# **DOVER PUBLIC SCHOOL DISTRICT Dover Board of Education Dover, New Jersey Annual Comprehensive Financial Report** For the Fiscal Year Ended June 30, 2022

## **Annual Comprehensive Financial Report**

of the

### **DOVER PUBLIC SCHOOL DISTRICT**

**Dover, New Jersey** 

For the Fiscal Year Ended June 30, 2022

Prepared by

**Dover Board of Education Finance Department** 

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INTRODUCTORY SECTION (UNAUDITED)

#### DOVER PUBLIC SCHOOL DISTRICT

#### 21 Belmont Avenue Dover, NJ 07801

Raymond Slamb Business Administrator/Board Secretary

(973) 869-2000

February 17, 2023

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

#### Dear Board Members:

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

1) REPORTING ENTITY AND ITS SERVICES: The Dover Public School District is an independent entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Dover Public School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and special education services. The District's total enrollment was 3,363 students on October 15, 2021 and 3,523 students on October 15, 2022 – an increase of 160 students from the previous year.

The Honorable President and Members of the Board of Education Dover Public School District Page 2 February 17, 2023

#### 2) ECONOMIC CONDITION AND OUTLOOK:

#### Town of Dover

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

The Town of Dover currently has several Payment In Lieu of Taxes (PILOT) agreements in place and is pursuing new agreements which could lead to additional apartment buildings in Town. Potential increases in student enrollment tied to these projects is a variable which could impact the School District as it relates to availability of space and funding.

#### 3) MAJOR INITIATIVES:

The Dover Public School District remained committed to welcome all students and to provide all students with opportunities in a safe and accepting learning environment.

The Dover Public School District has committed to providing its students with the greatest opportunity for success through recent initiatives that include the addition of a Classroom Trailer at Academy Street Elementary, renovation of the Cafeteria at Dover High School, and renovation of two science labs at Dover High School. The District also continued to replace student Apple Devices and implement technology-based teaching and data analysis support programs. The District also continued its investment in an array of support services for students and families by increasing it school counseling staff and providing on-site clinical mental health services through Rutgers Behavioral Health.

The District continued to expand its Universal Full Day Preschool program for all three and four-year old students through additional partnerships with community providers.

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

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

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

The Honorable President and Members of the Board of Education Dover Public School District Page 3 February 17, 2023

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general, special revenue and the debt service funds. 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 cancelled or are re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments or assignments of fund balance at June 30, 2022.

<u>6) ACCOUNTING SYSTEM AND REPORTS</u>: 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 Basic Financial Statements", Note 1.

7) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* The Auditors' Report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

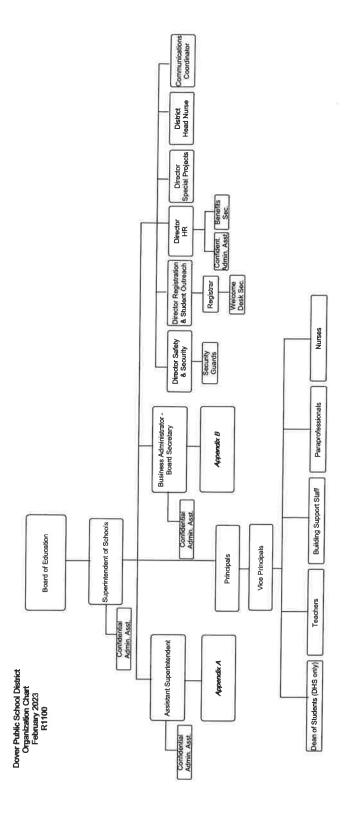
8) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Dover Public School District for their concern in providing fiscal accountability to the citizens of the Town of Dover and thereby contributing their full support to the development and maintenance of the District's financial operation. We would like to note our appreciation for the assistance rendered by all of the District's staff who helped in the preparation of this report.

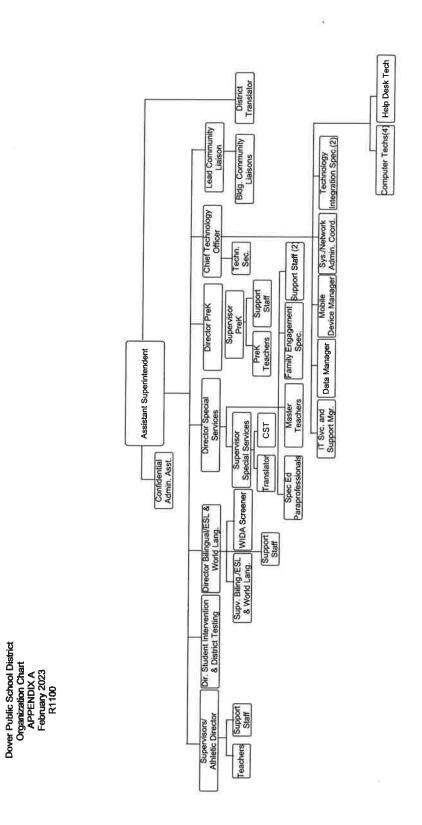
Respectfully submitted,

James V. McLaughlin Superintendent of Schools Raymond Slamb

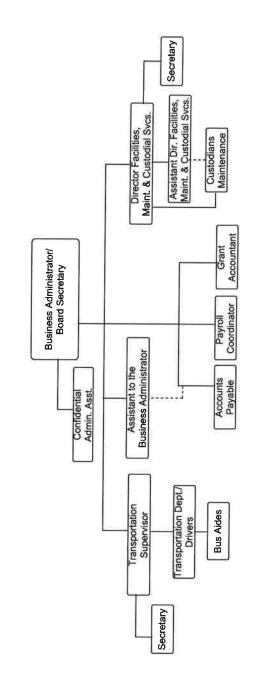
Business Administrator / Board Secretary

al su





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Dover Public School District Organization Chart APPENDIX B February 2023 R1100

#### DOVER PUBLIC SCHOOL DISTRICT ROSTER OF OFFICIALS JUNE 30, 2022

Members of the Board of Education	<b>Term Expires</b>
Krista Seanor, President	2023
Karol Ruiz, Vice-President	2022
Dahiana Grisales	2023
Daniella Mendez	2024
Scott Miller	2024
Tia Nutting	2024
Kimberly Phillips	2022
Benjamin Robles	2023
Jaclyn Viveros	2022

Other Officials	Title
James V. McLaughlin	Superintendent
Raymond Slamb	Business Administrator/Board Secretary
John Griffin	Treasurer
John E. Croot, Jr.	Board Attorney

#### DOVER PUBLIC SCHOOL DISTRICT

Consultants and Advisors

#### **AUDITOR**

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

> Lawrence Business Park 11 Lawrence Road Newton, NJ 07860

1140 Route 22 East, Suite 203 Bridgewater, NJ 08807

#### **BOARD ATTORNEY**

Adams Gutierrez & Lattiboudere, LLC 555 Route 1 South, Suite 240 Iselin, NJ 08830

#### ARCHITECT OF RECORD

Di Cara Rubino Architects 30 Galesi Drive, West Wing Wayne, NJ 07470

#### PROPERTY INSURANCE ADVISOR

Henry O. Baker Insurance Group 7 South Warren Street Dover, NJ 07801

#### OFFICIAL DEPOSITORY

Valley National Bank 100 East Blackwell Street Dover, New Jersey 07801 FINANCIAL SECTION



Mount Arlington, NJ Newton, NJ Bridgewater, NJ

973.298.8500 nisivoccia com

Independent Member BKR International

#### **Independent Auditors' Report**

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

#### **Report on the Audit of the Financial Statements**

#### **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 Dover Public School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District 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 District'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.

The Honorable President and Members of the Board of Education Dover Public School District Page 2

#### **Emphasis of Matter**

As discussed in Note 19 to the financial statements, the District implemented GASB Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinions are not modified with respect to this matter.

#### Other Matters

The financial statements of the District as of June 30, 2021, were audited by other auditors whose report expressed an unmodified opinion on those statements.

#### 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 GAAS, Government Auditing Standards and audit requirements prescribed by the Office, 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 District'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 District'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.

The Honorable President and Members of the Board of Education Dover Public School District Page 3

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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 District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

#### Other Information

Management is responsible for the other information included in the annual report. 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 17, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The Honorable President and Members of the Board of Education Dover Public School District Page 4

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

February 17, 2023 Mount Arlington, New Jersey NISIVOCCIA LLP

Nisivoccia, LLP

Kathryn L. Mantell
Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Dover Public School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

#### **Overview of the Financial Statements**

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

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

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

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

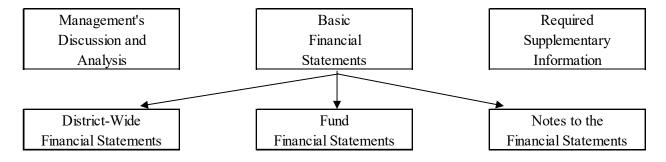


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements			
	District-Wide	Governmental	Proprietary		
	Statements	Funds	Funds		
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services		
Required Financial Statements	Statement of net position  • Statement of activities	<ul> <li>Balance sheet</li> <li>Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul> <li>Statement of net position</li> <li>Statement of revenue, expenses, and changes in net position</li> <li>Statement of cash flows</li> </ul>		
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus		
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, or long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term		
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid		

#### **District-wide Statements**

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

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

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

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

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

#### **Fund Financial Statements**

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

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

The District has two kinds of funds:

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

#### **Fund Financial Statements**

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

#### Financial Analysis of the District as a Whole

*Net Position*. The District's combined net position was \$37,191,084 on June 30, 2022, which was \$3,390,603, or 10.03% greater than the prior year (See Figure A-3).

Figure A-3

Condensed Statement of Net Position Percenta										
	Governmenta	l Activities	Business-Ty	pe Activities	Total School	ol District	Change			
	2021/2022	2020/2021*	2021/2022	2021/2022 2020/2021		2020/2021	2021/2022			
Current and										
Other Assets	\$ 16,804,517	\$ 10,980,319	\$ 1,166,103	\$ 714,340	\$ 17,970,620	\$ 11,694,659				
Lease Assets, Net	84,864	105,930			84,864	105,930				
Capital Assets, Net	37,763,564	37,882,214	448,246	494,097	38,211,810	38,376,311				
Total Assets	54,652,945	48,968,463	1,614,349	1,208,437	56,267,294	50,176,900	12.14%			
Deferred Outflows										
of Resources	1,593,211	1,414,006			1,593,211	1,414,006	12.67%			
Other Liabilities	7,653,570	3,478,283	242,846	31,375	7,896,416	3,509,658				
Long-Term										
Liabilities	9,199,363	11,028,403			9,199,363	11,028,403				
Total Liabilities	16,852,933	14,506,686	242,846	31,375	17,095,779	14,538,061	14.96%			
Deferred Inflows										
of Resources	3,573,642	3,252,364			3,573,642	3,252,364	9.88%			
Net Position:										
Net Investment in										
Capital Assets	34,420,611	34,038,313	448,246	494,097	34,868,857	34,532,410				
Restricted	9,439,466	10,599,158			9,439,466	10,599,158				
Unrestricted/(Deficit)	(8,040,496)	(12,014,052)	923,257	682,965	(7,117,239)	(11,331,087)				
<b>Total Net Position</b>	\$ 35,819,581	\$ 32,623,419	\$ 1,371,503	\$ 1,177,062	\$ 37,191,084	\$ 33,800,481	10.03%			

<sup>\*</sup> as Restated

Changes in Net Position. Net position from Governmental Activities increased \$3,196,162 and net position from Business-type Activities increased \$194,441.

Net Investment in Capital Assets increased \$336,447 because of capital expenditures and additions and bond maturities offset by current year depreciation.

Restricted Net Position decreased \$1,159,692 primarily from the decrease in excess surplus from the prior year.

Unrestricted Net Position increased \$4,213,848 which was attributable to unexpended budget appropriations and a decrease in the Net Pension Liability and related deferred outflows and inflows associated with pension.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business- Type Activities 2021/2022	A	vernmental ctivities	Ā	Business- Type Activities 020/2021	Total School District 2021/2022		Total School District 2020/2021	Percentage Change 2021/2022
D	2021/2022		2021/2022		120/2021		020/2021	2021/2022		2020/2021	2021/2022
Revenue:											
Program Revenue:	\$ 2,646,491	\$	207,664	\$	94,449	\$	56 922	\$ 2.854.15	5 §	5 151,281	
Charges for Services Operating Grants and	\$ 2,040,491	Ф	207,004	Ф	94,449	Ф	56,832	\$ 2,854,15	) 1	131,281	
Contributions	26,924,023		2,763,286	2	1,623,789		1,109,167	29,687,30	)	22,732,956	
General Revenue:	20,924,023		2,703,200	2	1,023,789		1,109,107	29,087,30	9	22,732,930	
Property Taxes	17,262,451			1.	6,942,785			17,262,45	1	16,942,785	
Unrestricted State	17,202,431			11	0,942,783			17,202,43	ı	10,942,763	
	22 002 727			2	2 406 040			22 002 72	7	22 406 040	
and Federal Aid	33,903,727				3,406,948			33,903,72	/	33,406,948	
Tuition Charges					1,492,160					1,492,160	
Other	772,414				1,092,715			772,41		1,092,715	
Total Revenue	81,509,106		2,970,950	7	4,652,846		1,165,999	84,480,05	<u> </u>	75,818,845	11.42%
Expenses:											
Instruction	39,972,297			4	0,048,923			39,972,29	7	40,048,923	
Pupil and Instruction Services	20,298,366				5,970,040			20,298,36		15,970,040	
Administrative and Business	6,322,156				5,524,095			6,322,15		5,524,095	
Maintenance and Operations	5,835,672				4,352,445			5,835,67		4,352,445	
Transportation	4,700,988				2,137,424			4,700,98		2,137,424	
Other	1,183,465		2,776,509	•	582,068		1,013,816	3,959,97		1,595,884	
Total Expenses	78,312,944		2,776,509	6	8,614,995		1,013,816	81,089,45		69,628,811	16.46%
-	, 0,212,911		2,7.3,207		0,01.,770		1,012,010	01,000,100		05,020,011	10.1070
Increase/(Decrease) in Net											
Position	\$ 3,196,162	\$	194,441	\$ (	6,037,851	\$	152,183	\$ 3,390,60	3 _ \$	6,190,034	-45.22%

#### **Governmental Activities**

The financial position of the District's Governmental Activities increased \$3,196,162 – primarily due to cost-saving measures and a decrease in the Net Pension Liability and deferred outflows and inflows associated with pension.

Careful management of expenses remains essential for the District to sustain its financial health. The many significant cost savings actions realized during the year were attributable to:

- Employee retirements and replacements.
- Employee contributions towards health care.
- Standard practice has been to maintain lower costs by seeking competitive proposals each year and seeking opportunities for shared services by joining more regional Co-ops to enhance purchasing power.

However, maintaining existing programs with increasing enrollment and the provision of a multitude of special programs and services for students with special needs place great demands on the District's resources.

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other expenses. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial obligation placed on the District's taxpayers by each of these functions.

Figure A-5

#### **Net Cost of Governmental Activities**

	Total Cost of Services 2021/2022	Net Cost of Services 2021/2022	Total Cost of Services 2020/2021	Net Cost of Services 2020/2021
Instruction Pupil and Instruction Services Administrative and Business Maintenance and Operations Transportation Other	\$ 39,972,297	\$ 22,432,965	\$ 40,048,923	\$ 25,596,259
	20,298,366	11,028,819	15,970,040	10,247,106
	6,322,156	5,460,300	5,524,095	4,732,506
	5,835,672	5,707,919	4,352,445	3,701,312
	4,700,988	2,928,962	2,137,424	2,087,464
	1,183,465	1,183,465	582,068	532,108
	\$ 78,312,944	\$ 48,742,430	\$ 68,614,995	\$ 46,896,755

#### **Business-Type Activities**

Net position from the District's business-type activity increased by \$194,441. (Refer to Figure A-4).

 Food services revenues exceeded expenses by \$194,441 as result of an increase in federal subsidies received.

#### Financial Analysis of the District's Funds

General Fund and Special Revenue Fund fund balances increased \$1,771,498 and \$19,225, respectively, during the fiscal year. To maintain a stable financial position, the District must continue to practice sound fiscal management, including but not limited to cost containment practices, seeking out all available efficiencies and a continual evaluation of all offered services and programs. The District's General Fund financial status improved despite difficult economic times which have had a direct impact upon the District's revenue sources. All these factors are likely to continue for the next several years.

#### **General Fund Budgetary Highlights**

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

#### **Capital Assets**

At year end, the District had \$38,211,810 of capital assets – a \$164,501, or .43%, decrease from last year – as shown in Figure A-6. (More detailed information about the District's capital assets is presented in Note 7 to the Basic Financial Statements).

Figure A-6

Capital Assets (Net of l	Depreciation)				Percentage		
	Governme	nt Activities	Business-Ty	pe Activities	Total Scho	ol District	Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022 2020/202		2021/2022
Sites and Site Improvements Buildings and Building	\$ 497,100	\$ 497,100			\$ 497,100	\$ 497,100	
Improvements Machinery and	31,667,407	33,172,303			31,667,407	33,172,303	
Equipment	5,599,057	4,212,811	\$ 448,246	\$ 494,097	6,047,303	4,706,908	
Total Capital Assets (Net of Depreciation)	\$ 37,763,564	\$37,882,214	\$ 448,246	\$ 494,097	\$38,211,810	\$38,376,311	-0.43%

During the fiscal year, the District had \$929,371 of capital additions offset by annual depreciation of \$1,093,872 which consisted of \$1,048,021 from its governmental activities and \$45,851 from its business-type activities.

#### **Long-term Liabilities**

At year end, the District had \$9,199,363 of long-term liabilities – a decrease of \$1,829,040, or 16.58% from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the Basic Financial Statements).

Figure A-7
Outstanding Long-Term Liabilities

			Percentage
	Total School	Change	
	2021/2022	2020/2021*	2021/2022
Serial Bonds Payable	\$ 2,611,000	\$ 3,160,000	
Compensated Absences Payable	474,855	473,614	
Financed Purchases Payable	715,120	562,132	
Leases Payable	101,697	121,769	
Net Pension Liability - PERS	5,296,691	6,710,888	
	\$ 9,199,363	\$ 11,028,403	-16.58%

#### **Financial Analysis of the District's Funds**

The District's General Fund financial status improved despite difficult economic times which have had a direct impact upon increasing costs related to the District's fixed expenditures.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

#### **Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- Tax Levy The Board opted to prepare its 2022-2023 budget with a 0% tax increase. The unrestricted fund balance is limited to 4% of expenditures as per the New Jersey Department of Education regulations. Looking ahead to the development of the 2023-2024 budget, it will be important to prepare a budget that will closely reflect actual expenditures because the unrestricted fund will not permit much flexibility.
- Personnel The district needs additional staffing in the areas of Bilingual and English as a Second Language (ESL) staff due to a significant increase in the number of students requiring services. Additionally, the district also needs additional staffing in the areas of regular and special education instructional aides, transportation, and custodial services. With current budget constraints, this will be a significant challenge for the coming years.
- Special Education Costs These costs remained high in 2021-2022 and impacted the budget quite heavily. The district continues its commitment to expand program and service delivery options, however it should be noted that this will require an ongoing budget commitment for the foreseeable future.
- Pandemic Impact on Budget The District has experienced increases in expenditures related to meeting the provision of new services and programs. Administration will be faced with the challenge of locating funding to continue these programs as Federal Grants related to the pandemic end.

Major financial concerns include the District's reliance on State Aid and constraints related to ending Federal Elementary and Secondary School Emergency Relief Funds.

