>11,625</u>	<u>13,576</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	78,677	30,000			
Purchased Professional and Technical Services	14,150	8,104			
Tuition					
General Supplies	107,083		15,996	11,625	10,505
Other Objects					3,071
Total Instruction	<u>199,910</u>	<u>38,104</u>	<u>15,996</u>	<u>11,625</u>	<u>13,576</u>
Support Services:					
Personal Services - Employee Benefits	27,618	12,747			
Purchased Professional and Technical Services	22,125		1,000		
Purchased Professional and Educational Services					
Other Purchased Services					
Supplies and Materials					
Student Activities					
Scholarships					
Total Support Services	<u>49,743</u>	<u>12,747</u>	<u>1,000</u>		
Total Expenditures	<u>\$ 249,653</u>	<u>\$ 50,851</u>	<u>\$ 16,996</u>	<u>\$ 11,625</u>	<u>\$ 13,576</u>

DUMONT BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Student Activities	Scholarships	IDEA Part B			Totals
			Basic	Preschool		
REVENUES:						
Local Sources	\$ 138,831	\$ 9,939			\$ 193,116	
Federal Sources			\$ 574,196	\$ 20,044		1,201,772
Total Revenues	138,831	9,939	574,196	20,044		1,394,888
EXPENDITURES:						
Instruction:						
Salaries of Teachers					108,677	
Purchased Professional and Technical Services					22,254	
Tuition			467,196		467,196	
General Supplies			13,550	2,000	302,497	
Other Objects					3,071	
Total Instruction			480,746	2,000		903,695
Support Services:						
Personal Services - Employee Benefits					40,365	
Purchased Professional and Technical Services					23,125	
Purchased Professional and Educational Services			70,450		70,450	
Other Purchased Professional Services				18,044	18,044	
Supplies and Materials			23,000		190,439	
Student Activities	163,309				163,309	
Scholarships		15,785			15,785	
Total Support Services	163,309	15,785	93,450	18,044		521,517
Total Expenditures	\$ 163,309	\$ 15,785	\$ 574,196	\$ 20,044		\$ 1,425,212

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

DUMONT BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 23,205
Interfund Receivable - General Fund	112,899
Intergovernmental Accounts Receivable:	
State	8,181
Federal	241,508
Inventories	10,048
Total Current Assets	<u>395,841</u>

Non-Current Assets:

Capital Assets	100,569
Less: Accumulated Depreciation	<u>(63,939)</u>
Total Non-Current Assets	<u>36,630</u>

Total Assets	<u>432,471</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	68,623
Unearned Revenue - Donated Commodities	4,320
Unearned Revenue - Prepaid Sales	<u>26,628</u>
Total Current Liabilities:	<u>99,571</u>

Total Liabilities	<u>99,571</u>
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NET POSITION:

Investment in Capital Assets	36,630
Unrestricted	<u>296,270</u>
Total Net Position	<u>\$ 332,900</u>

DUMONT BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	\$ 287,743
Salaries	135,707
Employee Benefits	25,560
Other Purchased Services	41,861
Supplies and Materials	20,724
Management Fee	27,361
Depreciation Expense	8,381
	<hr/>
Total Operating Expenses	547,337
	<hr/>
Operating (Loss)	(547,337)
	<hr/>
Non-Operating Revenue:	
Interest Income	59
State Sources:	
COVID - Seamless Summer Option	37,321
Federal Sources:	
National School Lunch - Equipment Assistance Program	6,915
Healthy Hunger Free Kids Act	14,708
Food Distribution Program	46,254
COVID - Seamless Summer Option	737,476
	<hr/>
Total Non-Operating Revenue	842,733
	<hr/>
Change in Net Position	295,396
	<hr/>
Net Position - Beginning of Year	37,504
	<hr/>
Net Position - End of Year	\$ 332,900
	<hr/> <hr/>

DUMONT BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Payments to Food Service Company	\$ (396,819)
Payments to Suppliers	(28,127)
Net Cash Used for Operating Activities	<u>(424,946)</u>
Cash Flows from Financing Activities:	
Interest Income	59
Net Cash Provided by Financing Activities	<u>59</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	13,802
Federal Sources	428,369
Net Cash Provided by Noncapital Financing Activities	<u>442,171</u>
Net Increase in Cash and Cash Equivalents	17,284
Cash and Cash Equivalents, July 1	<u>5,921</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 23,205</u></u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Adjustment to Reconcile Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (547,337)
Depreciation	8,381
Food Distribution Program	46,254
Changes in Assets and Liabilities:	
Increase in Accounts Payable	56,795
Increase in Unearned Revenue - Donated Commodities	4,320
(Decrease) in Unearned Revenue - Prepaid Sales	(323)
Decrease in Inventory	6,964
Net Cash Used for Operating Activities	<u><u>\$ (424,946)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$39,615 and utilized U.S.D.A. Commodities valued at \$46,254.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

DUMONT BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance June 30, 2020	Matured	Balance June 30, 2021
			Date	Outstanding June 30, 2021 Amount				
Improvements to Honiss and Selzer Schools	05/15/01	\$ 1,700,000				\$ 120,000	\$ 120,000	
Improvements to Athletic Fields and Recreation Areas	02/01/09	3,355,000	02/01/22	\$ 295,000	3.80%			
			02/01/23	305,000	3.90%			
			02/01/24	310,000	4.00%	1,190,000	280,000	\$ 910,000
School Refunding Bonds	06/03/14	10,020,000	03/15/22	1,045,000	5.00%			
			03/15/23	1,050,000	5.00%			
			03/15/24	1,055,000	5.00%			
			03/15/25	1,055,000	5.00%	5,250,000	1,045,000	4,205,000
						\$ 6,560,000	\$ 1,445,000	\$ 5,115,000

DUMONT BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Matured</u>
High School Auditorium	\$ 445,000	1.3555%	<u>\$ 90,248</u>	<u>\$ 90,248</u>
			<u>\$ 90,248</u>	<u>\$ 90,248</u>

DUMONT BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 1,701,888		\$ 1,701,888	\$ 1,701,888	
State Sources:					
Debt Service Aid Type II	57,197		57,197	57,197	
Total Revenue	<u>1,759,085</u>		<u>1,759,085</u>	<u>1,759,085</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	314,085		314,085	314,085	
Redemption of Principal	1,445,000		1,445,000	1,445,000	
Total Regular Debt Service	<u>1,759,085</u>		<u>1,759,085</u>	<u>1,759,085</u>	
Total Expenditures	<u>1,759,085</u>		<u>1,759,085</u>	<u>1,759,085</u>	
Excess of Revenue Over Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	-0-		-0-	-0-	
Fund Balance, June 30	<u>-0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

