

SCHOOL DISTRICT
OF
TOWNSHIP OF DENNIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Township of Dennis Board of Education

Dennis, New Jersey

For the Fiscal Year Ended June 30, 2022

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

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Township of Dennis Board of Education

Dennis, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

Township of Dennis Board of Education

Finance Department

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE TOWNSHIP OF DENNIS BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION

DENNIS TOWNSHIP

Susan Speirs
Superintendent

Teri J. Weeks
Business Administrator/Board Secretary



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

SCHOOL DISTRICT

February 21, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Township of Dennis Board of Education for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2021-2022 fiscal year with a June enrollment of 622 students, which is 20 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2021-22	622	3.32%
2020-21	602	4.88%
2019-20	574	2.87%
2018-19	558	.90%
2017-18	553	1.84%

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

For over two years our students missed out on significant amounts of in-person learning. We are still feeling the effects of this today. Our goals for this school year have been to continue to recapture lost learning opportunities. We must help students fill the gaps they are currently experiencing. Additionally, we must help our students move forward to acquire current grade level skills. These efforts will take the form of Summer and Afterschool Academies. In addition, through our Acceleration Teachers, we will offer small group instruction for challenged learners during the school day.

This year we added a new student learning screener. Three times a year, this provides teachers with valuable information about student strengths and weaknesses. It is being used to plan specific instruction. Through review of student testing data and careful planning, our classroom and our acceleration teachers will assist our students in acquiring the proper prerequisites to learn on grade level and beyond.

To address student engagement and social/emotional well-being, we have added more after school clubs and activities. Research shows that students who are involved in school activities do better in school and have less discipline concerns. Through the addition of more clubs and a Restorative Practices group, we are contributing to our students' mental health and interest in school. We have expanded our bus service from two to four days per week to ensure all students can stay after school and participate.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2022.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. INDEPENDENT AUDIT:

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

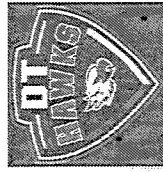
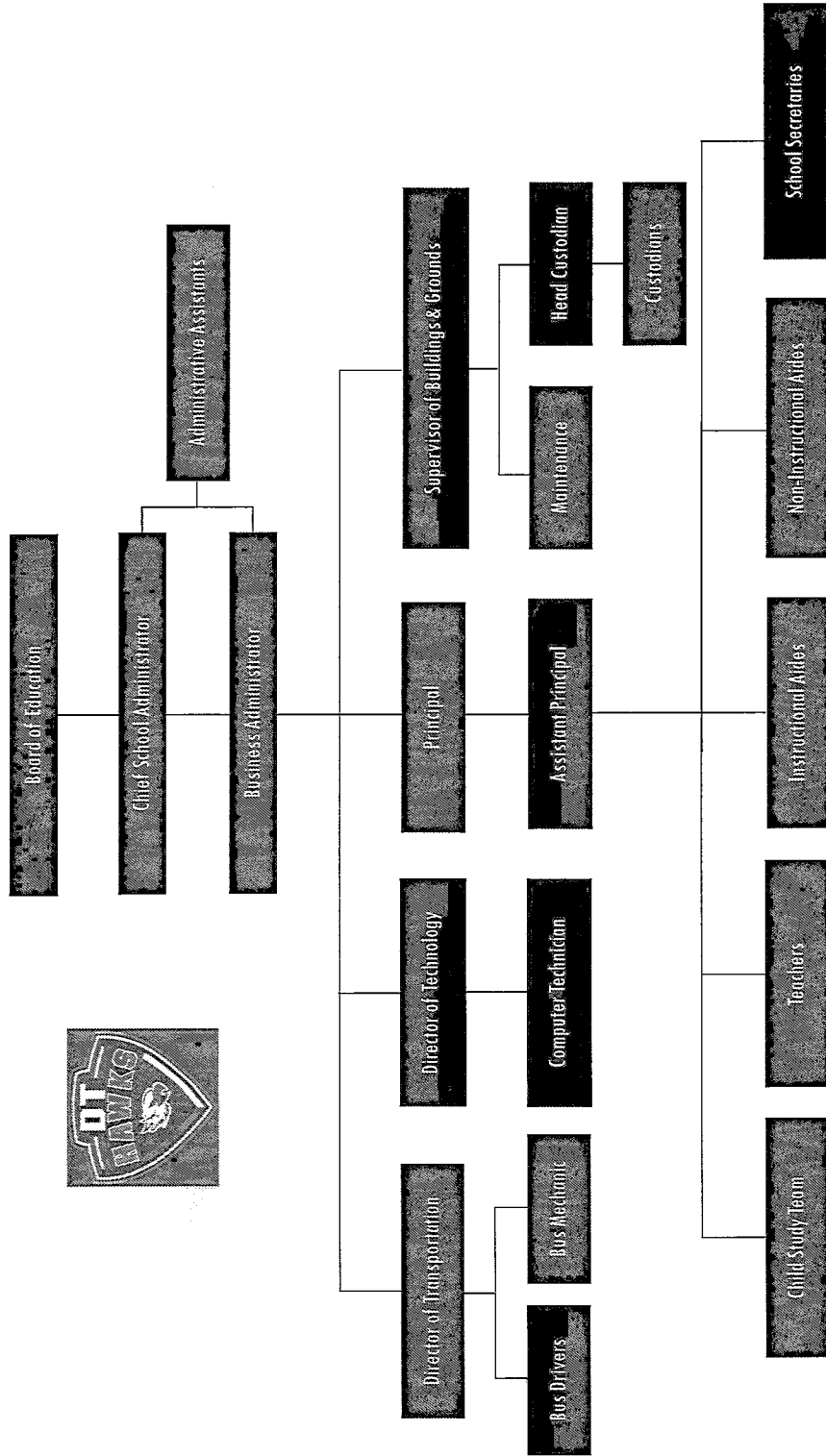
10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

Teri J. Weeks

Teri J. Weeks
Business Administrator/ Board Secretary



TOWNSHIP OF DENNIS BOARD OF EDUCATION

COUNTY OF CAPE MAY, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Nichol Hoff - President	2023
Mary Kate Garry - Vice President	2022
Claudia Miller	2023
Jamie Burrows	2023
Jeffrey Trout (To: December 31, 2021)	2021
Jeanne Donohue	2022
Mariam Khan	2024
Josepha Penrose	2022
Tami Kern	2024
Kristi Siekierski (From: January 1, 2022)	2024

Other Officials

Susan S. Speirs, Superintendent

Paige Sharp-Rumaker, Business Administrator

Kelly Brazelton, Treasurer

William Donio, Solicitor

TOWNSHIP OF DENNIS BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Sturdy Savings and Loan
1224 Route 47
Dennisville, NJ 08214

INSURANCE

N.J. School Boards Insurance Group
6000 Midlantic Dr
Suite 300 N
Mt. Laurel, NJ 08054

Conner Strong
PO Box 358
Bridgeton, NJ 08302

Utica National Insurance
PO Box 6532
Utica, NY 13504

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

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

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

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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 Dennis Township School District in the County of Cape May, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Dennis Township School District in the County of Cape May, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Dennis Township School District in the County of Cape May, State of New Jersey, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Dennis Township School District in the County of Cape May, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Dennis Township School District in the County of Cape May, State of New Jersey's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Dennis Township School District in the County of Cape May, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education of the Dennis Township School District in the County of Cape May, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

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

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report, as required by the Office of School Finance, Department of Education, State of New Jersey. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

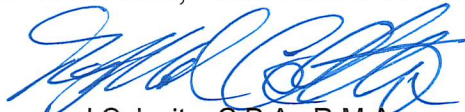
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2023 on our consideration of the Dennis Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Dennis Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Dennis Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



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

February 21, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

The discussion and analysis of Dennis Township School District's financial performance provide an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

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

Financial Highlights

Key financial highlights for 2022 are as follows:

- In total, net position increased \$1,796,163, which represents a 19.0% increase from 2021.
- General revenues accounted for \$18,591,974 in revenue or 88.6% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,397,429 or 11.4% of total revenues of \$20,989,403, which excludes the transfer to a charter school of \$63,930.
- Total assets amounted to \$16,021,609, comprised \$3,146,586 in cash, capital Assets of \$10,293,124, receivables & other assets of \$2,278,451 and deferred outflows of resources of \$303,448. Other assets was made up of \$2,268,416 in receivables and inventory of \$10,035.
- The School District had \$19,129,310 in expenses, of which \$2,397,429 of these expenses were offset by program specific charges for services, grants or contributions. Net General revenues (primarily taxes and state aid of \$18,528,044 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$18,154,253 in revenues and \$16,750,550 in expenditures.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

Reporting the School District as a Whole

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Changes in Net Position answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Funds

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's Governmental Activities net position for 2022 and 2021.

		Table 1			
		Net Position			
		<u>2022</u>	<u>2021</u>		
Assets					
Current and Other Assets	\$	5,425,037	\$	3,877,788	
Capital Assets		<u>10,293,124</u>		<u>10,578,082</u>	
Total Assets		<u>15,718,161</u>		<u>14,455,870</u>	
Deferred Outflows of Resources					
Loss on Refunding Bonds				7,705	
Deferred Outflows Related to Pensions		<u>303,448</u>		<u>523,884</u>	
Total Deferred Outflows		<u>303,448</u>		<u>531,589</u>	
Liabilities					
Long-Term Liabilities		2,662,837		3,432,930	
Other Liabilities		<u>607,002</u>		<u>680,261</u>	
Total Liabilities		<u>3,269,839</u>		<u>4,113,191</u>	
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions		<u>1,478,835</u>		<u>1,451,592</u>	
Net Position					
Net Investment in Capital Assets		10,191,915		10,218,119	
Restricted		3,085,325		3,140,836	
Unrestricted		<u>(2,004,305)</u>		<u>(3,936,279)</u>	
Total Net Position	\$	<u>11,272,935</u>	\$	<u>9,422,676</u>	

The District's Governmental Activities net position of \$11,056,801 on June 30, 2022, was an increase of \$1,634,125 or 17.3% from the prior year.

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

Table 2 shows changes in net position for fiscal years 2022 and 2021.

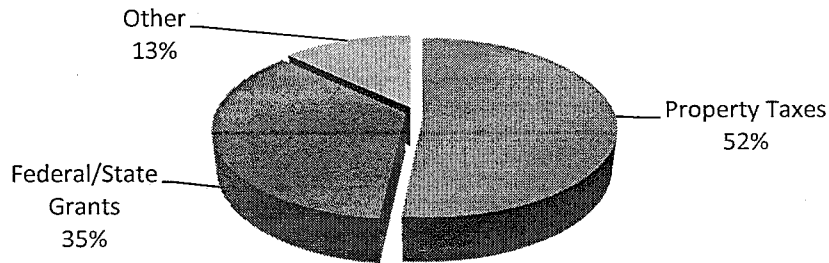
	2022	2021
Revenues		
Program Revenues:		
Charges for Services	\$ 236,213	\$ 61,340
Operating Grants and Contributions	2,161,216	1,874,958
General Revenues:		
Property Taxes	10,857,728	10,868,623
Grants and Entitlements	7,412,570	8,818,413
Other	321,676	247,014
Total Revenues	20,989,403	21,870,348
 Program Expenses		
Instruction	8,390,665	9,674,239
Support Services:		
Tuition	3,580,934	3,758,248
Related Services - Pupils and Instructional Staff	2,514,837	2,405,083
General Administration, School Administration	1,008,831	1,266,062
Central Operations and Maintenance	2,125,575	2,134,566
Pupil Transportation	1,137,079	1,271,476
Interest on Debt	14,086	37,653
Food Service	251,812	165,133
Community Education Program	105,491	26,523
Total Expenses	19,129,310	20,738,983
Excess of Revenues over Expenditures	1,860,093	1,131,365
Less:		
Transfer to Charter School	(63,930)	(50,448)
Fixed Asset Adjustment		
Increase (Decrease) in Net Position	\$ 1,796,163	\$ 1,080,917

Governmental Activities

Property taxes made 51.7% of revenues for governmental activities for the Dennis Township School District for fiscal year 2022. The District's total revenues were \$20,989,403 for the year ended June 30, 2022. Federal, state, and local grants accounted for another 35.3% of revenue.

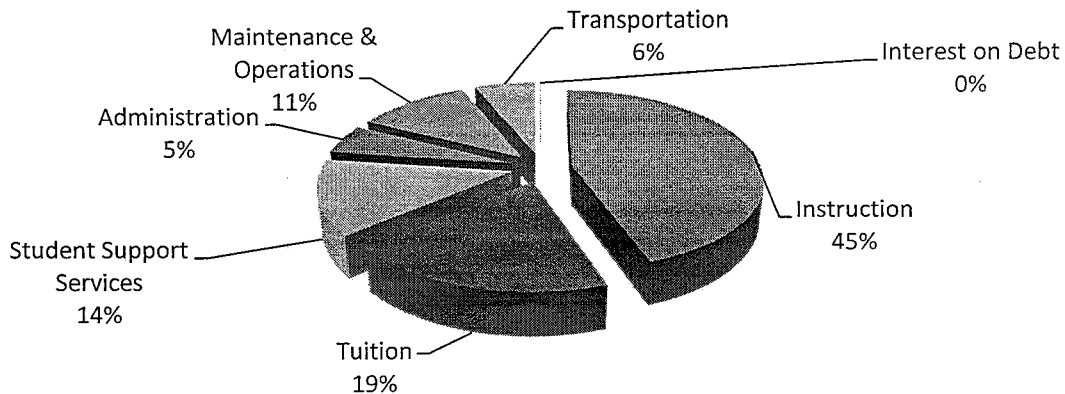
DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Revenue for Fiscal year 2022



The total cost of all program and services was \$19,129,310, of which \$18,772,007 were for governmental activities. The distribution of governmental activity expenditures is as follows:

Expenses for Fiscal Year 2022



Business-Type Activities

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

- Food service revenues exceeded expenses by \$152,758 and Community Education expenses exceeded revenues by \$9,271.
- Charges for food services represent \$764 of revenue, which reflects the affects of the pandemic. This represents amounts paid by patrons for daily food service. Charges for Community Education represent \$114,762 of revenue. This represents amounts paid by patrons for daycare services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$403,806.

Governmental Activities

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

Table 3

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Instruction	\$ 8,390,665	\$ 7,455,362	\$ 9,674,239	\$ 8,470,012
Support Services:				
Tuition	3,580,934	3,580,934	3,758,248	3,758,248
Pupils and Instructional Staff	2,514,837	1,572,043	2,405,083	1,862,640
General & School Administration	1,514,792	1,514,792	1,266,062	1,266,062
Plant Operation & Maint of Facilities	1,619,614	1,619,614	2,134,566	2,134,566
Pupil Transportation	1,137,079	1,137,079	1,271,476	1,271,476
Interest and Fiscal Charges	14,086	14,086	37,653	37,653
Total Expenses	<u>\$ 18,772,007</u>	<u>\$ 16,893,910</u>	<u>\$ 19,216,139</u>	<u>\$ 18,136,510</u>

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

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

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

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

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

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

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

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$20,410,303 expenditures were \$19,175,164. The increase in fund balance for the year was \$1,235,139.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2022, and the amount and percentage of increases and decreases in relation to prior year revenues.