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

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office at 21 Belmont Avenue, Dover, New Jersey 07801.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

## DOVER PUBLIC SCHOOL DISTRICT STATEMENT OF NET POSITION JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,257,629	\$ 934,472	\$ 3,192,101
Receivables from State Government	1,354,686	3,305	1,357,991
Receivables from Federal Government	4,599,488	198,682	4,798,170
Receivables from Other Governments	1,617,348		1,617,348
Other Accounts Receivable	264,994		264,994
Inventories		29,644	29,644
Restricted Assets:			
Cash and Cash Equivalents	6,710,372		6,710,372
Capital Assets, Net:			
Sites - Land	497,100		497,100
Depreciable Site Improvements, Buildings and			
Building Improvements and Machinery and			
Equipment	37,266,464	448,246	37,714,710
Lease Assets, Net	84,864		84,864
Total Assets	54,652,945	1,614,349	56,267,294
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pensions	1,593,211		1,593,211
Total Deferred Outflows of Resources	1,593,211		1,593,211
Total Deferred Outflows of Resources	1,393,211		1,393,211
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	5,181,557	242,802	5,424,359
Payable to State Government	127,677		127,677
Unearned Revenue	2,344,336	44	2,344,380
Noncurrent Liabilities:			
Due Within One Year	959,937		959,937
Due Beyond One Year	8,239,426		8,239,426
Total Liabilities	16,852,933	242,846	17,095,779
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	3,573,642		3,573,642
Total Deferred Inflows of Resources	3,573,642		3,573,642
NET POSITION			
Net Investment in Capital Assets	34,420,611	448,246	34,868,857
Restricted for:	5 1, 120,011	110,210	31,000,037
Capital Projects	5,784,617		5,784,617
Maintenance Reserve	500,000		500,000
Excess Surplus	2,729,094		2,729,094
•			
Unemployment Compensation	136,375		136,375
Scholarships Stocked A digital and a second	125,675		125,675
Student Activities  Unrectricted (/Deficit)	163,705	022.257	163,705
Unrestricted/(Deficit)	(8,040,496)	923,257	(7,117,239)
Total Net Position	\$ 35,819,581	\$ 1,371,503	\$ 37,191,084

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

DOVER PUBLIC SCHOOL DISTRICT STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

			Program Revenues		Net (	Net (Expense) Revenue and Changes in Net Position	e and ion
		Charges for	Operating Grants and	Capital Grants and	Governmental	Business-type	
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 30,468,849	\$ 2,342,585	\$ 8,508,793		\$ (19,617,471)		\$ (19,617,471)
Special Education	5,378,852		5,692,467		313,615		313,615
Other Special Instruction	2,865,384		728,237		(2,137,147)		(2,137,147)
School Sponsored	1,259,212		267,250		(991,962)		(991,962)
Support Services:							
Tuition	5,479,260				(5,479,260)		(5,479,260)
Student and Instruction Related Services	14,819,106	303,906	8,965,641		(5,549,559)		(5,549,559)
General Administrative Services	1,334,878				(1,334,878)		(1,334,878)
School Administrative Services	4,038,098		861,856		(3,176,242)		(3,176,242)
Central Services	815,451				(815,451)		(815,451)
Administrative Information Technology	133,729				(133,729)		(133,729)
Plant Operations and Maintenance	5,835,672		127,753		(5,707,919)		(5,707,919)
Pupil Transportation	4,700,988		1,772,026		(2,928,962)		(2,928,962)
Unallocated Depreciation	1,048,021				(1,048,021)		(1,048,021)
Transfer of Funds to Charter School	9,044				(9,044)		(9,044)
Interest and Other Charges	126,400				(126,400)		(126,400)
Total Governmental Activities	78,312,944	2,646,491	26,924,023		(48,742,430)		(48,742,430)
Business-Type Activities: Food Service	2,776,509	207,664	2,763,286			\$ 194,441	194,441
Total Durisman True A etisistica	005 922 6	199 200	901 292 1			104 441	104 441
total Business-Type Activities	2,770,309	701,004	2,703,200			194,441	1 94,441
Total Primary Government	\$ 81,089,453	\$ 2,854,155	\$ 29,687,309	-0-	(48,742,430)	194,441	(48,547,989)

DOVER PUBLIC SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net (Expense) Revenue and Changes in Net Position	Governmental Business-type Activities Activities Total	\$ 16,556,051 \$ 16,556,051	706,400	33,903,727	772,414	51,938,592	3,196,162 \$ 194,441 3,390,603	000 000	32,023,419 1,11/,002 33,800,481
		General Revenue: Property Taxes, Levied for General Purposes	Taxes Levied for Debt Service	Federal and State Aid not Restricted	Miscellaneous Income	Total General Revenues	Change in Net Position	Net Position - Beginning (as Restated)	

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

FUND FINANCIAL STATEMENTS

# DOVER PUBLIC SCHOOL DISTRICT BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

		General Fund		Special Revenue Fund	Debt Service Fund	G	Total overnmental Funds
ASSETS Cash and Cash Equivalents Interfund Receivable Receivables From State Government Receivables From Federal Government Receivables From Other Governments Other Accounts Receivable Restricted Cash and Cash Equivalents	\$	2,257,629 1,391,329 1,354,686 8,289 1,550,671 264,994 6,420,992	\$	4,591,199 289,380	\$ 66,677	\$	2,257,629 1,391,329 1,354,686 4,599,488 1,617,348 264,994 6,710,372
Total Assets	\$	13,248,590	\$	4,880,579	\$ 66,677	\$	18,195,846
LIABILITIES AND FUND BALANCES Liabilities: Accounts Payable Interfund Payable Payable to State Government Unearned Revenue	\$	3,325,170	\$	1,264,387 1,324,652 127,677 2,344,336	\$ 66,677	\$	4,589,557 1,391,329 127,677 2,344,336
Total Liabilities		3,325,170		5,061,052	 66,677		8,452,899
Fund Balances: Restricted: Excess Surplus - Restricted for 2022-2023 Capital Reserve Account Maintenance Reserve Account Unemployment Compensation Scholarships Student Activities Unassigned Total Fund Balances  Total Liabilities and Fund Balances	\$	2,729,094 5,784,617 500,000 136,375 773,334 9,923,420 13,248,590	\$	125,675 163,705 (469,853) (180,473) 4,880,579	 66,677	\$	2,729,094 5,784,617 500,000 136,375 125,675 163,705 303,481 9,742,947
Amounts Reported for Governmental Activities in the Statement of Net Po	osition	n (A-1) are Diff	ferent	Because:			
Fund Balance from Above						\$	9,742,947
Capital Assets Used in Governmental Activities are not Financial Resour Reported in the Funds.	ces a	nd Therefore ar	e not				37,763,564
Lease Assets Used in Governmental Activities are not Financial Resourc Reported in the Funds.	es and	d Therefore are	not				84,865
Long-Term Liabilities, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	d						(9,199,363)
Certain Amounts Related to the Net Pension Liability are Deferred and An of Activities and are not Reported in the Governmental Funds:  Deferred Outflows Deferred Inflows  Net Position of Governmental Activities	nortiz	ed in the Stater	ment			\$	1,001,210 (3,573,642) 35,819,581

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

## $\frac{\text{DOVER PUBLIC SCHOOL DISTRICT}}{\text{STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES}} \\ \frac{\text{GOVERNMENTAL FUNDS}}{\text{EVENUE SCHOOL DISTRICT}}$

#### FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 16,556,051		\$ 706,400	\$ 17,262,451
Tuition	2,342,585		, , , , , , ,	2,342,585
Interest Earned on Capital Reserve	897			897
Restricted Miscellaneous Revenue	47,018	\$ 303,906		350,924
Unrestricted Miscellaneous Revenue	724,500			724,500
Total - Local Sources	19,671,051	303,906	706,400	20,681,357
State Sources	49,461,544	4,945,392		54,406,936
Federal Sources	111,814	7,725,690		7,837,504
Total Revenues	69,244,409	12,974,988	706,400	82,925,797
EXPENDITURES:				
Current:				
Regular Instruction	17,056,226	3,256,747		20,312,973
Special Education Instruction	2,896,683	800,033		3,696,716
Other Special Instruction	1,679,876			1,679,876
School-Sponsored/Other Instruction	823,208			823,208
Support Services and Undistributed Costs:				
Tuition	5,479,260			5,479,260
Student and Other Instruction Related Services	4,741,240	8,121,994		12,863,234
General Administrative Services	1,206,115			1,206,115
School Administrative Services	2,464,878			2,464,878
Central Services	684,399			684,399
Administrative Information Technology	121,311			121,311
Plant Operations and Maintenance	4,636,474	1 204 026		4,636,474
Student Transportation	3,191,559	1,384,936		4,576,495
Unallocated Benefits	20,688,283			20,688,283
Debt Service:			500,000	500.000
Principal			580,000	580,000
Interest and Other Charges Capital Outlay	1,419,641	226 412	126,400	126,400
Transfer of Funds to Charter School	9,044	226,413		1,646,054
Transfer of Funds to Charter School	9,044	_		9,044
Total Expenditures	67,098,197	13,790,123	706,400	81,594,720
Excess/(Deficit) of Revenue Over/(Under) Expenditures	2,146,212	(815,135)		1,331,077
Other Financing Sources:				
Refunding Bonds Issued			2,611,000	2,611,000
Serial Bonds Defeased			(2,580,000)	(2,580,000)
Bond Issuance Costs			(31,000)	(31,000)
Leases (Non-Budgeted)	5,826			5,826
Financed Purchases (Non-Budgeted)	453,820			453,820
Transfers	(834,360)	834,360		
Total Other Financing Sources / (Uses)	(374,714)	834,360		459,646
Excess of Revenue and Other Financing Sources				
Over Expenditures and Other Financing Sources / (Uses)	1,771,498	19,225		1,790,723
		,		
Fund Balance/(Deficit) - July 1 (as Restated)	8,151,922	(199,698)		7,952,224
Fund Balance/(Deficit) - June 30	\$ 9,923,420	\$ (180,473)	\$ -0-	\$ 9,742,947

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

# DOVER PUBLIC SCHOOL DISTRICT

# RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

# TO THE STATEMENT OF ACTIVITIES

# FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 1,	\$ 1,790,723
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 differ from depreciation.		
Depreciation Expense \$ (1,048,021)  Capital Outlays 929,371	· ·	
Capital outlays related to lease assets are reported in Governmental Funds as expenditures.  However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period		(118,650)
Lease Asset Addition 5,826 Amortization Expense (26,891)		
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds		(21,065)
the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the carned amount the difference is an addition to the reconciliation (+).		(1,241)

580,000

Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces

# DOVER PUBLIC SCHOOL DISTRICT

# RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,

# AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

# FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Proceeds from debt issued for an advanced refunding less the amount of bonds defeased are not recorded in the governmental funds.

(321,278)		Change in Deferred Inflows
37,392		Change in Deferred Outflows
1,414,197		Changes in Net Pension Liability
		financial resources and is not reported as an expenditure in the Governmental Funds:
		The net pension liability reported in the statement of activities does not require the use of current
(453,820)	ķ	Financed Purchases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.
(5,826)	Š.	Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.
300,832		of Activities.
		Repayment of financed purchases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement
25,898		of Activities.
		Repayment of leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement
\$ (31,000)		
	2,580,000	School Bonds Defeased
	\$ (2,611,000)	Refunding Bonds Issued

\$ 3,196,162

Change in net position of governmental activities (A-2)

# DOVER PUBLIC SCHOOL DISTRICT STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

	Business-Type Activities - Enterprise Funds Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 934,472
Intergovernmental Accounts Receivable:	
State	3,305
Federal	198,682
Inventories	29,644
Total Current Assets	1,166,103
Non-Current Assets:	
Capital Assets	913,302
Accumulated Depreciation	(465,056)
Total Non-Current Assets	448,246
Total Assets	1,614,349
LIABILITIES:	
Current Liabilities:	242.002
Accounts Payable - Vendors	242,802
Unearned Revenue - Donated Commodities	44
Total Current Liabilities	242,846
NET POSITION:	
Investment in Capital Assets	448,246
Unrestricted	923,257
Total Net Position	\$ 1,371,503

# $\frac{\text{DOVER PUBLIC SCHOOL DISTRICT}}{\text{STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION}} \\ \frac{\text{PROPRIETARY FUNDS}}{\text{FOR THE FISCAL YEAR ENDED JUNE 30, 2022}}$

	Business-Type Activities - Enterprise Funds
On austin a Playanna	Food Service
Operating Revenue:  Local Sources:	
Miscellaneous Income	\$ 207,664
Wilsechaneous income	Ψ 207,004
Total Operating Revenue	207,664
Operating Expenses:	
Cost of Goods Sold - Reimbursable Programs	1,313,550
Salaries	744,035
Employee Benefits and Payroll Taxes	99,580
Purchased Services	140,358
Supplies and Materials	188,247
Depreciation	45,851
Other	244,888
Total Operating Expenses	2,776,509
Operating Income/(Loss)	(2,568,845)
Non-Operating Revenue:	
State Sources:	
COVID-19 - Seamless Summer Option	40,702
Federal Sources:	,
COVID-19 Emergency Operational Cost	
Reimbursement Program	129,324
COVID-19 P-EBT Administrative Cost	
Reimbursement	6,198
COVID-19 - Seamless Summer Option	2,367,299
Food Distribution Program	125,106
Fresh Fruit and Vegetable Program	94,657
Total Non-Operating Revenue	2,763,286
Change in Net Position	194,441
Net Position - Beginning of Year	1,177,062
Net Position - End of Year	\$ 1,371,503

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

# DOVER PUBLIC SCHOOL DISTRICT STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		isiness-Type
		Activities -
		erprise Funds
	F(	ood Service
Cash Flows for Operating Activities:		
Receipts from Customers	\$	207,664
Payments for Salaries, Payroll Taxes and Benefits		(843,615)
Payments to Suppliers		(1,574,537)
Net Cash Provided by/(Used for) Operating Activities		(2,210,488)
Cash Flows from Noncapital Financing Activities:		
Federal and State Sources Received in Food Service Fund		2,557,547
		2.555.515
Net Cash Provided by Noncapital Financing Activities		2,557,547
Net Increase in Cash and Cash Equivalents		347,059
Cash and Cash Equivalents, July 1		587,413
Cash and Cash Equivalents, June 30	\$	934,472
Reconciliation of Operating Income/(Loss) to Net Cash Provided		
by/(Used for) Operating Activities		
Operating Income/(Loss)	\$	(2,568,845)
Adjustment to Reconcile Operating Income/(Loss) to	*	(=,= = =,= ==)
Net Cash Provided by/(Used for)		
Operating Activities:		
Depreciation		45,851
Food Distribution Program		125,106
Changes in Assets and Liabilities:		
(Increase) in Inventory		(24,071)
(Decrease) in Interfund Accounts Payable		(2,323)
Increase in Accounts Payable		213,750
(Decrease) in Unearned Revenue:		
Donated Commodities		44
Net Cash Provided by/(Used for) Operating Activities	\$	(2,210,488)

#### Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$122,942 and utilized commodities valued at \$125,106 for the fiscal year ended June 30, 2022.

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

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Reporting Entity:

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

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

#### B. Basis of Presentation:

#### **District-Wide Financial Statements:**

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

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

#### **Fund Financial Statements:**

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay sub-fund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements: (Cont'd)

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

<u>Capital Projects Fund</u>: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or lease assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects. The district has no active capital projects accounted for in the Capital Projects Fund currently.

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

The District reports the following proprietary fund:

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

#### C. Measurement Focus and Basis of Accounting:

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

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

#### C. Measurement Focus and Basis of Accounting: (Cont'd)

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

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

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

#### D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

#### D. Budgets/Budgetary Control: (Cont'd)

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

		General Fund		Special Revenue Fund
Sources/Inflows of Resources:	· · · · · · · · · · · · · · · · · · ·			
Actual Amounts (Budgetary Basis) "Revenue" from the				
Budgetary Comparison Schedule	\$	69,788,494	\$	15,501,438
Differences - Budget to GAAP:				
Grant Accounting Budgetary Basis Differs from GAAP in that the				
Budgetary Basis Recognizes Encumbrances as Expenditures and				
Revenue, Whereas the GAAP Basis does not:				
Prior Year Encumbrances				1,083,870
Current Year Encumbrances				(2,765,455)
Prior Year State Aid Payments Recognized for GAAP Purposes, not				
Recognized for Budgetary Statements		3,197,107		459,348
Current Year State Aid Payments Recognized for Budgetary Purposes,				
not Recognized for GAAP Statements		(3,741,192)		(469,853)
Total Revenues as Reported on the Statement of Revenues,				
Expenditures and Changes in Fund Balances - Governmental Funds	\$	69,244,409	\$	13,809,348
				a : 1
		C 1		Special
		General		Revenue
Uses/Outflows of Resources:		Fund		Fund
Actual Amounts (Budgetary Basis) "Total Outflows" from the	•	67,098,197	Ф	15 471 409
Budgetary Comparison Schedule Differences - Budget to GAAP:	\$	07,098,197	\$	15,471,408
Encumbrances for supplies and equipment ordered but				
not received are reported in the year the order is placed for				
budgetary purposes, but in the year the supplies are received				
for financial reporting purposes.				
Current Year Encumbrances				1,083,870
Prior Year Encumbrances				(2,765,455)
Total Expenditures as Reported on the Statement of Revenue,				(4,703,433)
Expenditures, and Changes in Fund Balances - Governmental Funds	\$	67,098,197	\$	13,789,823

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

#### E. Cash and Cash Equivalents and Investments:

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

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

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

#### F. Interfund Transactions:

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

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

#### G. Allowance for Uncollectible Accounts:

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

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

#### H. Encumbrances:

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

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

#### I. Short-term Interfund Receivables/Payables:

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

#### J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the general or enterprise funds represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

#### K. Capital Assets:

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

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

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

K. Capital Assets: (Cont'd)

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

Estimated Hasful Life

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

#### L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

#### M. Long Term Liabilities:

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

#### N. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2022.

#### O. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

#### O. Compensated Absences (Cont'd)

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

#### P. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

#### Q. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

#### R. Fund Balance Appropriated

General Fund: Of the \$9,923,420 General Fund fund balance at June 30, 2022, \$5,784,617 is restricted in the capital reserve account; \$500,000 is restricted in the maintenance reserve account; \$136,375 is restricted for unemployment compensation; \$2,729,094 is restricted for prior year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023; \$-0- is assigned for year-end encumbrances (which is \$1,310,135 less than the budgetary basis due to the non-recognition of the last two state aid payments); and \$773,334 is unassigned (which is \$2,431,057 less than the budgetary basis due to the non-recognition of the last two state aid payments).

Special Revenue Fund: Of the (\$180,473) Special Revenue Fund fund balance at June 30, 2022, \$163,705 is restricted for student activities; \$125,675 is restricted for scholarships; offset by a deficit of \$469,853 in unassigned fund balance. This deficit is due to the last two June state aid payments, which are not recognized until the fiscal year ended June 30, 2023 on a GAAP basis.

<u>Calculation of Excess Surplus:</u> In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2022 as noted above.

N.J.S.A.18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable.

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

#### R. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General and Special Revenue Funds is less on a GAAP basis than the budgetary basis by \$3,741,192 and \$108,402, respectively, as reported in the fund statements (modified accrual basis) for the non-recognition of the last two state aid payments.

The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

#### S. Deficit in Net Position/Fund Balance:

The District has a deficit in unrestricted net position of \$7,908,546 in governmental activities, which is primarily due to compensated absences payable, and net pension liability, offset by deferred inflows and outflows related to pensions. The District also has a deficit of \$469,853 in Special Revenue Fund fund balance due to a difference in the recognition of the last two state aid payments for the current year. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

#### T. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2022 related to pension.

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

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

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

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

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

#### U. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund on the Budgetary Basis at June 30, 2022.

#### V. Revenue - Exchange and Non-exchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

#### W. Operating Revenue and Expenses:

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

#### X. Management Estimates:

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

#### Y. Pensions:

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

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

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

#### NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this note on Investments.

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

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

#### Deposits:

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

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

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

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

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

#### <u>Investments:</u>

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

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

(Continued)

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

#### Investments:

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

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	R	Restricted			
	(	Cash and	(	Cash and	
		Cash		Cash	
	Е	quivalents	E	quivalents	Total
Checking Accounts	\$	6,710,372	\$	3,192,101	\$ 9,902,473

(Continued)

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

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$9,902,472 and the bank balance was \$16,354,909.

#### NOTE 4. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District transferred \$106,331 to capital outlay for equipment which did not require county superintendent approval.

#### NOTE 5. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at 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 N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity for the Capital Reserve Account for the fiscal year ended June 30, 2022 is as follows:

Beginning Balance, July 1, 2021	\$5,780,578
Interest Earnings	897
Budgeted Deposit to Capital Reserve	932,288
Budgeted Withdrawal from Capital Reserve	(1,599,400)
Deposit by Board Resolution - June 30, 2022	670,254
Ending Balance, June 30, 2022	\$5,784,617

The balance in the capital reserve account at June 30, 2022 does not exceed the LRFP balance of local support costs of uncompleted capital projects.

#### NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$1,000,000 was established by the Dover Public School District Board of Education on June 23, 2011. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

(Continued)

#### NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. 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:

Deposit by Board Resolution - June 30, 2022	_\$	500,000
Ending Balance, June 30, 2022	\$	500,000

#### **NOTE 7. CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 497,100			\$ 497,100
Total Capital Assets Not Being Depreciated	497,100			497,100
Capital Assets Being Depreciated:				
Buildings and Building Improvements	53,518,137			53,518,137
Machinery and Equipment	8,180,054	\$ 929,371		9,109,425
Total Capital Assets Being Depreciated	61,698,191	929,371		62,627,562
Governmental Activities Capital Assets	62,195,291	929,371		63,124,662
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(21,708,789)	(141,941)		(21,850,730)
Machinery and Equipment	(2,604,288)	(906,080)		(3,510,368)
Accumulated Depreciation	(24,313,077)	(1,048,021)		(25,361,098)

#### NOTE 7. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities Capital Assets Net of Accumulated Depreciation	\$ 37,882,214	\$ (118,650)	\$ -0-	\$ 37,763,564
Net of Accumulated Depreciation	\$ 37,882,214	\$ (118,030)	\$ -0-	\$ 37,703,304
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	913,302			913,302
Less: Accumulated Depreciation	(419,205)	\$ (45,851)		(465,056)
Business Type Activities Capital Assets,				
Net of Accumulated Depreciation	\$ 494,097	\$ (45,851)	\$ -0-	\$ 448,246
Depreciation expense was charged to government	al functions as follows:			
Unallocated			•	1 048 021

Unallocated	\$ 1,048,021
	\$ 1,048,021

#### NOTE 8. LEASE ASSETS

Lease asset balances and activities for the year ended June 30, 2022 were as followed:

	(Restated)			
	Beginning		Adjustments/	Ending
	Balance	Increases	Decreases	Balance
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 132,412	\$ 5,826		\$ 138,238
Total Lease Assets Being Amortized	132,412	5,826		138,238
Governmental Activities Lease Assets	132,412	5,826		138,238
Less Accumulated Amortization for:				
Machinery and Equipment	(26,482)	(26,891)		(53,373)
	(26,482)	(26,891)		(53,373)
Governmental Activities Lease Assets,				
Net of Accumulated Amortization	\$ 105,930	\$ (21,065)	\$ -0-	\$ 84,865
Amortization expense was charged to gover	rnmental functions	as follows:		
Regular Instruction		\$	26,891	
		\$	26,891	

#### NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 6/30/2021	Accrued	Retired	Balance 6/30/2022	Due Within One Year
Compensated Absences Payable	\$ 473,614	\$ 1,241		\$ 474,855	
Net Pension Liability - PERS	6,710,888		\$ 1,414,197	5,296,691	
Bonds Payable	3,160,000	2,611,000	3,160,000	2,611,000	\$ 632,000
Lease Assets Payable	121,769	5,826	25,898	101,697	27,105
Financed Purchased Payable	562,132	453,820	300,832	715,120	300,832
	\$ 11,028,403	\$ 3,071,887	\$ 4,900,927	\$ 9,199,363	\$ 959,937

#### A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. Bonds issued by the Board are general obligation bonds and are retired in serial installments within the statutory period of usefulness. The Debt Service Fund will be used to liquidate the bonds payable.

On February 17, 2022, the District issued Refunding School Bonds in the amount of \$2,611,000 with an interest rate of 1.488% to currently refund \$2,580,000 of its 2012 School Bonds with an interest of 4.0%. The Refunding School Bonds mature on April 1, 2023 through April 1, 2026 and are not subject to redemption prior to maturity. The net proceeds from the issuance of the Refunding School Bonds were used to purchase U.S. governmental securities until the 2012 School Bonds were called on April 1, 2022. The refunding met the requirements of an in-substance debt defeasance, and the 2012 School Bonds were removed from the District's government-wide financial statements.

As a result of the refunding, the District will realize \$129,562.50 in cash savings over the life of the bond issue and \$125,115.90 (net) on the net present value basis, or (4.85%) of the refunded bonds.

The District had bonds outstanding as of June 30, 2022 as follows:

	Final Maturity			
Purpose	Date	Interest Rate		Amount
School Refunding Bonds	4/1/26	4.00%	_\$_	2,611,000
			\$	2,611,000

#### NOTE 9. LONG-TERM LIABILITIES (Cont'd)

#### A. Bonds Payable: (Cont'd)

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

	Bonds					
Year Ending June 30,	Principal		Principal Interest		Interest	 Total
2023	\$	632,000	\$	43,602	\$ 675,602	
2024		647,000		29,446	676,446	
2025		662,000		19,820	681,820	
2026	670,000			9,970	679,970	
	\$	2,611,000	\$	102,838	\$ 2,713,838	

#### B. Bonds Authorized But Not Issued

As of June 30, 2022, the District had no bonds authorized but not issued.

#### C. Finance Purchases Payable

The District has financed purchase agreements for computer equipment valued at \$1,203,330, of which \$488,210 has matured and been repaid. The finance purchase agreements are for five-year terms and will be liquidated by the General Fund. The following is a schedule of the future lease payments under these finance purchases, and the present value of the net minimum lease payments at June 30, 2022:

<u>Year</u>	Amount
2023	\$ 300,832
2024	300,833
2025	113,455
Present Value Net of Minimum Financed	
Purchases Payments	\$ 715,120

The current portion of the finance purchase payable at June 30, 2022 is \$300,832 and the long-term portion is \$414,288. The General Fund will be used to liquidate the financed purchases payable.

#### NOTE 9. LONG-TERM LIABILITIES (Cont'd)

#### D. Leases Payable

The District had leases outstanding as of June 30, 2022 as follows:

#### Leases Payable

Purpose	Frequency of Payment	Final Maturity Date	Interest Rate	 Amount
Pitney Bowes Academy Street Pitney Bowes Dover Board of Education Canon Copiers (UBS)	Quarterly Quarterly Monthly	03/31/27 06/30/27 01/01/26	14.444% 14.463% 1.569%	\$ 1,972 3,783 95,942
1 /	,			\$ 101,697

Principal and interest due on leases outstanding will be liquidated through the General Fund are as follows:

Fiscal Year	Governmental Activities			
Ending June 30,	F	Principal	Iı	nterest
2023	\$	27,105	\$	2,103
2024	Ψ	27,653	Ψ	1,556
2025	28,227			982
2026		17,321		408
2027	1,391			120
		_		
	\$	101,697	\$	5,169

#### E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. There is no current portion and the long-term portion of compensated absences of \$474,855.

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, no liability existed for compensated absences in the Proprietary Fund.

The General Fund will be used to liquidate the governmental activities Compensated Absences Payable.

#### F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. There is no current portion, and the long-term portion of the net pension liability is \$5,296,691. See Note 10 for further information on the PERS.

#### NOTE 10. PENSION PLANS

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

#### A. Public Employees' Retirement System (PERS)

#### Plan Description

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

#### Benefits Provided

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

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a 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 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

#### **Contributions**

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

#### NOTE 10. PENSION PLANS (Cont'd)

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

#### Contributions (Cont'd)

this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$579,050 for fiscal year 2022.

The employee contribution rate was 7.50% effective July 1, 2021.

#### <u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

At June 30, 2022, the District reported a liability of \$5,296,691 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0447%, which was an increase of 0.0035% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$600,941. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017 2018	5.48 5.63		\$ 223,839 419,651
	2019 2020	5.21		370,206
	2020	5.16 5.13	\$ 27,585	871,960
			27,585	1,885,656
Changes in Proportion	2017 2018 2019 2020 2021	5.48 5.63 5.21 5.16 5.13	102,170 163,094 624,826	5,192 249,589
			890,090	254,781

NOTE 10. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	2017 2018 2019 2020 2021	5.48 5.63 5.21 5.16 5.13	\$ 6,657 28,299 48,580	\$ 15,981 21,937
			83,536	37,918
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018 2019 2020 2021	5.00 5.00 5.00 5.00		41,373 (13,350) (300,873) 1,668,137
Contribution Subsequent to Measurement Date	2021	1.00	592,000 \$ 1,593,211	\$ 3,573,642

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

Fiscal Year	
Ending June 30,	 Total
2022	\$ (1,249,787)
2023	(892,346)
2024	(608,428)
2025	(457,357)
2026	 178
	 (3,207,740)

(Continued)

#### NOTE 10. PENSION PLANS (Cont'd)

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

#### **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:

Inflation Rate:

Price 2.75% Wage 3.25%

Salary Increases:

Through 2026 2.00 - 6.00% based on years of service Thereafter 3.00 - 7.00% based on years of service

Investment Rate of Return 7.00%

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

#### Long Term Expected Rate of Return

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

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

		Long-Term
		Expected Real
	Target	Rate of
Asset Class	Allocation	Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
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 Management Strategies	3.00%	3.35%

#### **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 upon 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 in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(Continued)

#### NOTE 10. PENSION PLANS (Cont'd)

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

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

	June 30	0, 2021				
		At 1%		At Current		At 1%
		Decrease (6.00%)	Di	scount Rate (7.00%)		Increase (8.00%)
District's proportionate share					•	
of the Net Pension Liability	\$	7,217,011	\$	5,296,691	\$	3,709,542

#### Pension plan Fiduciary Net Position

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

#### B. Teachers' Pension and Annuity Fund (TPAF)

#### Plan Description

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

#### Benefits Provided

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

#### Benefits Provided (Cont'd)

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

#### Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

#### **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 employer 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. During the fiscal year ended 2022, the State of New Jersey contributed \$7,750,685 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,017,549.

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

#### NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$85,742,103. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.1783%, which was an increase of 0.0014% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated	
with the District	85,742,103
Total	\$ 85,742,103

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$2,017,549 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources		Deferred Inflows of Resources	
Changes in Assumptions	2014	8.50	\$	153,774,925		
	2015	8.30		926,219,611		
	2016	8.30		3,000,278,784		
	2017	8.30			\$	5,282,196,290
	2018	8.29				3,527,661,165
	2019	8.04				2,510,940,613
	2020	7.99		1,209,286,241		
	2021	7.93				12,903,483,645
				5,289,559,561		24,224,281,713

#### NOTE 10. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources		Deferred Inflows of Resources	
Difference Between Expected	2014	8.50			\$	1,464,605
and Actual Experience	2015	8.30	\$	57,204,429		
	2016	8.30				37,311,034
	2017	8.30		93,981,436		
	2018	8.29		618,845,893		
	2019	8.04				97,553,990
	2020	7.99				6,444,940
	2021	7.93		171,234,070		
				941,265,828		142,774,569
Net Difference Between Projected	2018	5.00				96,030,373
and Actual Investment Earnings on	2019	5.00				(72,441,385)
Pension Plan Investments	2020	5.00				(724,186,621)
	2021	5.00				3,554,633,811
					_	2,854,036,178
			\$ 6	,230,825,389	\$	27,221,092,460

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

Fiscal Year Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

(Continued)

#### NOTE 10. PENSION PLANS (Cont'd)

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

#### **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.

Inflation Rate

Price 2.75% Wage 3.25%

Salary Increases:

Through 2026 1.55 - 4.45% based on years of service Thereafter 2.75 - 5.65% based on years of service

Investment Rate of Return 7.00%

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

#### Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

		Long-Term
		Expected Real
	Target	Rate of
Asset Class	Allocation	Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market 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 Management Strategies	3.00%	3.35%

#### Discount Rate - TPAF

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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

#### NOTE 10. PENSION PLANS (Cont'd)

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

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

	June 3	0, 2021				
		At 1%		At Current		At 1%
		Decrease	D	iscount Rate		Increase
		(6.00%)	(7.00%)		(8.00%)	
State's Proportionate Share of the Total Net Pension Liability Associated with the District	\$	101,447,251	\$	85,742,103	\$	72,550,783

#### Pension Plan Fiduciary Net Position - TPAF

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

#### C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$39,957 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$72,594 for the fiscal year ended June 30, 2022.

#### NOTE 11. 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. The District obtains their health benefit coverage through Horizon Blue Cross/Blue Shield of NJ and dental insurance coverage through Delta Dental Plan of NJ.

#### Property and Liability Insurance

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

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

The audit of the MEIG as of June 30, 2022 was available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2022 is as follows:

		Morris
		Essex
	Ins	urance Group
Total Assets	\$	12,133,641
Net Position	\$	7,494,542
Total Revenue	\$	3,715,390
Total Expenses	\$	3,715,752
Change in Net Position	\$	(1,115,092)
Members' Dividends	\$	1,114,730

Financial statements for the MEIG are available at the Group's Executive Director's Office:

Morris Essex Insurance Group 44 Bergen Street, PO Box 270 Westwood, NJ 07675 Phone: (201) 664-0310 Fax: (201) 664-0107

(Continued)

#### NOTE 11. RISK MANAGEMENT (Cont'd)

#### New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the District's contributions, employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance as restricted for unemployment compensation in the General Fund for the current year:

		Di	strict	E	mployee	Amount			Ending
	Fiscal Year	Conti	butions Co		Contributions Reimbursed		]	Balance	
-									
	2021-2022	\$	- 0 -	\$	140,215	\$	93,197	\$	136,375

#### NOTE 12. DEFERRED COMPENSATION

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

The plan administrators are as follows:

AXA Equitable	Lincoln Financial
AIG Valic	Metropolitan Life
Ameriprise	Security Benefit

#### NOTE 13. ECONOMIC DEPENDENCY

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

#### NOTE 14. TAX CALENDAR

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

#### NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,391,329	
Special Revenue Fund		\$ 1,324,652
Debt Service Fund		66,677
	\$ 1,391,329	\$ 1,391,329

The interfund receivable in the General Fund is due from the Special Revenue Fund and the Debt Service Fund to cover cash deficits due to Special Revenue Fund's timing of grant reimbursements and the Debt Service Fund's tax levy receivable.

#### NOTE 16. CONTINGENT LIABILITIES

#### **Grant Programs**

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

#### Encumbrances

At June 30, 2022 there were encumbrances as detailed below in the governmental funds.

	Special	Total
General	Revenue	Governmental
Fund	Fund	Funds
\$ 1,310,135	\$ 2,765,456	\$ 4,075,591

On the District's Governmental Funds balance sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$2,765,456 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

#### Litigation

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

#### NOTE 17. ACCOUNTS PAYABLE

At June 30, 2022 the District had the following accounts payable:

	Governme	Distric Contribut	-		Business-Type		
	General Fund	Special Revenue Fund	Subsequen Measuren Date		 Total vernmental activities	Activities Proprietary Funds	
Vendors	\$ 3,076,807	\$ 1,264,387			\$ 4,341,194	\$	242,802
Payroll Deductions and Withholdings Due to State of New Jersey	248,363		\$ 592	2,000	248,363 592,000		
	\$ 3,325,170	\$ 1,264,387	\$ 592	2,000	\$ 5,181,557	\$	242,802

#### NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

#### General Information about the OPEB Plan

#### Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired 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 Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

(Continued)

#### NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

#### Plan Description and Benefits Provided (Cont'd)

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <a href="https://www.state.nj.us/treasury/pensions/gasb-">https://www.state.nj.us/treasury/pensions/gasb-</a> notices-opeb.shtml.

#### Employees Covered by Benefit Terms

At June 30, 2020, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	150,427
Active Plan Members	213,901
Total	364,328

#### 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.

#### Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases: Through 2026	1.55 - 4.45% based on service	2.00 - 6.00% based on service
	years	years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years

#### NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

#### Actuarial Assumptions and Other Inputs (Cont'd)

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.

#### Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 were 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.

#### Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 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 decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

#### Discount Rate

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

#### NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	-	Total OPEB Liability		
Balance at June 30, 2020	\$	114,854,038		
Changes for Year:				
Service Cost		5,328,317		
Interest Cost		2,717,169		
Change in Benefit Terms		(111,487)		
Changes in Assumptions		103,338		
Differences Between Expected and Actual Experience		(16,076,487)		
Member Contributions		69,465		
Gross Benefit Payments		(2,140,368)		
Net Changes		(10,110,053)		
Balance at June 30, 2021	\$	104,743,985		

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Jun	e 30, 2021				
		At 1%		At		At 1%
		Decrease	Γ	Discount Rate		Increase
		(1.16%)		(2.16%)		(3.16%)
Total ODED Liebilias Admiliotable to						
Total OPEB Liability Attributable to	ф	105 466 051	Ф	104 742 005	Ф	00.405.050
the District	\$	125,466,851	\$	104,743,985	\$	88,425,972

(Continued)

#### NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June .	30, 2021			
		1%		Healthcare	1%
		Decrease	Co	st Trend Rate	 Increase
Total OPEB Liability Attributable to the District	\$	84,790,596	\$	104,743,985	\$ 131,539,912

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$6,152,867 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2021, the State deferred outflows of resources and deferred inflows of resources related to OPEB attributable to the District is from the following sources:

			Deferred	Deferred
	Deferral	Period	Outflows of	Inflows of
	Year	in Years	Resources	Resources
Changes in Assumptions	2017	9.54		\$ 5,886,645
-	2018	9.51		5,351,409
	2019	9.29	\$ 735,319	
	2020	9.24	16,941,015	
	2021	9.24	92,154	
			17,768,488	11,238,054
Differences between Expected and				
Actual Experience	2018	9.51		5,058,747
-	2019	9.29		8,654,755
	2020	9.24	15,789,692	
	2021	9.24		17,722,030
			15,789,692	31,435,532
Changes in Proportion	N/A	N/A	3,538,207	1,199,133
			\$ 37,096,387	\$ 43,872,719

#### NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2022	\$ 2,063,723
2023	2,063,722
2024	2,063,722
2024	2,063,722
2025	1,467,278
Thereafter	(606,761)
	\$ 9,115,406

#### NOTE 19. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements to record an intangible right-to-use asset and a lease liability as of June 30, 2021 as a result of implementing GASB 87, *Leases*. The District also made prior year adjustments in the district-wide and fund financial statements to record prior year accounts payable for retroactive salary payments, and to records an adjustment for invalid grants receivable in the Special Revenue Fund.

	6	/30/2021			
	В	alance as			6/30/2021
	P	reviously	I	Retroactive	Balance as
	I	Reported	A	djustments	Restated
Statement of Net Position - Governmental Activities:					
Assets:					
Lease Assets, Net	\$	- 0 -	\$	105,930	\$ 105,930
Total Assets		50,823,072		(1,854,609)	48,968,463
Current Liabilities		3,047,134		431,149	3,478,283
Noncurrent Liabilities:					
Due Within One Year		580,000		187,378	767,378
Due Beyond One Year		10,195,651		65,374	10,261,025
Total Liabilities		13,822,785		683,901	14,506,686
Net Position:					
Net Investment in Capital Assets		34,722,214		(683,901)	34,038,313
Total Net Position		35,161,929		(2,538,510)	32,623,419

#### NOTE 19. PRIOR PERIOD ADJUSTMENT (Cont'd)

	]	6/30/2021 Balance as Previously Reported	-	Retroactive Adjustments	6/30/2021 Balance as Restated
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:		_			_
General Fund: Fund Balance - Ending	\$	10,091,339	\$	(1,939,417)	\$ 8,151,922
Special Revenue Fund: Fund Balance - Ending		(197,616)		(2,082)	(199,698)
Total Governmental Funds: Fund Balance/(Deficit) - Ending	\$	9,893,723	\$	(1,941,499)	\$ 7,952,224

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

# DOVER PUBLIC SCHOOL DISTRICT

# REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

# PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST EIGHT FISCAL YEARS

							щ	Fiscal Year Ending June 30,	ding	June 30,							
		2015		2016		2017		2018		2019		2020		2021		2022	
District's Proportion of the Net Pension Liability	0.0	0.0415000000% 0.043	0.04	30000000%	0.042	80000000% 0.0427000000% 0.0389000000% 0.0381220000% 0.0412000000% 0.0438167988%	0.038	%00000068	0.03	81220000%	0.04	2000000%	0.04	38167988%		0.0447110192%	
District's Proportionate Share of the Net Pension Liability	<del>∽</del>	9,305,665	↔	12,735,438	<del>\$</del>	9,946,489	<del>&gt;&gt;</del>	7,660,437	↔	7,507,228	<del>\$</del>	6,710,888	<b>↔</b>	6,576,670	<del>\$</del>	5,296,691	
District's Covered Employee Payroll	<del>&gt;</del>	2,867,239	<del>∽</del>	2,795,630	<b>⇔</b>	2,754,039	↔	2,848,244	↔	3,140,582	<b>⇔</b>	3,204,676	↔	3,359,773	<b>⇔</b>	3,428,340	
District's Proportionate Share of the Net Pension Liability as a percentage its Covered Employee Payroll		324.55%		455.55%		361.16%		268.95%		239.04%		209.41%		195.75%		154.50%	
Plan Fiduciary Net Position as a pecentage of the Total Pension Liability		52.08%		47.93%		40.14%		48.10%		53.60%		56.27%		58.32%		70.33%	

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

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

				Fiscal Year Ending June 30,	nding June 30,			
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 383,457	↔	356,396 \$ 384,149	\$ 395,833	\$ 386,991	\$ 436,681	\$ 395,833 \$ 386,991 \$ 436,681 \$ 450,187 \$ 579,050	\$ 579,050
Contributions in relation to the Contractually Required Contribution	(383,457)	(356,396)	(384,149)		(395,833) (386,991)	(436,681)	(450,187)	(579,050)
Contribution Deficiency/(Excess)	\$ -0-	-0- \$	-0- \$	\$ -0- \$		8 -0- 8 -0-	\$ -0- \$	-0-
District's Covered Employee Payroll	\$2,795,630	\$2,754,039	\$2,848,244	\$3,140,582	\$3,204,676	\$3,204,676 \$3,359,773	\$3,428,340	\$3,498,306
Contributions as a percentage of Covered Employee Payroll	13.72%	12.94%	13.49%	12.60%	12.08%	13.00%	13.13%	16.55%