STATISTICAL SECTION
(UNAUDITED)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

DUMONT BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
Governmental Activities:										
Net Investment in Capital Assets	\$ (17,064,871)	\$ (15,207,193)	\$ (14,365,273)	\$ (11,202,193)	\$ (8,955,656)	\$ (4,891,527)	\$ (2,713,975)	\$ (861,985)	\$ 1,434,710	\$ 2,993,062
Restricted	4,149,514	4,808,375	8,141,859	7,981,269	9,530,511	9,370,518	7,784,993	9,534,720	7,905,616	9,575,987
Unrestricted/(Deficit)	(532,959)	(614,866)	(678,311)	(10,579,349)	(10,759,177)	(11,500,371)	(11,478,384)	(11,358,067)	(8,984,743)	(8,255,495)
Total Governmental Activities Net Position	\$ (13,448,316)	\$ (11,013,684)	\$ (6,901,725)	\$ (13,800,273)	\$ (10,184,322)	\$ (7,021,380)	\$ (6,407,366)	\$ (2,685,332)	\$ 355,583	\$ 4,313,554
Business-Type Activities:										
Investment in Capital Assets	\$ 46,123	\$ 48,808	\$ 44,028	\$ 42,297	\$ 53,465	\$ 46,934	\$ 55,087	\$ 47,221	\$ 45,011	\$ 36,630
Unrestricted/(Deficit)	105,493	77,576	77,916	64,653	43,960	44,340	31,877	26,541	(7,507)	296,270
Total Business-Type Activities Net Position	\$ 151,616	\$ 126,384	\$ 121,944	\$ 106,950	\$ 97,425	\$ 91,274	\$ 86,964	\$ 73,762	\$ 37,504	\$ 332,900
District-Wide:										
Net Investment in Capital Assets	\$ (17,018,748)	\$ (15,158,385)	\$ (14,321,245)	\$ (11,159,896)	\$ (8,902,191)	\$ (4,844,593)	\$ (2,658,888)	\$ (814,764)	\$ 1,479,721	\$ 3,029,692
Restricted	4,149,514	4,808,375	8,141,859	7,981,269	9,530,511	9,370,518	7,784,993	9,534,720	7,905,616	9,575,987
Unrestricted/(Deficit)	(427,466)	(537,290)	(600,395)	(10,514,696)	(10,715,217)	(11,456,031)	(11,446,507)	(11,331,526)	(8,992,250)	(7,959,225)
Total District Net Position	\$ (13,296,700)	\$ (10,887,300)	\$ (6,779,781)	\$ (13,693,323)	\$ (10,086,897)	\$ (6,930,106)	\$ (6,320,402)	\$ (2,611,570)	\$ 393,087	\$ 4,646,454

* Restated

Source: School District Financial Reports

DUMONT BOROUGH SCHOOL DISTRICT
CHANGES IN 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
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 18,514,772	\$ 19,050,017	\$ 20,217,607	\$ 19,232,366	\$ 18,903,737	\$ 19,755,269	\$ 27,948,867	\$ 25,432,114	\$ 24,555,907	\$ 25,733,867
Special Education	3,725,725	3,879,641	3,814,168	3,695,879	3,878,153	4,075,572	5,270,603	5,016,135	5,089,536	5,001,711
Other Instruction	2,385,485	2,560,784	2,546,804	2,552,525	2,580,132	2,574,448	3,536,924	3,328,214	3,287,275	2,239,519
School Sponsored/Other Instruction										866,865
Support Services:										
Tuition	4,058,892	4,216,649	4,561,076	4,415,236	4,107,192	3,826,148	5,083,155	4,747,207	5,071,557	5,392,889
Student and Instruction Related Services	4,151,147	4,359,842	4,376,018	4,131,163	4,212,022	4,308,610	5,546,220	5,489,675	5,501,414	5,510,386
General Administrative Services	3,109,606	3,268,332	3,290,466	3,311,288	3,249,173	3,434,825	4,481,502	4,560,132	4,311,223	3,998,457
School Administrative Services										780,327
Central Services										554,011
Administrative Information Technology	1,408,869	1,592,060	1,578,530	1,579,178	1,709,796	1,779,050	2,132,563	2,169,830	2,271,572	2,271,572
Plant Operations and Maintenance	4,436,096	4,861,884	4,688,510	4,719,880	4,823,797	5,170,674	5,969,966	6,266,331	5,510,063	4,920,026
Pupil Transportation	656,515	709,056	876,014	839,595	908,195	939,155	1,061,183	1,155,967	1,018,210	701,553
Capital Outlay										84,095
Special Schools	54,364	55,113	52,446	56,157	56,081	61,169	51,246	58,777	46,757	
Transfer of Funds to Charter Schools	9,718	6,696	33,303	16,082	80,028	81,379	72,553	73,269	67,830	65,367
SD Debt Service Assessment	56,890	80,393	80,394	80,394	80,394	80,394	80,394	80,394	80,394	
Interest on Long-Term Debt	735,616	694,722	687,569	456,998	547,611	510,105	468,266	417,508	360,638	293,896
Total Governmental Activities Expenses	43,303,695	45,335,189	46,802,905	45,086,741	45,136,311	46,596,798	61,703,442	58,795,553	57,172,376	57,070,810
Business-Type Activities:										
Food Service	512,856	426,769	416,394	378,491	397,082	402,202	413,425	429,001	367,135	547,337
Total Business-Type Activities Expense	512,856	426,769	416,394	378,491	397,082	402,202	413,425	429,001	367,135	547,337
Total District Expenses	\$ 43,816,551	\$ 45,761,958	\$ 47,219,299	\$ 45,465,232	\$ 45,533,393	\$ 46,999,000	\$ 62,116,867	\$ 59,224,554	\$ 57,539,511	\$ 57,618,147
Program Revenues:										
Governmental Activities:										
Charges for Services:		\$ 8,620								
Pupil Transportation	\$ 45,825	44,629	\$ 41,860	\$ 41,720	\$ 44,880	\$ 44,965	\$ 31,170	\$ 34,270	\$ 29,340	\$ 138,831
Special Schools				537,562	494,451	456,147	413,764	361,657	303,585	
Student and Related Services	685,172	643,470	835,562	537,562	494,451	456,147	413,764	361,657	303,585	
Interest on Long Term Debt	6,471,079	7,306,680	6,640,418	6,135,569	6,327,930	6,342,621	18,615,486	17,007,660	14,373,941	14,971,515
Operating Grants and Contributions	7,202,076	8,003,399	7,517,840	6,714,851	6,867,261	6,843,733	19,060,420	17,403,587	14,706,866	15,110,346
Total Governmental Activities Program Revenues										