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

Revenue	Amount	Percent of Total	Increase (Decrease) from 2021	Percent of Increase (Decrease)
Local Sources	\$ 11,445,278	56%	\$ 219,566	2%
State Sources	8,391,022	41%	703,571	9%
Federal Sources	574,003	3%	(224,206)	-28%
Total \$	<u>20,410,303</u>	<u>100%</u>	<u>\$ 698,931</u>	<u>3.55%</u>

The following schedule represents a summary of the general fund, special revenue fund, capital projects and debt service fund expenditures for the fiscal year ended June 30, 2022, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2021	Percent of Increase (Decrease)
Current Expense:				
Instruction	\$ 4,888,868	25%	\$ (319,116)	-6%
Undistributed Expenditures	13,469,959	71%	940,365	8%
Capital Outlay	598,724	3%	32,422	6%
Debt Service	217,613	1%	(219,525)	-50%
Total \$	<u>19,175,164</u>	<u>100%</u>	<u>\$ 434,146</u>	<u>2%</u>

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of the fiscal year 2022, the School District had \$10,293,124 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2022 balances compared to 2021.

**DENNIS TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

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

	<u>2022</u>	<u>2021</u>
Land	\$ 518,653	\$ 518,653
Work in Progress	180,000	
Building and Building Improvements	8,495,914	9,132,344
Machinery and Equipment	1,098,557	959,990
Total	<u>\$ 10,293,124</u>	<u>\$ 10,610,987</u>

Overall capital assets decreased by \$317,863 from fiscal year 2021 to fiscal year 2022. This increase was due depreciation of \$729,002, offset by additions of \$411,139 For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2022, the School District had \$2,662,837 of outstanding debt. Of this amount, \$431,420 is for compensated absences, \$101,209 for various capital leases and \$2,130,208 of net pension liability.

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

	<u>2022</u>	<u>2021</u>
2010 Refunding Issue	\$	\$ 210,000
Total	<u>\$</u>	<u>\$ 210,000</u>

At June 30, 2022, the School District had a legal debt margin of \$28,848,042, which is fully available for future projects.

For the Future

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

Contacting the School District's Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 250,969	\$ 140,140	\$ 391,109
Receivables, Net	2,219,106	49,310	2,268,416
Restricted Assets:			
Cash and Cash Equivalents	2,755,477		2,755,477
Inventory		10,035	10,035
Capital Assets, Net (Note 5):	10,266,303	26,821	10,293,124
Total Assets	<u>15,491,855</u>	<u>226,306</u>	<u>15,718,161</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	<u>303,448</u>		<u>303,448</u>
Total Deferred Outflows of Resources	<u>303,448</u>		<u>303,448</u>
LIABILITIES			
Accounts Payable	138,821		138,821
Due to Grantor	36,540		36,540
Accrued Interest Payable	1,905		1,905
Unearned Revenue	419,564	10,172	429,736
Non-current Liabilities (Note 6):			
Due Within One Year	49,978		49,978
Due Beyond One Year	2,612,859		2,612,859
Total Liabilities	<u>3,259,667</u>	<u>10,172</u>	<u>3,269,839</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	<u>1,478,835</u>		<u>1,478,835</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	10,165,094	26,821	10,191,915
Restricted for:			
Capital Reserve	1,327,360		1,327,360
Maintenance Reserve	1,202,659		1,202,659
Excess Surplus	329,848		329,848
Scholarships	10,179		10,179
Student Activities	61,779		61,779
Other Purposes	153,500		153,500
Unrestricted (Deficit)	<u>(2,193,618)</u>	<u>189,313</u>	<u>(2,004,305)</u>
Total Net Position	<u>\$ 11,056,801</u>	<u>\$ 216,134</u>	<u>\$ 11,272,935</u>

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

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 3,643,165	\$ 2,442,671	\$	\$ 935,303	\$ (5,150,533)	\$	\$ (5,150,533)
Special Education	1,111,744	1,038,828			(2,150,572)		(2,150,572)
Other Special Instruction	4,263	2,351			(6,614)		(6,614)
Other Instruction	80,943	66,700			(147,643)		(147,643)
Support Services:							
Tuition	3,580,934				(3,580,934)		(3,580,934)
Student & Instruction Related Services	1,674,692	840,145	120,687	822,107	(1,572,043)		(1,572,043)
General Administrative	374,952	175,116			(550,068)		(550,068)
School Administrative	237,836	220,927			(458,763)		(458,763)
Central and Technical Services	297,628	208,333			(505,961)		(505,961)
Plant Operations and Maintenance	1,294,960	324,654			(1,619,614)		(1,619,614)
Student Transportation	763,414	373,665			(1,137,079)		(1,137,079)
Unallocated Employee Benefits	4,970,473	(4,970,473)					
Interest Expense	14,086				(14,086)		(14,086)
Total Governmental Activities	18,049,090	\$ 722,917	120,687	1,757,410	(16,893,910)		(16,893,910)
Business-type Activities:							
Food Service	251,812		764	403,806		152,758	152,758
After School Program	105,491		114,762			9,271	9,271
Total Business-type Activities	357,303		115,526	403,806		162,029	162,029
Total Primary Government	\$ 18,406,393		\$ 236,213	\$ 2,161,216	\$ (16,893,910)	\$ 162,029	\$ (16,731,881)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 10,857,728	\$	\$ 10,857,728
Federal, State and Local Aid Not Restricted					7,412,570		7,412,570
Miscellaneous Income					173,698		173,698
Tuition Received					22,914		22,914
Transportation					124,955		124,955
Investment Earnings					100	9	109
Transfers - To Charter School					(63,930)		(63,930)
Total General Revenues, Special Items, Extraordinary Items and Transfers					18,528,035	9	18,528,044
Change in Net Position					1,634,125	162,038	1,796,163
Net Position—Beginning					9,422,676	54,096	9,476,772
Net Position—Ending					\$ 11,056,801	\$ 216,134	11,272,935

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

DENNIS TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ (498,767)	\$ 806,291	\$	\$ 307,524
Cash and Cash Equivalents - Capital Reserve	1,230,860			1,230,860
Cash and Cash Equivalents -Maintenance Reserve	1,202,659			1,202,659
Cash and Cash Equivalents -Emergency Reserve	250,000			250,000
State Aid Receivable	1,261,687	55,616		1,317,303
Federal Aid Receivable	10,574	774,386		784,960
Other Accounts Receivable	109,175	7,668		116,843
Interfunds Receivable	1,161,950			1,161,950
Total Assets	\$ 4,728,138	\$ 1,643,961	\$	\$ 6,372,099
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 21,598	\$ 104,602	\$	\$ 126,200
Due to Grantor		36,540		36,540
Interfund Payable		1,146,547		1,146,547
Payroll Deductions and Withholdings Payable	12,621			12,621
Unearned Revenue		419,564		419,564
Total Liabilities	34,219	1,707,253		1,741,472
Fund Balances:				
Restricted For:				
Excess Surplus	153,328			153,328
Excess Surplus - Designated for Subsequent Year's Expenditures	176,520			176,520
Maintenance Reserve Account	902,659			902,659
Capital Reserve Account	1,230,860			1,230,860
Emergency Reserve	153,500			153,500
Scholarships		10,179		10,179
Student Activities		61,779		61,779
Assigned To:				
Year-End Encumbrances	16,211			16,211
Designated for Subsequent Year's Expenditures	96,997			96,997
Emergency Reserve				
Designated for Subsequent Year's Expenditures	96,500			96,500
Maintenance Reserve Account				
Designated for Subsequent Year's Expenditures	300,000			300,000
Unassigned, Reported In:				
General Fund Balance	1,567,344			1,567,344
Special Revenue Fund Balance (Deficit)		(135,250)		(135,250)
Total Fund Balances (Deficit)	4,693,919	(63,292)		4,630,627
Total Liabilities and Fund Balances	\$ 4,728,138	\$ 1,643,961	\$	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,718,982 and the accumulated depreciation is \$15,452,679 (See Note 5)	10,266,303
Deferred Outflow of Resources - Deferred Pension Contribution.	303,448
Deferred Inflows of Resources - Pension Actuarial Gains.	(1,478,835)
Long Term Net Pension Liability	(2,130,208)
Deferred Outflow of Resources - Deferred Amount on Refunding of Debt	
Accrued Interest is not payable within the current year and therefore, not reported in the funds.	(1,905)
Long-term liabilities, including capital leases payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the Governmental funds (see Note 6).	(532,629)
Net Position of Governmental Activities	\$ 11,056,801

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

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 10,640,115	\$	\$ 217,613	\$ 10,857,728
Tuition from Individuals	7,530			7,530
Tuition from Other Gov. Sources Within the State	15,384			15,384
Transportation Fees from Individuals	1,000			1,000
Transportation Fees from Other LEAS	123,955			123,955
Interest Earned on Capital Reserve Funds	100			100
Local Sources:		145,196		145,196
Miscellaneous	294,385			294,385
Total - Local Sources	11,082,469	145,196	217,613	11,445,278
State Sources	7,035,588	1,355,434		8,391,022
Federal Sources	36,196	537,807		574,003
Total Revenues	18,154,253	2,038,437	217,613	20,410,303
EXPENDITURES				
Current:				
Regular Instruction	2,756,615	935,303		3,691,918
Special Education Instruction	1,111,744			1,111,744
Other Special Instruction	4,263			4,263
Other Instruction	80,943			80,943
Support Services:				
Instruction - Tuition	3,580,934			3,580,934
Student & Instruction Related Services	852,585	822,107		1,674,692
General Administrative Services	374,952			374,952
School Administrative Services	237,836			237,836
Central Services	192,957			192,957
Admin Info Tech	104,671			104,671
Plant Operations and Maintenance	1,107,375			1,107,375
Student Transportation	763,414			763,414
Unallocated Employee Benefits	5,157,753	275,375		5,433,128
Capital Outlay	424,508	174,216		598,724
Debt Service:				
Principal			210,000	210,000
Interest			7,613	7,613
Total Expenditures	16,750,550	2,207,001	217,613	19,175,164
Excess (Deficiency) of Revenues Over Expenditures	1,403,703	(168,564)		1,235,139
OTHER FINANCING SOURCES (USES)				
Transfers to Preschool Program	(154,572)	154,572		
Transfers to Charter School	(63,930)			(63,930)
Total Other Financing Sources and Uses	(218,502)	154,572		(63,930)
Net Change in Fund Balances	1,185,201	(13,992)		1,171,209
Fund Balance—July 1 (Deficit)	3,508,718	(49,300)		3,459,418
Fund Balance, June 30 (Deficit)	\$ 4,693,919	\$ (63,292)	\$	\$ 4,630,627

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

DENNIS TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,171,209

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

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

Depreciation Expense \$	(722,918)	
Capital Outlays	411,139	
		(311,779)

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

Bonds		210,000
Capital Lease Payments		48,753

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

Amortization of Deferred Amount on Refunding (Loss)		(7,705)
---	--	---------

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

8,528

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

1,230

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

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

513,889

Governmental Activities (A-2)		\$ <u>1,634,125</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-type Activities -		
	Enterprise Funds		
	Major Fund	Non-major Fund	Totals
	Food	Community	
	Service	Education	
	<hr/>	<hr/>	<hr/>
ASSETS			
Current Assets:			
Cash	\$ 140,734	\$ 14,809	\$ 155,543
Accounts Receivable			
State Aid	440		440
Federal Aid	45,431		45,431
Other	2,079	1,360	3,439
Inventory	10,035		10,035
	<hr/>	<hr/>	<hr/>
Total Current Assets	198,719	16,169	214,888
	<hr/>	<hr/>	<hr/>
Non-current Assets			
Fixed Assets:			
Furniture, Machinery and Equipment	238,782		238,782
Less Accumulated Depreciation	(211,961)		(211,961)
	<hr/>	<hr/>	<hr/>
Total Fixed Assets	26,821		26,821
	<hr/>	<hr/>	<hr/>
Total Assets	225,540	16,169	241,709
	<hr/>	<hr/>	<hr/>
LIABILITIES:			
Current Liabilities:			
Interfund Payable	15,403		15,403
Unearned Revenue	10,172		10,172
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	25,575		25,575
	<hr/>	<hr/>	<hr/>
NET POSITION:			
Invested in Capital Assets Net of net of Related Debt	26,821		26,821
Unrestricted	173,144	16,169	189,313
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 199,965	\$ 16,169	\$ 216,134
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities - Enterprise Fund		
	Major Fund Food Service	Non-major Fund Community Education	Total Enterprise
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 764	\$	\$ 764
Daily Sales - Non-Reimbursable Programs			
Program Fees		52,835	52,835
Other Income		61,927	61,927
	<hr/>	<hr/>	<hr/>
Total Operating Revenue:	764	114,762	115,526
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES:			
Cost of Sales - Reimbursable Programs	123,764		123,764
Cost of Sales - Non Reimbursable Programs			
Salaries and Benefits	85,531	104,257	189,788
Management Fees	17,863		17,863
Other Purchased Services		948	948
General Supplies	12,991	286	13,277
Other Costs	5,579		5,579
Depreciation	6,084		6,084
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	251,812	105,491	357,303
	<hr/>	<hr/>	<hr/>
Operating Income (Loss)	(251,048)	9,271	(241,777)
	<hr/>	<hr/>	<hr/>
NON-OPERATING REVENUES:			
State Sources:			
State School Lunch Program	5,827		5,827
Federal Sources:			
National School Lunch Program	248,158		248,158
National School Breakfast Program	117,025		117,025
Emergency Operational Cost Program - Schools	720		720
P-EBT Administrative Cost	1,242		1,242
Supply Chain Assistance Funding	16,794		16,794
Food Distribution Program	14,040		14,040
Interest Income	6	3	9
	<hr/>	<hr/>	<hr/>
Total Non-operating Revenues (Expenses)	403,812	3	403,815
	<hr/>	<hr/>	<hr/>
Income (Loss) Before Contributions & Transfers	152,764	9,274	162,038
	<hr/>	<hr/>	<hr/>
Change in Net Position	152,764	9,274	162,038
Total Net Position—Beginning	47,201	6,895	54,096
	<hr/>	<hr/>	<hr/>
Total Net Position—Ending	\$ 199,965	\$ 16,169	\$ 216,134
	<hr/>	<hr/>	<hr/>

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-type Activities		
	Enterprise Funds		
	Major Fund Food Service	Non-Major Fund Community Education	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 764	\$ 114,762	\$ 115,526
Payments to Employees	(85,531)	(104,257)	(189,788)
Payments to Suppliers	(173,044)	(7,056)	(180,100)
Net Cash Provided by (used for) Operating Activities	(257,811)	3,449	(254,362)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	5,827		5,827
Federal Sources	383,939		383,939
Board Subsidy			
Net Cash Provided by (used for) Non-capital Financing Activities	389,766		389,766
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets			
Net Cash Provided by (used for) Capital and Related Financing Activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	6	3	9
Net Cash Provided by (used for) Investing Activities	6	3	9
Net Increase (Decrease) in Cash and Cash Equivalents	131,961	3,452	135,413
Balances—Beginning of Year	8,773	11,357	20,130
Balances—End of Year	\$ 140,734	\$ 14,809	\$ 155,543
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (251,048)	\$ 9,271	\$ (241,777)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			
Depreciation and Net Amortization	6,084		6,084
Food Distribution Program	14,040		14,040
(Increase)/Decrease in Accounts Receivable, Net	(25,912)	123	(25,789)
(Increase)/Decrease in Inventory	(394)		(394)
Increase/(Decrease) in Accounts Payable		(230)	(230)
Increase/(Decrease) in Interfund Payable	(322)		(322)
Increase/(Decrease) in Deferred Revenue	(259)	(5,715)	(5,974)
Total Adjustments	(6,763)	(5,822)	(12,585)
Net Cash Provided by (used for) Operating Activities	\$ (257,811)	\$ 3,449	\$ (254,362)

Noncash Investing, Capital, and Financing Activities:

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

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

NOTES TO THE FINANCIAL STATEMENTS

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The School District has adopted the following GASB statements:

- GASB Statement No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The adoption of GASB 87 will impact the financial statements of the School District.
- GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The adoption of GASB 89 did not impact the financial statements of the School District.
- GASB Statement No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 92 did not impact the financial statements of the School District.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 93 did not impact the financial statements of the School District.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The adoption of GASB 97 did not impact the financial statements of the School District.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*: This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods ending after December 15, 2021. The adoption of GASB 98 did not impact the financial statements of the School District.