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

BOVER PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS

				Fiscal Year E	Fiscal Year Ending June 30,			
	2015	2016	2017	2018	2019	2020	2021	2022
State's Proportion of the Net Pension Liability attributable to the District	0.19210000000%	0.1921000000% 0.1991000000% 0.1834000000% 0.1830000000% 0.1793400000% 0.1770000000% 0.1734600000% 0.1783500089%	0.1834000000%	0.183000000%	0.1793400000%	0.1770000000%	0.1734600000%	0.1783500089%
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 121,399,865	\$ 150,248,789	\$ 123,641,020	\$ 116,450,840	\$ 123,641,020 \$ 116,450,840 \$ 113,028,881 \$ 116,524,620 \$ 114,194,128	\$ 116,524,620	\$ 114,194,128	\$ 85,742,103
District's Covered Employee Payroll	\$ 18,683,886	\$ 18,755,594		\$ 18,713,200	\$ 18,748,017 \$ 18,713,200 \$ 20,671,812 \$ 21,093,686 \$ 21,603,848	\$ 21,093,686	\$ 21,603,848	\$ 22,044,743
State's Proportionate Share of the Net Pension Liability as a percentage of the District's Covered Employee Payroll	649.76%	801.09%	659.49%	622.29%	546.78%	552.41%	528.58%	388.95%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	28.71%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.25%

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

# REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES SCHEDULE OF STATE CONTRIBUTIONS TEACHERS' PENSION AND ANNUITY FUND LAST EIGHT FISCAL YEARS

				Fiscal Year E	Fiscal Year Ending June 30,			
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 5,644,190	\$ 7,412,555	\$11,289,106		\$ 6,788,677	\$ 6,644,974	\$ 8,565,224 \$ 6,788,677 \$ 6,644,974 \$ 7,245,997 \$ 2,017,549	\$ 2,017,549
Contributions in relation to the Contractually Required Contribution	(4,679,958)	(4,775,467)	(4,872,925)	(4,972,373)	(5,073,850)	(5,177,398)		(7,750,685)
Contribution Deficiency/(Excess)	\$ 964,232	\$ 2,637,088	\$ 6,416,181	\$ 3,592,851	\$ 1,714,827	\$ 1,467,576	\$ 6,416,181 \$ 3,592,851 \$ 1,714,827 \$ 1,467,576 \$ 1,962,938 \$ (5,733,136)	\$ (5,733,136)
District's Covered Employee Payroll	18,755,594	18,748,017	18,713,200	20,671,812	21,093,686	21,603,848	22,044,743	22,494,636
Contributions as a percentage of Covered Employee Payroll	24.95%	25.47%	26.04%	24.05%	24.05%	23.97%	23.97%	34.46%

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

### DOVER PUBLIC SCHOOL DISTRICT REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS

#### LAST FIVE FISCAL YEARS

			Fiscal Years Endi	ng		
	2017	2018	2019	2020		2021
Total OPEB Liability						
Service Cost	\$ 3,663,631	\$ 3,031,483	\$ 2,791,078	\$ 2,990,180	\$	5,328,317
Interest Cost	2,886,408	3,330,569	3,127,721	2,570,613		2,717,169
Change in Benefit Terms						(111,487)
Changes in Assumptions	(12,128,571)	(9,075,073)	1,064,834	20,979,886		103,338
Differences between Expected and Actual Experience		(7,176,247)	(12,521,465)	18,835,250		(16,076,487)
Member Contributions	77,624	73,085	64,986	60,605		69,465
Gross Benefit Payments	(2,108,053)	(2,114,629)	(2,192,290)	(1,999,514)		(2,140,368)
Net Change in Total OPEB Liability	(7,608,961)	(11,930,812)	(7,665,136)	43,437,020		(10,110,053)
Total OPEB Liability - Beginning	98,621,927	91,012,966	79,082,154	71,417,018	_	114,854,038
Total OPEB Liability - Ending	\$ 91,012,966	\$ 79,082,154	\$ 71,417,018	\$114,854,038	\$	104,743,985
District's Covered Employee Payroll *	\$ 21,502,056	\$ 21,561,444	\$ 24,234,268	\$ 24,808,524	\$	25,404,516
Total OPEB Liability as a Percentage of Covered Employee Payroll	423%	367%	295%	463%		412%

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

<sup>\* -</sup> Covered payroll for the fiscal years ending June 30, 2020, June 30, 2019, June 30, 2018 and June 30, 2017 are based on the payroll on the June 30, 2019, June 30, 2018, June 30, 2017 and June 30, 2016 census data.

#### <u>DOVER PUBLIC SCHOOL DISTRICT</u> <u>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</u> <u>FOR THE FISCAL YEAR ENDED JUNE 30, 2022</u>

#### A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

#### Benefit Changes

There were none.

#### Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021

#### B. TEACHERS PENSION AND ANNUITY FUND

#### Benefit Changes

There were none.

#### **Changes of Actuarial Assumptions**

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

#### C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

#### Benefit Changes

There were none.

#### **Changes of Actuarial Assumptions**

The discount rate for June 30, 2021 was 2.16%. The discount rate for June 30, 2020 was 2.21%, a change of -.05%.

The salary increases for TPAF/ABP for thereafter were 1.55 - 4.45% in the valuation as of June 30, 2020 while the salary increases for TPAF/ABP for thereafter are 2.75 - 5.65% in the valuation as of June 30, 2021.

The salary increases for PFRS for thereafter were applied to all future years in the valuation as of June 30, 2020 while the salary increases for PFRS for thereafter are not applicable in the valuation as of June 30, 2021.

The mortality rates in the valuation as of June 30, 2021 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

### DOVER PUBLIC SCHOOL DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

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 were 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 mortality rates in the valuation as of June 30, 2020 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 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 decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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

BUDGETARY COMPARISON SCHEDULES

DOVER PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:  Local Tax Levy Tuition From Other LEAs Within the State Unrestricted Miscellaneous Revenues Interest Earned on Maintenance Reserve Interest Earned on Capital Reserve Funds Other Restricted Miscellaneous Revenues Total Revenues from Local Sources	\$ 16,556,051 2,342,585 234,169 500 1,000 19,134,305		\$ 16,556,051 2,342,585 234,169 500 1,000	\$ 16,556,051 2,342,585 724,500 897 47,018 19,671,051	\$ 490,331 (500) (103) 47,018 536,746
Revenues from State Sources:  Categorical Transportation Aid  Extraordinary Aid  Categorical Special Education Aid  Equalization Aid  Categorical Security Aid	413,123 2,765,706 32,903,790 1,433,096		413,123 2,765,706 32,903,790 1,433,096	413,123 1,093,290 2,765,706 32,903,790 1,433,096	1,093,290
TPAF Post Retirement Contributions (Non-Budgeted) TPAF Pension Contributions (Non-Budgeted) TPAF Non-Contributory Insurance (Non-Budgeted) TPAF Long-Term Disability Insurance (Non-Budgeted) Reimbursed TPAF Social Security Contributions				1,836,422 7,750,685 109,351 3,026 1,697,140	1,836,422 7,750,685 109,351 3,026 1,697,140
Total Revenues from State Sources Revenues from Federal Sources: Medicaid Reimbursement Total Revenues from Federal Sources	37,515,715 84,208 84,208		37,515,715 84,208 84,208	50,005,629	12,489,914 27,606 27,606
TOTAL REVENUE	56,734,228		56,734,228	69,788,494	13,054,266

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	>	Variance Final to Actual
GENERAL CURRENT EXPENSE						
Regular Programs - Instruction:						
Kindergarten - Salaries of Teachers	\$ 837,714	\$ 1,537	\$ 839,251	\$ 839,251		
Grades 1-5 - Salaries of Teachers	5,583,920	(554,501)	5,029,419	5,029,419		
Grades 6-8 - Salaries of Teachers	2,849,012	348,904	3,197,916	3,197,916		
Grades 9-12 - Salaries of Teachers	4,745,353	190,100	4,935,453	4,935,453		
Regular Programs - Home Instruction:						
Salaries of Teachers	68,055	120,403	188,458	188,458		
Purchased Professional-Educational Services	35,000	(9,610)	25,390	25,390		
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	246,294	56,021	302,315	302,315		
Purchased Professional-Educational Services		441,742	441,742	441,742		
Purchased Technical Services	10,000	(9,140)	860	098		
Other Purchased Services (400-500 series)	371,513	(182,201)	189,312	188,096	∽	1,216
General Supplies	780,055	1,628,611	2,408,666	1,905,941		502,725
Textbooks	296,29	(66,581)	1,386	1,385		1
Total Regular Programs - Instruction	15,594,883	1,965,285	17,560,168	17,056,226		503,942
Special Education - Instruction:						
Learning and/or Language Disabilities:						
Salaries of Teachers	439,109	193,025	632,134	632,134		
Other Salaries for Instruction	782,862	(51,839)	731,023	731,023		
Purchased Professional-Educational Services	521,129	(42,281)	478,848	478,848		
General Supplies	3,403	(1,937)	1,466	1,466		
Total Learning and/or Language Disabilities	1,746,503	896,968	1,843,471	1,843,471		

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget		Budget Transfers	Final Budget	Actual	Variaı to	Variance Final to Actual
Multiple Disabilities: Salaries of Teachers	\$ 159.715	8	(156.535)	3.180	\$ 3.180		
Purchased Professional-Educational Services			59,512	ς,	4,	8	1
General Supplies	1,000	    -	2,263	3,263	3,263		
Total Multiple Disabilities	160,715	\sigma_{\sigma}	(94,760)	65,955	65,954		-
Resource Room/Resource Center:			1	6			
Salaries of Teachers	942,773	m c	(72,795)	869,978	869,978		
Total Resource Room/Resource Center	947,773	   <sub>3</sub>   <sub>6</sub>	(77,273)	870,500	870,500		
Aunsm: Salaries of Teachers	91.176	9	4.279	95,455	95.455		
Other Salaries for Instruction	1		21,114	21,114	21,114		
General Supplies	1,000	0	(1,000)				
Total Autism	92,176		24,393	116,569	116,569		
Preschool Disabilities - Full-Time:							
General Supplies	823	3	(630)	193	189		4
Total Preschool Disabilities - Full-Time	823	]  3	(630)	193	189		4
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,947,990	0	(51,302)	2,896,688	2,896,683		5
Bilingual Education - Instruction:							
Salaries of Teachers	1,402,923	3	250,670	1,653,593	1,653,593		
General Supplies	57,431	  - 	(31,148)	26,283	26,283		
Total Bilingual Education - Instruction	1,460,354	4	219,522	1,679,876	1,679,876		

# BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Br Tra	Budget Transfers	Final Budget	j	Actual	Varian to	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts Inst.: Salaries	\$ 102,067	€	(17,538)	\$ 84,529	\$	84,529	€	6
Supplies and Materials Other Objects	49,113		14,345 (15,345)	14,345 33,768		5,165 32,337	æ	9,180 1,431
Total School-Spon. Cocurricular & Extracurricular Actvts Inst.	151,180		(18,538)	132,642		122,031		10,611
School-Sponsored Athletics - Instruction: Salaries	480,109		(71,434)	408,675		408,325		350
Supplies and Materials	264,096		(65,339)	198,757		109,984		88,773
Other Objects			4,144	4,144		1,497		2,647
Transfers to Cover Deficit (Agency Funds)	80,000			80,000		80,000		
Total School-Sponsored Athletics - Instruction	824,205		(132,629)	691,576		599,806		91,770
Summer School - Instruction: Salaries of Teachers	46,621		54,750	101,371		101,371		
Total Summer School - Instruction	46,621		54,750	101,371		101,371		
TOTAL INSTRUCTION	21,025,233		2,037,088	23,062,321	2	22,455,993		606,328
Undistributed Expenditures - Instruction:								
Tuition to Other LEAs Within the State-Regular	540,595		(34,155)	506,440		501,803		4,637
Tuition to Other LEAs Within the State-Special	476,731		150,637	627,368		626,637		731
Tuition to County Voc. School DistRegular	372,163		(50,754)	321,409		307,749		13,660
Tuition to County Voc. School DistSpecial	24,235		(14,483)	9,752		7,802		1,950
Tuition to CSSD & Reg. Day Schools	706,020	_	(706,020)					
Tuition to Priv. Sch. for the Handicap. W/I State	3,731,735		320,302	4,052,037	•	4,035,269		16,768
Tuition - Other	24,531		(24,531)					
Total Undistributed Expenditures - Instruction	5,876,010		(359,004)	5,517,006		5,479,260		37,746

# BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expend Attend. & Social Work: Salaries Supplies and Materials	\$ 575,466	\$ (181,191) 4,179	\$ 394,275	\$ 394,275	
Total Undist. Expend Attendance and Social Work	575,466	(177,012)	398,454	398,454	
Undistributed Expenditures - Health Services: Salaries	448,575	54,210	502,785	502,785	
Other Purchased Services (400-500 series) Supplies and Materials	30,200	27,400 (6,165)	57,600	57,600	\$ 102
Total Undist. Expenditures - Health Services	492,018	75,445	567,463	567,361	102
Undist. Expend Speech, OT, PT, Related Svcs: Salaries	429,253	(138,133)	291,120	291,120	
Purchased Professional - Educational Services	64,200	(52,233)	11,967	11,967	r
Total Undist. Expend Speech, OT, PT, Related Svcs	494,953	(189,037)	305,916	305,909	
Undist.ExpendGuidance: Salaries of Other Professional Staff	860,338	16,113	876,451	876,451	
Salaries of Secretarial and Clerical Assistants	92,231	(3,161)	89,070	89,070	
Purchased Professional - Educational Services Supplies and Materials	32.071	50 (15.166)	50	50 16.869	36
Total Undist Expend Guidance	984,640	(2,164)	982,476	982,440	36
Undist. ExpendChild Study Team: Salaries of Other Professional Staff	919.212	(10.400)	908.812	908.812	
Salaries of Secretarial and Clerical Assistants	161,679	(41,875)	119,804	119,804	
Other Purchased Prof. and Tech. Services	135,339	(25,314)	110,025	602'96	13,316
Other Purchased Services (400-500 series)	006	(392)	208	208	
Supplies and Materials	3,962	9,686	13,648	12,533	1,115
Total Undist Expend Child Study Team	1,221,092	(67,970)	1,153,122	1,138,691	14,431

# DOVER PUBLIC SCHOOL DISTRICT BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

\$ 430,000 430,000 873,976 94,748 25,746 994,470	\$ (257,611) 2,000 (255,611) (162,244) 19,014 187,338 72,840 116,948 4,000 4,000	\$ 172,389 2,000 174,389 711,732 113,762 187,338 98,586 1,111,118 4,000 4,000	\$ 17 11 11 18 18 198	\$ 1,088 1,088 24,027 24,027
873,976 94,748 25,746 994,470	(162,244) 19,014 187,338 72,840 116,948 4,000 (427,407)	711,732 113,762 187,338 98,586 1,111,418 4,000 4,000	1 1 0,1	1,088 24,027 24,027
873,976 94,748 25,746 994,470	(162,244) 19,014 187,338 72,840 116,948 4,000 (427,407)	711,732 113,762 187,338 98,586 1,111,418 4,000 74,337	7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	24,027
94,748 25,746 994,470	19,014 187,338 72,840 116,948 4,000 (427,407)	113,762 187,338 98,586 1,111,418 4,000	1,0	24,027
25,746 994,470	18,,338 72,840 116,948 4,000 (427,407)	18 , 33 8 98,586 1,111,418 4,000 74,337	1,0	24,027
994,470	116,948 4,000 (427,407)	1,111,418	1,08	24,027
501,744	4,000 (427,407)	4,000		
501,744	(427,407)	74,337	4,000	
	12 540			1,076
	13,349	13,549	10,432	3,117
501,744	(409,858)	91,886	87,693	4,193
493,622	699'59	559,291	558,974	317
85,000	24,950	109,950	109,159	791
62,300	(28,100)	34,200	34,200	
35,000	61,881	96,881	92,474	4,407
7,606	6,350	13,956	13,823	133
141,000	7,732	148,732	136,380	12,352
178,059	(61,211)	116,848	115,484	1,364
69,373	35,171	104,544	100,473	4,071
	2,632	2,632	2,299	333
3,500	(3,400)	100		100
27,911	(2,601)	25,310	24,702	809
18,958	(17)	18,941	18,147	794
1.122.329	109,056	1,231,385	1,206,115	25,270
493,622 85,000 62,300 35,000 7,606 141,000 178,059 69,373 3,500 27,911 18,958	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	13,549 09,858) 65,669 24,950 28,100) 61,881 6,350 7,732 61,211) 35,171 2,632 (3,400) (2,601) (17) (2,601)		4,000 74,337 13,549 91,886 109,950 34,200 96,881 13,956 148,732 116,848 104,544 2,632 100 25,310 18,941 18,941 18,941 18,941 11,231,385 11,

# DOVER PUBLIC SCHOOL DISTRICT BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Bu Tran	Budget Transfers	Final Budget	Actual	nal	Variar to A	Variance Final to Actual
Undist. ExpendSupport ServSchool Admin.: Salaries of Principals/Assistant Principals/Prog Director Salaries of Secretarial and Clerical Assistants Supplies and Materials	\$ 2,027,214 402,043 25,640	€	28,155 2,916 (2,033)	\$ 2,055,369 404,959 23,607	\$ 2,05	2,052,244 403,158 9,148	8	3,125 1,801 14,459
Other Objects Total Undist. ExpendSupport ServSchool Adm.	2,454,897		439	2,484,374	2,40	328		111
Undist. Expend Central Services: Salaries	611,056		(41,659)	569,397	5(	569,397		
Purchased Professional Services Purchased Technical Services	26,756		2,760 69,105	2,760 95,861	31	2,760 95,861		
Miscellaneous Purchased Services (400-500 series other than 594) Supplies and Materials	35,900 4,904		(35,900) 13,309	18,213		15,666		2,547
Other Objects			715	715		715		į
Total Undist. Expend Central Services	6/8,616		8,330	686,946	ŝ	684,399		2,547
Undist. Expend Admin. Info. Technology: Salaries	46,997		6,954	53,951	7,	53,951		
Other Purchased Services (400-500 series) Supplies and Materials	2,902		62,039 2,419	64,941 2,419	Č	64,941 2,419		
Total Undist. Expend Admin. Info. Technology	49,899		71,412	121,311		121,311		
Undist. ExpendRequired Maintenance for School Facilities: Salaries	492,910	1)	(112,555)	380,355	38	380,355		
Cleaning, Repair, and Maintenance Services	890,937	9	(281,776)	609,161	52	521,450		87,711
General Supplies Other Objects	236,000 20,010		(135,852) $(18,298)$	100,148 $1,712$	•	98,225 1,712		1,923
Total Undist. Expend Required Maint. for School Facilities	1,639,857	(3)	(548,481)	1,091,376	1,0(	1,001,742		89,634

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual	Final al
Undist. ExpendCustodial Services: Salaries	\$ 854.353	334.944	\$ 1.189.297	\$ 1.189,045	9	252
Salaries of Non-Instructional Aides		•	4,564			4,564
Other Purchased Property Services	54,000	32,735	86,735	86,638		26
Insurance	121,000	139,906	260,906	260,378		528
Miscellaneous Purchased Services	6,500	(3,201)	3,299	3,299		
General Supplies	219,326	36,639	255,965	255,965		
Energy (Natural Gas)	247,943	70,215	318,158	313,505	4	4,653
Energy (Electricity)	698,963	(27,801)	671,162	615,490	55	55,672
Other Objects		2,500	2,500	2,395		105
Total Undist. ExpendCustodial Services	2,211,426	581,160	2,792,586	2,726,715	65	65,871
Care and Upkeep of Grounds:						
Salaries	96,666	39,411	139,389	139,389		
Cleaning, Repair, and Maintenance Services	232,300	(128,025)	104,275	100,411	8	3,864
General Supplies	13,850	12,290	26,140	26,140		
Total Care And Upkeep Of Grounds	346,128	(76,324)	269,804	265,940	3	3,864
Security:						
Salaries	205,635	72,410	278,045	278,045		
Purchased Professional and Technical Services		114,052	114,052	74,993	39	39,059
Cleaning, Repair, and Maintenance Services	417,299	(39,728)	377,571	282,228	95	,343
General Supplies		6,811	6,811	6,811		
Total Security	622,934	153,545	776,479	642,077	134	134,402
Total Undist. Expendoper. And Maint. Of Plant Serv.	4,820,345	109,900	4,930,245	4,636,474	293,771	,771