DUMONT BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues:										
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 401,362	\$ 274,160	\$ 274,465	\$ 227,743	\$ 249,297	\$ 261,179	\$ 269,764	\$ 280,123	\$ 194,879	\$ 194,879
Operating grants and contributions	133,197	127,064	137,295	135,571	138,135	134,745	139,194	134,940	136,357	\$ 842,674
Total Business-Type Activities Program Revenues	534,559	401,224	411,760	363,314	387,432	395,924	408,958	415,063	331,236	842,674
Total District Program Revenues	\$ 7,736,635	\$ 8,404,623	\$ 7,929,600	\$ 7,078,165	\$ 7,254,693	\$ 7,239,657	\$ 19,469,378	\$ 17,818,650	\$ 15,038,102	\$ 15,953,020
Net (Expense)/Revenue:										
Governmental Activities	\$ (36,101,619)	\$ (37,331,790)	\$ (39,285,065)	\$ (38,371,890)	\$ (38,269,050)	\$ (39,753,065)	\$ (42,643,022)	\$ (41,391,966)	\$ (42,465,510)	\$ (41,960,464)
Business-Type Activities	21,703	(25,545)	(4,634)	(15,177)	(9,650)	(6,278)	(4,467)	(13,938)	(35,899)	295,337
Total District-Wide Net Expense	\$ (36,079,916)	\$ (37,357,335)	\$ (39,289,699)	\$ (38,387,067)	\$ (38,278,700)	\$ (39,759,343)	\$ (42,647,489)	\$ (41,405,904)	\$ (42,501,409)	\$ (41,665,127)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 31,518,332	\$ 31,672,915	\$ 32,306,373	\$ 32,952,500	\$ 33,611,550	\$ 34,196,740	\$ 34,880,675	\$ 35,578,289	\$ 36,289,855	\$ 37,015,652
Taxes Levied for Debt Service	1,046,474	1,102,374	1,117,039	1,219,948	1,190,883	1,232,021	1,289,529	1,360,467	1,424,377	1,701,888
Federal and State Aid not Restricted	6,779,311	6,775,536	6,839,846	6,889,721	6,683,045	6,913,692	6,944,142	6,925,756	6,952,694	7,049,012
Investment Earnings	6,354	23,010	25,131	17,711	24,238	29,942	38,558	116,108	93,633	3,627
Restricted Miscellaneous Income										81,949
Miscellaneous Income	461,112	192,587	470,649	109,383	187,299	543,612	104,133	1,132,380	98,849	66,307
Other Items	(32,268,131)		2,637,986	(13,508)	(12,014)					
Total Governmental Activities	7,543,452	39,766,422	43,397,024	41,175,755	41,685,001	42,916,007	43,257,037	45,113,000	44,859,408	45,918,435
Business-Type Activities:										
Investment Earnings	257	313	194	183	125	126	156	236	141	59
Total Business-Type Activities	257	313	194	183	125	126	156	236	141	59
Total District-Wide	\$ 7,543,709	\$ 39,766,735	\$ 43,397,218	\$ 41,175,938	\$ 41,685,126	\$ 42,916,133	\$ 43,257,193	\$ 45,113,236	\$ 44,859,549	\$ 45,918,494
Change in Net Position:										
Governmental Activities	\$ (28,558,167)	\$ 2,434,632	\$ 4,111,959	\$ 2,803,865	\$ 3,415,951	\$ 3,162,942	\$ 614,015	\$ 3,721,034	\$ 2,393,898	\$ 3,957,971
Business-Type Activities	21,960	(25,232)	(4,440)	(14,994)	(9,525)	(6,152)	(4,311)	(13,702)	(35,758)	295,396
Total District	\$ (28,536,207)	\$ 2,409,400	\$ 4,107,519	\$ 2,788,871	\$ 3,406,426	\$ 3,156,790	\$ 609,704	\$ 3,707,332	\$ 2,358,140	\$ 4,253,367

Source: School District Financial Reports

DUMONT BOROUGH SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 UNAUDITED

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021
General Fund:										
Restricted	\$ 1,665,163	\$ 2,711,028	\$ 3,754,580	\$ 3,638,769	\$ 4,372,239	\$ 5,183,601	\$ 5,683,546	\$ 6,172,052	\$ 6,243,077	\$ 8,361,237
Assigned	2,682,547	2,614,832	1,567,822	1,873,071	3,257,580	4,016,335	2,232,597	2,456,844	2,647,217	1,833,322
Unassigned	255,228	251,021	360,468	294,325	179,633	252,923	266,709	481,296	242,447	1,355,435
Total General Fund	\$ 4,602,938	\$ 5,576,881	\$ 5,682,870	\$ 5,806,165	\$ 7,809,452	\$ 9,452,859	\$ 8,182,852	\$ 9,110,192	\$ 9,132,741	\$ 11,549,994
All Other Governmental Funds:										
Restricted for:										
Special Revenue Fund									\$ 237,201	\$ 214,750
Capital Projects Fund	\$ 41,546		\$ 1,788,535	\$ 242,092	\$ 164,038	\$ 103,776				
Debt Service Fund	1	\$ 1	1	4,295	4,294					
Permanent Fund								\$ 1,021,508	1,015,521	1,000,000
Unreserved, Reported In:										
Capital Projects Fund/(Deficit)	387,150	44,133	1,481,176	2,514,657	1,889,862	212,485				
Total All Other Governmental Funds	\$ 428,697	\$ 44,134	\$ 3,269,712	\$ 2,761,044	\$ 2,058,194	\$ 316,261	\$ 1,021,508	\$ 1,021,508	\$ 1,252,722	\$ 1,214,750
Total All Governmental Funds	\$ 5,031,635	\$ 5,621,015	\$ 8,952,582	\$ 8,567,209	\$ 9,867,646	\$ 9,769,120	\$ 8,182,852	\$ 10,131,700	\$ 10,385,463	\$ 12,764,744