A. REPORTING ENTITY:

The Dennis Township School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The District operates a primary, elementary and middle school located in Dennis Township. Students in grades 9-12 attend Middle Township High School on a tuition basis. The Dennis Township School District had an enrollment at June 30, 2022, of 622 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS:

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

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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

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

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

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

C. BASIC FINANCIAL STATEMENTS- FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds

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

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

Fund Balances - Governmental Funds

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

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Fund Balances - Governmental Funds (CONT'D)

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

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

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

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

2. Proprietary Funds:

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

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

3. Fiduciary Funds:

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

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

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

D. BASIS OF ACCOUNTING

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

D. BASIS OF ACCOUNTING (CONT'D)

1. Accrual:

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

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund. At June 30, 2022, the District had no investments.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

E. FINANCIAL STATEMENT AMOUNTS (CONT'D)

3. Inventories

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first-out method. As of June 30, 2022, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 7,948
Supplies	<u>2,087</u>
	<u>\$10,035</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The amount of Commodity Inventory at June 30, 2022 was \$5,787.

4. Capital Assets:

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

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

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

5. Revenues:

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

6. Expenditures:

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

E. FINANCIAL STATEMENT AMOUNTS (CONT'D)

7. Compensated absences:

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

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

8. Interfund Activity:

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

9. Budgets/Budgetary Control

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

E. FINANCIAL STATEMENT AMOUNTS (CONT'D)

9. Budgets/Budgetary Control (CONT'D)

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

Instruction	\$ 105,784
Special Education	(73,091)
Tuition	(429,811)
Student Instruction & Related Services	33,100
Guidance, CST & Library	20,238
Administration	16,290
Transportation	(11,585)
Unallocated Employee Benefits	314,436
Capital Outlay	351,945
Transfer to Charter Schools	38,229

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

10. Tuition Receivable

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

11. Tuition Payable

Tuition charges for the fiscal year 2021/2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

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

13. Allocation of Costs

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

14. Pensions

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2022, \$3,448,465 of the government's bank balance of \$3,698,465 was exposed to custodial credit risk.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2022, consisted of accounts (other services) and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Statements</u>	<u>Governmental Wide Statements</u>
State Aid	\$ 1,317,303	\$ 1,317,303
Federal Aid	784,960	784,960
Other	116,843	116,843
Interfunds	1,161,950	
Total Receivables, Net	<u>\$ 3,381,056</u>	<u>\$ 2,219,106</u>

NOTE 4 - INTERFUND TRANSFERS AND BALANCES

The following interfund balances remained on the fund financial statements at June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,161,950	\$
Special Revenue Fund		1,146,547
Food Service Fund		15,403
Total	<u>\$ 1,161,950</u>	<u>\$ 1,161,950</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance 7/1/2021	Additions	Deletions/ Adjustment	Ending Balance 6/30/2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 518,653	\$	\$	\$ 518,653
Work In Progress		180,000		180,000
Total capital assets not being depreciated	518,653	180,000		698,653
Capital assets being depreciated:				
Buildings and building improvements	18,743,466			18,743,466
Equipment	6,202,060	231,139	(156,336)	6,276,863
Total capital assets being depreciated at historical cost	24,945,526	231,139	(156,336)	25,020,329
Less accumulated depreciation for:				
Buildings and improvements	(9,611,122)	(453,079)	(183,351)	(10,247,552)
Equipment	(5,274,975)	(269,839)	339,687	(5,205,127)
Total Accumulated Depreciation	(14,886,097)	(722,918)	156,336	(15,452,679)
Total capital assets being depreciated, net of accumulated depreciation	10,059,429	(491,779)		9,567,650
Governmental activity capital assets, net	\$ 10,578,082	\$ (311,779)	\$	\$ 10,266,303
Business-Type Activities:				
Capital assets being depreciated:				
Equipment	\$ 238,782	\$	\$	\$ 238,782
Less accumulated depreciation	(205,877)	(6,084)		(211,961)
Enterprise Fund capital assets, net	\$ 32,905	\$ (6,084)	\$	\$ 26,821

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 358,531
Special Instruction	115,084
Other Special Instruction	441
Other Instruction	8,379
Student & Instruction Related Services	146,196
Gen Administration Services	38,814
School Administrative Services	24,620
Business and Other Support Services	30,853
	<u>\$ 722,918</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 6 - LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2022, was as follows:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences \$	439,948	\$	\$ 8,528	\$ 431,420	\$
Capital Leases	149,963		48,754	101,209	49,978
Bonds Payable	210,000		210,000		
Net Pension Liability	2,891,773		761,565	2,130,208	
	<u>\$ 4,255,180</u>	<u>\$</u>	<u>\$ 1,028,847</u>	<u>\$ 2,662,837</u>	<u>\$ 49,978</u>

Bonds Payable:

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

Description of Bonds Payable

At June 30, 2022, bonds payable consisted of the following issues:

\$4,750,000 Refunding Bonds dated April 29, 2010, due in annual installments through April 1, 2022, bearing interest rates from 2.00% to 3.625%. The balance remaining as of June 30, 2021 of \$210,000 was paid off during the 2021-22 fiscal school year.

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

As the final debt service payments were made during the 2021-22 school year, there are no future Debt service requirements on serial bonds payable at June 30, 2022.

Capital Lease Payable:

As of June 30, 2022, the District has one open capital lease for technology equipment. Future minimum lease payments associated with this lease purchase are as follows:

<u>Fiscal Year Ending</u> <u>June 30,</u>		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2023	\$	49,978	\$	2,540	\$	52,518
2024		51,231		1,287		52,518
	<u>\$</u>	<u>101,209</u>	<u>\$</u>	<u>3,827</u>	<u>\$</u>	<u>105,036</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7. PENSION PLANS

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

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2020 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2022 were 99,143. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2022 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2022, and 2021, were \$215,431 and \$200,917 respectively.

The total payroll for the year ended June 30, 2022 was \$6,088,502. Payroll covered by PERS was \$1,319,736 for fiscal year 2022.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Components of Net Pension Liability - At June 30, 2022, the District's proportionate share of the PERS net pension liability was \$2,107,739. The net pension liability was measured as of June 30, 2021. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The District's proportion measured as of June 30, 2021 was 0.017792% which was an increase of 0.00006% from its proportion measured as of June 30, 2020.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2022 PERS pension expense, with respect to GASB 68, was \$(313,473). The District's 2022 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,242	\$ 15,089
Changes of assumptions	10,977	750,369
Net difference between projected and actual earnings on pension plan investments		555,234
Changes in proportion	43,798	158,143
Contributions subsequent to the measurement date	215,431	
Total	\$ 303,448	\$ 1,478,835

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

Year		PERS
2022	\$	(499,639)
2023		(350,686)
2024		(248,425)
2025		(204,826)
2026		(87,242)
Thereafter		
Total	\$	(1,390,818)

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Additional Information - Collective Balances at June 30, 2022 and 2021 are as follows:

Year	2022	2021
Collective deferred outflows of resources	\$ 303,448	\$ 523,884
Collective deferred inflows of resources	\$ 1,478,835	\$ 1,451,592
Collective Net Pension Liability	\$ 2,107,739	\$ 2,891,773
District's Proportion	0.017792%	0.017733%

Actuarial Assumptions - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>2,900,911</u>	\$ <u>2,107,739</u>	\$ <u>1,476,157</u>

Teachers' Pension and Annuity Fund

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

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

The following represents the membership tiers for TPAF:

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2020. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2022 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,756,674 to the TPAF for pension contributions, \$410,430 for post-retirement benefits on behalf of the School, and \$720 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$355,133 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2022, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2022, the District recognized pension expense of \$515,086 and revenue of \$515,086 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 35,296,070	\$ 21,890,207	\$ 25,692,189
State's Share of the Net Pension Liability	\$ <u>56,988,413,045</u>	\$ <u>48,165,991,182</u>	\$ <u>40,755,711,186</u>

Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

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

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2022, employee contributions totaled \$13,028 and the District's employer contribution, recognized in pension expense, was \$7,106. There were no forfeitures during the fiscal year.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

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

Special Funding Situation

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2021, was \$60,007,650,970. Of this amount, the total OPEB liability attributable to the School District was \$33,552,962. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.05591%. The total OPEB liability for the School District measured as of June 30, 2021 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2021 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	2.75% - 5.65%	3.00% - 7.00%	N/A

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Discount rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

State of New Jersey	<u>Total OPEB Liability</u>
Balance as of June 30, 2020 Measurement Date	\$ <u>67,809,962,609</u>
Changes for the year:	
Service Cost	3,217,184,264
Interest	1,556,661,679
Changes of Benefit Terms	(63,870,842)
Differences between Expected and Actual	(11,385,071,658)
Changes of Assumptions	59,202,105
Benefit Payments	(1,226,213,382)
Contributions from Members	<u>39,796,196</u>
Net Changes	<u>(7,802,311,638)</u>
Balance as of June 30, 2021 Measurement Date	\$ <u><u>60,007,650,971</u></u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>June 30, 2021</u>		
At 1.00% Decrease	At Discount Rate	At 1.00% Increase
1.16%	2.16%	3.16%
\$ 71,879,745,555	60,007,650,970	50,659,089,138

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

The following presents the total nonemployer OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

<u>June 30, 2021</u>		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 48,576,388,417	60,007,650,970	75,358,991,782

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$1,711,777. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,057,960	\$ 10,069,840
Changes of Assumptions	5,691,834	3,599,920
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion		1,096,329
Contributions Subsequent to the Measurement Date		
Total	\$ 10,749,794	\$ 14,766,089

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

Measurement Period Ending June 30,		OPEB
2022	\$	(838,495)
2023		(838,495)
2024		(838,495)
2025		(838,495)
2026		(639,697)
Thereafter		(22,618)
Total	\$	(4,016,295)

NOTE 9 - DEFERRED COMPENSATION

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 - COMPENSATED ABSENCES

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, there was no liability for compensated absences in the Food Service Enterprise Fund.

NOTE 11 - MAINTENANCE RESERVE ACCOUNT

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

The activity of the Maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021		\$ 1,052,659
Deposits:		
Per Board Resolution	\$ 400,000	
Interest		
Total Deposits		400,000
		1,452,659
Withdrawals:		
In 2021-2022 Budget		250,000
		1,202,659
Ending Balance, June 30, 2022		\$ 1,202,659

There was also a withdraw from the Maintenance Reserve in the July 1, 2022 to June 30, 2023 fiscal year budget in the amount of \$300,000.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - EMERGENCY RESERVE ACCOUNT

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

The activity of the emergency reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance July 1, 2021	\$	250,000
Added:		
Resolution		
Withdrawals:		
Per Budget		
Ending balance June 30, 2022	\$	<u>250,000</u>

There was also a withdraw from the Emergency Reserve in the July 1, 2022 to June 30, 2023 fiscal year budget in the amount of \$96,500:

NOTE 13 - CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

:

Beginning balance July 1, 2021	\$	1,114,760
Deposits:		
Interest earnings	\$	100
Per Board Resolution	<u>400,000</u>	
		<u>400,100</u>
		1,514,860
Withdrawals		<u>284,000</u>
Ending balance June 30, 2022	\$	<u>1,230,860</u>

There was no withdraw from the Capital Reserve in the July 1, 2022 to June 30, 2023 fiscal year budget.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 14 - RISK MANAGEMENT

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

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

NOTE 15 - COMMITMENTS

The District does not have any significant commitments as of June 30, 2022.

NOTE 16-CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 17 - FUND BALANCE APPROPRIATED

General Fund - Of the \$4,693,919 General Fund balance, at June 30, 2022, \$16,211 is assigned for encumbrances; \$329,848 is reserved as excess surplus in accordance with NJSA 18A:7F- 7 (\$176,520 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2023), \$1,230,860 has been reserved in the Capital Reserve Account (none of the total reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2023); \$250,000 has been reserved in the Emergency Reserve Account (\$96,500 of the total reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2023); \$1,202,659 has been reserved in the Maintenance Reserve Account (\$300,000 of the total reserve has been appropriated and included as anticipated revenue for the year ending June 30, 2023); \$96,997 has also been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2023) and \$1,567,344 is classified as a deficit in Unassigned Fund Balance.

NOTE 18 – ECONOMIC DEPENDENCY

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

NOTE 19 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance generated at June 30, 2022, is \$329,848, of which \$176,520 was budgeted in the 2022-2023 budget and \$153,328 is to be anticipated in the 2023-2024 budget.

DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 20 – LITIGATION

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

NOTE 21 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that Occurred from June 30, 2022 through February 21, 2023, the date that all the financial statements were available to be issued for possible disclosure and recognition in the financial statements. No items have come to the attention of the District that would require disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

**DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,640,115	\$	\$ 10,640,115	\$ 10,640,115	\$
Tuition from Individuals				7,530	7,530
Tuition from Other Governmental Sources Within the State				15,384	15,384
Transportation Fees From Individuals				1,000	1,000
Transportation Fees From Other LEAs	177,265		177,265	123,955	(53,310)
Interest Earned on Investments				334	334
Interest Earned on Capital Reserve	1,000		1,000	100	(900)
Interest Earned on Emergency Reserve	500		500		(500)
Interest Earned on Maintenance Reserve	1,000		1,000		(1,000)
Miscellaneous	77,931		77,931	294,051	216,120
Total - Local Sources	10,897,811		10,897,811	11,082,469	184,658
State Sources:					
Transportation Aid	653,808		653,808	653,808	
Special Education Aid	504,067		504,067	504,067	
Equalization Aid	1,063,893		1,063,893	1,063,893	
Security Aid	102,940		102,940	102,940	
Adjustment Aid	847,932		847,932	847,932	
Non-Public Transportation Aid				5,220	5,220
Extraordinary Aid				92,488	92,488
Maintenance of Equity				1,146,915	1,146,915
On-behalf Pension Contribution				1,756,674	1,756,674
On-behalf TPAF Post Retirement Medical Contribution				410,430	410,430
On-behalf TPAF Long-Term Disability Contribution				720	720
Reimbursement TPAF Social Security				355,133	355,133
Total - State Sources	3,172,640		3,172,640	6,940,220	3,767,580
Federal Sources:					
Medicaid Reimbursement	23,097		23,097	36,196	13,099
Total - Federal Sources	23,097		23,097	36,196	13,099
TOTAL REVENUES	\$ 14,093,548	\$	\$ 14,093,548	\$ 18,058,885	\$ 3,965,337
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	\$ 213,807	\$ 10,978	\$ 224,785	\$ 215,331	\$ 9,454
Preschool - Salaries of Teachers					
Grades 1-5	1,390,942	75,696	1,466,638	1,458,390	8,248
Grades 6-8	792,648	28,881	821,529	816,809	4,720
Home instruction:					
Salaries of Teachers	4,700	(3,565)	1,135		1,135
Purchased Technical Services	2,000		2,000		2,000
Regular Programs - Undistributed - Instruction:					
Other Salaries for Instructions					
Purchased Technical Services	32,500	(3,300)	29,200	26,406	2,794
Other Purchased Services	66,800	31,279	98,079	90,648	7,431
General Supplies	155,000	(30,285)	124,715	106,407	18,308
Textbooks	50,341	(3,900)	46,441	42,624	3,817
Other Objects	200		200		200
Total Regular Programs	\$ 2,708,938	\$ 105,784	\$ 2,814,722	\$ 2,756,615	\$ 58,107

**DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Special Education					
Multiple Disabilities:					
Salaries of Teachers	\$ 108,367	\$ 13,816	\$ 122,183	\$ 122,183	\$
General Supplies	4,000	(3,273)	727	435	292
Total Multiple Disabilities	112,367	10,543	122,910	122,618	292
Resource Room:					
Salaries of Teachers	773,701	(9,754)	763,947	761,456	2,491
Other Salaries for Instruction	207,568	(39,032)	168,536	168,276	260
Purchased Professional - Educational Services	2,000	(1,986)	14		14
General Supplies	2,500		2,500	1,111	1,389
Total Resource Room	985,769	(50,772)	934,997	930,843	4,154
Preschool Disabilities - Full Time					
Salaries of Teachers	90,210	(32,862)	57,348	7,156	50,192
Other Salaries for Instruction	78,774		78,774	50,937	27,837
Other Purchased Services	3,000		3,000		3,000
General Supplies	1,000		1,000	190	810
Total Preschool Disabilities - Full Time	172,984	(32,862)	140,122	58,283	81,839
TOTAL SPECIAL EDUCATION	1,271,120	(73,091)	1,198,029	1,111,744	86,285
Basic Skills/Remedial-Instruction:					
Salaries of Teachers		2,309	2,309	2,309	
Other Purchased Services		300	300	75	225
General Supplies	800	(300)	500	379	121
Total Basic Skills/Remedial-Instruction	800	2,309	3,109	2,763	346
School Sponsored Co-curricular Activities:					
Salaries	55,080		55,080	40,159	14,921
Purchased Services (300-500 Series)	500	(500)			
Supplies and Materials	2,800	(1,000)	1,800	1,322	478
Total School Sponsored Co-curricular Activities	58,380	(1,500)	56,880	41,481	15,399
School Sponsored Athletics:					
Salaries	38,260		38,260	30,000	8,260
Purchased Services (300-500 Series)	4,000	475	4,475	4,440	35
Supplies and Materials	4,000	1,025	5,025	5,022	3
Other Objects	800		800		800
Total School Sponsored Athletics	47,060	1,500	48,560	39,462	9,098
Other Supplemental/at Risk Programs					
General Supplies					
Total Other Supplemental/at Risk Programs					
Community Services Program:					
Purchased Services (300-500 Series)	1,500		1,500	1,500	
Total Community Services Program	1,500		1,500	1,500	
Total Instruction	4,087,798	35,002	4,122,800	3,953,565	169,235
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	1,739,177		1,739,177	1,739,177	
Tuition - Other LEAs Within the State - Special	119,865	21,368	141,233	141,233	
Tuition - Co Voc. School Dist. - Regular	666,618		666,618	666,618	
Tuition - Co Voc. School Dist. - Special	317,418		317,418	317,418	
Tuition - CSSD & Regional Day Schools	1,097,950	(536,348)	561,602	549,600	12,002
Tuition to Private Schools for the Disabled Within State	117,524		117,524	63,666	53,858
Tuition - State Facilities	18,053	85,169	103,222	103,222	
Total Undistributed Expenditures - Instruction	\$ 4,076,605	\$ (429,811)	\$ 3,646,794	\$ 3,580,934	\$ 65,860

**DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENDITURES: (Continued)					
Undistributed Expenditures - Attendance and Social Work:					
Other Purchased Services	\$ 500	\$ (500)	\$	\$	\$
Total Undistributed Expenditures - Attendance and Social Work	500	(500)			
Health Services:					
Salaries	131,037	5,000	136,037	132,027	4,010
Purch Prof/ Tech Services	9,000	(5,300)	3,700		3,700
Other Purchased Services		300	300	19	281
Supplies and Materials	6,000		6,000	4,817	1,183
Total Health Services	146,037		146,037	136,863	9,174
Speech, OT, PT & Related Services					
Salaries	130,277	33,500	163,777	122,950	40,827
Purchased Professional - Educational Services	10,000		10,000	975	9,025
Supplies and Materials	2,500	(400)	2,100	1,362	738
Total Related Services	142,777	33,100	175,877	125,287	50,590
Other Support Services - Students - Extra Services:					
Salaries					
Purchased Prof Ed Services					
Total Extra Services					
Guidance:					
Salaries Other Professional Staff	73,073	3,600	76,673	76,664	9
Supplies and Materials	600		600	350	250
Total Guidance	73,673	3,600	77,273	77,014	259
Child Study Team					
Salaries of Other Professional Staff	223,124	22,232	245,356	224,837	20,519
Salaries Secr. & Clerical Asst.	20,135	2,000	22,135	21,730	405
Purchased Professional - Educational Services	40,000	(5,855)	34,145	22,273	11,872
Other Purchased Professional and Technical Services	5,950	(2,000)	3,950	3,699	251
Other Purchased Services	6,500	(300)	6,200		6,200
Miscellaneous Purchased Services		300	300	58	242
Supplies and Materials	1,525	600	2,125	1,878	247
Other Objects	200	(200)			
Total Child Study Teams	297,434	16,777	314,211	274,475	39,736
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	67,812	1	67,813	67,812	1
Salaries of Secretary and Clerical Assistant	13,193	(1)	13,192	12,772	420
Supplies and Materials	3,100		3,100	2,371	729
Total Improvement of Instruction Services/Other Support	84,105		84,105	82,955	1,150
Educational Media Services/School Library:					
Salaries	68,473	2,539	71,012	70,254	758
Salaries of Technology Coordinators	107,194	(3,263)	103,931	78,596	25,335
Supplies and Materials	1,600	585	2,185	2,141	44
Total Educational Media Services/School Library	\$ 177,267	\$ (139)	\$ 177,128	\$ 150,991	\$ 26,137

DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services					
Other Purchased Professional and Technical Services	\$ 3,000		\$ 3,000	\$ 3,000	\$
Other Purchased Services (400-500 Series)	2,000		2,000	2,000	
Total Inst. Staff Training Services	5,000		5,000	5,000	
Support Services General Administration:					
Salaries	155,462	9,880	165,342	165,335	7
Legal Services	49,000	9,931	58,931	51,341	7,590
Audit Fees	18,500	3,720	22,220	22,220	
Other Purchased Professional Services	7,200		7,200	7,200	
Purchased Technical Services	4,500	500	5,000	4,990	10
Communication/Telephone	92,400	3,524	95,924	85,996	9,928
BOE Other Purchased Services	1,000	(994)	6	6	
Miscellaneous Purchased Services	19,800	(300)	19,500	19,432	68
General Supplies	3,000		3,000	2,962	38
BOE In-House Training/Meeting Supplies	1,000	533	1,533	1,503	30
Miscellaneous Expenditures	5,600	(94)	5,506	5,466	40
BOE Membership Dues and Fees	8,600		8,600	8,501	99
Total Support Services General Administration	366,062	26,700	392,762	374,952	17,810
Support Services School Administration:					
Salaries of Principals/Assistant Principals	150,845	(33,855)	116,990	116,985	5
Salaries of Secretarial and Clerical Assistants	93,235	48,018	141,253	118,917	22,336
Other Purchased Services	5,000	(4,034)	966	448	518
Supplies and Materials	2,200	(629)	1,571	1,486	85
Other Objects	3,500	(3,500)			
Total Support Services School Administration	254,780	6,000	260,780	237,836	22,944
Central Services:					
Salaries	222,400	(14,100)	208,300	186,550	21,750
Purchased Professional Services	10,000	(5,610)	4,390	1,440	2,950
Miscellaneous Purchased Services	1,200	(525)	675	353	322
Supplies and Materials	4,000		4,000	2,763	1,237
Miscellaneous Expenditures	2,600		2,600	1,851	749
Total Central Services	240,200	(20,235)	219,965	192,957	27,008
Admin. Info. Technology:					
Salaries	28,259		28,259	27,386	873
Purchased Professional Services	73,100	3,300	76,400	76,355	45
Other Purchased Services	500	525	1,025	830	195
Other Object	350		350	100	250
Total Admin. Info. Technology	102,209	3,825	106,034	104,671	1,363
Required Maintenance for School Facilities:					
Salaries	151,654		151,654	147,608	4,046
Cleaning, Repair and Maintenance Services	120,930		120,930	96,935	23,995
General Supplies	52,488	(3,100)	49,388	24,543	24,845
Other Objects	4,950	1,353	6,303	5,124	1,179
Total Required Maintenance for School Facilities	\$ 330,022	\$ (1,747)	\$ 328,275	\$ 274,210	\$ 54,065

**DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 300,392	\$ (53,428)	\$ 246,964	\$ 212,226	\$ 34,738
Salaries of Non-instructional Aides	35,178		35,178	27,414	7,764
Purchased Professional and Technical Services	48,050	72	48,122	45,063	3,059
Cleaning, Repair and Maintenance Services	32,050	(55)	31,995	14,806	17,189
Insurance	91,450	26,648	118,098	118,098	
Miscellaneous Purchased Services	800		800		800
General Supplies	36,815	(5,001)	31,814	27,561	4,253
Energy (Natural Gas)	53,000	5,000	58,000	49,099	8,901
Energy (Electricity)	222,000	5,610	227,610	211,527	16,083
Energy (Oil)	40,000	27,334	67,334	67,198	136
Other Objects	800		800		800
Total Other Operation and Maintenance of Plant - Custodial	860,535	6,180	866,715	772,992	93,723
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	8,000	(8,000)			
General Supplies	5,600		5,600	2,784	2,816
Total Care & Upkeep of Grounds	13,600	(8,000)	5,600	2,784	2,816
Undistributed Expenditures - Security:					
Purchased Professional and Technical Services	52,000	5,389	57,389	57,389	
Cleaning, Repair and Maintenance Services	8,000	(4,353)	3,647		3,647
Total Security	60,000	1,036	61,036	57,389	3,647
Total Operation and Maintenance of Plant Services	1,264,157	(2,531)	1,261,626	1,107,375	154,251
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	102,814	43,418	146,232	137,534	8,698
Salaries for Pupil Transport. Between Home & School - Regular	270,167	(40,306)	229,861	225,056	4,805
Salaries for Pupil Trans. Between Home & School - Special Ed.	52,348	(6,000)	46,348	45,715	633
Salaries for Pupil Trans.(Other than Bet. Home & School)	11,883	24,014	35,897	25,541	10,356
Salaries for Pupil Trans. Bet. Home & Schl. - Non-Public Schl.	16,452	(3,440)	13,012	11,862	1,150
Other Purchased Professional and Technical Services	22,990		22,990	18,054	4,936
Cleaning, Repair and Maintenance Services	45,000	(22,698)	22,302	2,785	19,517
Rental Payments - School Buses	1,500		1,500		1,500
Contracted Services - Aid in Lieu of Payments - Nonpublic	14,000	4,400	18,400	17,391	1,009
Contracted Services - Aid in Lieu of Payments - Charter School	3,000		3,000	3,000	
Contracted Services - Aid in Lieu of Payments - Choice School	828	3,172	4,000	3,500	500
Contracted Services (Bet Home/School) - Vendors	1,000	2,100	3,100	3,054	46
Contracted Services (Bet Home/School) - Joint Agreements	14,000	(4,400)	9,600	7,842	1,758
Contracted Services (Sp. Ed. Stud.) - Joint Agreements	4,750	(1,000)	3,750		3,750
Contracted Services (Sp. Ed. Stud.) - ESC & CTSA's	34,000	1,000	35,000	34,865	135
Miscellaneous Purchased Services - Transportation	24,173		24,173	23,949	224
General Supplies	221,100	(12,345)	208,755	198,499	10,256
Other Objects	5,860	500	6,360	4,767	1,593
Total Student Transportation Services	845,865	(11,585)	834,280	763,414	70,866
Unallocated Employee Benefits:					
Social Security Contributions	182,161	110,977	293,138	276,336	16,802
Other Retirement Contributions - PERS	205,873	33,276	239,149	239,149	
Unemployment Compensation	35,500	(5,549)	29,951	29,951	
Workers Compensation	88,400	(450)	87,950	87,490	460
Health Benefits	1,779,805	122,175	1,901,980	1,901,980	
Tuition Reimbursement	15,000	(15,000)			
Other Employee Benefits	2,500	1,157	3,657	3,657	
Unused Sick Payments to Terminated/Retired Staff	28,521	67,850	96,371	96,233	138
Total Unallocated Employee Benefits	\$ 2,337,760	\$ 314,436	\$ 2,652,196	\$ 2,634,796	\$ 17,400

DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
On-behalf Pension Contribution	\$	\$	\$	\$ 1,756,674	\$ (1,756,674)
On-behalf TPAF Post Retirement Medical Contribution				410,430	(410,430)
On-behalf TPAF Long-Term Disability Contribution				720	(720)
Reimbursement TPAF Social Security				355,133	(355,133)
Total Personal Services - Employee Benefits	2,337,760	314,436	2,652,196	5,157,753	(2,505,557)
Total Undistributed Expenditures	10,414,431	(60,363)	10,354,068	12,372,477	(2,018,409)
Interest Earned on Maintenance Reserve	1,000		1,000		1,000
Interest Earned on Emergency Reserve	500		500		500
TOTAL EXPENDITURES - CURRENT EXPENSE	14,503,729	(25,361)	14,478,368	16,326,042	(1,847,674)
CAPITAL OUTLAY:					
Interest Earned on Capital Reserve	1,000		1,000		1,000
Undistributed Expenditures:					
Instructional:					
Undistributed Expenditures - Student Transp. Non-Instructional	12,044	6,845	18,889	11,200	7,689
School Buses-Regular	132,831		132,831	132,831	
Total Equipment	144,875	6,845	151,720	144,031	7,689
Facilities Acquisition - Construction Services:					
Construction Services		345,100	345,100	232,570	112,530
Assessment for Debt Service on SDA Funding	47,907		47,907	47,907	
Total Facilities Acquisition and Construction Services	47,907	345,100	393,007	280,477	112,530
Assets Acquired Under Capital Leases (Non-budgeted)					
TOTAL CAPITAL OUTLAY	193,782	351,945	545,727	424,508	121,219
TOTAL EXPENDITURES	14,697,511	326,584	15,024,095	16,750,550	(1,726,455)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(603,963)	(326,584)	(930,547)	1,308,335	2,238,882
Other Financing Sources (Uses):					
Transfer to Cover Deficit (Enterprise Fund)	(12,000)		(12,000)		12,000
Transfer to Preschool Program	(154,572)		(154,572)	(154,572)	
Transfer Capital Reserve to Capital Projects Fund	(284,000)	232,570	(51,430)		51,430
Transfer to Charter School	(38,229)	(38,229)	(76,458)	(63,930)	12,528
Total Other Financing Sources	(488,801)	194,341	(294,460)	(218,502)	75,958
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,092,764)	(132,243)	(1,225,007)	1,089,833	2,314,840
Fund Balances, July 1	3,856,652		3,856,652	3,856,652	
Fund Balances, June 30	\$ 2,763,888	\$ (132,243)	\$ 2,631,645	\$ 4,946,485	\$ 2,314,840
RECAPITULATION:					
Restricted Fund Balance:					
Excess Surplus - Current Year				\$ 153,328	
Excess Surplus - Designated for Subsequent Year's Expenditures				176,520	
Maintenance Reserve				902,659	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				300,000	
Capital Reserve				1,230,860	
Emergency Reserve				153,500	
Emergency Reserve - Designated for Subsequent Year's Expenditures				96,500	
Assigned Fund Balance:					
Year-End Encumbrances				16,211	
Designated for Subsequent Year's Expenditures				96,997	
Unassigned Fund Balance				1,819,910	
				4,946,485	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis					(252,566)
Fund Balance per Governmental Funds (GAAP)				\$ 4,693,919	