# FOR THE FISCAL YEAR ENDED JUNE 30, 2022 BUDGETARY COMPARISON SCHEDULE DOVER PUBLIC SCHOOL DISTRICT GENERAL FUND

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. ExpendStudent Transportation Serv.: Salaries of Non-Instructional Aides Sal. for Pupil Trans. (Bet. Home and Sch)-Reg. Other Purchased Professional and Technical Services Cleaning, Repair, and Maint. Services Contract. Serv Aid in Lieu of Payments-Nonpublic Studts Contract. Serv.(Bet. Home & Sch.)-Vendors Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts. Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts Misc. Purchased Serv Transportation General Supplies Transportation Supplies Total Undist. ExpendStudent Trans. Serv.	\$ 71,074 308,160 1,411 39,900 64,472 1,051,920 232,160 1,617,734 22,999 10,047 19,374 3,439,251	\$ 118,805 42,876 2,055 (2,479) 828 (411,778) (226,225) 221,364 (20,999) (19) 30,672	\$ 189,879 351,036 3,466 37,421 65,300 640,142 5,935 1,839,098 2,000 10,028 50,046 3,194,351	\$ 189,879 351,036 3,466 34,783 65,300 640,142 5,935 1,839,098 2,000 10,028 49,892	\$ 2,638
UNALLOCATED BENEFITS  Social Security Contributions Other Retirement Compensation Workers Compensation Workers Compensation Health Benefits Tuition Reimbursement Other Employee Benefits Unused Sick Payment to Terminated/Retired Staff TOTAL UNALLOCATED BENEFITS	498,919 493,500 47,500 312,653 8,930,103 86,893 267,110	194,970 85,550 (46,691) (60,279) (1,400,785) 129,003 (32,395) 68,126 (1,062,501)	693,889 579,050 809 252,374 7,529,318 215,896 234,715 68,126 68,126	693,889 579,050 809 252,374 7,271,116 191,816 234,479 68,126 9,291,659	258,202 24,080 236 282,518
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)  TPAF Post Retirement Contributions (Non-Budgeted)  TPAF Pension Contributions (Non-Budgeted)  TPAF Non-Contributory Insurance (Non-Budgeted)  TPAF Long-Term Disability Insurance (Non-Budgeted)  Reimbursed TPAF Social Security Contributions  TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)	10,636,678	(1,062,501)	9,574,177	1,836,422 7,750,685 109,351 3,026 1,697,140 11,396,624	(1,836,422) (7,750,685) (109,351) (3,026) (1,697,140) (11,396,624)

### TPAF Pens TPAF Non-ON-BEHALF CO TPAF Post TPAF Lon Reimburse TOTAL ON-BEI

# FOR THE FISCAL YEAR ENDED JUNE 30, 2022 BUDGETARY COMPARISON SCHEDULE DOVER PUBLIC SCHOOL DISTRICT GENERAL FUND

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 34,772,408	\$ (2,247,489)	\$ 32,524,919	\$ 43,213,519	\$ (10,688,600)
TOTAL GENERAL CURRENT EXPENSE	55,797,641	(210,401)	55,587,240	65,669,512	(10,082,272)
CAPITAL OUTLAY Equipment Grades 1-5 Grades 6-8 Grades 9-12 Undistributed:		6,000 6,000 58,234	6,000 6,000 58,234	6,000 6,000 56,22 <i>5</i>	2,009
Undistributed Expenditures - General Admin. Undistributed Expenditures - Central Services Undist. Expend Required Maint for School Fac. Undist. Expend Custodial Services Undist. Expend Care and Upkeep of Grounds	40,000	16,273 2,878 11,646 5,300	16,273 2,878 51,646 5,300 12,572	16,273 2,628 5,218 11,110	250 51,646 82 1,462
I otal Equipment	27,2,7	100,331	138,903	103,434	55,449
Facilities Acquisition and Construction Serv.: Architectural/Engineering Services Construction Services Assessment for Debt Service on SDA Funding Total Facilities Acquisition and Const. Serv.	109,648 1,501,400 72,816 1,683,864		109,648 1,501,400 72,816 1,683,864	6,246 777,479 72,816 856,541	103,402 723,921 827,323
Assets Acquired Under Leases (Non-Budgeted): Regular Programs - Equipment Total Assets Acquired Under Capital Leases (Non-Budgeted)				5,826 5,826	(5,826)
Assets Acquired Under Financed Purchases (Non-Budgeted): Regular Programs - Equipment Total Assets Acquired Under Financed Purchases (Non-Budgeted) TOTAL CAPITAL OUTLAY	1,736,436	106,331	1,842,767	453,820 453,820 1,419,641	(453,820) (453,820) 423,126
Transfer of Funds to Charter Schools Total Transfer of Funds to Charter Schools	9,044 9,044		9,044 9,044	9,044	

# BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL EXPENDITURES	\$ 57,543,121	\$ (104,070)	\$ 57,439,051	\$ 67,098,197	\$ (9,659,146)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(808,893)	104,070	(704,823)	2,690,297	3,395,120
Other Financing Sources/(Uses): Leases (Non-budgeted) Financed Purchases (Non-budgeted) Transfer Out - Preschool Education Expansion Aid Total Other Financing Sources/(Uses)	(730,290) (730,290)	(104,070) (104,070)	(834,360) (834,360)	5,826 453,820 (834,360) (374,714)	5,826 453,820 459,646
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,539,183)		(1,539,183)	2,315,583	3,854,766
Fund Balance, July 1 (as Restated)	11,349,029		11,349,029	11,349,029	
Fund Balance, June 30	\$ 9,809,846	-0-	\$ 9,809,846	\$ 13,664,612	\$ 3,854,766
Recapitulation: Restricted Fund Balance: Excess Surplus - Restricted For 2022-2023 Capital Reserve Maintenance Reserve Unemployment Compensation Assigned Fund Balance: Year End Encumbrances Unassigned Fund Balance Last State Aid Payments not Recognized on GAAP basis				\$ 2,729,094 5,784,617 500,000 136,375 1,310,135 3,204,391 13,664,612 (3,741,192)	

Fund Balance per Governmental Funds (GAAP)

\$ 9,923,420

### DOVER PUBLIC 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 State Sources Federal Sources	\$ 138,409 5,676,330 2,457,154	\$ 303,906 116,544 17,102,821	\$ 442,315 5,792,874 19,559,975	\$ 303,906 4,968,484 9,394,688	\$ (138,409) (824,390) (10,165,287)
Total Revenues	8,271,893	17,523,271	25,795,164	14,667,078	(11,128,086)
Other Finanneing Sources: Transfer In - Board Contribution - General Fund				834,360	834,360
Total Revenues and Other Financing Sources	8,271,893	17,523,271	25,795,164	15,501,438	(10,293,726)
EXPENDITURES: Instruction: Salaries of Teachers Other Salaries for Instruction Purchased Professional and Technical Services Purchased Professional - Educational Services Other Purchased Services	1,268,766 131,550 264,543 766,807	1,171,495 (30,895) (106,134) 107,700 274,009	2,440,261 100,655 158,409 107,700 1,040,816	1,854,978 59,004 107,683 939,691	585,283 41,651 158,409 17 101,125
General Supplies	183,803	2,733,939	2,917,742	2,340,742	577,000
Other Objects		10,800	10,800	9,362	1,438
Total Instruction	2,615,469	4,160,914	6,776,383	5,311,460	1,464,923
Support Services: Salaries Salaries of Program Directors Salaries of Other Professional Staff Salaries of Community Parent Involvement Specialist Salaries of Master Teachers Personal Services - Employee Benefits Purchased Professional and Technical Services Purchased Education Services - Contracted Pre-K Purchased Education Services - Head Start Other Purchased Professional Services Other Purchased Services Contract Services - Transportation (Between Home and School) Supplies and Materials Other Objects Student Activities Scholarships Awarded Total Support Services	122,400 389,436	3,234,266 (60,600) (389,436) 2,834 74,574 974,605 1,807,948 616,817 294,775 275,434 1,722,250 (699,514) 360,644 (2,193) 234,192 39,984 8,486,580	3,234,266 61,800 61,953 231,385 1,772,002 1,836,965 2,193,043 629,775 336,339 1,722,250 1,384,936 404,114 234,192 39,984 14,143,004	493,826 61,800 59,357 227,505 903,742 782,515 2,192,843 629,775 336,339 687,904 1,384,936 257,191 234,192 39,984 8,291,909	2,740,440  2,596 3,880 868,260 1,054,450 200  1,034,346  146,923
**	3,030,424	0,400,300	14,143,004	8,291,909	3,831,093
Facilities Acquisition: Buildings Non-Instructional Equipment		1,631,267 3,214,780	1,631,267 3,214,780	996,664 871,675	634,603 2,343,105
Total Facilities Acquisition		4,846,047	4,846,047	1,868,339	2,977,708
Total Expenditures	\$ 8,271,893	\$ 17,493,541	\$ 25,765,434	\$ 15,471,708	\$ 10,293,726
Excess/(Deficit) of Revenue Over/(Under) Expenditures	\$ -0-	\$ 29,730	\$ 29,730	\$ 29,730	\$ -0-

# DOVER PUBLIC SCHOOL DISTRICT REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE 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

GAAT Revenues and Expenditures		
	General	Special Revenue
	Fund	Fund
Sources/Inflows of Resources		Tund
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 69,788,494	\$ 15,501,438
	\$ 09,700,494	\$ 15,501,456
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the		
Budgetary Basis Recognizes Encumbrances as Expenditures and		
Revenue While the GAAP Basis Does Not:		1 002 070
Prior Year Encumbrances		1,083,870
Current Year Encumbrances		(2,765,455)
Prior Year State Aid Payments Recognized for GAAP Purposes, not		4.50.5.40
Recognized for Budgetary Statements	3,197,107	459,348
Current Year State Aid Payments Recognized for Budgetary		
Purposes, not Recognized for GAAP Statements	(3,741,192)	(469,853)
Total Revenues as Reported on the Statement of Revenues, Expenditures		
and Changes in Fund Balances - Governmental Funds	\$ 69,244,409	\$ 13,809,348
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 67,098,197	\$ 15,471,708
Differences - Budgetary to GAAP	, ,	
Encumbrances for Supplies and Equipment Ordered but		
Not Received are Reported in the Year the Order is Placed for		
Budgetary Purposes, but in the Year the Supplies are Received		
for Financial Reporting Purposes:		
Prior Year Encumbrances		1,083,870
Current Year Encumbrances		(2,765,455)
		(=,, 00,,00)
Total Expenditures as Reported on the Statement of Revenues,		
Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 67,098,197	\$ 13,790,123
	+ 0,,000,107	<del>+ 10,7,0,120</del>

# DOVER PUBLIC SCHOOL DISTRICT REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE NOTE TO RSI FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ending June 30, 2022, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

SCHOOL LEVEL SCHEDULES (NOT APPLICABLE)

SPECIAL REVENUE FUND

#### $\frac{\text{DOVER PUBLIC SCHOOL DISTRICT}}{\text{SPECIAL REVENUE FUND}}$

				I.D.	E.A.				(	CARES		
			asic				chool			nergency		
	FY2	2 - ARP		FY22	FY	22 - ARP		FY22	Re	lief Grant	A	CSERS
REVENUES:												
Local Sources State Sources												
Federal Sources	\$	152,585	\$	672,640	\$	13,804	\$	16,764	\$	208,690	\$	206,514
redetal Sources	Φ	132,363	Φ_	072,040	Φ	13,604	Ψ	10,704	Φ	200,090	Φ	200,314
Total Revenues		152,585		672,640		13,804		16,764		208,690	_	206,514
Other Financing Sources:												
Transfer In - Board Contribution - General Fund												
Total Revenues and Other Financing Sources		152,585		672,640		13,804		16,764		208,690		206,514
Instruction:												
Salaries of Teachers												
Purchased Professional - Educational Services												56,326
Other Purchased Services		127,905		672,640								132,008
General Supplies												
Other Objects												
Total Instruction		127,905		672,640								188,334
Support Services:												
Salaries of Teachers		3,092								94,242		
Salaries of Program Directors												
Salaries of Community Parent Involvement Specialists												
Salaries of Master Teachers												
Personal Services - Employee Benefits		236								7,210		
Purchased Professional and Technical Services		19,189				12,457		16,764		89,378		
Purchased Education Services - Contracted Pre-K												
Purchased Education Services - Head Start												
Other Purchased Professional Services												10 100
Other Purchased Services Contract Services-Transportation												18,180
(Between Home and School)												
Supplies and Materials		2,163				1,347				17,860		
Student Activities		2,103				1,517				17,000		
Scholarships Awarded												
Total Support Services		24,680				13,804		16,764		208,690		18,180
••												
Facilities Acquisition:												
Buildings												
Non-Instructional Equipment												
Total Facilities Acquisition												
Total Expenditures	\$	152,585	\$	672,640	\$	13,804	\$	16,764	\$	208,690	\$	206,514

#### DOVER PUBLIC SCHOOL DISTRICT SPECIAL REVENUE FUND

		Elementary	and Secondary l	Education Act	
	Title I	Title IIA	Title III	Title III Imigrant	Title IV
REVENUES: Local Sources State Sources					
Federal Sources	\$ 1,623,399	\$ 159,406	\$ 184,621	\$ 30,782	\$ 90,269
Total Revenues	1,623,399	159,406	184,621	30,782	90,269
Other Financing Sources: Transfer In - Board Contribution - General Fund					
Total Revenues and Other Financing Sources	1,623,399	159,406	184,621	30,782	90,269
Instruction: Salaries of Teachers Other Salaries for Instruction Purchased Professional - Educational Services	1,077,196	48,200	91,129		
Other Purchased Services General Supplies Other Objects	75,695		45,084	30,782	7,138
Total Instruction	1,152,891	48,200	136,213	30,782	7,138
Support Services: Salaries of Teachers Salaries of Program Directors Salaries of Community Parent Involvement Specialists Salaries of Master Teachers Personal Services - Employee Benefits Purchased Professional and Technical Services Purchased Education Services - Contracted Pre-K Purchased Education Services - Head Start Other Purchased Professional Services Other Purchased Services Contract Services-Transportation (Between Home and School) Supplies and Materials Student Activities	466,298 1,210 3,000	25,604 85,602	48,408		80,014 3,117
Scholarships Awarded					
Total Support Services	470,508	111,206	48,408		83,131
Facilities Acquisition: Buildings Non-Instructional Equipment					
Total Facilities Acquisition				<u> </u>	
Total Expenditures	\$ 1,623,399	\$ 159,406	\$ 184,621	\$ 30,782	\$ 90,269

#### DOVER PUBLIC SCHOOL DISTRICT SPECIAL REVENUE FUND

	L	nool Based earning Systems	Preschool Education Aid	P	Snap rogram	and	gent Needs l Capital ntenance	Student ctivities	Sch	olarships_
REVENUES: Local Sources State Sources Federal Sources	\$	325,524	\$ 4,544,256	\$	23,002	\$	75,702	\$ 256,592	\$	47,314
Total Revenues		325,524	4,544,256		23,002		75,702	256,592		47,314
Other Financing Sources: Transfer In - Board Contribution - General Fund			834,360							
Total Revenues and Other Financing Sources		325,524	5,378,616		23,002		75,702	 256,592		47,314
Instruction: Salaries of Teachers Other Salaries for Instruction Purchased Professional - Educational Services Other Purchased Services General Supplies Other Objects			457,331 59,004 51,357							
Total Instruction			577,054							
Support Services: Salaries of Teachers Salaries of Program Directors Salaries of Community Parent Involvement Specialists Salaries of Master Teachers Personal Services - Employee Benefits Purchased Professional and Technical Services Purchased Education Services - Contracted Pre-K Purchased Education Services - Head Start Other Purchased Professional Services Other Purchased Services Contract Services-Transportation (Between Home and School) Supplies and Materials Student Activities Scholarships Awarded		325,524	61,800 59,357 227,505 231,010 2,192,843 629,775 10,815		20,500		75,702	234,192		39,984
Total Support Services		325,524	4,801,562		23,002		75,702	 234,192		39,984
Facilities Acquisition: Buildings Non-Instructional Equipment										
Total Facilities Acquisition								 		
Total Expenditures	\$	325,524	\$ 5,378,616	\$	23,002	\$	75,702	\$ 234,192	\$	39,984

#### $\frac{\text{DOVER PUBLIC SCHOOL DISTRICT}}{\text{SPECIAL REVENUE FUND}}$

		CRRSA Learning	Mental	A	RP	
	ESSER II	Acceleration	Health	ESSER III	Mental Health	Totals
REVENUES: Local Sources State Sources Federal Sources	\$ 1,445,731	\$ 118,326	\$ 41,594	\$ 4,395,813	\$ 33,750	\$ 303,906 4,968,484 9,394,688
Total Revenues	1,445,731	118,326	41,594	4,395,813	33,750	14,667,078
Total Revenues		110,320	41,394	4,393,613		14,007,078
Other Financing Sources: Transfer In - Board Contribution - General Fund						834,360
Total Revenues and Other Financing Sources	1,445,731	118,326	41,594	4,395,813	33,750	15,501,438
Instruction: Salaries of Teachers Other Salaries for Instruction Purchased Professional - Educational Services Other Purchased Services General Supplies	217,504	77,277		103,845 1,971,677		1,854,978 59,004 107,683 939,691 2,340,742
Other Objects	217,304			1,9/1,0//		9,362
Total Instruction	217,504	77,277		2,075,522		5,311,460
Support Services: Salaries of Teachers Salaries of Program Directors Salaries of Community Parent Involvement Specialists Salaries of Master Teachers Personal Services - Employee Benefits Purchased Professional and Technical Services Purchased Education Services - Contracted Pre-K Purchased Education Services - Head Start Other Purchased Professional Services Other Purchased Services Contract Services-Transportation (Between Home and School) Supplies and Materials Student Activities Scholarships Awarded	208,573 147,979	41,049	41,594	375,992 83,927 193,984 669,724	33,750	493,826 61,800 59,357 227,505 903,742 782,515 2,192,843 629,775 336,339 687,904 1,384,936 257,191 234,192 39,984
Total Support Services	356,552	41,049	41,594	1,323,627	33,750	8,291,909
Facilities Acquisition: Buildings Non-Instructional Equipment	871,675			996,664		996,664 871,675
Total Facilities Acquisition	871,675			996,664		1,868,339
Total Expenditures	\$ 1,445,731	\$ 118,326	\$ 41,594	\$ 4,395,813	\$ 33,750	\$ 15,471,708

#### DOVER PUBLIC SCHOOL DISTRICT SPECIAL REVENUE FUND

#### PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES BUDGETARY BASIS

#### FOR THE FISCAL YEAR ENDED JUNE 30, 2022

#### District-Wide Total

		Budgeted		Actual		Variance
EXPENDITURES:						
Instruction:						
Salaries of Teachers	\$	469,651	\$	457,331	\$	12,320
Other Salaries for Instruction		100,655		59,004		41,651
Purchased Professional Education Services		51,357		51,357		
Other Objects		10,800		9,362		1,438
Total Instruction		632,463		577,054		55,409
Support Services:						
Salaries of Program Directors		61,800		61,800		
Salaries of Supervisors of Instruction		104,069				104,069
Salaries of Community Parent Involvement Spec.		61,953		59,357		2,596
Salaries of Master Teachers		231,385		227,505		3,880
Personal Services – Employee Benefits		231,010		231,010		,
Purchased Educational Services - Contracted Pre-K		2,193,043		2,192,843		200
Purchased Education Services - Head Start		629,775		629,775		
Other Purchased Professional Services		10,815		10,815		
Contractual Services - Transportation (Between Home and School)		1,384,937		1,384,936		1
Supplies and Materials		4,670		3,521		1,149
Total Support Services		4,913,457		4,801,562		111,895
Total Expenditures	\$	5,545,920	\$	5,378,616	\$	167,304
	CA	LCULATION	OF I	BUDGET &	c CA	RRYOVER
Total Revised 2021-2022	Presc	hool Educatio	n Aio	d Allocation	\$	4,711,560
Actual Preschool Expan	nsion	Aid Carryover	r (Jur	ne 30, 2021)		2,164,444
Add: Budgeted Tra	ansfer	from General	Fund	1 2021-2022		834,360
	Add	l: Budgeted Ti	uition	2021-2022		- 0 -
Total Preschool Education	ı Aid I	Funds Availab	le for	2020-2021		7,710,364
Less: 2021-2022 Budgeted Presch	nool E	ducation Expa	nsio	n Aid Funds		(5,545,920)
Available & Unbudgeted Preschool Education Expa	nsion	Aid Funds as	of Ju	ne 30, 2022		2,164,444
Add: June 30, 2022 Unexpended	Presc	hool Educatio	n Exp	pansion Aid		167,304
Less:2021-2022 Commissioner Ap	prove	d Transfer to t	the G	eneral Fund		- 0 -
2021-2022 Carryover - Budgeted fo		chool Educationschool Progra		-		2,164,445
2021-2022 Carryover -	Presc			pansion Aid 2023-2024	\$	167,303