* - Restated

Source: School District Financial Reports

DUMONT BOROUGH SCHOOL DISTRICT
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
Revenues:										
Tax Levy	\$ 33,249,978	\$ 33,418,758	\$ 34,058,974	\$ 34,710,010	\$ 35,296,884	\$ 35,884,909	\$ 36,583,968	\$ 37,300,413	\$ 38,017,817	\$ 38,717,540
Tuition Charges	60,613	28,484	2,723	3,433			17,238			
Transportation Fees from Individuals					24,237	29,942	38,558	116,107	93,634	3,627
Interest Earnings		23,010	25,131	17,711						276,186
Restricted Miscellaneous Revenue	448,324	210,732	509,786	147,670	232,179	588,577	135,303	1,149,413	128,189	65,186
Miscellaneous Revenue	11,929,592	13,278,785	12,878,148	12,229,971	12,329,755	12,402,865	12,536,573	16,166,795	16,838,402	18,462,641
State Sources	1,318,798	801,431	802,115	795,319	881,220	853,447	818,623	872,034	748,963	1,202,949
Federal Sources										
Total Revenue	47,013,659	47,769,821	48,276,877	47,904,114	48,764,275	49,759,740	50,113,025	55,622,000	55,827,005	58,728,129
Expenditures:										
Instruction:										
Regular Instruction	13,831,986	13,663,993	14,742,046	14,374,284	14,101,417	14,371,981	16,106,686	14,556,653	15,049,547	15,503,666
Special Education Instruction	2,883,292	2,857,477	2,870,123	2,830,992	2,978,638	3,029,626	3,148,149	3,004,959	3,256,093	3,341,840
Other Special Instruction										1,309,761
Other Instruction	1,724,808	1,779,061	1,805,295	1,855,977	1,918,067	1,900,647	2,073,056	1,968,128	2,082,481	699,989
Support Services:										
Tuition	4,056,892	4,216,649	4,561,076	4,415,235	4,107,192	3,825,146	5,083,155	4,747,207	5,071,557	5,213,795
Student and Instruction Related Services	3,132,175	3,179,110	3,228,965	3,138,379	3,222,633	3,188,766	3,380,590	3,344,563	3,512,206	3,591,289
School Administrative Services	2,271,983	2,319,265	2,363,710	2,425,770	2,390,323	2,463,528	2,520,526	2,576,286	2,617,682	2,645,865
General Administrative Services	1,123,342	1,217,915	1,249,479	1,262,262	1,415,673	1,450,134	1,439,607	1,452,759	1,623,141	735,028
Central Services:										
Administrative Information Technology										458,829
Plant Operations and Maintenance	3,662,725	3,980,342	3,835,731	3,927,273	4,071,716	4,286,313	4,063,619	4,491,010	4,061,787	4,186,563
Pupil Transportation	590,435	590,759	755,947	718,579	793,706	804,021	808,689	879,848	781,104	586,208
Unallocated Benefits	9,128,368	10,646,321	10,271,071	9,271,624	9,222,444	9,542,873	9,960,572	13,890,105	14,991,230	15,283,100
Special Schools	40,738	39,631	38,145	41,719	41,864	44,806	29,925	34,270	29,340	
Charter Schools	9,718	6,696	33,303	16,082	80,028	81,379	72,553	73,268	67,830	65,367
Capital Outlay	1,018,441	1,086,127	757,498	2,191,878	1,369,429	3,567,628	1,254,370	876,121	1,291,246	516,604
Debt Service:										
Principal	1,035,000	1,090,000	1,140,000	1,295,000	1,180,000	1,225,000	1,275,000	1,345,000	1,405,000	1,445,000
Interest and Other Charges	747,395	707,095	664,608	510,926	558,695	521,420	482,795	432,975	380,015	314,085
Total Expenditures	45,257,298	47,380,441	48,316,997	48,275,979	47,451,824	50,303,266	51,699,292	53,673,152	56,220,258	56,348,848
Excess (Deficiency) of revenues over (under) expenditures	1,756,361	389,380	(40,120)	(371,865)	1,312,451	(543,526)	(1,586,267)	1,948,848	(393,253)	2,379,281

DUMONT BOROUGH SCHOOL DISTRICT
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
Other Financing sources (uses)										
Capital Leases	\$ 466,900		\$ 25,460			\$ 445,000				
Lease Purchase Agreements	156,059		1,678,241	\$ (13,508)		16,782,401				
New Jersey School Development Authority Grants	(105,048)		1,667,986			1,667,986				
New Jersey School Development Authority Grants - Cancelled				\$ (12,014)						
Total other financing sources (uses)	517,911		3,371,687	(13,508)	(12,014)	18,895,387				
Net Change in Fund Balances	\$ 2,274,272	\$ 389,380	\$ 3,331,567	\$ (385,373)	\$ 1,300,437	\$ 18,351,861	\$ (1,586,267)	\$ 1,948,848	\$ (393,253)	\$ 2,379,281
Debt Service as a Percentage of Noncapital Expenditures	4.03 %	3.88 %	3.79 %	3.92 %	3.77 %	3.74 %	3.48 %	3.37 %	3.25 %	3.15 %

Source: School District Financial Reports

DUMONT BOROUGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Rentals - Use of Facilities	Lease			Preschool Inclusion Fee	Other	Restricted Unemployment Compensation	Total
				Rentals - Use of Facilities	Purchase Proceeds	School Enrichment				
2012	\$ 6,354	\$ 60,613	\$ 25,000	\$ 278,847	\$ 45,825	\$ 68,620	\$ 26,088	\$	\$ 511,348	
2013			25,000	44,629	44,629	63,525	77,578		210,732	
2014	25,131	2,723	25,000		41,860	70,100	372,826		537,640	
2015	17,711	3,433	27,586		41,720	68,440	9,924		168,814	
2016	24,237		112,780		44,880	67,330	7,189		256,416	
2017	29,942		25,000	445,000	44,965	63,687	9,924		618,519	
2018	38,558		25,000		31,170	68,450	10,683		173,861	
2019	94,600	17,238	26,250		34,270	69,670	19,223		261,251	
2020	79,620		27,000		29,340	59,678	12,171		207,809	
2021	3,627					48,420	16,766	\$ 81,949	\$ 150,762	

Source: Dumont Botough School District records.