**DENNIS TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 67,071	\$ (42,115)	\$ 24,956	\$ 145,196	\$ (120,240)
Federal Sources					
Title I	229,155	96,350	325,505	299,144	26,361
Title I - SIA		19,755	19,755	4,198	15,557
Title II	43,783	20,318	64,101	23,846	40,255
Title IV	18,660	9,734	28,394	18,590	9,804
Title V		11,388	11,388	11,388	
I.D.E.A., Part B	197,537	56,869	254,406	222,975	31,431
I.D.E.A., Part B Preschool Initiative		6,032	6,032	6,032	
ARP - IDEA		35,839	35,839	35,838	1
ARP - IDEA Preschool		3,085	3,085	3,085	
CRRSA Act - CARES II	971,777	(469,489)	502,288	502,289	(1)
CRRSA Act - Learning Accelerated		55,889	55,889	1,950	53,939
CARES I		60,770	60,770	60,770	
ARP - Homeless		5,196	5,196	1,725	3,471
	1,460,912	(88,264)	1,372,648	1,191,830	180,818
State Sources					
Preschool	1,519,654	(324,638)	1,195,016	1,195,017	(1)
L.E.A.P		28,927	28,927	28,927	
Securing our Childs Future Act	27,418		27,418	26,689	729
Non-public Programs	90,031	18,845	108,876	108,878	(2)
Total Revenues	3,165,086	(407,245)	2,757,841	2,696,537	61,304
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,047,298	(211,717)	835,581	835,581	
Other Salaries	254,687	(10,056)	244,631	244,631	
Other Purchased Services (400-500 Series)	281,410	(31,709)	249,701	249,701	
General Supplies	59,302	(18,316)	40,986	40,986	
Textbooks	6,158	2,425	8,583	8,583	
Other Objects	5,000	(4,514)	486	486	
Total Instruction	1,653,855	(273,887)	1,379,968	1,379,968	
Support Services					
Salaries - Supervisor	26,000		26,000	26,000	
Salaries of Principals/ Asst. Principals	30,048	(1)	30,047	30,047	
Salaries of Other Professional Staff	326,123	(39,793)	286,330	286,330	
Salaries - Secretarial and Clerical	21,989	(5,412)	16,577	16,577	
Salaries - Other	50,608	13,000	63,608	63,608	
Salaries - Faciliattor Coach	58,273		58,273	58,273	
Personal Services - Employee Benefits	443,751	(39,630)	404,121	404,120	1
Purchased Professional & Technical Services	42,067	(29,684)	12,383	12,382	1
Other Professional/ Ed. Services	3,000	(1,194)	1,806	1,806	
Other Purchased Services	115,501	90,167	205,668	205,667	1
Supplies and Materials	5,348	62,752	68,100	68,100	
Scholarships Awarded				100	(100)
Student Activities	67,071	(67,071)		120,935	(120,935)
Total Support Services	1,189,779	(16,866)	1,172,913	1,293,945	(121,032)
Facilities Acquisition and Construction Services:					
Instructional Equipment	3,325	135,651	138,976	138,976	
Non-Instructional Equipment	318,127	(252,143)	65,984	38,565	27,419
Total Facilities Acquisition and Construction Services	321,452	(116,492)	204,960	177,541	27,419
Total Expenditures	\$ 3,165,086	\$ (407,245)	\$ 2,757,841	\$ 2,851,454	\$ (93,613)
Transfer from General fund				\$ 154,572	\$ 154,572
Excess (Deficiency) of Revenues Over (Under) Expenditures				(345)	(345)
Fund Balance, July 1				72,303	
Fund Balance, June 30				\$ 71,958	
Recapitulation:					
Restricted:					
Scholarships				\$ 10,179	
Student Activities				61,779	
Fund Balance, June 30				\$ 71,958	

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

DENNIS TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 18,058,885	[E-1] \$ 2,071,441
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	Prior Year Current Year	9,570 (28,927)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	347,934	121,603
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(252,566)	(135,250)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 18,154,253	[B-2] \$ 2,038,437
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 16,750,550	[E-1] \$ 2,226,358
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		(19,357)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 16,750,550	[B-2] \$ 2,207,001

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.017792%	0.017733%	0.017731%	0.019377%	0.019118%	0.018269%	0.018310%	0.019766%	0.019819%
District's Proportionate Share of the Net Pension Liability	\$ 2,107,739	\$ 2,891,773	\$ 3,194,794	\$ 3,815,145	\$ 4,450,419	\$ 5,410,614	\$ 4,110,335	\$ 3,700,825	\$ 3,787,852
District's Covered-Employee Payroll	\$ 1,319,736	\$ 1,274,480	\$ 1,279,443	\$ 1,313,486	\$ 1,349,044	\$ 1,320,073	\$ 1,235,780	\$ 1,218,004	\$ 1,355,748
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	159.71%	226.90%	249.70%	290.46%	329.89%	409.87%	332.61%	303.84%	279.39%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 215,431	\$ 200,917	\$ 180,255	\$ 200,873	\$ 177,108	\$ 162,295	\$ 157,421	\$ 162,952	\$ 149,334
Contributions in relation to the Contractually Required Contribution	(215,431)	(200,917)	(180,255)	(200,873)	(177,108)	(162,295)	(157,421)	(162,952)	(149,334)
Contribution Deficiency (Excess)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
District's Covered-Employee Payroll	\$ 1,319,736	\$ 1,274,480	\$ 1,279,443	\$ 1,313,486	\$ 1,349,044	\$ 1,320,073	\$ 1,235,780	\$ 1,218,004	\$ 1,355,748
Contributions as a Percentage of Covered-Employee Payroll	16.32%	15.76%	14.09%	15.29%	13.13%	12.29%	12.74%	13.38%	11.01%

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.045533%	0.047331%	0.047797%	0.045047%	0.044904%	0.047422%	0.048633%	0.055833%	0.054941%
District's Proportionate Share of the Net Pension Liability	\$ 21,890,207	\$ 31,166,994	\$ 29,333,690	\$ 28,658,032	\$ 30,275,568	\$ 37,304,819	\$ 30,738,273	\$ 29,841,141	\$ 27,766,875
District's Covered-Employee Payroll	\$ 4,768,766	\$ 4,533,735	\$ 4,393,857	\$ 4,906,700	\$ 5,000,649	\$ 4,680,625	\$ 4,566,930	\$ 4,797,445	\$ 4,894,418
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	459.03%	687.45%	667.61%	584.06%	605.43%	797.01%	673.06%	622.02%	567.32%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service Cost	\$ 1,776,936	\$ 1,081,503	\$ 1,061,210	\$ 1,128,192	\$ 1,360,740
Interest Cost	870,399	861,057	1,049,898	1,151,399	993,551
Changes of Benefit Terms	(35,713)				
Differences Between Expected and Actual Experiences	(6,545,195)	6,015,968	(4,336,982)	(3,517,966)	
Changes of Assumptions	33,103	6,962,632	355,443	(3,031,785)	(4,130,767)
Member Contributions	22,252	20,113	21,692	24,416	26,757
Gross Benefit Payments	(685,631)	(663,582)	(731,789)	(706,451)	(726,638)
Net Change in Total OPEB Liability	<u>(4,563,849)</u>	<u>14,277,691</u>	<u>(2,580,528)</u>	<u>(4,952,195)</u>	<u>(2,476,357)</u>
Total OPEB Liability - Beginning	<u>38,116,811</u>	<u>23,839,100</u>	<u>26,419,628</u>	<u>31,371,823</u>	<u>33,848,180</u>
Total OPEB Liability - Ending	<u>\$ 33,552,962</u>	<u>\$ 38,116,811</u>	<u>\$ 23,839,100</u>	<u>\$ 26,419,628</u>	<u>\$ 31,371,823</u>
Covered-Employee Payroll	\$ 6,088,502	\$ 5,808,215	\$ 5,673,300	\$ 6,220,186	\$ 6,349,693
Total OPEB Liability as a Percentage of Covered-Employee Payroll	551.09%	656.26%	420.20%	424.74%	494.07%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

DENNIS TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	ESEA					I.D.E.A. - Part B				Sub-Total Per E-1(2, 3)	Total 2022
	Title I Part A 2021-22	Title I I SIA 2021-22	Title II A 2021-22	Title IV 2021-22	Title V 2021-22	Basic 2021-22	Preschool 2021-22	ARP IDEA Basic	ARP IDEA Preschool		
REVENUES:											
Federal Sources	\$ 299,144	\$ 4,198	\$ 23,846	\$ 18,590	\$ 11,388	\$ 222,975	\$ 6,032	\$ 35,838	\$ 3,085	\$ 566,734	\$ 1,191,830
State Sources										1,359,511	1,359,511
Local Sources										145,196	145,196
Total Revenues	299,144	4,198	23,846	18,590	11,388	222,975	6,032	35,838	3,085	2,071,441	2,696,537
EXPENDITURES:											
Instruction:											
Salaries of Teachers	168,063			11,000			4,070		2,866	649,582	835,581
Other Salaries										244,631	244,631
Other Purchased Services						217,120		32,581			249,701
General Supplies	4,483	1,058		3,424						32,021	40,986
Textbooks										8,583	8,583
Other Objects										486	486
Total Instruction	172,546	1,058		14,424		217,120	4,070	32,581	2,866	935,303	1,379,968
Support Services:											
Salaries - Supervisors										26,000	26,000
Salaries of Principals/ Asst. Principals										30,047	30,047
Salaries of Other Professional Staff					10,579		1,534			274,217	286,330
Salaries - Secretarial and Clerical										16,577	16,577
Salaries - Other	54		8,016							55,538	63,608
Salaries - Facilitator Coach										58,273	58,273
Personal Services - Employee Benefits	125,576		613	841	809		428		219	275,634	404,120
Other Professional/ Tech. Services			11,793							589	12,382
Other Professional/ Ed. Services			106							1,700	1,806
Other Purchased Profes Serv. (400-500 Series)	968	3,140	2,512			5,855		3,257		189,935	205,667
Supplies and Materials			806							67,294	68,100
Scholarships Awarded										100	100
Student Activities										120,935	120,935
Total Support Services	126,598	3,140	23,846	841	11,388	5,855	1,962	3,257	219	1,116,839	1,293,945
Facilities Acquisition/Construction:											
Instructional Equipment				3,325						135,651	138,976
Non-Instructional Equipment										38,565	38,565
Total Facilities Acquisition/Construction				3,325						174,216	177,541
Total Expenditures	299,144	4,198	23,846	18,590	11,388	222,975	6,032	35,838	3,085	2,226,358	2,851,454
Transfer from General Fund										154,572	154,572
Excess (Deficiency) of Revenues Over (Under) Expenditures										(345)	(345)
Fund Balance, July 1										72,303	72,303
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 71,958	\$ 71,958

**DENNIS TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2022**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 443,853	\$ 443,770	\$ 83
Other Salaries for Instruction	248,849	243,431	5,418
Supplies and Materials	15,500	15,453	47
Total instruction	<u>708,202</u>	<u>702,654</u>	<u>5,548</u>
Support services:			
Salaries of Supervisors	26,000	26,000	
Salaries of Principals/ Asst. Principals	30,047	30,047	
Salaries of Other Professional Staff	121,088	121,088	
Salaries of Secratarial & Clerical Staff	21,989	16,577	5,412
Other Salaries	50,608	50,608	
Facilitator/Coach	58,273	58,273	
Personal Services - Employee Benefits	203,030	203,030	
Purchased Professional Educational Services	3,000	1,700	1,300
Other Professional/ Tech. Services	3,000	589	2,411
Purchased Other Educational Services	2,000	1,664	336
Supplies	1,708	1,708	
Non-Instructional Equipment	<u>520,743</u>	<u>511,284</u>	<u>9,459</u>
Facilities Acquisition and Constrction Services:			
Instructional Equipment			
Non-Instructional Equipment	290,709	135,651	155,058
Total Facilities Acquisition and Construction Services	<u>290,709</u>	<u>135,651</u>	<u>155,058</u>
Total expenditures	<u>\$ 1,519,654</u>	<u>\$ 1,349,589</u>	<u>\$ 170,065</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 1,352,505
Add: Actual ECPA/PEA Carryover (June 30, 2022)	180,813
Add: Budgeted Transfer from the General Fund 2021-2022	154,572
Total Preschool Education Aid Funds Available for 2021-2022 Budget	<u>1,687,890</u>
Less: 2021-22 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(1,519,654)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	<u>168,236</u>
Add: June 30, 2022 Unexpended Preschool Education Aid	170,065
2021-2022 Carryover - Preschool Education Aid Programs	<u>\$ 338,301</u>
2021-2022 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2022-2023	\$ 180,813
Note: Since the 2021-22 Actual Carryover is more than the amount budgeted in 2022-23, the District should consider revising the 2022-23 Budget by appropriating this amount in the 2022-23 School Year Preschool Education Program Budget by amendment.	<u>\$ 157,488</u>

LONG-TERM DEBT SCHEDULES

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

DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF GENERAL SERIAL BONDS
AS OF JUNE 30, 2022

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Maturity of Bonds Outstanding June 30, 2022</u>		<u>Amount Outstanding June 30, 2021</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2022</u>
				<u>Date</u>	<u>Amount</u>				
2010 Refunding Issue	4/29/10	\$4,750,000	3.625%			\$ 210,000	\$	\$ 210,000	\$
						\$ 210,000	\$	\$ 210,000	\$