CAPITAL PROJECTS FUND (NOT APPLICABLE)

PROPRIETARY FUNDS

# DOVER PUBLIC SCHOOL DISTRICT ENTERPRISE FUND STATEMENT OF NET POSITION JUNE 30, 2022

	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 934,472
Intergovernmental Accounts Receivable:	
State	3,305
Federal	198,682
Inventories	29,644
Total Current Assets	1,166,103
Non-Current Assets:	
Capital Assets	913,302
Accumulated Depreciation	(465,056)
Total Non-Current Assets	448,246
Total Assets	1,614,349
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	242,802
Unearned Revenue - Donated Commodities	44
Total Current Liabilities	242,846
NET POSITION:	
Investment in Capital Assets	448,246
Unrestricted	923,257
Total Net Position	\$ 1,371,503

### DOVER PUBLIC SCHOOL DISTRICT ENTERPRISE FUND STATEMENT OF REVENUE, EXPENSES

#### AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Food Service
Operating Revenue:	
Local Sources:	
Miscellaneous Income	\$ 207,664
Total Operating Revenue	207,664
Operating Expenses:	
Cost of Goods Sold - Reimbursable Programs	1,313,550
Salaries	744,035
Employee Benefits and Payroll Taxes	99,580
Purchased Services	140,358
Supplies and Materials	188,247
Depreciation	45,851
Other	244,888
Total Operating Expenses	2,776,509
Operating Income/(Loss)	(2,568,845)
Non-Operating Revenue:	
State Sources:	
COVID-19 - Seamless Summer Option	40,702
Federal Sources:	
COVID-19 Emergency Operational Cost	
Reimbursement Program	129,324
COVID-19 P-EBT Administrative Cost	
Reimbursement	6,198
COVID-19 - Seamless Summer Option	2,367,299
Food Distribution Program	125,106
Fruit and Vegetable	94,657
Total Non-Operating Revenue	2,763,286
Change in Net Position	194,441
Net Position - Beginning of Year	1,177,062
Net Position - End of Year	\$ 1,371,503

## DOVER PUBLIC SCHOOL DISTRICT ENTERPRISE FUND STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	 Food Service
Cash Flows for Operating Activities: Receipts from Customers Payments for Salaries, Payroll Taxes and Benefits Payments to Suppliers	\$ 207,664 (843,615) (1,574,537)
Net Cash Provided by/(Used for) Operating Activities	 (2,210,488)
Cash Flows from Noncapital Financing Activities: Federal and State Sources Received in Food Service Fund	 2,557,547
Net Cash Provided by Noncapital Financing Activities	 2,557,547
Net Increase in Cash and Cash Equivalents	347,059
Cash and Cash Equivalents, July 1	 587,413
Cash and Cash Equivalents, June 30	\$ 934,472
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities  Operating Income/(Loss)  Adjustment to Reconcile Operating Income/(Loss) to  Net Cash Provided by/(Used for)  Operating Activities:	\$ (2,568,845)
Depreciation Food Distribution Program Changes in Assets and Liabilities:	45,851 125,106
(Increase) in Inventory (Decrease) in Interfund Accounts Payable Increase in Accounts Payable (Decrease) in Unearned Revenue:	(24,071) (2,323) 213,750
Donated Commodities	 44
Net Cash Provided by/(Used for) Operating Activities	\$ (2,210,488)

#### Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$122,942 and utilized commodities valued at \$125,106 for the fiscal year ended June 30, 2022.

FIDUCIARY ACTIVITIES (NOT APPLICABLE)

LONG-TERM DEBT

# DOVER PUBLIC SCHOOL DISTRICT LONG-TERM DEBT SCHEDULE OF SERIAL BONDS

Balance	June 30, 2022		\$ 2,611,000	11,000		
Bal	June 3		\$ 2,6	\$ 2,6		
	Matured	\$ 3,160,000		\$3,160,000 \$2,611,000 \$3,160,000 \$2,611,000	\$ 580,000 2,580,000 \$3.160.000	
	Issued		\$ 2,611,000	\$ 2,611,000		
Balance	July 1, 2021	\$ 3,160,000		\$ 3,160,000	Matured Refunded	
g Interest	Rate		1.49% 1.49% 1.49% 1.49%			
Maturities of Bonds Outstanding June 30, 2022	Amount		\$ 632,000 647,000 662,000 670,000			
laturities of B June 3	Date		04/01/23 04/01/24 04/01/25 04/01/26			
M Original	Issue	05/01/21 \$ 7,040,000	3,191,000			
Date of	Issue	05/01/21	02/17/22			
	Purpose	School Refunding Bonds	School Refunding Bonds			

DOVER PUBLIC SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Balance June 30, 2022	\$ 374,755 340,365	\$ 715,120
Matured or Retired	187,377	300,832
	8	~
Issued	453,820	453,820
	↔	~
(Restated) Balance July 1, 2021	562,132	562,132
F) Lie	<b>∽</b>	S
Interest Rate	N/A N/A	
Amount of Original Issue	\$ 749,510 453,820	
Purpose	Apple, Inc. Computer Equipment Apple, Inc. Computer Equipment	

N/A - Not Available

DOVER PUBLIC SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Balance June 30, 2022	1,972	3,783	95,942	101,697
Ba	<del>⊗</del>			8
Matured or Retired	71		25,827	25,898
M or	8			S
Issued	2,043	3,783		5,826
	\$			8
(Restated) Balance July 1, 2021			121,769	121,769
(R B July			8	\$
Interest Rate	14.44%	14.46%	1.57%	
Amount of Original Issue	2,043	3,783	132,412	
An	\$			
Date of Issue	03/30/22	06/30/22	01/01/21	
Purpose	Pitney Bowes (Academy Street)	Pitney Bowes (Board Office)	Canon Copiers (UBS)	

# DOVER PUBLIC SCHOOL DISTRICT BUDGETARY COMPARISON SCHEDULE DEBT SERVICE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES: Local Sources: Local Tax Levy	\$ 706,400		\$ 706,400	\$ 706,400	
Total Revenues	706,400		706,400	706,400	
EXPENDITURES: Regular Debt Service: Interest Redemption of Principal	126,400 580,000		126,400	126,400	
Total Regular Debt Service	706,400		706,400	706,400	
Total Expenditures	706,400		706,400	706,400	
Excess/(Deficit) of Revenue Over/(Under) Expenditures					
Other Financing Sources/(Uses): Refunding Bonds Issued Serial Bonds Defeased Bond Issuance Costs				2,611,000 (2,580,000) (31,000)	\$ 2,611,000 (2,580,000) (31,000)
Total Other Financing Sources/(Uses)				-0-	-0-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-0-	- 0 -	- 0 -	- 0 -	- 0 -
Fund Balance, July 1	-0-	- 0 -	- 0 -	-0-	-0-
Fund Balance, June 30	-0-	-0- \$	-0-	-0-	-0-

#### STATISTICAL SECTION (UNAUDITED)

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

#### **Contents**

Financial Trends	<u>Exhibit</u>
These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity	
These schedules contain information to help the reader assess the factors	
affecting the School's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability	
of the School's current levels of outstanding debt and the School's ability	
to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader	
understand the environment within which the School's financial activities take	
place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information	
These schedules contain information about the School's operations and	
resources to help the reader understand how the School's financial information	
relates to the services the School provides and the activities it performs.	J-16 thru J-20

**Sources**: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

DOVER PUBLIC SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

# DOVER PUBLIC SCHOOL DISTRICT CHANGES IN NET POSITION LAST TEN FISCAL YEARS UNAUDITED (Accrual Basis of Accounting)

					Fiscal Year Ended June 30,	ded June 30,				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$20,935,273	\$20,735,417	\$24,512,706	\$27,371,930	\$29,583,414	\$26,553,039	\$24,852,876	\$27,402,943	\$32,114,852	\$ 30,468,849
Special Education	3,549,381		3,561,629	3,459,093	3,867,804	7,641,399	7,226,061	3,898,532	4,239,700	5,378,852
Other Special Instruction								1,920,794	3,007,344	2,865,384
Vocational	2,451,939	2,420,813	2,532,491	2,867,643	2,961,443	775,211	822,721	1,077,091	687,027	1,259,212
Support Services:										
Tuition	3,053,506	3,382,631	3,345,620	3,600,982	3,990,060	4,465,842	5,285,961	5,150,670	5,342,743	5,479,260
Student & Instruction Related Services	4,863,072	4,717,295	4,629,839	5,442,880	5,598,811	6,439,642	6,408,745	6,427,142	10,627,297	14,819,106
General Administrative Services	1,781,131	1,718,172	1,915,911	2,188,841	2,343,116	1,375,537	1,347,531	1,707,544	1,779,014	1,334,878
School Administrative Services	3,037,546	3,088,860	3,465,746	3,439,352	3,573,861	3,687,051	3,420,567	2,332,683	2,612,344	4,038,098
Central Services						921,693	842,478	678,621	1,029,352	815,451
Administrative Information Technology								134,305	103,385	133,729
Plant Operations And Maintenance	3,718,829	3,716,723	3,847,428	3,949,709	3,818,921	4,549,045	4,607,499	3,278,304	3,700,529	5,835,672
Pupil Transportation	1,568,546	1,561,011	1,717,387	1,942,125	2,020,345	3,138,060	3,242,439	2,784,354	2,137,424	4,700,988
Care and Upleep of Grounds								145,572	203,613	
Secuirty								553,903	448,303	
Capital Outlay										
Transfer to Charter School	7,130	14,296	43,632	66,535	900099	42,997	21,175	11,895	12,449	9,044
Business and Other Support Services								49,462	80,132	
Assessment for Debt Serivce on SDA Funding	39,604	72,816	72,816	72,816	72,816	72,816	72,816			
Interest On Long-Term Debt	240,776	238,342	222,025	208,113	197,838	186,025	170,163	162,175	141,363	126,400
Unallocated Depreciation								1,212,468	348,124	1,048,021
Total Governmental Activities Expenses	45,246,734	45,085,667	49,867,230	54,610,018	58,094,429	59,848,358	58,321,032	58,928,458	68,614,995	78,312,944
Business-type activities: Fond Service	1.540.340	1.510.309	1.670.727	1.843.803	1.876.235	1.909.960	1.788 642		1.013.816	2,776,509
Total Business-Tyne Activities Exnense	1 540 340	1 510 309	1 670 727	1 843 803	1 876 235	1 909 960	1 788 642		1 013 816	977.6
Total District Evenouses	16 797 074	76 505 076	51 537 057	56 453 971	50 070 664	61 750 310	60 100 674	021 000 05	60 679 911	01 000 453
	2,50	0.000	1000	110,00,00	100,010,00	01,00,110	10,001,00	00,00	110,020,00	77,000,10
Program Revenues: Governmental Activities:										
Charges For Services:										
Regular Instruction	2,276,971	2,118,825	2,195,061	2,069,694	1,706,144	1,518,023	1,386,115			2,646,491
Student and Instruction Related Services									94,449	
Operating Grants and Contributions	8,890,733	9,167,316	12,807,144	18,024,880	20,283,781	3,269,549	3,534,427	12,103,553	21,623,789	26,924,023
Total Governmental Activities Program Revenues	11,167,704	11,286,141	15,002,205	20,094,574	21,989,925	4,787,572	4,920,542	12,103,553	21,718,238	29,570,514

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

	2013	2014	2015	2016	2017 2018	2018	2019	2020	2021	2022
Business-Type Activities: Charges For Services: Food Service Operating Grants and Contributions Capital Grants and Contributions	\$ 297,973 1,289,329	\$ 315,526 1,290,925	\$ 317,497 1,437,868	\$ 336,979 1,562,605 59,839	\$ 322,335 1,623,500	\$ 334,529 1,583,242	\$ 350,090	\$ 345,994	\$ 56,832	\$ 207,664 2,763,286
Total Business Type Activities Program Revenues	1,587,302	1,606,451	1,755,365	1,899,584	1,945,835	1,917,771	1,817,677	345,994	56,832	2,970,950
Total District Program Revenues	12,755,006	12,892,592	16,757,570	21,994,158	23,935,760	6,705,343	6,738,219	12,449,547	21,775,070	32,541,464
Net (Expense)/Revenue Governmental Activities Business-Type Activities	(34,079,030)	(33,799,526)	(34,865,025) 84,638	(34,515,444)	(36,104,504)	(55,060,786)	(53,400,490)	(46,824,905)	(46,896,757)	(48,742,430) 194,441
Total District-Wide Net Expense	(34,032,068)	(33,703,384)	(34,780,387)	(34,459,663)	(36,034,904)	(55,052,975)	(53,371,455)	(46,478,911)	(47,853,741)	(48,547,989)
General Revenues and Other Changes in Net Position: Governmental Activities:										
Property Taxes Levied for General Purposes, Net Taxes I evied for Debt Service	13,070,480	13,070,480	13,106,480	13,106,480	13,574,519	14,246,172	15,601,137	16,626,173	16,231,423	16,556,051
Federal and State Aid not Restricted Tuition	23,061,030	22,711,170	22,783,398	22,266,016	22,318,614	41,238,852	39,943,626	31,365,673	33,404,330	33,903,727
Investment Income	25,496	34,493	35,130	36,812	31,791	32,309	118,612		1,500	
Miscellaneous Income Transfers	288,552	236,148	162,623	405,857	191,305	221,419 (94,159)	258,875 (120,109)	572,619	1,093,833	772,414
Disposal of Capital assets (Net)	(7,303,322)	382,207	(499,688)	811,149	(63,668)	(22%)	(55.(51.)			
Total Governmental Activities	29,640,283	36,881,006	36,096,731	37,138,865	36,778,024	55,644,593	56,516,354	49,870,665	52,934,607	51,938,592
Business-Type Activities: Interest and Miscellaneous Income Capital Contributions/(Disposals)	1,324	1,652	1,849	2,129	2,263	2,694	8,476	2,647		
Total Business-Type Activities	1,324	1,652	1,849	909'9	2,263	2,694	8,476	2,647		
Total District-Wide	29,641,607	36,882,658	36,098,580	37,145,471	36,780,287	55,647,287	56,524,830	49,873,312	52,934,607	51,938,592
Change in Net Position: Governmental Activities Business-Type Activities	(4,438,747) 48,286	3,081,480	1,231,706	2,623,421	673,520 71,863	583,807 10,505	3,115,864	3,045,760 348,641	6,037,850 (956,984)	3,196,162 194,441
Total District	\$ (4,390,461)	\$ 3,179,274	\$ 1,318,193	\$ 2.685.808	\$ 745.383	\$ 594.312	\$ 3.153.375	\$ 3.394.401	998.080.5	\$ 3 390 603

DOVER PUBLIC SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

(Modified Accrual Basis of Accounting)

					Fiscal Year E	Fiscal Year Ending June 30,			(Bostotal)	
	2013	2014	2015	2016	2017	2018	2019	2020	(Restated) 2021	2022
General Fund:										
Restricted	\$ 8,378,260	\$ 10,028,830	\$ 9,796,349	\$ 9,417,293	\$ 8,307,624	\$ 7,898,899	\$ 9,436,625	\$ 6,825,247	\$ 10,334,425	\$ 9,150,086
Unassigned	(1,375,080)	(1,388,953)	(1,416,677)	(1,448,468)	(1,323,618)	(1,432,212)	(1,483,487)	(1,270,105)	(243,086)	773,334
Total General Fund	\$ 7,003,180	\$ 7,003,180 \$ 8,639,877	\$ 8,379,672	\$ 7,968,825	\$ 6,984,006	\$ 6,466,687	\$ 7,953,138	\$ 5,555,142	\$ 10,091,339	\$ 9,923,420
All Other Governmental Funds:										
Restricted Unassioned/(Deficit)	\$ 47,669	47,669 (50,755) \$ (48,010) \$	(33,708)	\$ (38.815) \$ (28.613)	\$ (28,613)	\$ (25.537) \$ (34.216)	\$ (34.216)	\$ 2 (146.712)	\$ 261,733 (459,348)	\$ 289,380
	(22,522)	) )	(22,1,22)	(210,62)	(2:0;01)	+	(21,12)	(21,601)	(5,5,5)	(2)
Total All Other Governmental Funds \$ (3,086) \$ (48,010) \$	(3,086)	\$ (48,010)	(33,708)	\$ (38,815)	\$ (28,613)	\$ (25,537)	\$ (34,216) \$ (146,710)	\$ (146,710)	\$ (197,615)	\$ (180,473)
Total Governmental Funds:										
Restricted	\$ 8,425,929	\$ 10,	\$ 9,	\$ 9,417,293	\$ 8,307,624	\$ 7,898,899	\$ 9,436,625	\$ 6,825,249	\$ 10,596,158	\$ 9,439,466
Unassigned/(Deficit)	(50,755)	(48,010)	(33,708)	(38,815)	(28,613)	(25,537)	(34,216)	(146,712)	(459,348)	303,481
Total Governmental Funds	\$ 8,375,174	\$ 8,375,174 \$ 9,980,820	\$ 9,762,641	\$ 9,378,478	\$ 8,279,011	\$ 7,873,362	\$ 9,402,409	\$ 6,678,537	\$ 10,136,810	\$ 9,742,947

Source: Dover Public School District Financial Reports.

# CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS DOVER PUBLIC SCHOOL DISTRICT

<u>UNAUDITED</u>
(Modified Accrual Basis of Accounting)

2022	2,784 \$ 17,262,451	2,342,		,947 54,406,936	,275 7,837,504	125,064	,163 82,925,797			,119 20,312,973	,970 3,696,716	1,	637,074 823,208		,743 5,479,260	,880 12,863,234	,757 1,206,115	,242 2,464,878	597,923 684,399	72,700 121,311	,157 4,636,474	,671	237,250	,292	4,576,495	,145 20,688,283		570,000 580,000	141,363 126,400	,862 1,646,054	12,449 9,044	,390 81,594,720
2021	\$ 16,94	1,49		44,385,947	3,072,275		69,119,163			5 18,773,119	1 2,356,970	1,			5,342,743	7,458,880	1,294,757	3 2,290,242			2,956,157	3 114,671		3 2,057,292		17,067,145				1,757,862		65,113,390
2020	\$ 16,626,173	1,306,200	572,619	39,411,331	2,175,103	1,830	60,093,256			16,852,526	2,472,314	1,120,812	715,689		5,150,670	4,168,670	1,327,330	2,263,538	423,159	78,386	2,682,271	64,943	400,233	2,734,893		15,748,624		555,000	158,013	5,654,780	11,895	62,583,746
2019	\$ 16,315,350	1,386,115	258,875	35,784,346	2,795,110	120,109	56,778,517			15,929,576	3,395,383	775,203			5,285,961	4,487,749	980,534	1,958,634	470,347		3,185,241			2,151,106		13,763,281		540,000	174,213	2,062,234	21,175	55,180,637
Fiscal Year Ended June 30, 2017 2018	\$ 14,246,172	1,518,023	253,728	32,476,119	2,671,453	99,142	51,264,637			15,814,653	3,083,036	729,913			4,465,842	4,143,836	951,128	1,915,369	469,447		2,830,478			1,834,369		12,760,310		525,000	189,963	1,928,377	42,997	51,684,718
Fiscal Year E	\$ 14,299,982	1,706,144	191,305	30,677,883	2,698,064		49,605,169			16,047,693	1,786,375	1,525,204			3,990,060	3,321,665	1,377,541	1,756,054			2,722,225			1,595,340		12,453,254		525,000	200,463	3,140,097	66,000	50,506,971
2016	\$ 13,827,143	2,069,694	405,857	30,025,425	2,644,804		49,009,735			15,662,456	1,638,742	1,540,042			3,600,982	3,368,253	1,370,710	1,791,300			2,913,442			1,577,998		11,818,694		510,000	210,663	3,283,056	66,535	49,352,873
2015	\$ 13,837,293	2,195,061	162,623	29,515,432	2,627,346		48,372,885			16,229,086	1,764,372	1,544,251			3,345,620	3,302,928	1,317,804	2,093,098			3,048,959			1,454,842		11,193,467		505,000	225,813	2,477,101	43,632	48,545,973
2014	\$ 13,755,330	2,118,825	236,148	29,060,141	2,580,003		47,784,940			14,767,950	1,756,532	1,581,922			3,382,631	3,536,842	1,269,690	2,087,791			3,100,885			1,344,022		10,883,645		490,000	242,519	1,661,625	14,296	46,120,350
2013	\$ 13,808,722	2,276,971	288,552	28,928,335	2,783,232		48,111,308			14,488,393	2,057,580	1,623,422			3,053,506	3,533,340	1,346,550	1,972,854			2,847,081			1,346,910		11,660,888		500,000	240,195	3,671,565	7,130	48,349,414
	Revenues: Tax Levy Interest Farned on Canital Reserve Funds	Tuition	Miscellaneous	State Sources	Federal Sources	Private Souces	Total Revenue	Expenditures:	Instruction:	Regular Instruction	Special Education Instruction	Other Special Instruction	Other Instruction	Support Services:	Tuition	Student & Instruction Related Services	General Administrative Services	School Administrative Services	Central Services	Administrative Information Technology	Plant Operations And Maintenance	Care and Upkeep of Grounds	Security	Pupil Transportation	Student Transportation Services	Unallocated Benefits	Debt Service:	Principal	Interest And Other Charges	Capital Outlay	Transfer to Charter Schools	Total Expenditures