DUMONT BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land		Residential		Farm Regular		Commercial		Industrial		Apartment		Total Assessed Value		Public Utilities ^a		Net Valuation Taxable		Total Direct School Tax Rate ^b		Estimated Actual (County Equalized Value)		
		\$		\$		\$		\$		\$		\$		\$		\$		\$			\$		
2011		1,091,400		1,910,303,100		10,500		103,644,800		5,710,900		65,083,900		2,085,844,600		5,145,503		2,090,990,103		1.575		\$	2,133,727,587
2012	*	896,500		1,528,027,300		1,100		94,785,200		6,056,100		61,151,600		1,690,897,800		100		1,690,897,900		1.972		\$	1,862,289,135
2013		896,500		1,527,693,640		1,100		93,990,100		5,877,600		61,131,600		1,689,590,540		114		1,689,590,654		1.997		\$	1,921,251,025
2014		1,369,500		1,527,922,840		1,100		93,790,100		5,877,600		60,617,800		1,689,578,940		114		1,689,579,054		2.036		\$	1,858,447,895
2015		1,536,500		1,528,500,940				93,503,400		5,877,600		60,637,700		1,690,056,140		93		1,690,056,233		2.071		\$	1,822,663,352
2016		1,763,400		1,528,291,040				93,442,300		5,803,300		59,758,400		1,689,058,440		89		1,689,058,529		2.107		\$	1,890,027,952
2017		1,887,700		1,528,265,740				92,890,500		5,778,300		59,758,400		1,688,580,640				1,688,580,640		2.146		\$	1,971,858,768
2018		2,051,700		1,527,454,240				94,030,500		5,778,300		59,610,100		1,688,924,840				1,688,924,640		2.188		\$	2,005,008,702
2019*		1,911,400		1,528,415,340				94,013,200		5,778,300		59,643,700		1,689,761,940				1,689,761,940		2.229		\$	2,070,497,368
2020		1,277,000		1,529,573,340				94,101,400		5,778,300		59,648,200		1,690,378,240				1,690,378,240		2.270		\$	2,148,782,254

* - Revaluation effective.

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

^b Tax rates are per \$100 of assessed value.

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

Source: Municipal Tax Assessor

DUMONT BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(RATE PER \$100 OF ASSESSED VALUE)
UNAUDITED

Year Ended December 31,	Dumont Public Schools Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Dumont	Bergen County	
2011	1.490	0.085	1.575	0.753	0.213	2.541
2012	* 1.867	0.105	1.972	0.968	0.242	3.182
2013	1.891	1.060	1.997	0.990	0.261	3.248
2014	1.929	0.107	2.036	1.005	0.257	3.298
2015	1.964	0.107	2.071	1.033	0.260	3.364
2016	2.007	0.100	2.107	1.061	0.275	3.443
2017	2.046	0.100	2.146	1.085	0.294	3.525
2018	2.088	0.102	2.188	1.116	0.290	3.594
2019	2.127	0.102	2.229	1.142	0.298	3.669
2020	2.169	0.101	2.270	1.173	0.316	3.759

* - Revaluation effective

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

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

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 calculation.

Source: Municipal Tax Collector and School Business Administrator

DUMONT BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2020		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Dumont Terrace Apartments	\$ 17,077,000	1	1.01 %
UB Dumont, LLC	9,415,500	2	0.56 %
Merrit Associates	8,324,331	3	0.49 %
NJ CVS Pharmacy, LLC	4,624,500	4	0.27 %
72nd Street-Broadway Realty	4,389,317	5	0.26 %
Kent Apartments of Dumont	3,531,300	6	0.21 %
DMP Dumont, LLC	3,128,200	7	0.19 %
Adamiak Family LTD Partnership	2,894,500	8	0.17 %
Birchwood Gardens	2,720,800	9	0.16 %
B.S.S. Association LLC	2,621,631	10	0.16 %
	<u>\$ 58,727,079</u>		<u>3.48%</u>
Taxpayer	2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Dumont Terrace Apartments	\$ 18,031,100	1	0.87 %
UB Dumont, LLC	N/A	2	N/A
Merrit Associates	9,000,000	3	0.43 %
NJ CVS Pharmacy, LLC	N/A	4	N/A
72nd Street-Broadway Realty	N/A	5	N/A
Kent Apartments of Dumont	3,570,000	6	0.17 %
DMP Dumont, LLC	N/A	7	N/A
Adamiak Family LTD Partnership	3,342,000	8	0.16 %
Birchwood Gardens	2,950,000	9	0.14 %
B.S.S. Association LLC	N/A	10	N/A
Total	<u>\$ 36,893,100</u>		<u>1.78%</u>

Source: Municipal Tax Assessor

DUMONT BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 33,249,978	\$ 33,249,978	100.00 %	\$ -0-
2013	33,418,758	33,418,758	100.00 %	-0-
2014	34,058,974	34,058,974	100.00 %	-0-
2015	34,710,010	34,710,010	100.00 %	-0-
2016	35,296,884	35,296,884	100.00 %	-0-
2017	35,884,909	35,884,909	100.00 %	-0-
2018	36,583,968	36,583,968	100.00 %	-0-
2019	37,300,413	37,300,413	100.00 %	-0-
2020	38,017,817	38,017,817	100.00 %	-0-
2021	38,717,540	38,717,540	100.00 %	-0-

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

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

DUMONT BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Capital Leases			
2012	\$ 17,485,000.00	\$ 809,965	\$ -0-	\$ 18,294,965	1.44 %	\$ 1,041
2013	16,395,000	466,555	-0-	16,861,555	1.33 %	957
2014	14,285,000	1,639,261	-0-	15,924,261	1.21 %	903
2015	12,990,000	1,162,935	-0-	14,152,935	1.03 %	800
2016	11,810,000	724,440	-0-	12,534,440	0.89 %	710
2017	10,585,000	738,466	-0-	11,323,466	0.78 %	640
2018	9,310,000	405,177	-0-	9,715,177	0.64 %	552
2019	7,965,000	179,289	-0-	8,144,289	0.52 %	465
2020	6,560,000	90,248	-0-	6,650,248	0.42 %	378
2021	5,115,000	-0-	-0-	5,115,000	0.33 %	291

^a See 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 Loan Revenue Bonds and Energy Savings Improvement Bonds

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

Source: Dumont School District Financial Reports

DUMONT BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds ^a	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 17,485,000	\$ -0-	\$ 17,485,000	0.84 %	\$ 995
2013	16,395,000	-0-	16,395,000	0.97 %	931
2014	14,285,000	-0-	14,285,000	0.85 %	810
2015	12,990,000	-0-	12,990,000	0.77 %	735
2016	11,810,000	-0-	11,810,000	0.70 %	669
2017	10,585,000	-0-	10,585,000	0.63 %	599
2018	9,310,000	-0-	9,310,000	0.55 %	529
2019	7,965,000	-0-	7,965,000	0.47 %	455
2020	6,560,000	-0-	6,560,000	0.39 %	373
2021	5,115,000	-0-	5,115,000	0.30 %	291

^a Includes Early Retirement Incentive Loan Revenue Bonds

^b See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^c See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

Source: Dumont School District Financial Reports

DUMONT BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Dumont General Debt	\$ 41,901,413	100%	\$ 41,901,413
Bergen County General Obligation Debt	954,754,121	2.155%	20,572,381
Subtotal, Overlapping Debt as of December 31, 2020			62,473,794
Dumont Public Schools Direct Debt			6,560,000
Total Direct And Overlapping Debt			\$ 69,033,794

^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 value.