TOWNSHIP OF DENNIS SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2022

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2021</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2022</u>
2020 - Technology Equipment	249,971	2.51%	\$ 149,963	\$	\$ 48,754	\$ 101,209
			<u>\$ 149,963</u>	<u>\$</u>	<u>\$ 48,754</u>	<u>\$ 101,209</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative Final to Actual)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 217,613		\$ 217,613	\$ 217,613	
Total Revenues	<u>217,613</u>		<u>217,613</u>	<u>217,613</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	7,613		7,613	7,613	
Redemption of Principal	210,000		210,000	210,000	
Total Expenditures	<u>217,613</u>		<u>217,613</u>	<u>217,613</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses):					
Operating Transfers In:					
Total Other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Fund Balance, July 1					
Fund Balance, June 30	<u>\$</u>		<u>\$</u>	<u>\$</u>	
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Restricted Fund Balance				<u>\$</u>	

STATISTICAL SECTION

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt \$	7,300,013	7,303,158	7,363,624	7,588,777	7,241,802	9,221,289	9,859,731	10,047,813	10,218,119	10,165,094
Restricted	190,505	715,709	1,776,139	2,478,057	1,359,664	1,787,039	1,465,402	2,220,075	3,140,836	3,085,325
Unrestricted (Deficit)	(377,222)	(4,118,987)	(4,115,764)	(4,092,422)	(3,049,207)	(3,978,999)	(4,025,031)	(4,010,427)	(3,936,279)	(2,193,618)
Total Governmental Activities Net Position	\$ 7,113,296	3,899,880	5,023,999	5,974,412	5,552,259	7,029,329	7,300,102	8,257,461	9,422,676	11,056,801
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt \$	77,603	63,173	50,525	39,655	33,746	54,589	51,801	39,149	32,905	26,821
Unrestricted	62,990	52,819	77,421	78,906	73,059	66,452	1,589	16,968	21,191	189,313
Total Business-Type Activities Net Position	\$ 140,593	115,992	127,946	118,561	106,805	121,041	53,390	56,117	54,096	216,134
District-Wide										
Invested in Capital Assets, Net of Related Debt \$	7,377,616	7,366,331	7,414,149	7,628,432	7,275,548	9,275,878	9,911,532	10,086,962	10,251,024	10,191,915
Restricted	190,505	715,709	1,776,139	2,478,057	1,359,664	1,787,039	1,465,402	2,220,075	3,140,836	3,085,325
Unrestricted (Deficit)	(314,232)	(4,066,168)	(4,038,343)	(4,013,516)	(2,976,148)	(3,912,547)	(4,023,442)	(3,993,459)	(3,915,087)	(2,004,305)
Total District-Wide Net Position	\$ 7,253,889	4,015,872	5,151,945	6,092,973	5,659,064	7,150,370	7,353,492	8,313,578	9,476,772	11,272,935

Source: CAFR Schedule A-1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 4,446,566	4,195,835	4,758,422	4,749,939	5,980,072	5,832,723	5,655,001	6,047,502	6,669,835	6,085,836
Special Education	2,475,803	2,463,863	3,043,771	3,269,534	3,718,946	3,732,581	2,831,206	2,240,179	2,757,127	2,150,572
Other Special Education	483,815	687,737	682,214	720,637	840,512	1,047,246	698,170	488,575	135,487	6,614
Other Instruction							150,731	141,610	111,790	147,643
Support Services										
Tuition	4,417,078	3,803,744	3,516,058	3,580,893	3,874,022	3,878,545	4,018,773	4,000,754	3,758,248	3,580,934
Student and Instruction Related Services	1,687,296	1,525,453	1,883,002	2,043,177	2,191,984	2,330,684	2,073,366	2,123,213	2,405,083	2,514,837
General and Business Admin. Services	504,564	517,362	544,742	472,321	639,297	602,604	534,693	562,379	620,253	550,068
School Administrative Services	421,013	342,944	337,072	420,905	482,346	481,951	469,773	458,129	645,809	458,763
Central and Technical Services	342,836	336,808	352,236	423,931	432,121	433,343	454,773	489,269	601,827	505,961
Plant Operations and Maintenance	1,453,347	1,095,341	1,111,793	1,083,932	1,201,518	1,312,325	1,602,122	1,534,189	1,532,739	1,619,614
Pupil Transportation	997,205	1,170,369	1,040,596	988,213	1,186,517	1,162,051	1,252,345	1,031,753	1,271,476	1,137,079
Capital Outlay	47,907									
Charter Schools	43,309	42,491	91,783	52,715	47,402	13,441				
Amortization of Debt Issue Costs										
Interest on Long-Term Debt	129,398	130,501	117,062	105,630	92,109	78,603	64,706	98,587	37,653	14,086
Total Governmental Activities Expenses	17,450,137	16,312,448	17,478,751	17,911,827	20,686,846	40,711,756	19,805,659	19,216,139	20,547,327	18,772,007
Business-Type Activities										
After School Programs	245,594	223,194	172,504	178,792	206,749	176,334	107,306	95,086	26,523	105,491
Food Service	63,863	58,322	60,200	74,201	81,993	85,904	182,950	144,554	165,133	251,812
Total Business-Type Activities Expense	309,457	281,516	232,704	252,993	288,742	262,238	290,256	239,640	191,656	357,303
Total District Expenses	17,759,594	16,593,964	17,711,455	18,164,820	20,975,588	40,973,994	20,095,915	19,455,779	20,738,983	19,129,310
Program Revenues										
Governmental Activities										
Charge for Services										
Instruction (Tuition)	63,171	512,015	509,767	522,797	573,282	595,772				
Pupil Transportation		702,164	689,764	706,972	916,615	878,754				
Student & Instruction Related Services									43,762	120,687
Operating Grants and Contributions	517,447	1,471,630	2,829,588	3,246,712	4,167,517	5,220,303	599,028	1,079,629	1,702,908	1,757,410
Total Gov't Activities Program Rev.	580,618	2,685,809	4,029,119	4,476,481	5,657,414	6,694,829	599,028	1,079,629	1,746,670	1,878,097
Business-Type Activities										
Charges for Services										
Food Service	112,583	98,065	77,231	72,645	76,832	75,104	57,389	106,060	17,261	114,762
Community Education	60,424	72,132	80,935	66,944	84,831	80,332	77,821	49,127	317	764
Operating Grants and Contributions	96,617	96,707	86,474	89,071	95,097	96,349	88,715	91,609	172,050	403,806
Total Bus.-Type Activities Prog. Rev.	269,624	266,904	244,640	228,660	256,760	251,785	223,925	246,796	189,628	519,332
Total District Program Revenues	\$ 850,242	2,952,713	4,273,759	4,705,141	5,914,174	6,946,614	822,953	1,326,425	1,936,298	2,397,429
Net (Expense)/Revenue	\$ (16,869,519)	(13,626,639)	(13,449,632)	(13,435,346)	(15,029,432)	(34,016,927)	(19,206,301)	(18,136,510)	(18,800,657)	(16,893,910)
Governmental Activities	(39,833)	(14,612)	11,936	(24,333)	(31,982)	(10,453)	(66,331)	7,156	(2,028)	162,029
Business-Type Activities										
Total District-Wide Net Expense	\$ (16,909,352)	(13,641,251)	(13,437,696)	(13,459,679)	(15,061,414)	(34,027,380)	(19,272,632)	(18,129,354)	(18,802,685)	(16,731,881)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied - General Purp.	\$ 8,365,273	8,532,578	8,703,230	8,703,854	8,877,931	9,184,652	10,061,730	10,610,623	10,868,623	10,857,728
Taxes Levied for Debt Service	579,308	579,619	555,669	535,432	520,529	498,881	9,160,746	8,144,933	8,818,413	7,412,570
Unrestricted Grants and Contributions	7,404,302	5,099,349	5,164,581	5,137,207	5,193,462	5,066,768	110,912	124,661	134,919	173,698
Fixed Asset Adjustment		(82,149)		(586)		908,309	(209,580)			
Miscellaneous Income	60,346	12,100	150,272	16,785	33,365	29,728	339,234	226,840	112,088	147,969
Transfers		(6,934)		(6,934)	(18,006)		(15,968)	(13,188)	(50,448)	(63,930)
Total Governmental Activities	16,409,229	14,141,497	14,573,752	14,385,758	14,607,281	15,688,338	19,447,074	19,093,869	19,883,595	18,528,035
Business-Type Activities										
Miscellaneous Income	12	11	17	8,015	2,218	22	205	433	7	9
Transfers				6,934	18,006		1,674			
Fixed Asset Adjustment						24,667	(3,199)	(4,862)		
Total Business-Type Activities	12	11	17	14,949	20,224	24,689	(1,320)	(4,429)	7	9
Total District-Wide	\$ 16,409,241	14,141,508	14,573,769	14,400,707	14,627,505	15,713,027	19,445,754	19,089,440	19,883,602	18,528,044
Change in Net Position	\$ (460,290)	514,858	1,124,120	950,412	(422,151)	(18,328,589)	270,773	957,359	1,082,938	1,634,125
Governmental Activities	(39,821)	(14,601)	11,953	(9,384)	(11,758)	14,236	(67,651)	2,727	(2,021)	162,038
Business-Type Activities										
Total District-Wide	\$ (500,111)	500,257	1,136,073	941,028	(433,909)	(18,314,353)	203,122	960,086	1,080,917	1,796,163

Source: CAFR Schedule A-2

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Restricted	\$ 20,244	329,323	1,089,736	1,091,573	645,225	644,756	1,465,402	2,220,075	2,534,533	2,616,867
Committed	38,693	386,386	686,403	855,234	514,439	624,909				
Assigned	131,568			531,250	200,000	517,374	351,749	339,270	635,733	509,708
Unassigned (Deficit)	(262,387)	(204,045)	(120,909)	103,076	1,124,736	320,580	(91,497)	(39,835)	338,452	1,567,344
Total General Fund	\$ (71,882)	511,664	1,655,230	2,581,133	2,484,400	2,107,619	1,725,654	2,519,510	3,508,718	4,693,919
All Other Governmental Funds										
Restricted										
Scholarships	\$								10,276	10,179
Student Activities									62,027	61,779
Debt Service Fund			1	1	3,449	3,449				
Unassigned, reported in:										
Special Revenue Fund (Deficit)								(62,275)	(121,603)	(135,250)
Capital Projects Fund										
Total All Other Governmental Funds	\$		1	1	3,449	3,449		(62,275)	(49,300)	(63,292)

Source: CAFR Schedule B-1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 8,944,581	9,112,197	9,258,899	9,239,286	9,398,460	9,683,533	10,061,730	10,610,623	10,868,623	10,857,728
Tuition Charges	39,142	70,371	68,123	81,153	131,638	154,128	155,980	38,382	3,330	22,914
Interest Earnings	45	18	18	81	205	221	4,160	2,625	614	100
Transportation Fees	24,028	53,169	42,454	61,419	270,794	232,724	179,094	185,833	108,144	124,955
Miscellaneous	66,030	12,082	155,126	16,705	45,555	50,048	110,912	124,661	245,001	439,581
State Sources	7,479,755	7,237,861	7,305,049	7,444,414	7,620,892	7,746,617	7,798,255	7,862,042	7,687,451	8,391,022
Federal Sources	436,265	369,757	430,397	411,222	389,883	535,397	581,994	518,877	798,209	574,003
Total Revenues	16,989,846	16,855,455	17,260,066	17,254,280	17,857,427	18,402,668	18,892,125	19,343,043	19,711,372	20,410,303
Expenditures										
Instruction										
Regular Instruction	3,047,298	2,749,671	2,666,257	2,714,200	2,992,137	2,873,016	3,452,647	3,717,992	3,807,468	3,691,918
Special Education Instruction	1,696,941	1,684,546	1,752,402	1,846,618	1,926,436	1,942,373	1,446,000	1,167,019	1,282,366	1,111,744
Other Special Instruction	331,155	453,924	362,266	396,797	423,618	505,601	356,554	254,915	63,991	4,263
Other Instruction							81,675	76,020	54,159	80,943
Support Services										
Instruction	4,417,078	3,803,744	3,516,058	3,580,893	3,874,022	3,878,545	4,018,773	4,000,754	3,758,248	3,580,934
Student and Instruction Related Services	1,159,627	1,055,485	1,096,624	1,184,111	1,167,824	1,236,536	1,159,539	1,275,631	1,384,149	1,674,692
General Administrative Services	345,786	412,916	402,555	302,381	384,689	391,782	355,044	381,421	396,906	374,952
School Administrative Services	288,526	235,147	231,920	234,052	252,627	251,845	244,464	239,975	302,698	237,836
Central and Technical Services	234,950	230,898	237,325	238,898	230,590	232,248	249,511	291,299	317,854	297,628
Plant Operations and Maintenance	996,000	971,192	970,800	918,030	1,012,531	1,045,630	1,209,824	1,205,963	1,064,148	1,107,375
Pupil Transportation	1,160,311	1,070,484	996,872	949,969	1,079,252	985,150	1,025,073	726,293	726,005	763,414
Unallocated Employee Benefits	3,079,194	2,913,531	3,136,964	3,186,111	3,819,889	3,846,777	4,464,924	4,301,234	4,579,586	5,433,128
Charter Schools	43,309	42,491	91,783	52,715	47,402	13,441				
Capital Outlay	53,134	366,698	444,189	181,236	604,608	1,254,993	717,255	753,417	566,302	598,724
Debt Service										
Principal	475,000	465,000	455,000	445,000	440,000	435,000	430,000	420,000	415,000	210,000
Interest and Other Charges	124,119	114,619	100,669	90,431	77,081	63,881	50,288	36,312	22,138	7,613
Total Expenditures	17,452,428	16,570,346	16,461,684	16,321,442	18,332,706	18,956,818	19,261,571	18,848,245	18,741,018	19,175,164
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(462,582)	285,109	798,382	932,838	(475,279)	(554,150)	(369,446)	494,798	970,354	1,235,139
Other Financing Sources (Uses)										
Transfer In										
Transfer Out				(6,934)	(18,006)		(15,968)	236,783	(50,448)	(63,930)
Capital Leases (Non-budgeted)		298,437	345,185		400,000	177,370				
Total Other Financing Sources (Uses)		298,437	345,185	(6,934)	381,994	177,370	(15,968)	236,783	(50,448)	(63,930)
Net Change in Fund Balances	\$ (462,582)	583,546	1,143,567	925,904	(93,285)	(376,780)	(385,414)	731,581	919,906	1,171,209
Debt Service as a Percentage of Noncapital Expenditures	3.44%	3.58%	3.47%	3.32%	2.92%	2.82%	2.59%	2.59%	2.59%	2.59%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals</u>	<u>Prior</u> <u>Year</u> <u>Refunds</u>	<u>Transportation</u>	<u>Miscellaneous</u>	<u>Total</u>
2022	\$ 434	\$	\$ 151,085	\$ 124,955	\$ 165,880	\$ 442,354
2021	1,020		122,642	108,144	58,963	290,769
2020	19,655				74,065	93,720
2019	5,569				89,463	95,032
2018	221				29,507	29,728
2017	1,424				35,447	36,871
2016	1,306				15,480	16,786
2015	850				154,276	155,126
2014	461	945			10,676	12,082
2013	589	11,340			54,100	66,029