# DOVER PUBLIC SCHOOL DISTRICT

# CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

 $\frac{\text{UNAUDITED}}{\text{Modified Accrual Basis of Accounting)}}$ 

							Fiscal Year Ended June 30,	Inded	June 30,				
	2013	2014		2015	2016	91	2017		2018	2019	2020	2021	2022
Excess/(Deficiency) Of Revenues Over/(Under) Expenditures	\$ (238,106)	\$ (238,106) \$ 1,664,590	↔	(173,088)	\$ (34	3,138)	\$ (173,088) \$ (343,138) \$ (901,802)	↔	(420,081)	\$ (420,081) \$ 1,597,880	\$ (2,490,490)	\$ (2,490,490) \$ 4,005,773	\$ 1,331,077
Other Einenging Common (I Icac)													
Refunding Bonds Issued													2,611,000
Serial Bonds Defeased													(2,580,000)
Bond Issuance Costs													(31,000)
Transfers Out									(94,159)	(120,109)			
Leases (Non-Budgeted)													5,826
Financed Purchases (Non-Budgeted)													453,820
Accounts Receivable Canceled												(5,600)	
Total Other Financing Sources/(Uses)									(94,159)	(120,109)		(5,600)	459,646
Net Change In Fund Balances	\$ (238,106)	\$ (238,106) \$ 1,664,590	S	\$ (173,088)	\$ (343,138)	3,138)	\$ (901,802)	↔	\$ (514,240)	\$ 1,477,771	\$ (2,490,490)	\$ 4,000,173	\$ 1,790,723
Debt Service As A Percentage													
Of Noncapital Expenditures	1.66%	1.65%		1.59%		1.56%	1.53%		1.44%	1.34%	1.25%	1.12%	%88.0

# DOVER PUBLIC SCHOOL DISTRICT GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE LAST TEN FISCAL YEARS UNAUDITED

Fiscal				
Year Ended	Interest on	Tuition/		
June 30,	Investments	Transportation	Other	Total
2013	\$ 25,496	\$ 2,276,971	\$ 269,824	\$ 2,572,291
2014	34,493	2,118,825	236,148	2,389,466
2015	35,130	2,195,061	157,709	2,387,900
2016	36,812	2,069,694	401,717	2,508,223
2017	31,791	1,706,144	191,305	1,929,240
2018	32,309	1,518,023	221,419	1,771,751
2019	118,612	1,386,115	258,875	1,763,602
2020	115,406	1,306,200	457,213	1,878,819
2021	1,500	1,492,160	1,099,433	2,593,093
2022	20,328	2,342,585	752,087	3,115,000
	•		· ·	

Source: Dover Public School District records.

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY, DOVER PUBLIC SCHOOL DISTRICT

LAST TEN YEARS UNAUDITED

Estimated Actual (County	Equalized Value)	\$1,733,539,176	1,340,652,204	1,294,957,930	1,296,442,015	1,330,065,884	1,354,658,514	1,378,939,442	1,378,939,442	1,437,322,559	1,433,949,589
Total Direct School Tax	Rate b	\$ 0.87	0.88	0.88	0.89	1.02	1.04	1.11	1.19	1.22	1.23
Net Valuation	Taxable	\$1,492,435,800	1,478,210,300	1,471,371,200	1,464,460,900	1,292,026,000	1,290,447,700	1,299,752,900	1,197,357,600	1,294,133,500	1,303,176,200
Public	Utilities <sup>a</sup>	-0-	-0-	-0-	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Total Assessed	Value	\$1,492,435,800	1,478,210,300	1,471,371,200	1,464,460,900	1,292,026,000	1,290,447,700	1,299,752,900	1,197,357,600	1,294,133,500	1,303,176,200
	Apartment	\$ 47,325,000	47,262,500	49,856,000	50,906,000	45,449,200	45,800,400	46,008,700	46,021,800	46,031,800	46,048,800
	Industrial	\$ 136,959,700	126,669,100	125,539,100	122,426,200	112,159,700	112,159,700	112,115,500	11,521,600	111,221,600	110,466,300
	Commercial	\$ 266,090,900	265,697,700	263,599,400	261,198,000	270,637,400	270,267,400	280,787,500	276,583,500	272,760,000	279,080,800
	Residential	\$1,031,676,100	1,028,952,800	1,022,593,100	1,017,614,600	852,915,100	851,294,000	853,241,800	855,671,900	857,716,700	861,028,200
Vacant	Land	\$ 10,384,100	9,628,200	9,783,600	12,316,100	10,864,600	10,926,200	7,599,400	7,558,800	6,403,400	6,552,100
Year Ended	December 31,	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021

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

Reassessment occurs when ordered by the County Board of Taxation

Source: Town of Dover Tax Assessor.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies b Tax rates are per \$100 of assessed valuation.

## DOVER PUBLIC SCHOOL DISTRICT DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN YEARS UNAUDITED

(rate per \$100 of assessed value)

#### **Dover Public School District**

			Dire	ect Rate				Overlapp	ing Ra	ites	Tota	l Direct
			Ge	eneral							;	and
Year Ended			Obl	igation	T	otal	T	own	M	orris	Ove	rlappin
December 31,	Basi	c Rate <sup>a</sup>	Debt	Service b	D	irect	of	Dover	C	ounty	<u>Ta</u>	x Rate
2012	\$	0.79	\$	0.08	\$	0.87	\$	0.95	\$	0.35	\$	2.17
2013		0.83		0.05		0.88		0.89		0.23		2.00
2014		0.83		0.05		0.88		0.92		0.24		2.04
2015		0.84		0.05		0.89		0.95		0.22		2.06
2016		0.97		0.05		1.02		1.12		0.27		2.41
2017		1.01		0.03		1.04		1.16		0.27		2.47
2018		1.08		0.03		1.11		1.20		0.28		2.59
2019		1.14		0.05		1.19		1.22		0.28		2.69
2020		1.16		0.05		1.22		1.34		0.29		2.85
2021		1.17		0.05		1.23		1.39		0.29		2.90

Note:

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

- 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.

Source: Town of Dover Tax Collector and School Business Administrator.

DOVER PUBLIC SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	% of Total District Net	Assessed Value	1.15%	1.08%	0.79%	0.73%	0.50%	0.43%	0.43%	0.42%	0.42%	0.41%	6.36%
2013	Taxable Assessed	Value	\$ 17,000,000	16,000,000	11,730,400	10,719,200	7,365,600	6,336,000	6,284,500	6,250,000	6,200,000	6,130,000	\$ 94,015,700
20		Taxpayer	Piret (Dover) Holdings LLC	Home Depot USA Inc.	MCRS Dover LLC	Casino, Inc.	Dover Fox Tenants Corp.	Dover Garden Apartments II, LLC	Denville-Morris Properties, LLC	Dover Morris Properties, LLC	65 North Sussex, LLC	600 Mt. Pleasant Associates, LLC	Total
	% of Total District Net	Assessed Value	3.79%	1.50%	1.12%	0.84%	0.84%	0.81%	0.69%	0.58%	0.57%	0.52%	11.25%
22	Taxable Assessed	Value	\$ 45,369,600	17,932,200	13,388,800	10,060,000	10,020,200	6,689,000	8,211,800	7,000,000	6,790,800	6,250,000	\$ 134,712,400
2022		Taxpayer	MPT of Morris, LLC	Piret (Dover) Holdings LLC	Home Depot USA Inc.	AHIP NJ Dover Properties, LLC	Casino, Inc.	SW Dover Hills, LLC	Dover Capital, LLC	Briad Lodging Group Dover II, LLC	Denville-Morris Properties, LLC	Dover Fox Tenants Corp.	Total

Source: Town of Dover Tax Assessor.

# DOVER PUBLIC SCHOOL DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS, LAST TEN FISCAL YEARS UNAUDITED

Collected within the Fiscal

			Conceica with	iii tiic i iscai		
	T	axes Levied	Year of the	e Levy <sup>a</sup>	Colle	ections in
Fiscal Year		for the		Percentage		sequent
Ended June 30,	]	Fiscal Year	Amount	of Levy		ears
2013	\$	13,808,722	\$ 13,808,722	100.00%	\$	- 0 -
2014		13,755,330	13,755,330	100.00%		- 0 -
2015		13,837,293	13,837,293	100.00%		- 0 -
2016		13,827,143	13,827,143	100.00%		- 0 -
2017		14,299,982	14,299,982	100.00%		- 0 -
2018		14,246,172	14,246,172	100.00%		- 0 -
2019		16,315,350	16,315,350	100.00%		- 0 -
2020		16,626,173	16,626,173	100.00%		- 0 -
2021		16,231,423	16,231,423	100.00%		- 0 -
2022		17,262,451	17,262,451	100.00%		- 0 -

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

Source: Dover Public School District records including the Certificate & Report of School Taxes.

# DOVER PUBLIC SCHOOL DISTRICT RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS UNAUDITED

Governmental Activities

		Gove	illillellial Acti	villes					
	Fiscal Year	General					Percentage		
	Ended	Obligation	Financed		Capital	Total	of Personal		
	June 30,	Bonds	Purchases		Leases	District	Income <sup>a</sup>	Per	Capita <sup>a</sup>
_						 _			
	2013	\$ 7,380,000				\$ 7,380,000	0.45%	\$	338
	2014	6,890,000				6,890,000	0.47%		377
	2015	6,385,000				6,385,000	0.42%		351
	2016	5,875,000				5,875,000	0.37%		323
	2017	5,350,000				5,350,000	0.32%		296
	2018	4,825,000				4,825,000	0.29%		268
	2019	4,285,000				4,285,000	0.25%		239
	2020	3,730,000				3,730,000	0.21%		211
	2021	3,160,000	\$ 562,132	\$	121,679	3,843,811	0.20%		218
	2022	2,611,000	715,120		101,697	3,427,817	0.18%		186

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

Source: Dover Public School District records.

a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

# DOVER PUBLIC SCHOOL DISTRICT RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS UNAUDITED

General Bonded Debt Outstanding

		General	Donaca	Deor Our	Stant	*****5			
Fiscal							Percentage of		
Year		General			N	et General	Actual Taxable		
Ended	C	Obligation			В	onded Debt	Value <sup>a</sup>		
June 30,		Bonds	Dedu	ections	0	utstanding	of Property	Per C	Capita <sup>b</sup>
2013	\$	7,380,000	\$	- 0 -	\$	7,380,000	0.49%	\$	338
2014		6,890,000		- 0 -		6,890,000	0.47%		377
2015		6,385,000		- 0 -		6,385,000	0.43%		351
2016		5,875,000		- 0 -		5,875,000	0.40%		323
2017		5,350,000		- 0 -		5,350,000	0.41%		296
2018		4,825,000		- 0 -		4,825,000	0.37%		268
2019		4,285,000		- 0 -		4,285,000	0.33%		239
2020		3,730,000		- 0 -		3,730,000	0.31%		211
2021		3,160,000		- 0 -		3,160,000	0.24%		171
2022		2,611,000		- 0 -		2,611,000	0.20%		142

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the calendar year.

Source: Dover Public School District records.

b See Exhibit J-14 for population data. This ratio is calculated using population for the pricalendar year.

## DOVER PUBLIC SCHOOL DISTRICT RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF DECEMBER 31, 2021 UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Town of Dover	\$ 26,985,871	100.00%	\$ 26,985,871
Morris County - General Debt Obligation	235,030,042	1.47%	3,452,881
Subtotal, Overlapping Debt			30,438,752
Dover Public School District Direct Debt			3,160,000
Total Direct And Overlapping Debt			\$ 33,598,752

#### 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 that is borne by the residents and businesses of the Town of Dover. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping unit.

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Dover's equalized property value that is within the Morris County's boundaries and dividing it by Morris County's total equalized property value.

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

LEGAL DEBT MARGIN INFORMATION DOVER PUBLIC SCHOOL DISTRICT LAST TEN FISCAL YEARS UNAUDITED

\$ 58,246,184 2,611,000 \$ 55,635,184		\$ 56,215,502 3,160,000 \$ 53,055,502	\$ 57,474,949 3,730,000 \$ 53,744,949 \$ 6.49%	Year         2019         2020         2021           \$ 39,811,664         \$ 41,583,205         \$ 57,474,949         \$ 56,215,502           4,825,000         4,285,000         3,730,000         3,160,000           \$ 34,986,664         \$ 37,298,205         \$ 53,744,949         \$ 53,055,502           12.12%         10.30%         6.49%         5.62%	Fiscal Year  2018  658 \$ 39,811,664  000	\$39,214, \$33,864,	\$ 39,363,279 \$ 5,875,000 \$ 33,488,279	\$39,783,933 6,385,000 \$33,398,933	2013     2014     2015       \$ 43,339,596     \$ 41,638,855     \$ 39,783,933       7,380,000     6,890,000     6,385,000       \$ 35,959,596     \$ 34,748,855     \$ 33,398,933       17.03%     16.55%     16.05%	\$ 43,339,596 7,380,000 \$ 35,959,596	Debt Limit  Total Net Debt Applicable to Limit  Legal Debt Margin  Total Net Debt Applicable to the  Limit As a Percentage of Debt Limit
9.48%	%	5.62	6.49%	10.30%	12.12%	13.64%	14.93%	16.05%	16.55%	17.03%	ebt Applicable to the a Percentage of Debt Limit
55,635,184	2∥ &∥		- 11	\$ 37,298,205	\$ 34,986,664		\$ 33,488,279	\$ 33,398,933	\$ 34,748,855	\$ 35,959,596	t Margin
2,611,000	 	3,160,000	3,730,000	4,285,000	4,825,000	5,350,000	5,875,000	6,385,000	6,890,000	7,380,000	Debt Applicable to Limit
5 58,246,184	2	\$ 56,215,50	\$ 57,474,949	\$ 41,583,205			\$ 39,363,279	\$ 39,783,933	\$ 41,638,855	\$ 43,339,596	it
2022		2021	2020	2019	2018	2017	2016	2015	2014	2013	
					l Year	Fisca					

Equalized Valuation Basis	
2021	\$1,526,682,521
2020	1,412,501,091
2019	1,429,280,159
	\$4,368,463,771
Average Equalized Valuation of Taxable Property	\$1,456,154,590
Debt Limit (4% of average equalization value) Net Bonded School Debt as of June 30, 2022	\$ 58,246,184
Legal Debt Margin	\$ 55,635,184

Legal Debt Margin Calculation for Fiscal Year 2022

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

Department of Treasury, Division of Taxation

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

## DOVER PUBLIC SCHOOL DISTRICT DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS UNAUDITED

Morris County
Per Capita

		Personal			Personal	Unemployment		
Year	Population <sup>a</sup>		Income c		Income <sup>b</sup>	Rate d		
2013	18,267	\$	81,026		\$ 1,480,101,942	6.40%		
2014	18,182		84,287		1,532,506,234	4.70%		
2015	18,162		88,298		1,603,668,276	4.30%		
2016	18,083		91,252		1,650,109,916	3.80%		
2017	18,025		93,544		1,686,130,600	3.50%		
2018	17,916		97,244		1,742,223,504	3.40%		
2019	17,708		99,140		1,755,571,120	2.60%		
2020	17,619		102,227		1,801,137,513	7.60%		
2021	18,427		102,227	*	1,883,736,929 ***	* 4.70%		
2022	18,427 **	k	102,227	*	1,883,736,929 ***	* N/A		

N/A - Information is not available

#### Sources:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income has been estimated based upon the municipal population and per capita personal income presented
- c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- d Unemployment data provided by the NJ Dept of Labor and Workforce Development

<sup>\* -</sup> Latest Morris County per capita personal income available (2020) was used for calculation purposes.

<sup>\*\* -</sup> Latest population data available (2021) was used for calculation purposes.

<sup>\*\*\* -</sup> Latest available population data (2021) and latest available Morris County per capita personal income (2020) was used for calculation purposes.

PRINCIPAL EMPLOYERS - MORRIS COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	Percentage of Total	Employment	2.42%	2.06%	1.96%	0.91%	0.75%	0.75%	0.72%	0.61%	0.56%	0.55%		
		Employees I	6,200	5,274	5,013	2,332	1,928	1,924	1,841	1,550	1,440	1,400	28,902	255,907
2013		Employer	Novartis	Picatiny Arsenal	Atlantic Heatlh system	United Parcel Service	County of Morris	ADP	Saint Clare's Health	AT&T	Chilton Memorial	BASF		Total Employment
	Percentage of Total	Employment	3.06%	2.40%	2.08%	1.40%	1.03%	0.96%	0.73%	0.68%	0.66%	0.59%		
2		Employees	7,642	6,000	5,200	3,483	2,560	2,400	1,826	1,704	1,638	1,469	33,922	249,661
2022		Employer	Atlantic Health System	Picatinny Arsenal	Novartis	Bayer	Barclays	ADP	Accenture	Honeywell	Saint Clare's Health	County of Morris	Total	Total Employment

Source: Morris County Treasurer's Office.

DOVER PUBLIC SCHOOL DISTRICT

# FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

# LAST TEN FISCAL YEARS

UNAUDITED

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction: Regular Special Education Other Special Education Other Instruction	242.0	39.0	221.0	229.0	225.0	226.0	227.0	227.0 52.0	195.0 57.0 25.0 1.0	269.0 74.0 37.0 5.0
Support Services: Student & Instruction Related Services General Administrative Services	44.0	39.0	28.0	28.0	30.0	27.0	28.0	28.0	63.0	91.0
School Administrative Services	27.0	29.0	28.0	26.0	26.0	25.0	25.0	25.0	25.0	31.0
Business Administrative Services Administrative Information Technology	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	6.0	10.0
Plant Operations and Maintenance Pupil Transportation	30.0	39.0	40.0	39.0	40.0	36.0	36.0	36.0	36.0	54.0 17.0
Total	397.0	379.0	374.0	376.0	373.0	374.0	375.0	379.0	425.0	596.0

Source: Dover Public School District records.

DOVER PUBLIC SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

	Student	Attendance	Percentage	95.63%	95.98%	%02.96	96.45%	95.99%	%00'96	95.92%	96.15%	93.57%	93.57%
% Change	in Average	Daily	Enrollment	4.35%	1.82%	2.79%	1.50%	0.24%	2.72%	-3.22%	0.01%	1.51%	0.00%
Average	Daily	Attendance	(ADA)°	2,895	2,959	3,064	3,102	3,095	3,179	3,074	3,082	3,045	3,045
	Daily		I		3,083	3,169	3,216	3,224	3,312	3,205	3,206	3,254	3,254
		atio	Middle	15	14	17	17	16	16	16	16	15	15
	/lidn4	Teacher R	Elementary Middle	14	14	14	14	15	15	15	15	17	17
			Staff <sup>b</sup>	256	260	260	265	240	240	243	256	260	260
		Percentage	Change	2.04%	-8.77%	-1.88%	8.64%	-4.23%	16.46%	-2.53%	13.15%	2.36%	37.49%
		Cost Per	Pupil	\$ 14,602	13,322	13,072	14,201	13,601	15,840	15,440	17,470	17,883	24,586
		Operating	Expenditures <sup>a</sup>	\$ 43,937,653	41,072,119	41,426,489	45,385,128	41,592,612	49,041,379	52,404,191	56,235,954	62,644,162	79,242,266
			Enrollment	3,021	3,009	3,083	3,169	3,196	3,058	3,096	3,394	3,219	3,223
		Fiscal	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022

Note: Enrollment based on annual October district count.

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

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).

d The cost per pupil calculated above is the sum of operating enrollment divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Source: Dover Public School District records.