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 Dumont. 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 unit.

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

DUMONT BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis
	2018 \$ 2,067,227,466
	2019 2,145,729,448
	2020 2,236,245,853
	\$ 6,449,202,767
Average Equalized Valuation of Taxable Property	\$ 2,149,734,256
Debt Limit (4% of Average Equalization Value)	\$ 85,989,370 ^a
Net Bonded School Debt	5,115,000
Legal Debt Margin	\$ 80,874,370

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt Limit	\$ 75,720,714	\$ 78,153,596	\$ 80,530,442	\$ 82,870,741	\$ 85,989,370
Total Net Debt Applicable to Limit	10,585,000	9,310,000	7,965,000	6,560,000	5,115,000
Legal Debt Margin	\$ 65,135,714	\$ 68,843,596	\$ 72,565,442	\$ 76,310,741	\$ 80,874,370
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.98 %	11.91 %	9.89 %	7.92 %	5.95 %

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 85,489,455	\$ 81,044,831	\$ 77,467,283	\$ 74,617,962	\$ 74,199,035
Total Net Debt Applicable to Limit	17,485,000	16,395,000	14,285,000	12,990,000	11,810,000
Legal Debt Margin	\$ 68,004,455	\$ 64,649,831	\$ 63,182,283	\$ 61,627,962	\$ 62,389,035
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.45 %	20.23 %	18.44 %	17.41 %	15.92 %

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

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

DUMONT BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Bergen County Per Capita Personal Income ^b	Borough of Dumont Personal Income ^c	Unemployment Rate ^d
2012	17,569	\$ 72,164	\$ 1,267,849,316	6.3 %
2013	17,616	71,699	1,263,049,584	7.6 %
2014	17,640	74,480	1,313,827,200	5.2 %
2015	17,681	77,767	1,374,998,327	4.5 %
2016	17,656	79,407	1,402,009,992	4.1 %
2017	17,685	81,676	1,444,440,060	3.8 %
2018	17,615	86,404	1,522,006,460	3.0 %
2019	17,518	89,456	1,567,090,208	2.6 %
2020	17,581	89,456 *	1,572,725,936 ***	9.3 %
2021	17,581 **	89,456 *	1,572,725,936 ***	N/A

* - Latest Bergen County per capita personal income available (2019) was used for calculation purposes.

** - Latest population data available (2020) was used for calculation purposes.

*** - Latest available population data (2020) and latest available Bergen County per capita personal income (2019) was used for calculation purposes.

N/A - Information unavailable.

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

^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^c Personal income has been estimated based upon the municipal population and per capita personal income presented

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

DUMONT BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF BERGEN
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2020		
	Employees	Rank (Optional)	Percentage of Total Employment
Hackensack University Medical Center	9,000	1	N/A
Valley Health Systems, Inc.	4,660	2	N/A
Bio-Reference Laboratories	2,900	3	N/A
Express Scripts	2,676	4	N/A
Quest Diagnostics	2,700	5	N/A
KPMG LLP	2,100	6	N/A
Englewood Hospital and Medical	2,002	7	N/A
Englewood Hospital Home Health Care	1,985	8	N/A
Unilever Best Foods	N/A	9	N/A
Stryker	N/A	10	N/A
Total Employment	28,023		

Employer	2011		
	Employees	Rank (Optional)	Percentage of Total Employment
Hackensack University Medical Center	N/A	1	N/A
Valley Health Systems, Inc.	N/A	2	N/A
Medco Solutions, Inc.	N/A	3	N/A
Quest Diagnostics	N/A	4	N/A
Bio-Reference Laboratories	N/A	5	N/A
Englewood Hospital and Medical	N/A	6	N/A
Becton Dickinson and Co	N/A	7	N/A
Englewood Hospital Home Health Care	N/A	8	N/A
Unilever Best Foods	N/A	9	N/A
Stryker	N/A	10	N/A
Total Employment			

Source: County of Bergen

DUMONT BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction	185	189	190	191	188	186	184	183	179	179
Regular	5	5	5	5	5	5	6	7	7	7
Special Education	15	15	15	15	19	19	23	23	23	23
Other Instruction										
Support Services:										
Student & Instruction Related Services	49	50	50	50	50	52	58	58	61	61
General Administrative Services	3	3	3	3	3	3	3	3	3	3
School Administrative Services	22	22	22	22	22	22	22	22	22	22
Other Administrative Services	2	2	2	2	2	2	2	2	2	2
Central Services	2	2	2	2	2	2	2	2	2	2
Administrative Information Technology	3	3	3	3	3	3	3	3	3	3
Plant Operations and Maintenance	34	34	34	34	34	34	34	34	34	34
Pupil Transportation	6	6	6	6	6	7	7	7	7	7
Other Support Services	4	4	4	4	4	4	4	4	4	4
Total	330	335	336	337	338	339	348	348	347	347

Source: Dumont Borough School District Personnel records.

DUMONT BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment ^d	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Teacher/Pupil Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change Average Daily Enrollment	Student Attendance Percentage
						Elementary School	High School				
2012	2,713	42,456,462	15,649	2.91 %	210	1:11.6	1:11.5	2,691	2,593	-2.24 %	96.37 %
2013	2,686	44,497,219	16,566	5.86 %	214	1:11.2	1:11.4	2,664	2,547	-1.01 %	95.59 %
2014	2,637	45,754,892	17,351	4.74 %	215	1:11.5	1:11.7	2,613	2,508	-1.91 %	95.99 %
2015	2,610	44,278,175	16,965	-2.22 %	216	1:12.1	1:12.0	2,578	2,473	-1.35 %	95.93 %
2016	2,552	44,343,700	17,376	2.42 %	217	1:11.8	1:12.0	2,552	2,499	-1.01 %	97.93 %
2017	2,512	44,989,218	17,910	3.07 %	215	1:11.1	1:12.0	2,487	2,380	-2.56 %	95.71 %
2018	2,526	51,474,100	20,378	13.78 %	213	1:11.1	1:12.0	2,489	2,380	0.11 %	95.61 %
2019	2,514	51,019,056	20,294	-0.41 %	213	1:11.5	1:12.0	2,487	2,372	-0.10 %	95.39 %
2020	2,556	53,143,997	20,792	2.45 %	209	1:11.8	1:12.0	2,528	2,442	1.64 %	96.63 %
2021	2,460	54,073,159	21,981	5.72 %	209	1:11.8	1:12.0	2,464	2,393	-2.52 %	97.11 %

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost per Pupil may be different from other Cost per Pupil calculations.