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2022	\$ 30,036,400	\$ 658,041,600	\$ 13,956,300	\$ 1,520,500	\$ 193,073,000	\$ 896,627,800	\$ 1,555,435	\$ 898,183,235	1.212	\$ 103,488,966
2021	28,625,000	655,377,800	13,683,900	1,469,200	190,902,200	890,058,100	1,795,285	891,853,385	1.218	944,659,414
2020	28,273,100	653,145,500	13,973,900	1,523,700	187,737,900	884,654,100		884,654,100	1.229	919,407,711
2019	28,441,300	651,055,600	14,299,800	1,560,600	188,494,700	883,852,000		883,852,000	1.201	928,220,962
2018	29,157,100	649,181,900	14,003,500	1,558,000	188,413,400	882,313,900		882,313,900	1.141	899,743,003
2017	29,852,400	645,392,900	13,729,600	1,557,200	188,466,400	878,998,500		878,998,500	1.102	888,435,385
2016	30,241,400	642,097,400	14,797,200	1,574,400	188,511,100	877,221,500	1,795,285	879,016,785	1.070	879,251,318
2015	30,156,600	641,121,000	16,023,600	1,704,300	187,451,500	876,457,000	1,807,521	878,264,521	1.052	876,640,878
2014	51,240,800	807,499,800	19,448,900	1,631,800	162,130,500	1,041,951,800	1,813,977	1,043,765,777	0.888	845,813,506
2013	52,651,800	813,867,200	19,701,800	1,615,700	160,572,700	1,048,409,200	2,273,886	1,050,683,086	0.868	876,367,053

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

c Estimate

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

Year Ended June 30,	Dennis Township BOE			Overlapping Rates				Municipal Local Purpose	Total
	Basic Rate ^a	Debt Service ^b	Total Direct	County General	County Open Space	County Other			
2022	\$ 1.212	\$ 0.000	\$ 1.212	\$ 0.271	\$ 0.012	\$ 0.040	\$ 0.230	\$ 1.765	
2021	1.218	0.000	1.218	0.250	0.011	0.037	0.230	1.746	
2020	1.229	0.000	1.229	0.238	0.011	0.036	0.231	1.745	
2019	1.201	0.000	1.201	0.239	0.011	0.035	0.230	1.716	
2018	1.084	0.057	1.141	0.229	0.011	0.034	0.230	1.645	
2017	1.043	0.059	1.102	0.221	0.011	0.034	0.224	1.592	
2016	1.009	0.061	1.070	0.218	0.011	0.030	0.214	1.543	
2015	0.999	0.053	1.052	0.214	0.010	0.029	0.214	1.519	
2014	0.833	0.055	0.888	0.170	0.009	0.024	0.171	1.262	
2013	0.813	0.055	0.868	0.171	0.009	0.025	0.171	1.244	

Source: District Records and Municipal Tax Collector

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

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

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

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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Turner Partners LP	\$ 28,270,700	3.15%	\$ 9,788,400	1.11%
Sun Driftwood RV, LLC	20,389,700	2.27%	8,441,200	0.96%
MHC Pine Haven, LLC	17,003,700	1.89%	4,217,400	0.48%
Catanoso, Family LP	11,308,600	1.26%	3,503,300	0.40%
MHC Lake & Shore, LLC	9,413,500	1.05%	8,803,500	1.00%
Robertson RV, LLC	4,867,800	0.54%		
Taxpayer #1	5,692,500	0.63%	4,000,000	
Tamerlane Campground INC	4,341,200	0.48%		
Taxpayer #2	3,873,400	0.43%		0.00%
Big Rib VII LLC	3,690,400	0.41%		
Resort Campground CORP			2,972,200	0.34%
Ocean View Petroleum				
Minmar Management, LLC			3,151,400	0.36%
Sea Quest Enterprises, LLC			7,004,500	0.80%
The Stafford Family LLC			3,633,000	0.41%
Total	\$ 80,580,800	8.97%	\$ 55,514,900	5.87%

Source: District CAFR & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2022	\$ 10,640,115	\$ 10,640,115	100.00%	\$
2021	10,431,485	10,431,485	100.00%	
2020	10,154,311	10,154,311	100.00%	
2019	9,584,891	9,584,891	100.00%	
2018	9,683,533	9,683,533	100.00%	
2017	9,398,460	9,398,460	100.00%	
2016	9,239,286	9,239,286	100.00%	
2015	9,258,899	9,258,899	100.00%	
2014	9,112,197	9,112,197	100.00%	
2013	8,944,581	8,944,581	100.00%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Debt Per Capita ^a Personal Income
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2022	\$		101,209	\$	\$	101,209	0.03%	\$ 17
2021		210,000	149,963			359,963	0.09%	59
2020		625,000	197,523			822,523	0.23%	135
2019		1,045,000	178,594			1,223,594	0.34%	201
2018		1,475,000	574,006			2,049,006	0.57%	332
2017		1,910,000	738,130			2,648,130	0.73%	427
2016		2,350,000	671,555			3,021,555	0.87%	485
2015		2,795,000	946,020			3,741,020	1.11%	598
2014		3,250,000	866,069			4,116,069	1.27%	654
2013		3,715,000	649,460			4,364,460	1.40%	690

Source: District CAFR Schedules I-2

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Bonded Debt Per Capita ^b Personal Income
	General Obligation Bonds	Deductions			
2022	\$	\$	\$	0.00%	\$
2021				0.02%	34
2020				0.07%	103
2019				0.11%	169
2018				0.16%	239
2017				0.21%	308
2016				0.27%	377
2015				0.32%	447
2014				0.38%	516
2013				0.42%	587

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

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

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

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

DENNIS TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Dennis	\$ 5,730,213	100.00%	\$ 5,730,213
Other Debt			
Cape May County as of December 31, 2021	310,188,170	1.63%	5,045,700
Subtotal, Overlapping Debt			<u>10,775,913</u>
Dennis Township School District Direct Debt			b
Total Direct and Overlapping Debt			<u><u>\$ 10,775,913</u></u>

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

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

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

b Type I School District Debt

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

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis
	2021 \$ 1,027,306,210
	2020 938,923,902
	2019 918,574,101
	[A] \$ 2,884,804,213
Average Equalized Valuation of Taxable Property	[A/3] \$ 961,601,404
Debt Limit (3% of Average Equalization Value)	[B] \$ 28,848,042 a
Net Bonded School Debt	[C] -
Legal Debt Margin	[B-C] \$ 28,848,042

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 27,645,853	\$ 26,463,934	\$ 25,962,943	\$ 25,944,320	\$ 26,318,874	\$ 26,564,199	\$ 27,074,441	\$ 27,404,726	\$ 27,841,037	\$ 28,848,042
Total Net Debt Applicable to Limit	3,715,000	3,250,000	2,795,000	2,350,000	1,910,000	1,475,000	1,045,000	625,000	210,000	
Legal Debt Margin	\$ 23,930,853	\$ 23,213,934	\$ 23,167,943	\$ 23,594,320	\$ 24,408,874	\$ 25,089,199	\$ 26,029,441	\$ 26,779,726	\$ 27,631,037	\$ 28,848,042
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.44%	12.28%	10.77%	9.06%	7.26%	5.55%	3.86%	2.28%	0.75%	0.00%

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

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

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

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income (thousands of dollars)</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2022 *	6,085	\$ 382,500,245	\$ 62,860	11.7%
2021	6,091	382,906,946	62,860	11.6%
2020	6,118	357,246,448	62,797	10.5%
2019	6,153	360,494,504	62,734	4.9%
2018	6,172	361,541,144	60,264	5.7%
2017	6,203	361,550,476	58,019	6.4%
2016	6,232	347,989,500	56,059	7.0%
2015	6,258	337,543,193	54,054	8.3%
2014	6,303	323,123,312	51,478	9.9%
2013	6,332	312,726,975	46,561	9.9%

Source:

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

^b Personal income

^c Per Capita

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

* Estimate

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

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Morey Organization				
Woodbine Developmental Center				
U.S. Coast Guard				
Cape Regional Medical Center	Not Available		Not Available	
Acme Markets				
Wawa				
Shoprite				
Super Fresh				
Lobster House				
Windrift				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	42	41	40	38	37	40	41	32	33	44
Special Education	17	16	19	18	19	18	17	15	15	20
Other Special Education	7	7	4	4	3	3	3	5	5	7
Other Instruction	7	7	7	6	8	9	12	20	20	10
Support Services:										
Student & Instruction Related Services	19	19	17	21	24	19	22	19	19	14
General Administrative Services	2	2	2	2	2	2	2	2	2	2
School Administrative Services	4	4	4	4	4	4	4	4	4	3
Central Services	3	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	2	2	2	2	2	2	2	2
Plant Operations and Maintenance	9	9	8	8	8	8	9	9	8	11
Pupil Transportation	24	24	27	25	30	23	24	24	23	18
Other Support Services								9	9	5
Total	<u>135</u>	<u>133</u>	<u>133</u>	<u>131</u>	<u>140</u>	<u>131</u>	<u>139</u>	<u>144</u>	<u>143</u>	<u>138</u>

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio All Schools</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2022	622	\$ 18,576,440	\$ 29,866	-11.60%	70	8.9:1	621	579	12.35%	93.11%
2021	602	18,174,716	30,191	-10.63%	71	7.8:1	602	598	8.86%	99.34%
2020	589	18,094,828	30,721	-9.06%	72	7.8:1	574	554	3.80%	96.52%
2019	558	18,544,316	33,234	-1.63%	73	7.6:1	553	524	-16.84%	94.76%
2018	553	18,682,022	33,783	6.58%	70	7.9:1	665	628	-10.50%	94.44%
2017	543	17,211,016	31,696	10.50%	67	7.8:1	695	661	-6.46%	95.11%
2016	544	15,604,775	28,685	-1.67%	67	7.7:1	743	708	-3.63%	95.29%
2015	530	15,461,827	29,173	8.67%	70	7.6:1	771	731	-4.70%	94.81%
2014	582	15,624,029	26,845	-5.24%	71	8.2:1	809	771	-5.60%	95.30%
2013	593	16,800,175	28,331	7.50%	73	8.1:1	857	808	-4.03%	94.28%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>District Buildings</u>										
<u>Elementary</u>										
Dennis Township Elementary/Middle School (1950)										
Square Feet	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220	89,220
Capacity	608	608	608	608	608	608	608	608	608	608
Students	421	416	290	245	284	282	255	284	290	300
Dennis Township Primary School (2004)										
Square Feet	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105	51,105
Capacity	329	329	329	329	329	329	329	329	329	329
Students	195	166	240	299	259	271	303	305	312	322
<u>Other</u>										
Administration Building (1996)										
Square Feet	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960
Bus Maintenance Garage (1970)										
Square Feet	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980

Number of Schools at June 30, 2022
 Elementary/Middle School - 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses.
 Enrollment is based on the annual October District count.

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

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

<u>School Facilities</u>	<u>Project #(s)</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Dennis Elementary	N/A	\$ 219,368	213,905	281,106	306,610	271,245	190,494	194,305	191,531	127,084	307,706
Dennis Primary	N/A	54,842	52,978	59,786	69,000	75,860	61,154	59,551	55,213	72,793	43,148
Total School Facilities		<u>274,210</u>	<u>266,883</u>	<u>340,892</u>	<u>375,610</u>	<u>347,105</u>	<u>251,648</u>	<u>253,856</u>	<u>246,744</u>	<u>199,877</u>	<u>350,854</u>
Other Facilities											
Grand Total		<u>\$ 274,210</u>	<u>266,883</u>	<u>340,892</u>	<u>375,610</u>	<u>347,105</u>	<u>251,648</u>	<u>253,856</u>	<u>246,744</u>	<u>199,877</u>	<u>350,854</u>

DENNIS TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (UNAUDITED)

<u>Company</u> <u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
<u>School Alliance Insurance Fund</u>		
School (Commercial) Package Policy		
Property- Blanket Buildings & Contents	\$36,826,000	\$ 2,500
General Liability		
General Aggregate	50,000,000	
Boiler and Machinery	100,000,000	2,500
Cyber Liability	2,000,000	10,000
Crime	500,000	1,000
Business Auto Section	5,000,000	1,000
Excess Liability	5,000,000	
<u>SAIF</u>		
School Leaders E&O Liability	5,000,000	
Pollution Liability	10,000,000	
<u>ACE American Insurance Company</u>		
Storage Tank Liability		
Per Storage Tank Incident of Liability	1,000,000	100,000
Aggregate Limit of Liability	1,000,000	
<u>New Jersey School Insurance Group</u>		
Workers Compensation Policy		
Per Occurrence/Aggregate	3,000,000	
<u>Berkley Insurance Company/Bob McCloskey Insurance</u>		
Student Accident Policies	1,000,000	
<u>United States Fire Ins. Co/McCloskey Insurance Company</u>		
Catastrophic Student Accident Coverage		
Accident Medical Expense Benefit	2,500,000	25,000
Catastrophic Cash Benefit	500,000	
<u>Ohio Casualty</u>		
Surety Bonds		
Treasurer	210,000	
Business Administrator	10,000	

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education of the Township of Dennis School District's basic financial statements, and have issued our report thereon dated February 21, 2023.

Internal Control Over Financial Reporting

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be material, labeled 2022-1.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be significant, labeled 2022-2.

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

Compliance and Other Matters

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

Board of Education's Response to Findings


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

Purpose of this Report

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

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
February 21, 2023

NIGHTLINGER, COLAVITA & VOLPA

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Certified Public Accountants

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

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

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit 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 Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's major federal and state programs for the year ended June 30, 2022. The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Township of Dennis School District, in the County of Cape May, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 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.