DOVER PUBLIC SCHOOL DISTRICT SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Academy Street										
Square Feet	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364	52,364
Capacity (students)	560	995	260	260	260	995	260	260	260	260
Enrollment	560	561	601	558	551	555	555	548	494	487
East Dover										
Square Feet	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790	98,790
Capacity (students)	884	884	884	884	884	884	884	884	884	884
Enrollment	459	476	479	489	523	480	480	474	393	409
North Dover										
Square Feet	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705	56,705
Capacity (students)	614	614	614	614	614	614	614	614	614	614
Enrollment	740	751	757	737	704	682	682	693	638	639
Dover Middle School										
Square Feet	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790	63,790
Capacity (students)	728	728	728	728	728	728	728	728	728	728
Enrollment	461	482	457	495	530	488	488	512	557	524
Dover High School										
Square Feet	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500	157,500
Capacity (students)	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066
Enrollment	789	813	875	917	956	891	881	946	1,010	1,164

Number of Schools at June 30, 2022:

Elementary/Middle/High School = 5

Source: Dover Public School District Facilities Office.

# DOVER PUBLIC SCHOOL DISTRICT SCHEDULE OF REQUIRED MAINTENANCE LAST TEN FISCAL YEARS

Undistributed Expenditures - Required Maintenance For School Facilities

<u>\$ 575,600</u> <u>\$ 534,357</u> <u>\$ 604,007</u> <u>\$ 625,237</u> <u>\$ 477,288</u> <u>\$ 515,406</u> <u>\$ 601,484</u> <u>\$ 718,881</u> <u>\$ 973,355</u> <u>\$ 1,001,742</u>	School Facilities*  Dover High School Academy Street Dover Middle School East Dover Elementary School North Dover Elementary School	\$ 270,532 92,096 109,364 97,852 5,756	\$ 270,532 \$ 256,491 92,096 \$5,497 109,364 101,528 97,852 90,841	\$ 259,723 84,561 163,082 96,641	\$ 300,114 100,038 118,795 106,290	## Fiscal Year 2017  \$ 227,549  75,653  92,161  81,925	Fiscal Year End June 30,  2017  2018  \$ 227,549  \$ 247,424  75,653  82,415  92,161  97,939  81,925  87,629	\$ 180,445 102,252 192,475 126,312	\$ 215,664 122,210 230,042 150,965	\$ 292,007 165,470 311,474 204,405	\$ 370,645 120,209 150,261 230,401 130,226
	"	\$ 575,600	\$ 534,357	\$ 604,007	\$ 625,237	\$ 477,288	\$ 515,406	\$ 601,484		\$ 973,355	\$ 1,001,742

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

# DOVER PUBLIC SCHOOL DISTRICT INSURANCE SCHEDULE JUNE 30, 2022 UNAUDITED

	Coverage	Deductible
School Package Policy - Selective Insurance Company: Property – Blanket Building & Contents	\$ 101,869,525	\$ 2,500.00
Artificial Turf	2,840,386	2,500
Fences	92,813	2,500
Computer Coverage	4,365,298	500
Audio Visual	955,000	250
Band Uniform	42,254	250
Musical Instruments	137,749	250
Schedule Equipment	269,914	500
Boiler & Machinery - Property Damage	Included in Blanket B	uilding Limit \$500
Comprehensive General Liability Each Occurrence	1,000,000	
General Aggregate	2,000,000	
Products – Completed Operations	2,000,000	
Personal and Advertising Injury Limit	1,000,000	
Damage to Premises Rented to you	1,000,000	
Comprehensive Auto Liability	1,000,000	
Employee Benefits Liability – Each Occurrence General Aggregate	1,000,000 2,000,000	1,000
Abuse or Molestation – Each Occurrence General Aggregate	1,000,000 2,000,000	
School Board Legal Liability: Directors & Officers: Per Claim \$10,000 Aggregate	1,000,000	
Aggregate Aggregate	2,000,000	

## DOVER PUBLIC SCHOOL DISTRICT INSURANCE SCHEDULE JUNE 30, 2022 UNAUDITED

	Coverage	Ι	Deductible
School Package Policy - Selective Insurance Company:			
Umbrella Liability:			
Occurrence	\$ 10,000,000		
Aggregate	10,000,000		
Volunteer Accident Policy – QBE Insurance Corporation:			
Accidental Death Benefit	15,000		
Accident Medical Benefits	50,000		
Accidental Dismemberment Benefit	50,000		
Crime Coverage:			
Theft of Money and Securities	25,000	\$	500
Robbery or Safe Burglary of other Property	25,000		500
Money and Securities outside the premises Coverage applies per locat	25,000		500
Athletic Student Accident – Arch Insurance Group:			
Accidental Death	10,000		
Single Dismemberment	25,000		
Double Dismemberment	50,000		
Aggregate Limit of Liability	500,000		
Accident Medical & Dental Max Benefit	25,000		
Catastrophic Coverage – United State Fire Insurance Company			
Maximum Benefit	1,000,000		
Driving School License Bond – Selective Insurance Company	10,000		
Blanket Employee Dishonesty Bond – Selective Insurance Company	50,000		500
Position Bond – Selective Insurance Company			
John Griffin – Treasurer	300,000		
Raymond Slamb – Board Secretary	300,000		

Source: Dover Public School District records.

SINGLE AUDIT SECTION



Mount Arlington, NJ Newton, NJ Bridgewater, NJ 973.298.8500 nisivoccia.com Independent Member BKR International

## 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 Dover Public School District County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Dover Public School District, a component unit of the Township of Dover, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 17, 2023.

#### **Report on Internal Control Over Financial Reporting**

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

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

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

The Honorable President and Members of the Board of Education Dover Public School District Page 2

#### **Report on Compliance and Other Matters**

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

#### **Purpose of this Report**

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

February 17, 2023 Mount Arlington, New Jersey NISIVOCCIA LLP

Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant

Kathryn L. Mantell

Visivoccia, LLP



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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

#### **Independent Auditor's Report**

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

#### Report on Compliance for Each Major Federal and State Program

We have audited the Dover Public School District's (the District'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 District's major federal and state programs for the fiscal year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.* Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 District 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 District's compliance with the compliance requirements referred to above.

The Honorable President and Members of the Board of Education Dover Public School District Page 2

#### 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 District's federal and state programs.

#### Auditors' 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 District'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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 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 District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 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 District'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 District'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's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

The Honorable President and Members of the Board of Education Dover Public School District Page 3

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

February 17, 2023 Mount Arlington, New Jersey Nisivoccia, LLP NISIVOCCIA, LLP

Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant

Kathryn L. Mantell

# DOVER PUBLIC SCHOOL DISTRICT SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

					Balanc	Balance at June 30, 2021	121			Balanc	Balance at June 30, 2022	122	
Ē	Assistance	Č	Ć		Budgetary	Budgetary		Ţ	Budgetary -	Budgetary	Budgetary		Amounts
rederal Orantor/rass Inrougn Grantor/ Program/Cluster Title	Number	Project No.	Grant Period	Award	Accounts Receivable	Unearned Revenue	Due to Grantor	Received	Expendi- tures	Accounts Receivable	Unearned	Grantor	Provided to Subrecipients
U.S. Department of Agriculture:													
Passed-through State Department of Agriculture:													
Cultur Indiction Cluster: Food Distribution Program	10.555	A/Z	7/1/21-6/30/22	\$ 122.942				\$ 122.942	(122,898)		4		
Food Distribution Program	10.555	N/A	7/1/20-6/30/21			\$ 2,208							
Fresh Fruit and Vegetable	10.582	N/A	7/1/21-6/30/22	94,657				86,339	(94,657)	\$ (8,318)			
Fresh Fruit and Vegetable	10.582	N/A	7/1/20-6/30/21	20,660	\$ (3,723)			3,723					
COVID-19:													
Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	2,367,299				2,176,935	(2,367,299)	(190,364)			
Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	168,885	(117,631)			117,631					
Emergency Operational Costs													
Reimbursement Program	10.555	N/A	7/1/21-6/30/22	129,324				129,324	(129,324)		Ī		
Total Child Nutrition Cluster					(121,354)	2,208		2,636,894	(2,716,386)	(198,682)	44		
Administrative Core	10.640	V/1V	7/1/21 6/30/22	6 108				6 100	(6 108)				
Total U.S. Department of Agriculture	10:01	Y.	77 00 00 17 11	0,170	(121,354)	2,208		2,643,092	(2,722,584)	(198,682)	44		
U.S. Department of Education:													
Special Revenue Fund:													
Passed-through State Department of Education:													
Elementary and Secondary Education Act:													
Title I	84.010	ESEA111022	7/1/21-9/30/22	1,663,675				838,425	(1.623.399)	(784.974)			
Title I	84.010	ESEA111021	7/1/20-9/30/21	1,805,167	(725,029)			725,029					
Total Title I					(725,029)			1,563,454	(1,623,399)	(784,974)			
Title IIA	84.367	ESEA111022	7/1/21-9/30/22	245,421				75,283	(159,406)	(84,123)			
Title IIA	84.367	ESEA111021	7/1/20-9/30/21	236,301	(98,766)			98,766					
Total Title II					(98,766)			174,049	(159,406)	(84,123)			
Title III	84.365	ESEA111022	7/1/21-9/30/22	185,353					(184,621)	(184,621)			
Title III	84.365	ESEA111021	7/1/20-9/30/21	251,249	(64,009)			64,009					
Total Title III					(64,009)			64,009	(184,621)	(184,621)			
Title III - Immigrant	84.365	ESEA111022	7/1/21-9/30/22	30,806					(30,782)	(30,782)			
Title III - Immigrant	84.365	ESEA111021	7/1/20-9/30/21	50,883	(20,077)			20,077					
Total Title III - Immigrant					(20,077)			20,077	(30,782)	(30,782)			
Title IV	84.424	ESEA111022	7/1/21-9/30/22	103,914					(90,269)	(90,269)			
Total Title IV									(90,269)	(90,269)			
Education Stabilization Fund:													
COVID 19 - CARES Emergency Relief	84.425D	CARES111022	3/13/20-9/30/22	1,263,266	(289,358)			446,578	(208,690)	(51,470)			
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	4.908.104	(1.075.995)				(1.445.731)	(2.521.726)			
Learning Acceleration (CRRSA)	84.425D	S425D210027	3/13/20-9/30/23	314.977	(			77.277	(118.326)	(41.049)			
Mental Health (CRRSA)	84.425D	S425D210027	3/13/20-9/30/23	45,000				33,750	(41,594)	(7,844)			
COVID 19 - ARP:													
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	11,030,647				1,234,133	(4,395,813)	(3,161,680)			
Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000				33,750	(33,750)				
					(1,365,353)			1,825,488	(6,243,904)	(5,783,769)			

DOVER PUBLIC SCHOOL DISTRICT SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

					Balanc	Balance at June 30, 2021	121			Balanc	Balance at June 30, 2022	022	
Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expendi- tures	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Amounts Provided to Subrecipients
U.S. Department of Education: (Continued) Passed-through State Department of Education: (Continued)	ntinued)												
Special Revenue Fund: (Continued)  Created Education Clusters (TDEA):													
COVID-19 - ARP - I.D.E.A. Part B, Basic	84.027X	IDEA111022	7/1/21-9/30/22	\$ 171,741				\$ 41,667	\$ (152,585)	\$ (110,918)			
I.D.E.A. Part B, Basic	84.027 84.173X	IDEA111022	7/1/21-9/30/22	796,063				605,888	(672,640)	(66,752)			
L. E.A. Preschool	84.173	IDEA111022	7/1/21-9/30/22	16,764	(2013)			16,764	(16,764)	(11.041)			
Total Special Education Cluster (IDEA)	64.1.7	DEA111021	1/1/20-9/30/21	1,,033	1 1			692,789	(855,793)	(179,017)			
Subtotal - Special Revenue Fund					(2,289,247)	j	j	4,339,866	(9,188,174)	(7,137,555)			
Total U.S. Department of Education					(2,289,247)			4,339,866	(9,188,174)	(7,137,555)			
U.S. Department of Treasury: Special Revenue Fund: ACSERS	21.027	N/A	7/1/21-6/30/22	206,514					(206,514)	(206,514)			
Total U.S. Department of Treasury									(206,514)	(206,514)			
U.S. Department of Health and Human Services: Medicaid Cluster: Medicaid Assistance Program	93.778	N/A	7/1/21-6/30/22	111,814				103,525	(111,814)	(8,289)			
Total U.S. Department of Health and Human Services/Total Medicaid Cluster	Services/Total	Medicaid Cluster						103,525	(111,814)	(8,289)			
Total Federal Awards					\$(2,410,601)	\$ 2,208	-0-	\$ 7,086,483	*(12,229,086)	\$(7,551,040)	\$ 44	-0-	-0- \$

N/A - Not Applicable

Schedule B Exhibit K-4 1 of 2

DOVER PUBLIC SCHOOL DISTRICT SCHEDULE OF OF EXPENDITURES OF STATE AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

				(Restated) B	(Restated) Balance at June 30, 2021	10, 2021		·	Balanc	Balance at June 30, 2022	22	MEMO	МО
State Grantor/Program Title	Grant or State Project Number	Grant Period	Award	Budgetary Accounts Receivable	Budgetary Uneamed Revenue	Due to Grantor	Cash Received	Budgetary Expendi- tures	GAAP Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education: General Fund State Aid: E-media-com A.14	22 405 024 5120 079	27/1016/30/22	. 22 002 700				0 00 30 514	\$ (32,003,700)				070 180 278	\$ 22 002 700
Equalization Aid Transportation Aid	22-495-034-3120-078	7/1/21-6/30/22					\$ 29,622,514 371,925	\$ (32,903,790) (413,123)				3(3,261,276) (41,198)	\$ 52,905,790 413,123
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,765,706				2,489,901	(2,765,706)				(275,805)	2,765,706
Security Aid Extraordinary Special Education Costs Aid	22-495-034-5120-084 22-495-034-5120-044	7/1/21-6/30/22	1,433,096				1,290,183	(1,433,096)	\$ (1.093.290)			(142,913)	1,433,096
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	1,697,140				1,612,556	(1,697,140)	(84,584)			(84,584)	1,697,140
On-Behalf TPAF Post Retirement Contributions On-Behalf TPAF Pension Contributions	22-495-034-5094-001 22-495-034-5094-002	7/1/21-6/30/22 7/1/21-6/30/22	1,836,422 7,750,685				1,836,422 7,750,685	(1,836,422) (7,750,685)					1,836,422 7,750,685
On-Behalf TPAF Non-Contributory Insurance On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004 22-495-034-5094-004	7/1/21-6/30/22 7/1/21-6/30/22	3,026				109,351 3,026	(109,351)					109,351 3,026
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	27,524,310	\$ (2,735,910)			2,735,910						27,524,310
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	413,123	(41,315)			41,315						413,123
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	2,765,706	(276,576)			276,576						2,765,706
Extraordary Special Education Costs Aid Extraordary Special Education Costs Aid Reimbursed TDAE Social Security Contributions	21-425-034-3120-084 21-495-034-5120-044 21-495-034-5094-003	7/1/20-6/30/21	1,091,933	(1,091,933)			1,091,933						1,091,933
Subtotal - General Fund				(4,367,474)			49,454,037	(50,005,629)	(1,177,874)			(4,919,066)	84,674,072
			•										
School Development Authority: Emergent Needs and Capital Maintenance Securing our Children's Future Bond Act	N/A N/A	7/1/21-6/30/22 7/1/20-6/30/21	75,702 176,812	(176,812)			75,702	(75,702)	(176,812)			(176,812)	75,702 176,812
Subtotal - School Development Authority				(176,812)				(75,702)	(176,812)			(176,812)	252,514
Special Revenue Fund Aid: Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	4,711,560				4,241,707	(4,544,256)		\$ 167,304		(469,853)	4,544,256
Preschool Education Aid Preschool Education Aid	21-495-034-5120-086 20-495-034-5120-086	7/1/20-6/30/21	4,593,498	(459,348)	\$ 2,164,444	\$ 3,093	459,348			2,164,444	\$ 3.093		2,757,171
Snap Program School Based Youth Services	N/A 1630-100-016-1630-013	7/1/21-6/30/22	25,500				25,500	(23,002)					23,002
School Based Youth Services	1630-100-016-1630-013	7/1/20-6/30/21	275,859			122,086	10,01	(11,01)			122,086		153,773
Subtotal - Special Revenue Fund				(459,348)	2,164,444	125,179	5,052,079	(4,892,782)		2,331,748	127,677	(469,853)	7,803,726
Total State Department of Education			·	(5,003,634)	2,164,444	125,179	54,506,116	(54,974,113)	(1,354,686)	2,331,748	127,677	(5,565,731)	92,730,312

DOVER PUBLIC SCHOOL DISTRICT SCHEDULE OF OF EXPENDITURES OF STATE AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

				(Restated) B	(Restated) Balance at June 30, 2021	0, 2021			Balanc	Balance at June 30, 2022	22	ME	МЕМО
	Grant or State	Grant	Award	Budgetary Accounts	Budgetary Uneamed	Due to	Cash	Budgetary Expendi-	GAAP Accounts	Budgetary Unearned	Due to	Budgetary	Cumulative Total
State Grantor/Program Title	Project Number	Period	Amount	Receivable	Revenue	Grantor	Received	tures	Receivable	Revenue	Grantor	Receivable	Expenditures
State Department of Agriculture: Food Service Fund: COVID 19 - Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22 \$	40,702				\$ 37,397	\$ (40,702)	\$ (3,305)			\$ (3,305)	\$ 40,702
Subtotal - Food Service Fund			,				37,397	(40,702)	(3,305)			(3,305)	40,702
Total State Department of Agriculture			,				37,397	(40,702)	(3,305)			(3,305)	40,702
Total State Awards			"	\$ (5,003,634)	\$ 2,164,444	\$ 125,179	\$ 54,543,513	\$ (55,014,815)	\$ (1,357,991)	\$ 2,331,748	\$ 127,677	\$(5,569,036)	\$ 92,771,014
Less: State Awards Not Subject to Single Audit Major Program Determination On-Behalf TPAF Pension System Contributions: On-Behalf TPAF Post Retirement Contributions On-Behalf TPAF Pension Contributions On-Behalf TPAF Non-Contributiory Insurance On-Behalf TPAF Long-Term Disability Insurance Subtotal - On-Behalf TPAF Pension System Contributions	gram Determination 22-495-034-5094-001 22-495-034-5094-002 22-495-034-5094-004 22-495-034-5094-004 tributions	7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22 7/1/21-6/30/22	(1,836,422) (7,750,685) (109,351) (3,026)					\$ 1,836,422 7,750,685 109,351 3,026 9,699,484					
Total State Awards Subject to Single Audit Major Program Determination	ogram Determination							\$(45,315,331)					

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

#### <u>DOVER PUBLIC SCHOOL DISTRICT</u> <u>NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS</u> FOR THE FISCAL YEAR ENDED JUNE 30, 2022

#### NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Dover Public School District under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### NOTE 3. INDIRECT COST RATE

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

#### NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General and Special Revenue Funds on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General and Special Revenue Funds 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 and Special Revenue Funds are presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$544,085) for the General Fund and (\$1,692,090) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

#### DOVER PUBLIC SCHOOL DISTRICT NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

#### NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund	\$ 111,814	\$ 49,461,544	\$ 49,573,358
Special Revenue Fund	7,725,690	4,945,392	12,671,082
Food Service Fund	2,722,584	40,702	2,763,286
Total Awards	\$ 10,560,088	\$ 54,447,638	\$ 65,007,726

#### NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

#### NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2022.

## DOVER PUBLIC SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

#### Summary of Auditors' Results:

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

	Assistance Listing/		Award	Budgetary
	State Grant Number	Grant Period	Amount	Expenditures
State:				
General Fund:				
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 32,903,790	\$32,903,790
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,765,706	2,765,706
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	1,433,096	1,433,096
Special Revenue Fund:				
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	4,711,560	4,544,256

### DOVER PUBLIC SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

#### Summary of Auditors' Results (Cont'd)

	Assistance Listing/		Award	Budgetary
<u>_</u>	State Grant Number	Grant Period	Amount	Expenditures
Federal:				
Education Stabilization Fund:				
COVID 19 - CARES				
Emergency Relief	84.425D	3/13/20-9/30/22	\$ 1,263,266	\$ 208,690
COVID 19 - CRRSA:				
ESSER II	84.425D	3/13/20-9/30/23	4,908,104	1,445,731
Learning Acceleration (ESSER	84.425D	3/13/20-9/30/23	314,977	118,326
Mental Health (ESSER)	84.425D	3/13/20-9/30/23	45,000	41,594
COVID 19 - ARP:				
ESSER III	84.425U	3/13/20-9/30/24	11,030,647	4,395,813
Mental Health	84.425U	3/13/20-9/30/24	45,000	33,750

- The threshold for distinguishing Type A and Type B federal programs was \$750,000. The threshold for distinguishing Type A and Type B state programs was \$1,359,460.
- The District was determined to be a "low-risk" auditee for federal and state programs.
- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

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

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

#### Findings and Questioned Costs for Federal Awards:

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

#### Findings and Questioned Costs for State Awards:

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

## DOVER PUBLIC SCHOOL DISTRICT SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

#### Status of Prior Year Findings:

There were no prior year findings.