^c Teaching staff includes only full-time equivalents of certificated staff.

^d Enrollment, average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Dumont Borough School District records.

DUMONT BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Lincoln Elementary School (K-5)(1911)										
Square Feet	40,900	40,900	40,900	40,900	40,900	40,900	40,900	40,900	40,900	40,900
Capacity (students)	234	234	234	234	234	234	234	234	234	234
Enrollment	216	206	209	200	200	183	181	152	163	156
Grant Elementary School (K-5)(1911)										
Square Feet	55,880	55,880	55,880	55,880	55,880	55,880	55,880	55,880	55,880	55,880
Capacity (students)	446	446	446	446	446	446	446	446	446	446
Enrollment	421	382	368	362	362	366	370	363	387	396
Lovell J. Honiss School (K-8)(1955)										
Square Feet	68,452	68,452	68,452	68,452	68,452	68,452	68,452	68,452	68,452	68,452
Capacity (students)	519	519	519	519	519	519	519	519	519	519
Enrollment	712	681	679	667	667	623	614	611	643	635
Charles A. Selzer School (K-8) (1961)										
Square Feet	58,612	58,612	58,612	58,612	58,612	58,612	58,612	58,612	58,612	58,612
Capacity (students)	514	514	514	514	514	514	514	514	514	514
Enrollment	537	532	515	533	533	523	520	521	537	492
Dumont High School (1929)										
Square Feet	142,756	142,756	142,756	142,756	142,756	142,756	142,756	142,756	142,756	142,756
Capacity (students)	530	530	530	530	530	530	530	530	530	530
Enrollment	914	857	830	807	807	808	800	801	815	781
Central Administration (1977)										
Square Feet	6,501	6,501	6,501	6,501	6,501	6,501	6,501	6,501	6,501	6,501
Maintenance Building (1992)										
Square Feet	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Number of Schools at June 30, 2021										
Elementary K-5 = 2										
Elementary K-8 = 2										
High School = 1										
Other = 0										

Note: Enrollment is based on the annual October district count.

Source: Dumont Borough School District Facilities Office.

DUMONT BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

Undistributed Expenditures - Required
 Maintenance For School Facilities
 11-000-261-xxx

<u>Fiscal Year Ended June 30,</u>	<u>Dumont High School</u>	<u>Grant School</u>	<u>Lovell J. Honiss School</u>	<u>Lincoln School</u>	<u>Charles A. Selzer School</u>	<u>Total</u>
2012	\$ 162,793	\$ 63,723	\$ 78,060	\$ 46,641	\$ 66,839	\$ 418,056
2013	168,324	65,888	80,712	48,225	69,110	432,259
2014	170,671	66,807	81,837	48,898	70,073	438,286
2015	165,022	64,596	79,129	47,279	67,754	423,780
2016	164,303	63,193	80,045	46,342	67,406	421,289
2017	174,058	66,945	84,798	49,094	71,408	446,303
2018	193,985	74,610	94,506	54,713	79,584	497,398
2019	200,490	97,675	82,253	77,112	56,547	514,077
2020	168,537	64,822	82,108	47,535	69,144	432,146
2021	198,027	76,164	96,474	55,852	81,242	507,759

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

Source: Dumont Borough School District records.

DUMONT BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School Board Insurance Group:		
Property - Blanket Building & Contents	\$ 103,051,562	\$ 5,000
Comprehensive General Liability	2,000,000	
Employee Benefits Liability	1,000,000	1,000
Boiler and Machinery	100,000,000	1,000
Environmental Legal Liability	1,000,000	15,000
Commercial Automobile Liability	1,000,000	1,000/1,000
Worker's Compensation (Employer's Liability)	1,000,000	
Commercial Umbrella Liability	9,000,000	10,000
Pollution Liability	4,000,000	15,000
Cyber Liability	6,000,000	15,000/25,000
Excess Liability (Excess of 10,800,000 unshared)	30,000,000	
Excess Liability (Excess of 40,000,000 shared)	25,000,000	
School Board Legal Liability	1,000,000	10,000/25,000
Employee Dishonesty	500,000	5,000
Surety Bonds:		
Board Secretary	500,000	
School Accident Insurance through Bollinger Speciality Group	5,000,000	
Volunteers of Boards of Education through Bollinger Speciality Group	250,000	

Source: Dumont Borough School District records.

SINGLE AUDIT SECTION



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Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Borough of Dumont School District
County of Bergen, New Jersey

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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Dumont, in the County of Bergen (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 the 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.

The Honorable President and Members
of the Board of Education
Borough of Dumont School District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 29, 2021
Mount Arlington, New Jersey

Nisivoccia, LLP

NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
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Report on Compliance For Each Major Federal and State Program
and Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Dumont Borough School District
County of Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Dumont Borough School District (the "District'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 fiscal year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the 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 fiscal year ended June 30, 2021.

The Honorable President and Members
of the Board of Education
Dumont Borough School District
Page 2

Report on Internal Control Over Compliance

Management of the 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 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 the Uniform Guidance and NJOMB 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 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Nisivoccia, LLP