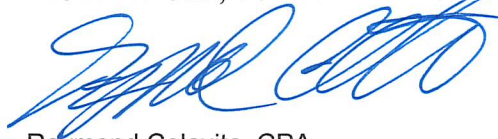
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
February 21, 2023

**DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at July 1, 2021	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2022			
													(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																
General Fund																
Medicaid Assistance Program	93.778	2005NJ5MAP	N/A	\$ 36,196	7/1/19	6/30/20		\$ 25,622	\$ (36,196)		\$ (36,196)			\$ (10,574)		
Total General Fund								25,622	(36,196)		(36,196)			(10,574)		
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Child Nutrition Cluster:																
Cash Assistance:																
National School Lunch Program	10.555	221NJ304N1099	N/A	\$248,158	7/1/21	6/30/22		229,055	(248,158)		(248,158)			(19,103)		
National School Lunch Program	10.555	211NJ304N1099	N/A	102,760	7/1/20	6/30/21	\$ (12,777)	12,777								
School Breakfast Program	10.553	221NJ304N1098	N/A	117,025	7/1/21	6/30/22		107,491	(117,025)		(117,025)			(9,534)		
School Breakfast Program	10.553	211NJ304N1099	N/A	48,506	7/1/20	6/30/21	(5,754)	5,754								
Emergency Operational Cost Program	10.555	202121H170341	N/A	720	7/1/21	6/30/22		720	(720)		(720)					
P-EBT Administrative Cost	10.649	202122S900941	N/A	614	7/1/20	6/30/21		614	(614)		(614)					
P-EBT Administrative Cost	10.649	202222S900941	N/A	628	7/1/21	6/30/22		628	(628)		(628)					
Supply Chain Assistance Funding	10.555	221NJ344N8903	NA	16,794	7/1/21	6/30/22			(16,794)		(16,794)			(16,794)		
Non-Cash Assistance:																
Food Distribution Program	10.565	221NJ304N1098	N/A	13,781	7/1/21	6/30/22		13,781	(7,994)		(7,994)				\$ 5,787	
Food Distribution Program	10.565	211NJ304N1099	N/A	14,475	7/1/20	6/30/21	6,046		(6,046)		(6,046)					
Total Enterprise Fund							(12,485)	370,820	(397,979)		(397,979)			(45,431)	5,787	
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
E.S.E.A.																
Title I, Part A	84.010	S010A210030	ESEA1080-22	325,505	7/1/21	9/30/22		201,890	(299,144)		(299,144)			(97,254)		
Title I, Part A	84.010	S010A200030	ESEA1080-21	264,370	7/1/20	9/30/21	(18,244)	18,244								
Title I, SIA Part A	84.010	S010A210030	ESEA1080-22	19,755	7/1/21	9/30/22		3,887	(4,198)		(4,198)			(311)		
Title I, SIA Part A	84.010	S010A200030	ESEA1080-21	22,074	7/1/20	9/30/21	(1,482)	1,483					(\$1)			
Title II, Part A Teachers and Principals	84.367A	S367A210029	ESEA1080-22	64,101	7/1/21	9/30/22		16,544	(23,846)		(23,846)			(7,302)		
Title II, Part A Teachers and Principals	84.367A	S367A200029	ESEA1080-21	54,729	7/1/20	9/30/21	(6,970)	6,970								
Title IV	84.424A	S424A210031	ESEA1080-22	28,394	7/1/21	9/30/22		159	(18,590)		(18,590)			(18,431)		
Title IV	84.424A	S424A200031	ESEA1080-21	23,325	7/1/20	9/30/21	(10,803)	10,803								
Title V RLIS	84.358B	S358B210100	ESEA1080-22	11,388	7/1/21	9/30/22		775	(11,388)		(11,388)			(10,613)		
IDEA Cluster:																
I.D.E.A. Part B Basic	84.027A	H027A200100	IDEA1080-21	254,161	7/1/20	9/30/21	(3,865)	3,865								
I.D.E.A. Part B Basic	84.027A	H027A210100	IDEA1080-22	263,176	7/1/21	9/30/22		258,640	(222,975)		(222,975)				35,665	
I.D.E.A. ARP Basic	84.027x	H027X210100			7/1/21	9/30/22			(35,838)		(35,838)			(35,838)		
I.D.E.A. ARP Pre-school	84.173x	H173X210114	IDEAPS1080-22	3,085	7/1/21	9/30/22			(3,085)		(3,085)			(3,085)		
I.D.E.A. Part B, Pre-school	84.173	H173A210114	IDEAPS1080-22	6,032	7/1/21	9/30/22		4,607	(6,032)		(6,032)			(1,425)		
I.D.E.A. Part B, Pre-school	84.173	H173A200114	IDEAPS1080-21	5,200	7/1/20	9/30/21	(1,227)	1,227								
ARP Consolidated:																
ARP ESSER	84.425U	S425U210027		1,957,266	3/13/20	9/30/24										
ARP Homeless Youth	84.425U	S425U210027							(1,725)		(1,725)			(1,725)		
CRRSA Consolidated:																
CRRSA-ESSER II	84.425D	S425D210027	ESSER 1080-20	870,888	3/13/20	9/30/23	(29,259)		(502,289)		(502,289)	9,570		(521,978)		
CR Learning Acceleration	84.425D	S425D210027	ESSERLAN 1080-20	55,889	3/13/20	9/30/23			(1,950)		(1,950)			(1,950)		
CR Mental Health	84.425D	S425D210027		45,000	3/13/20	9/30/23										
Other:																
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES 1080-20	267,273	3/13/20	9/30/22	(99,087)	85,383	(60,770)		(60,770)			(74,474)		
Total Special Revenue Fund							(170,937)	614,477	(1,191,830)		(1,191,830)	9,569		(774,386)	35,665	
Total Federal Financial Awards							\$ (183,422)	\$ 1,010,919	\$ (1,626,005)	\$	\$ (1,626,005)	\$ 9,569	\$ (830,391)	\$ 41,452	\$	

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2021			Carry Over	Cash Received	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2022			MEMO		
					(Accounts Receivable)	Unearned Revenue	Due To Grantor					(Accounts Receivable)	Unearned Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:																	
General Fund:																	
Special Education Aid	22-495-034-5120-089	\$ 504,067	7/1/21	6/30/22					\$ 463,939	\$ (504,067)		\$ (40,128)			* \$ (40,128)	\$ (504,067)	
Special Education Aid	21-495-034-5120-089	504,067	7/1/20	6/30/21	\$ (40,812)				40,812								
Equalization Aid	22-495-034-5120-078	1,063,893	7/1/21	6/30/22					979,200	(1,063,893)		(84,693)			* (84,693)	(1,063,893)	
Equalization Aid	21-495-034-5120-078	1,063,893	7/1/20	6/30/21	(86,138)				86,138								
Security Aid	22-495-034-5120-084	102,940	7/1/21	6/30/22					94,745	(102,940)		(8,195)			* (8,195)	(102,940)	
Security Aid	21-495-034-5120-084	102,940	7/1/20	6/30/21	(8,335)				8,335								
Adjustment Aid	22-495-034-5120-085	847,932	7/1/21	6/30/22					760,430	(847,932)		(67,502)			* (67,502)	(847,932)	
Adjustment Aid	21-495-034-5120-085	1,672,625	7/1/20	6/30/21	(159,713)				159,713								
Transportation Aid	22-495-034-5120-014	653,808	7/1/21	6/30/22					601,760	(653,808)		(52,048)			* (52,048)	(653,808)	
Transportation Aid	21-495-034-5120-014	653,808	7/1/20	6/30/21	(52,936)				52,936								
Extraordinary Aid	22-495-034-5120-044	92,488	7/1/21	6/30/22						(92,488)		(92,488)			* (92,488)		
Extraordinary Aid	21-495-034-5120-044	112,070	7/1/20	6/30/21	(112,070)				112,070								
Non-public Transportation Aid	22-495-034-5120-014	5,220	7/1/21	6/30/22						(5,220)		(5,220)			* (5,220)		
Non-public Transportation Aid	21-495-034-5120-014	6,227	7/1/20	6/30/21	(6,227)				6,227								
Maintenance of Equity	22-495-034-5120-128	1,146,915	7/1/21	6/30/22						(1,146,915)		(1,146,915)			* (1,146,915)		
Reimbursed TPAF Social Security Contrib.	22-495-034-5094-003	355,133	7/1/21	6/30/22					338,069	(355,133)		(17,064)			* (17,064)	(355,133)	
Reimbursed TPAF Social Security Contrib.	21-495-034-5094-003	326,743	7/1/20	6/30/21	(17,296)				17,296								
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	1,756,674	7/1/21	6/30/22					1,756,674	(1,756,674)					* (1,756,674)	(1,756,674)	
On-Behalf TPAF Post Retirement Medical	22-495-034-5094-001	410,430	7/1/21	6/30/22					410,430	(410,430)					* (410,430)	(410,430)	
On-Behalf Long-term Disability Contrib.	22-495-034-5094-004	720	7/1/21	6/30/22					720	(720)					* (720)	(720)	
Total General Fund					(483,527)				5,909,494	(6,940,220)		(1,514,253)			(252,566)	(6,940,220)	
Special Revenue Fund:																	
Preschool Education Aid	22-495-134-5120-086	1,507,077	7/1/21	6/30/22				\$ 180,813	1,371,627	(1,349,589)		(135,250)	\$ 338,301		* (135,250)	(1,349,589)	
Preschool Education Aid	21-495-134-5120-086	1,520,040	7/1/20	6/30/21	(121,603)	\$ 180,813		(180,813)	121,603								
SDA Emergent Needs Capital	22-100-034-5120-066	11,739	7/1/21	6/30/22					11,739				11,739		* (11,739)		
Securing Our Children's Future										(26,689)		(26,689)			* (26,689)		
LEAP Challenge Grant										(28,927)		(28,927)			* (28,927)		
NJ Non-Public Aid:																	
Textbooks	22-100-034-5120-064	8,583	7/1/21	6/30/22					8,583	(8,583)					* (8,583)		
Textbooks	21-100-034-5120-064	7,697	7/1/20	6/30/21													
Non Public Technology		6,006	7/1/21	6/30/22					6,006	(6,006)					* (6,006)		
Nursing	22-100-034-5120-070	16,016	7/1/21	6/30/22					16,016	(16,016)					* (16,016)		
Security	22-100-034-5120-509	25,025	7/1/21	6/30/22					25,025	(25,009)					* (25,009)		
Security	21-100-034-5120-509	22,050	7/1/20	6/30/21			\$ 382				\$ (382)			\$ 16	* (16)		
Auxiliary Services:																	
Compensatory Education	22-100-034-5120-067	40,311	7/1/21	6/30/22					40,311	(25,441)				14,870	* (14,870)	(25,441)	
Compensatory Education	21-100-034-5120-067	39,191	7/1/20	6/30/21			16,025				(16,025)						
Transportation	22-100-034-5120-068	5,189	7/1/21	6/30/22					5,189	(5,189)					* (5,189)		
Transportation	21-100-034-5120-068	2,478	7/1/20	6/30/21			619				(619)						
Handicapped Services:																	
Examination and Classification	22-100-034-5120-066	17,636	7/1/21	6/30/22					17,636	(8,151)				9,485	* (9,485)	(8,151)	
Examination and Classification	21-100-034-5120-066	16,392	7/1/20	6/30/21			7,691				(7,691)						
Corrective Speech	22-100-034-5120-066	16,740	7/1/21	6/30/22					16,740	(9,114)				7,626	* (7,626)	(9,114)	
Corrective Speech	21-100-034-5120-066	15,129	7/1/20	6/30/21			8,294				(8,294)						
Supplemental Instruction	22-100-034-5120-066	9,912	7/1/21	6/30/22					9,912	(5,369)				4,543	* (4,543)	(5,369)	
Supplemental Instruction	21-100-034-5120-066	9,714	7/1/20	6/30/21			3,459				(3,459)						
Total Special Revenue Fund					(121,803)	180,813	36,470		1,650,567	(1,514,083)		(38,470)	(190,866)	350,040	36,540	(135,250)	(1,514,083)
State Department of Agriculture:																	
Enterprise Fund:																	
School Lunch Prog.	22-100-010-3350-023	5,827	7/1/21	6/30/22					5,387	(5,827)		(440)			* (440)	(5,827)	
School Lunch Prog.	21-100-010-3350-023	5,648	7/1/20	6/30/21	(1,428)				1,428								
Total Enterprise Fund					(1,428)				6,815	(5,827)		(440)				(5,827)	
Total State Financial Assistance					\$ (606,558)	\$ 180,813	\$ 36,470	\$	\$ 7,566,896	\$ (8,460,130)	\$ (38,470)	\$ (1,705,559)	\$ 350,040	\$ 36,540	\$ (387,816)	\$ (8,460,130)	
Less: On-Behalf TPAF Pension System Contributions																	
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	1,756,674	7/1/21	6/30/22					\$ 1,756,674	\$ (1,756,674)							
On-Behalf TPAF Post Retirement Medical	22-495-034-5094-001	410,430	7/1/21	6/30/22					410,430	(410,430)							
On-Behalf Long-term Disability	22-495-034-5094-004	720	7/1/21	6/30/22					720	(720)							
Total For State Financial Assistance - Major Program Determination									\$ 5,399,072	\$ (6,292,306)							

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2022**

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

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

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

**DENNIS TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2022
(CONTINUED)**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$95,368 for the general fund and (\$33,004) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	On-Behalf Payments	Total
General Fund	\$ 36,196	\$ 7,035,588	\$(2,522,957)	\$ 4,548,827
Special Revenue Fund	537,807	1,355,434		1,893,241
Food Service Fund	397,979	5,827		403,806
	<u>\$ 971,982</u>	<u>\$ 8,396,849</u>	<u>\$(2,522,957)</u>	<u>\$ 6,845,874</u>

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

NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 - OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

NOTE 6 - ADJUSTMENTS

Both favorable and unfavorable differences incurred as a result of final grant payments being reported to the granter, of which \$9,569 were included in the Schedule A (Schedule of Federal Awards) and \$36,470 was included on Schedule B (Schedule of State Financial Assistance) in the column entitled "Adjustments." The Schedule B State adjustments was related to Non-Public Chapter 192 & 193.

TOWNSHIP OF DENNIS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A, 84.173 84.027X, 84.173X	H027A200100, H027A210100, H173A200114, H173A210114	Special Education Cluster
84.425	S425D210027, S425D200027, S425U210027	Education Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? yes X no

DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)

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

State Awards

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

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

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
22-495-034-5120-014	Transportation Aid
N/A	Homeless Tuition Reimbursement

DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)

Section II - Financial Statement Findings

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

Finding 2022-1 (AMR 2022-1):

Criteria or specific requirement:

It is considered necessary, as well as required, to record adjusting journal entries into the General Ledger and other journals within the accounting software, prior to the year-end financial close.

Condition:

Numerous adjustments to the District General Ledger were presented as part of the audit, resulting from various issues. In addition, it was necessary for the Board Office to conduct significant additional analysis, as part of the year-end financial close-out, in order to produce the necessary financial information for audit.

Context:

There were numerous adjusting journal entries required to be identified and recorded subsequent to the year-end financial close out.

Effect:

The Board Office was required to perform significant additional analysis of the financial records subsequent to the year-end financial close, which resulted in the submission of numerous adjusting journal entries, as of June 30, 2022

Cause:

Various issues were encountered regarding reports generated from the accounting system and transition in key personnel analyzing and adjusting financial information in the records.

Recommendation:

Internal controls governing procedures over the year end financial close-out process should be reviewed and revised, in order to ensure the accuracy of the District General Ledger and financial statements at year end.

Management's response:

Management is aware of the finding and agrees with the recommendation.

DENNIS TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)

Section II - Financial Statement Findings
(continued)

Finding 2022-2 (AMR 2022-2):

Criteria or specific requirement:

N.J.S.A. 18A: 17-19 states that the chief school administrator or board designee other than the secretary shall prepare the monthly reconciliation of bank account statements and in conjunction with the secretary take any steps necessary to bring the cash record balance and reconciled bank balance into agreement prior to completion of the secretary's monthly report.

Condition:

The Treasurer's June 30, 2022 general checking bank reconciliation was not in agreement with the Board Secretary's Report, requiring adjustments to be reflected, in order to provide an updated cash balance in the financial statements.

Context:

The June 30, 2022 bank reconciliation of the general checking account contained a significant non-reconciling item, in order to agree with the Board Secretary ending cash balance.

Effect:

Additional analysis was necessary as part of the audit and an adjusting journal entry was submitted to the Board Office, as June 30, 2022.

Cause:

There appeared to be numerous adjustments made during the year which required additional analysis at a time when there was transition in key personnel analyzing various information.

Recommendation:

Internal controls governing the preparation of bank reconciliations should be reviewed and revised, in order to ensure the Treasurer's bank reconciliations align with the Board Secretary's report and general ledger.

Management's response:

Management is aware of the finding and agrees with the recommendation.

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

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

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

DENNIS TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

STATUS OF PRIOR - YEAR FINDINGS

Finding 2021-1

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

Status: Resolved

Finding 2021-2

Condition: Fixed Assets were not accurately updated for inclusion of the activity in the annual ACFR.

Status: Resolved