NISIVOCCIA LLP

October 29, 2021
Mount Arlington, New Jersey

Kathryn L. Mantell

Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant

DUMONT BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Balance at June 30, 2021	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue
U.S. Department of Agriculture:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/19-6/30/20	\$ 38,566		\$ 10,959	\$ (10,959)			
Food Distribution Program	10.555	N/A	7/1/20-6/30/21	39,615		\$	(35,295)		\$ 4,320	
COVID-19 - Seamless Summer Option	10.555	N/A	3/1/20-6/30/20	94,368	\$ (8,209)		8,209			
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	752,184			(752,184)	\$ (241,508)		
Equipment Assistance Grant	10.579	N/A	7/1/20-6/30/21	6,915			(6,915)			
Total Child Nutrition Cluster				6,915	(8,209)	10,959	(805,353)	(241,508)	4,320	
Total U.S. Department of Agriculture				565,415	(8,209)	10,959	(805,353)	(241,508)	4,320	
U.S. Department of Treasury:										
Special Revenue Fund:										
Passed-through State Department of Education:										
Coronavirus Relief Fund Grant	21.019	CARES113022	8/26/20-6/30/21	95,891			(95,891)			
Total Coronavirus Relief Fund Grant				95,891			(95,891)			
U.S. Department of Education:										
Special Revenue Fund:										
Passed-through State Department of Education:										
Elementary and Secondary Education Act:										
Title I	84.010	ESEA113020	7/1/19-9/30/20	184,588	(29,048)		29,048			
Title I	84.010	ESEA113021	7/1/20-9/30/21	323,424			113,594	(136,059)		
Total Title I							142,642	(249,653)		
Title II A	84.367	ESEA113020	7/1/19-9/30/20	42,307	(13,168)		13,168			
Title II A	84.367	ESEA113021	7/1/20-9/30/21	50,851			35,090	(50,851)		
Total Title II							48,258	(50,851)		
Title III	84.365	ESEA113020	7/1/19-9/30/20	13,926	(1,253)		1,253			
Title III	84.365	ESEA113021	7/1/20-9/30/21	16,996			8,638	(16,996)	(8,358)	
Title III - Immigrant	84.365	ESEA113021	7/1/20-9/30/21	11,625			2,588	(11,625)	(9,037)	
Total Title III							12,479	(28,621)	(17,395)	
Title IV	84.424	ESEA113020	7/1/19-9/30/20	11,457			8,367			
Title IV	84.424	ESEA113021	7/1/20-9/30/21	13,576			10,504	(13,576)	(3,072)	
Total Title IV							18,871	(13,576)	(3,072)	
Education Stabilization Fund:										
COVID-19 - CARES Emergency Relief	84.425D	CARES113020	3/13/20-9/30/22	155,895			155,895	(155,895)		
COVID-19 - Digital Divide	84.425D	S425D200027	7/16/20-10/31/20	13,045			13,045	(13,045)		
Total Education Stabilization Fund				168,940			168,940	(168,940)		

DUMONT BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2020			Balance at June 30, 2021		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Provided to Subrecipients
U.S. Department of Education: (Cont'd)										
Special Revenue Fund: (Cont'd)										
Passed-through State Department of Education:										
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA113020	7/1/19-9/30/20	\$ 541,790	\$ (70,263)	\$ 70,263				
I.D.E.A. Part B, Basic	84.027	IDEA113020	7/1/20-9/30/21	574,196		524,542	\$ (574,196)	\$ (49,654)		
I.D.E.A. Preschool	84.173	IDEA113020	7/1/20-9/30/21	20,044		18,389	(20,044)	(1,655)		
Total Special Education Cluster					(70,263)	613,194	(594,240)	(51,309)		
Subtotal - Special Revenue Fund					(122,099)	1,100,275	(1,201,772)	(223,596)		
Total U.S. Department of Education					(122,099)	1,100,275	(1,201,772)	(223,596)		
U.S. Department of Health and Human Services:										
Medicaid Cluster:										
Medicaid Assistance Program	93.778	N/A	7/1/20-6/30/21	39,948		39,948	(39,948)			
Total U.S. Department of Health and Human Services/Medicaid Cluster						39,948	(39,948)			
Total Federal Awards					\$ (130,308)	\$ 10,959	\$ (2,047,073)	\$ (465,104)	\$ 4,320	\$ -0-

N/A - Not Applicable

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

DUMONT BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at		MEMO	
				June 30, 2020	June 30, 2021	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:							
General Fund State Aid:							
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 6,782,710	\$ (652,705)	\$ 652,705	\$	\$ 6,782,710
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	222,500	(21,411)	21,411		222,500
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	1,819,573	(175,099)	175,099		1,819,573
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	139,307	(13,406)	13,406		139,307
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/19-6/30/20	504,689	(504,689)	504,689		504,689
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	6,868,517		6,199,957	\$ (6,868,517)	6,868,517
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	222,500		200,843	(22,500)	222,500
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	1,819,573		1,642,461	(181,957)	1,819,573
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	139,307		125,747	(13,307)	139,307
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	779,455		50,552	(779,455)	779,455
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	1,512,423		1,512,423		1,512,423
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	1,689,233		1,689,233		1,689,233
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	5,289,645		5,289,645		5,289,645
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	100,643		100,643		100,643
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	2,416		2,416		2,416
Subtotal - General Fund				(1,367,310)	18,181,230	(18,423,712)	19,298,131
Debt Service Fund Aid:							
Debt Service Aid - State Support	21-495-034-5120-125	7/1/20-6/30/21	57,197		57,197		57,197
Subtotal - Debt Service Fund					57,197		57,197
Food Service Fund:							
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	3,423	(130)	130		3,423
COVID 19 - Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	37,321		29,140	(8,181)	37,321
Subtotal - Food Service Fund				(130)	29,270	(8,181)	40,744
Total State Department of Education				(1,367,440)	18,267,697	(18,518,230)	19,396,072
Total State Awards Subject to Single Audit Determination				\$ (1,367,440)	\$ 18,267,697	\$ (18,518,230)	\$ 20,121,151
Less: State Awards Not Subject to Single Audit Major Program Determination							
On-Behalf TPAF Pension System Contributions:							
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	(1,689,233)		(1,689,233)		1,689,233
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	(5,289,645)		(5,289,645)		5,289,645
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	(100,643)		(100,643)		100,643
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	(2,416)		(2,416)		2,416
Subtotal - On-Behalf TPAF Pension System Contributions					(7,081,937)		7,081,937
Total State Awards Subject to Single Audit Major Program Determination				\$ 1,185,760	\$ (1,436,293)		\$ (240,533)
N/A - Not Applicable/Available							

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Dumont Borough School District under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$18,268) for the general fund and (\$38,771) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Revenue from federal and state awards is 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	\$ 39,948	\$ 18,405,444	\$ 18,445,392
Special Revenue Fund	1,163,001		1,163,001
Debt Service Fund		57,197	57,197
Food Service Fund	805,353	37,321	842,674
Total Awards	<u>\$ 2,008,302</u>	<u>\$ 18,499,962</u>	<u>\$ 20,508,264</u>

DUMONT BOROUGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. INDIRECT COST RATE

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

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2021.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	C.F.D.A./ State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/20-9/30/21	\$ 574,196	\$ 574,196
I.D.E.A. Preschool	84.173	7/1/20-9/30/21	20,044	20,044
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/19-6/30/20	38,566	10,959
Food Distribution Program	10.555	7/1/20-6/30/21	39,615	35,295
COVID-19 - Seamless Summer Option	10.555	7/1/20-6/30/21	752,184	752,184
Equipment Assistance Grant	10.579	7/1/20-6/30/21	6,915	6,915
<u>State:</u>				
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	6,868,517	6,868,517
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	1,819,573	1,819,573
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	139,307	139,307

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

Summary of Auditors' Results: (Cont'd)

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for federal and state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

DUMONT BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

The District had no prior year audit findings.